



North Carolina Department of Health and Human Services Division of Social Services

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Beverly Eaves Purdue, Governor
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director
(919) 733-3055

May 28, 2009

Dear County Director:

Attention: Work First Program Administrators, Supervisors and Staff

Subject: Releasing Child Support Payments in Pay for Performance Cases

This letter is being sent to counties that are currently practicing Pay for Performance or Work First Benefits, whether an Electing county or a Demonstration county. For the purposes of this letter and simplicity, this practice will be referred to as Work First Benefits (WFB) regardless of the model that is being practiced in an individual county.

In preparing for statewide implementation of Work First Benefits (WFB), the Division is changing the way participants receive their Work First Checks and Child Support Payments. Once effective, Work First Benefits will require all Work First parents to complete all aspects of their Mutual Responsibility Agreement (MRA) Core Requirements and MRA Plan of Action before receiving a Work First Check, unless there is good cause. Child-only cases will not be subject to WFB and will continue to be managed as in current policy.

The Division's Work First and Child Support Enforcement (CSE) staff and management have been meeting and have identified issues with budgeting child support, releasing the child support payment, reimbursing public assistance, and federal reporting requirements. The Division has recognized the need to implement some changes prior to statewide WFB implementation, regarding the release of child support payments in the counties that are currently practicing WFB. These changes should be implemented by May 30, 2009, in the Demonstration Counties. The Division strongly urges Electing Counties to implement these changes also by May 30, 2009.

Based on current Work First Policy, Section 119, XI., when a two-parent family does not receive assistance from Work First, the family is entitled to receive any child support payments made to support their children. This includes months in which a family is in WFB status and they do not receive a check from Work First.

Families in WFB status may or may not receive assistance on a month-to-month basis. In order to avoid having to verify every month whether or not a check was released, Child Support pays support directly to families every month they are in WFB status, and Work First budgets the support as income for as long as the family is in WFB status.

This current policy for two-parent families is also the practice followed by some of the counties practicing WFB for single parent families, as well. The problem with this practice is that the state and federal government do not get their share of the child support payments that would otherwise be assigned to the state when a Work First payment is being made.

Other counties practicing WFB have taken a different approach. In some counties, the child support is not budgeted, but continues to be assigned to the state. However, when the Work First check is not released, the Work First worker sends a message to Child Support using the notepad in ACTS to release the Child Support check. This is a manual process that is labor intensive. However, we have learned from management with the Child Support Enforcement (CSE) Section that this practice is creating problems for their staff, especially as we add more counties to WFB. Now that WFB has expanded in the Demonstration Counties and in anticipation of implementing WFB statewide, this practice cannot continue.

Policy Implementation

Effective May 30, 2009.

If a parent applies for Work First and is subject to WFB in your county, whether an Electing or Demonstration County, the county must budget any Child Support in determining eligibility only for Work First, as is currently the policy. The Child Support should be assigned to the State as usual. When determining the benefit amount, child support should not be budgeted as income for as long as the family is active in WFB.

In WFB, if a family does not receive their Work First Check due to the parent's failure to comply with their MRA, the child support payment will continue to be assigned the state. The child support payment will not be released. Families are still considered active for Work First Family Assistance, even if they do not receive a Work First check due to WFB.

When the participant complies with their MRA, the Work First check will be released, and their child support continues to be assigned to the state. If the participant fails to comply with their MRA without good cause, their check will not be released the following month. The county must issue an adequate notice, notifying the participant their Work First case will be terminated and transferred to Medicaid effective the first day of the month following the month of the notice. At that point, the case switches from a "Public Assistance (PA) case in Acts to "Non-Public Assistance (NPA) and Medicaid Only (MAO) for the purposes of Child Support. The family will then receive any child support payments up to the obligation amount. Excess child support will be applied to any Unreimbursed Public Assistance (URPA) balance.

This process will require that participants be given full information about what is expected of them and what they can expect if they do not comply with their MRA without good cause. County staff must help participants understand that if they do not comply with their MRA without good cause, they will not receive their Work First check the following month, and they will also not get their Child Support payment that month. Participants will only receive their Child Support after their Work First case has terminated and the case is transferred to Medicaid. This process will also require that careful consideration be made as to whether good cause exists.

If you have any questions regarding this information, please contact your Work First Representative or Markette Hester at markette.hester@ncmail.net or (919) 334- 1111.

Sincerely,



Dean Simpson, Chief
Economic and Family Services Section



Barry Miller, Chief
Child Support Enforcement Section

cc: Sherry Bradsher
Jack Rogers
Sarah Barham
Hank Bowers
Work First Representatives
Local Business Liaisons

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