

March 20, 1998

MEMORANDUM

TO: Community College Presidents
FROM: H. Martin Lancaster
SUBJECT: WELFARE REFORM OVERVIEW

Purpose

This memorandum provides an overview of welfare reform in North Carolina. First, I gratefully acknowledge your past and ongoing contributions to the State's welfare reform initiative. North Carolina's welfare rolls have declined 31 percent, from 113,485 families in June 1995 to 78,473 in January 1998 (see Attachment A for data by county, as of 2/1/98). More than 50,000 North Carolina families have obtained jobs. During the 1996-97 academic year, the Division of Social Services' Employment Program Information System (EPIS) indicates that more than 33,000 Work First clients were enrolled in community college programs (see Attachment B for 1995-96, 1996-97, and Fall Semester 1997 data). While no one agency or organization can assume total credit for this accomplishment, I know you have contributed greatly to this success.

Because of the magnitude of the total welfare reform in the State, information on the various components of welfare reform may become confusing. We have found it helpful to use the term "Welfare Reform" as the overarching term to encompass the total initiative and to group components of the initiative under the Welfare Reform umbrella. When one chooses this view, the initiative can be illustrated as follows.

WELFARE REFORM IN NORTH CAROLINA

Level of Administration	Work First (Temp. Assistance to Needy Families)	First Stop	Welfare-to-Work
National	U.S. Dept. Of Health And Human Services	N/A	U.S. Dept of Labor
State	N.C. Dept. Of Health and Human Services ----- Div. Of Social Services ----- N.C. Comm. Coll. Sys.	N.C. Dept. Of Commerce ----- Emp. Sec. Comm. ----- N.C. Comm. Coll.	N.C. Dept. Of Commerce ----- Div. Of Employment And Training ----- CC-98-091

Local	Dept. Of Social Serv.	Emp. Sec. Comm.	Formula Grants from States to Private Ind. Councils (WF Dev. Boards)
	Comm. Coll.	Comm. Coll.	Comp. Grants to Local Gov., PIC (WDB), Priv. Entities (...Comm. Coll.)

Work First (TANF)

Until recently, if individuals were receiving welfare in North Carolina, it usually meant they were recipients of "Aid for Families with Dependent Children" (AFDC). If they were not exempt based on having preschool aged children or a physical disability, they were also very likely involved in a work program called "Job Opportunity and Basic Skills" (JOBS). AFDC was the federal name for an entitlement program which provided cash assistance based on need, income, resources, and family size. The JOBS program provided assistance to people on AFDC to become self-sufficient by providing work, education, training, transportation, and child care services.

In July 1995, welfare reform was introduced in North Carolina with the establishment of the Work First program. The program emphasizes work and personal responsibility and set strict time limits on benefits and sanctions for those who refuse to comply. Also, when appropriate, it eases entry (or reentry) to the job market through training and temporary assistance. In Work First, work is required.

Recipients must get a job, paid or unpaid, or be in short-term training within 12 weeks of first receiving benefits. The job or the training must occupy recipients at least 30 hours per week. The benefits under Work First are limited to two years. All recipients must sign a mutual responsibility agreement (formerly called a personal responsibility agreement) which details their plan for moving from welfare to self-sufficiency.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed by President Clinton in August 1996. This legislation phased in new national welfare requirements and in July 1997, the Temporary Assistance for Needy Families (TANF) program became operational. TANF replaced the AFDC and JOBS programs. Because North Carolina already had a welfare reform program in place, it was permitted to continue the Work First program under TANF funding and had only to integrate some of the TANF requirements into the preexisting tenets of Work First. Under Work First (TANF), an individual has a lifetime limit for receiving benefits of five years. In North Carolina, after a Work First client has received benefits for two years, the client must wait three years before again becoming eligible for consideration for Work First benefits.

The North Carolina Work First program represents a new way of providing public assistance and employment services by focusing on the importance of work and personal responsibility. As such, local departments of social services require able-bodied adults to work (or train) in exchange for time-limited cash benefits. The benefits involve providing families with the necessary resources to move from welfare to work. As needed, intensive employment services may be provided to

eligible clients. These services may include short-term training, community service activities, job search and job placement opportunities, help with child care, transportation assistance, and referral to local agencies. Work First recognizes that moving families from welfare to self-sufficiency involves and needs the collective energies of all community partners in a focused effort.

One welfare reform role of the North Carolina Community College System is to actively partner with public, private, and nonprofit agencies in our respective service areas by working collaboratively to provide client services to citizens in need of these services in our communities.

The following objective have been established by the System to meet North Carolina's goal of having every able-bodied welfare recipient, by the year 2000, in a job or job training program.

1. To provide short-term training for Work First participants to enter employment, to retain employment, and to obtain skills for jobs that pay higher wages.
2. To increase pre- and post-employment training.
3. To provide more opportunities for nontraditional instruction.
4. To collect/share enrollment and outcome data of Work First participants in community colleges.

To meet objective one, colleges are encouraged to use the North Carolina Community College System Training Model, Pathways to Employment, when programming instruction for welfare clients. It is an excellent tool to use in designing job preparedness training. The model was developed with community college involvement, local social services, and workforce development agencies. More than 500 local people attended the five area meetings conducted throughout the state to introduce the model. To meet each objective, all community partners must work collaboratively to achieve the highest level of success with welfare reform.

Additional information about the Work First program may be obtained through the U.S. Department of Health and Human Services' website (<http://www.dhhs.gov>), and the North Carolina Department of Health and Human Services' website (<http://www.dhr.state.nc.us/DHR>).

First Stop

As stated in memorandum CC-98-032, North Carolina launched the First Stop Employment Assistance Program on February 2, 1998. This program, passed by the General Assembly in its 1997 session, requires every nonexempt person who applies or reapplies for family assistance through the Work First (TANF) program to register for employment through the Employment Security Commission (ESC) before their benefits will be approved.

A Memorandum of Understanding (MOU), established and administered by the Department of Commerce (DOC), has been signed by the involved parties, designating the Community College System as the lead agency for delivering job training, literacy and adult education programs in the state as provided in G.S.115D-1 (see Attachment C for a schematic service delivery model for First Stop).

A Memorandum of Agreement (MOA) between ESC and the local departments of social services has been signed designating a point of registration for the First Stop program in all North Carolina counties. This MOA designation does not preclude an individual from registering at any ESC location in the client's county of residence.

Additional information on this program may be obtained through the North Carolina Department of Commerce's website (<http://www.commerce.state.nc.us>) or (<http://www.esc.state.nc.us>).

Welfare-to-Work

The Welfare-to-Work (WtW) initiative is an effort by the federal government to encourage states to find ways to put the hardest to serve welfare clients (e.g., those with a poor job history, a history of substance abuse, poor math and reading skills, and/or long-term welfare recipients) to work. The state will receive roughly \$50 million in federal formula grant funds over the next two years and other entities may receive competitive grant funds through the program. In order to receive formula funds, the State must submit a plan for the administration of the WtWW grant. The Secretary of Labor must determine that the plan meets the statutory requirements. Governors are responsible for administering formula funds and for assuring that they are coordinated with funds spent under the TANF block grant. North Carolina submitted its Plan to Washington on March 10, 1998.

Entities (including community colleges) operating WtW projects may use WtW funds for job readiness activities; employment activities; job placement services; post-employment services (i.e., basic skills/occupational skills/ESL training, and mentoring); and job retention services (which can be provided with WtW funds only if they are not otherwise available to the participant). Community colleges are eligible to apply for competitive grants, and eligible to receive funds from workforce development boards through contractual relationships.

Additional information on this program may be obtained through the U.S. Department of Labor's website (<http://wtw.doleta.gov>) or the North Carolina Department of Labor's website (<http://www.dol.state.nc.us/DOL>).

Should you need additional information, please contact Charles Barham at the System Office, extension 408.

HML/LFW
Attachments

c: Senior Continuing Education Administrators