

## **TANF Caseload Reduction Credit Report**

The NC Department of Health and Human Services (DHHS) will submit the TANF Caseload Reduction Credit Report (ACF 202) to the United States Department of Health and Human Services. This report covers the Federal Fiscal Year 2019. This report will be available for public review and comment during the period of December 18, 2019 – December 27, 2019.

The report relates to the TANF caseload reduction credit the State will claim for the reduction in its Work First Family Assistance caseload. Anyone interested may review these documents at the following locations:

- The NC Division of Social Services, Hargrove Building, Dorothea Dix Campus, located at 820 S Boylan Avenue, Raleigh, NC
- On the web at <https://www2.ncdhhs.gov/dss/pubnotice/index.htm>

### [TANF Caseload Reduction Credit Report\\*](#)

\* The document is a pdf document. Users must have adobe acrobat reader installed on their computer. If you do not have adobe reader installed it can be downloaded for free at [www.adobe.com](http://www.adobe.com).

Citizens interested in commenting on the plan must submit written comments no later than December 27, 2019. Please mail or fax comments to:

TANF CRCR Comments  
Richard Stegenga, Deputy Director of DSS Business Operations  
NC Department of Health and Human Services  
Division of Social Services  
2401 Mail Service Center  
Raleigh, NC 27699-2401  
Fax (919) 715-4645

You may also email comments by December 27, 2019 to: [crcrcomment@dhhs.nc.gov](mailto:crcrcomment@dhhs.nc.gov).

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 12/13/2019**

**State: North Carolina**

**Fiscal Year to which credit applies: 2020**

Overall Report  (check one)  
Two-parent Report

Apply the overall credit to the two-parent participation rate?  yes  
 no

**PART 1 –Eligibility Changes Made Since FY 2005**  
(Complete this section for EACH change)

1. Name of eligibility change: **Work First Benefits**
2. Implementation date of eligibility change: **April 2011**
3. Description of policy, including the change from prior policy:

**September 2009 Policy:** Policy was revised to mandate that in order to receive a Work First Family Assistance (WFFA/TANF) check, all aspects of the recipients' Mutual Responsibility Agreement (MRA) Core Requirements and the MRA Plan of Action must be met, unless there is good cause. This includes completing the required hours of work, training, education, or other activities. Work First cash assistance checks will be issued the month after completing all requirements on the MRA for the benefit month.

**Revised Policy:** If the recipient complies with his/her MRA, the administrative reopen and administrative reapplication automated processes can be used for Work First Benefits (WFB) cases that have closed without having to complete the manual application process. This change was effective April 2011.

4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form):

The methodology used to calculate this impact comes from the North Carolina Families Accessing Services through Technology, referred to as NC FAST case management system.

A count of the number of Work First Benefits cases closed or sanctioned each month due to non-compliance with the MRA was generated. The codes used from NC FAST to generate this data include: 'NFCC5036' (Client failed to meet requirements of MRA); 'NFSR5008' (Work First Family Assistance Employment Services Non-Compliance); 'NFSR5010' and 'NFSR5018 (Failure to participate in required substance abuse treatment; Failure to participate in required Substance Use Treatment).

A 5% attrition rate was then applied (to account for cases that may have left the caseload anyway). A table was created to calculate the rate for the Work First Benefits closures and a final table was created to combine the decaying effects of the caseload returns and attrition. The results are displayed in the Part II excel spreadsheet attached.

For FFY2019, the effect of this policy is -6325.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: -6325

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 12/13/2019

State: North Carolina

Fiscal Year to which credit applies: 2020

1. Name of eligibility change: **Job Quit Penalty**
2. Implementation date of eligibility change: **March 2010**
3. Description of policy, including the change from prior policy:

The Job Quit Penalty was implemented in March 2010. Under this policy, a family will be ineligible for Work First Family Assistance for a period of three months if the participant quits a job without good cause or is dismissed from a job due to work place behavior. The ineligible period is defined as the month of quit and the next two months (effective March 2010).

**April 2012:** A new Job Quit History tracking screen was created in the Eligibility Information System (EIS) to assist caseworkers in identifying individuals with a Job Quit penalty. Policy was also expanded to clarify the Job Quit penalty period.

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

The methodology used to calculate this impact for FY2019 comes the North Carolina Families Accessing Services through Technology, referred to as NC FAST case management system.

The methodology used in NC FAST is the actual number of TANF cases sanctioned for Job Quit with code 'NFSR5003' which resulted in a case closure with code 'NFCC5078'. If the family is new to Work First/TANF, Job Quit is not applied at application. However, if the family has received Work First/TANF in the past and Job Quit was explained, then the Job Quit sanction may be applied at application.

For FFY2019, the effect of this policy is -6.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: -6

# FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

**Date of Completion: 12/13/2019**

**State: North Carolina**

**Fiscal Year to which credit applies: 2020**

1. Name of eligibility change: **Substance Use Testing**
2. Implementation date of eligibility change: August 1, 2015
3. Description of policy, including the change from prior policy:

The North Carolina General Assembly revised North Carolina General Statue 108A-29.1, to require screening of each applicant for or recipient of Work First (TANF) program assistance whom the Department reasonably suspects is engaged in the illegal use of controlled substances. When reasonable suspicion has been established, the drug test for Work First program applicants and recipients becomes a condition of eligibility.

If the applicant or recipient does not complete either the Alcohol Use Disorder Identification Test (AUDIT) or the Drug Abuse Screening Test (DAST-10), refuses testing, or has a confirmed positive test result, the applicant or recipient is ineligible for Work First cash assistance. The remaining household members may be eligible to receive Work First.

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

The methodology used to calculate this impact for FY2019 comes from the case management system, North Carolina Families Accessing Services through Technology (NC FAST). The actual number of TANF cases closed due to Substance Use related sanctions when no remaining household members are eligible were calculated. The Substance Use related sanction codes include:

NFSR5019 – Refused AUDIT/DAST-10 Assessment;  
NFSR5010 – Failure to participate in required substance use treatment;  
NFSR5016 – Positive Substance Use Test;  
NFSR5017 – Failure to attend QPSA Appointment/Substance Use Test;  
NFSR5018 – Failure to participate in required Substance Use Treatment.

For FFY2019, the effect of this policy is -1

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: -1

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 12/13/2019**

**State: North Carolina**

**Fiscal Year to which credit applies: 2020**

**PART 2 – Estimate of Caseload Reduction Credit**

(Complete Part 2 using Excel Workbook provided.)

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**  
**Overall Credit**

	A	B	C	D	E	F
1	North Carolina			Fiscal Year to which credit applies:		2020
2				Date of Completion:	12/11/2019	
3	<b>PART 2 – Estimate of Caseload Reduction Credit</b>					
4						
5	<u>Impact of All Changes</u>			<u>Caseload Reduction Calculation</u>		
6	Work First Benefits	-6325		FY 2005 TANF Caseload	33,773	
7	Job Quit Penalty	-6		FY 2005 SSP Caseload		
8	Substance Use Testing	-1		<b>Total FY 2005 Caseload</b>	<b>33,773</b>	
9				FY 2019 TANF Caseload	13,592	
10				FY 2019 SSP Caseload		
11				<b>Total FY 2019 Caseload</b>	<b>13,592</b>	
12				Excess MOE Cases in FY 2019	2,010	
13				<b>Adjusted FY 2019 Caseload</b>	<b>11,582</b>	
14				Caseload Decline	22,191	65.7%
15				Decline – Net Impact	15,859	
16						
17				Caseload Reduction Credit =		<b>47.0%</b>
18						
19						
20						
21						
22						
23						
24						
25						
26	<b>Net Impact</b>	<b>-6,332</b>				
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**  
**Two-Parent Credit**

	A	B	C	D	E	F
1	North Carolina			Fiscal Year to which credit applies:		2020
2				Date of Completion:	12/11/2019	
3	<b>PART 2 – Estimate of Caseload Reduction Credit -- 2-Parent Caseload</b>					
4						
5	Impact of All Changes			<u>Caseload Reduction Calculation</u>		
6				FY 2005 TANF 2-Parent Caseload		
7				FY 2005 SSP 2-Parent Caseload		
8				<b>Total FY 2005 Caseload</b>	<b>0</b>	
9				FY 2019 TANF 2-Parent Caseload		
10				FY 2019 SSP 2-Parent Caseload		
11				<b>Total FY 2019 2-Parent Caseload</b>	<b>0</b>	
12				Excess MOE 2-Parent Cases in FY 2019	0	
13				<b>Adjusted FY 2019 Caseload</b>	<b>0</b>	
14				Caseload Decline	0	0.0%
15				Decline – Net Impact	0	
16						
17				<b>2-Parent Caseload Reduction Credit =</b>		<b>0.0%</b>
18						
19						
20						
21						
22						
23						
24						
25						
26	<b>Net Impact</b>		<b>0</b>			
27						
28						

	Impact on Each Month in FY 2019												Grand Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>Time of Closure</b>													
Prior years carryover	-6,275	-5,961	-5,663	-5,380	-5,111	-4,855	-4,613	-4,382	-4,163	-3,955	-3,757	-3,569	
Oct	-315	-299	-284	-270	-257	-244	-232	-220	-209	-199	-189	-179	
Nov		-304	-289	-274	-261	-248	-235	-223	-212	-202	-192	-182	
Dec			-278	-264	-251	-238	-226	-215	-204	-194	-184	-175	
Jan				-309	-294	-279	-265	-252	-239	-227	-216	-205	
Feb					-292	-277	-264	-250	-238	-226	-215	-204	
Mar						-297	-282	-268	-255	-242	-230	-218	
Apr							-244	-232	-220	-209	-199	-189	
May								-205	-195	-185	-176	-167	
Jun									-209	-199	-189	-179	
Jul										-251	-238	-227	
Aug											-231	-219	
Sep												-261	
<b>Total</b>	-6,590	-6,565	-6,514	-6,498	-6,465	-6,438	-6,361	-6,248	-6,144	-6,088	-6,015	-5,975	-75,899
<b>FY 2019 monthly average</b>												-6,325	

**North Carolina**

Job Quit

Job Quit

Date of Completion: 12/11/2019

	Impact on Each Month in FY 2019												Grand Total	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
<b>Time of Closure</b>														
Prior years carryover	0	0	0	0	0	0	0	0	0	0	0	0	0	
Oct	10	0	0	0	0	0	0	0	0	0	0	0	0	
Nov		5	0	0	0	0	0	0	0	0	0	0	0	
Dec			12	0	0	0	0	0	0	0	0	0	0	
Jan				9	0	0	0	0	0	0	0	0	0	
Feb					3	0	0	0	0	0	0	0	0	
Mar						10	0	0	0	0	0	0	0	
Apr							5	0	0	0	0	0	0	
May								6	0	0	0	0	0	
Jun									1	0	0	0	0	
Jul										5	0	0	0	
Aug											7	0	0	
Sep													3	
<b>Total</b>	10	5	12	9	3	10	5	6	1	5	7	3		76
<b>FY 2019 monthly average</b>													6	

Time of Closure	Impact on Each Month in FY 2019												Grand Total	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
Prior years carryover	0	0	0	0	0	0	0	0	0	0	0	0	0	7
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	
Nov	1	0	0	0	0	0	0	0	0	0	0	0	0	
Dec	1	0	0	0	0	0	0	0	0	0	0	0	0	
Jan	1	0	0	0	0	0	0	0	0	0	0	0	0	
Feb	1	0	0	0	0	0	0	0	0	0	0	0	0	
Mar	1	0	0	0	0	0	0	0	0	0	0	0	0	
Apr	1	0	0	0	0	0	0	0	0	0	0	0	0	
May	1	0	0	0	0	0	0	0	0	0	0	0	0	
Jun	1	0	0	0	0	0	0	0	0	0	0	0	0	
Jul	1	0	0	0	0	0	0	0	0	0	0	0	0	
Aug	1	0	0	0	0	0	0	0	0	0	0	0	0	
Sep	1	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>	0	1	0	1	0	0	1	1	1	1	1	1	0	
<b>FY 2019 monthly average</b>													1	

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT  
Excess MOE Worksheet**

	A	B	C	D	E	F
1	North Carolina			Fiscal Year to which credit applies:		2020
2				Date of Completion:		12/11/2019
3	<b>Excess MOE Calculation Worksheet</b>					
4						
5	<b>Caseload Data</b>			<b>Expenditure Data</b>		
6	FY 2005 TANF Caseload	33,773		<b>Total Expenditures</b>		
7	FY 2005 SSP Caseload	0		FY 2019 Total Federal Expenditures		\$288,770,147
8	<b>Total FY 2005 Caseload</b>	<b>33,773</b>		FY 2019 Total MOE Expenditures		\$242,601,135
9	FY 2019 TANF Caseload	13,592		<b>Total Expenditures (Federal + MOE)</b>		\$531,371,282
10	FY 2019 SSP Caseload	0				
11	<b>Total FY 2019 Caseload</b>	<b>13,592</b>		<b>Assistance Expenditures</b>		
12				FY 2019 Federal Expenditures on Assistance		\$32,609,003
13	<b>2-Parent Caseload Data</b>			FY 2019 MOE Expenditures on Assistance		\$1
14	FY 2005 2-p TANF Caseload	0		<b>Total Expenditures on Assistance (Federal + MOE)</b>		\$32,609,004
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		6.14%
16	<b>Total FY 2005 Caseload</b>	<b>0</b>				
17	FY 2019 2-p TANF Caseload	0		<b>Expenditures Per Case</b>		
18	FY 2019 2-p SSP Caseload	0		Average Expenditures per Case		\$39,094
19	<b>Total FY 2019 Caseload</b>	<b>0</b>		Average Expenditures per Case on Assistance		\$2,399
20						
21				<b>MOE and Excess MOE</b>		
22				Required MOE (80% or 75%)		\$164,014,910
23				Excess MOE Expenditures		\$78,586,225
24				Excess MOE Expenditures on Assistance		\$4,822,652
25	<b>Adjusted Caseload Data</b>					
26	Adjusted FY 2019 Overall Caseload	11,582		<b>Assistance Cases Funded by Excess MOE</b>		<b>2,010</b>
27	Adjusted FY 2019 2-parent Caseload	0		<b>2-Parent Assistance Cases Funded by Excess MOE</b>		<b>0</b>
28						
29						
30						
31						
32						
33						

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 12/13/2019

State: North Carolina

Fiscal Year to which credit applies: 2020

**PART 3 -- Certification**

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 2005.



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(signature)

Richard Stegenga

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(name)

Deputy Director of DSS Business Operations

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(title)