

**Testimony**  
**Engrossed Senate Bill 2012 – Department of Human Services**  
**House Appropriations – Human Resources Division**  
**Representative Pollert, Chairman**  
**March 5, 2015**

Chairman Pollert, members of the House Appropriation Committee – Human Resources Division, I am Carol Cartledge, Director of the Economic Assistance Policy Division, for the Department of Human Services (Department). I am here today to provide an overview of programs and services that make up the budget request for the Economic Assistance Policy (EAP) Division.

**Programs**

Economic Assistance Policy Division (EAP) is responsible for Basic Care Assistance, Child Care Assistance, Low Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF) programs. This includes implementation of applicable state and federal laws and distribution of benefits to qualified individuals and providers.

The division also includes Quality Assurance/Quality Control units that complete reviews for payment accuracy and program integrity and Regional Representatives who are the liaisons between county social service eligibility workers and the Department.

**Program Trends/Program Changes**

**Basic Care Assistance**

For the 2015-2017 biennium, the Department estimates serving an average of 618 residents in licensed basic care facilities, compared to the 2013-2015 biennium budget which was based on an average of 615

residents. Basic Care Assistance provides help with room and board costs. Basic Care personal care services funding is included in the Medical Services budget area.

### **Child Care Assistance**

The Child Care Assistance program helps income-eligible families pay for child care while they work or attend school or training.

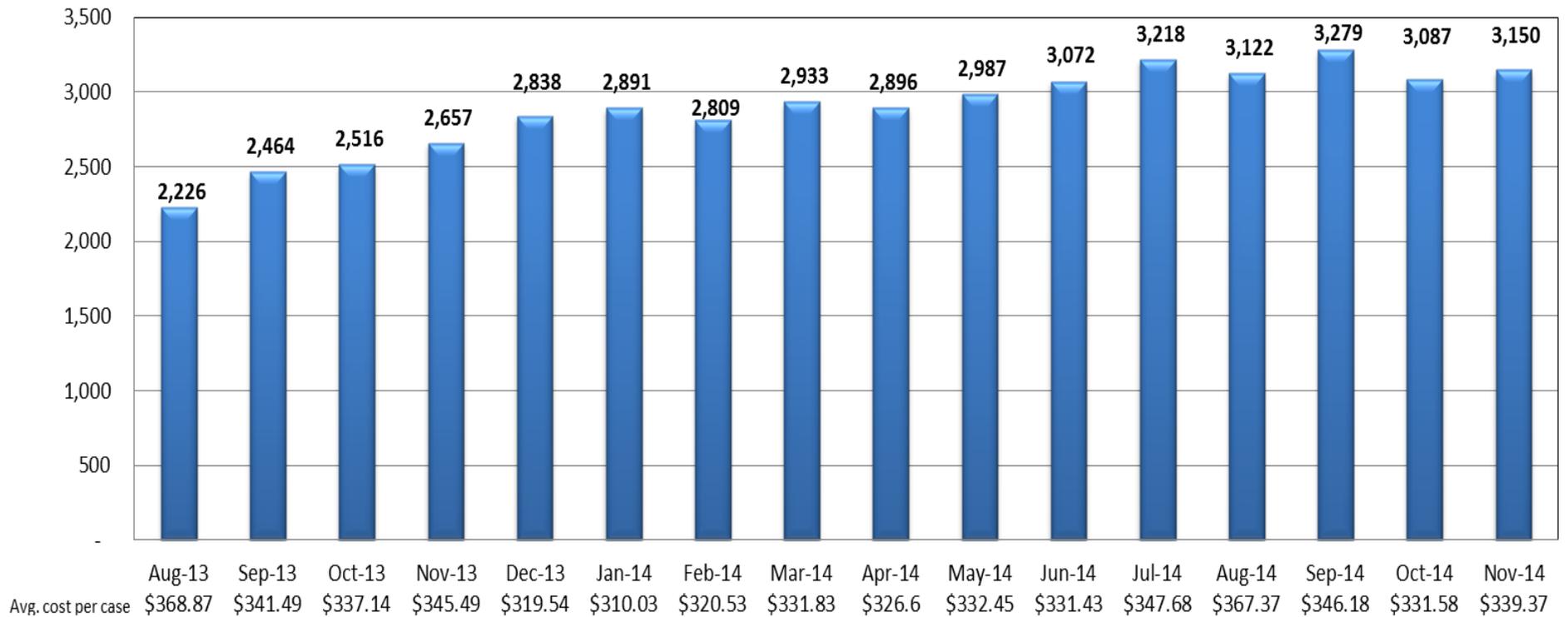
The budget request continues action from the 2013 Legislative Assembly to increase the income level to 85% of state median income, and to decrease the family co-payment. In addition, the budget request takes into consideration policy changes due to reauthorization of the Child Care and Development Block Grant that was signed into law November 19, 2014. The law made statutory changes that focus on balancing the dual purposes of Child Care Development Fund – to promote families’ economic self-sufficiency by making child care more affordable, and fostering healthy child development and school success by improving the overall quality of early learning and afterschool programs. It also defines health and safety requirements for child care providers, outlining family-friendly eligibility policies, and ensuring parents and the general public has transparent information about child care choices. For Child Care Assistance Program, the key family-friendly policy changes include:

1. A 12-month re-determination of eligibility which provides more stability for parents and children and means families may be on assistance longer. Currently eligibility is re-determined every six months.
2. Continued eligibility for at least three months to allow for job search after loss of employment. This allows families continued eligibility while searching for a job and retaining a child care provider.

Currently job search is limited to eight weeks and 20 hours per week per calendar year.

3. Provides for a graduated phase-out of assistance for families whose income has increased at the time of re-determination, but remains below the federal threshold of 85% of state median income. This policy may assist families in moving towards self-sufficiency and avoid a cliff affect. Currently a family may lose eligibility due to increased earnings before their redetermination period expires.
4. Provides for procedures for enrollment of homeless children pending completion of documentation, and training and outreach to promote access to services for homeless families. Currently all documentation must be provided by the family before assistance may be received.
5. Provides for payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, be listed by the type of child care services provided.

## Child Care Assistance Program Average Monthly Caseload\* August 2013 - November 2014 (to date)



\*Caseload totals are reflected in the month in which benefits are paid.

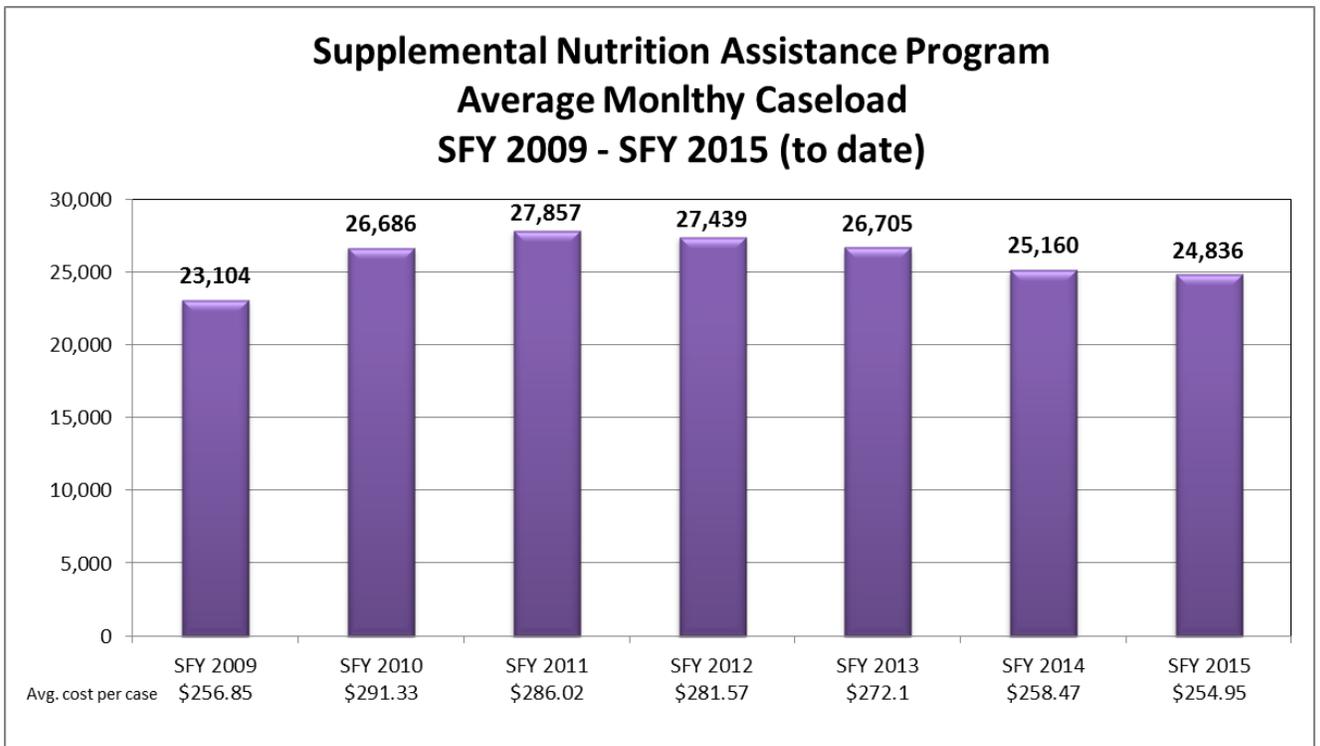
## **SNAP**

SNAP is a safety net that helps qualifying low-income individuals buy food to help meet their nutrition needs. The program includes monthly benefits, a limited employment and training component and nutrition education. In North Dakota, the program tends to serve mainly low-income children – often in single-parent families, people with disabilities, and seniors on fixed incomes. About 42% of the participating households have earned income.

The SNAP electronic benefit transfer (EBT) program partners with 420 participating grocers across North Dakota. In addition, SNAP partners with nine farmer markets that provide fresh produce to SNAP households in Bismarck, Grand Forks, Fargo, West Fargo, Minot, Beulah, Hazen, Washburn and Bottineau.

SNAP applied for a grant in November 2014 made available as a result of the Farm Bill. The goal is to implement a statewide employment and training pilot project for qualifying SNAP clients. Under the three-year pilot project, SNAP estimates 6,000 individuals annually statewide, will be required to work register and participate in the project.

Food and Nutrition Services (FNS) will be selecting up to ten states for the pilot projects. FNS will be evaluating the results of the pilots over the three pilot years and three additional years to determine the pilot project that may be duplicated nationwide.



## LIHEAP

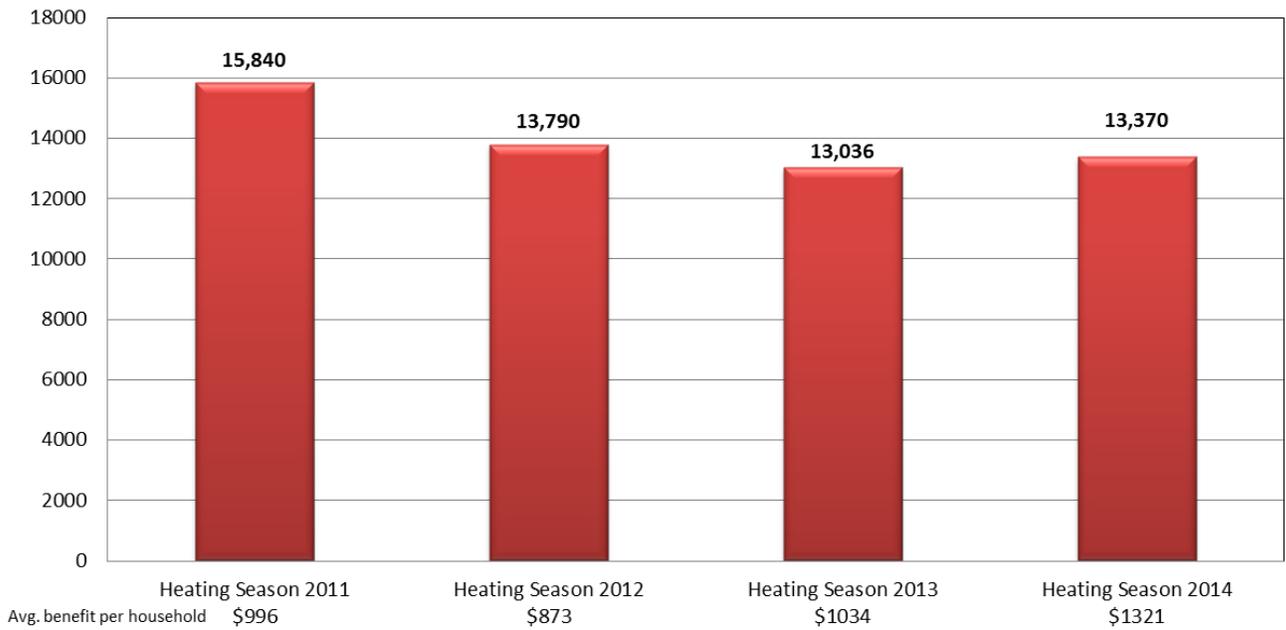
LIHEAP helps low-income households with home heating costs. It pays a portion of the bill of qualifying households. It also helps pay for furnace cleaning, repair, and replacement and weatherization services such as chimney cleaning and inspection, home insulation, and weather stripping around doors and windows. Qualifying households must be at or below 60% of state median income. Qualifying income varies by household size and income.

Almost 70% of the participating households include individuals who are elderly, have disabilities or include children age five and younger.

Following is a breakdown of the primary fuel types utilized by LIHEAP households:

- Fuel Oil 1,623 households, or 12.1%
- Nat gas 4,545 households, or 34.0%
- Propane 3,436 households, or 25.7%
- Electricity 3,747 households, or 28.1%
- Other 19 households, or <0.1%

**Low Income Home Energy Assistance Program (LIHEAP)  
By Heating Season\*  
Average Number of Households**



\*Heating Season runs each year from October 1st to May 31st.

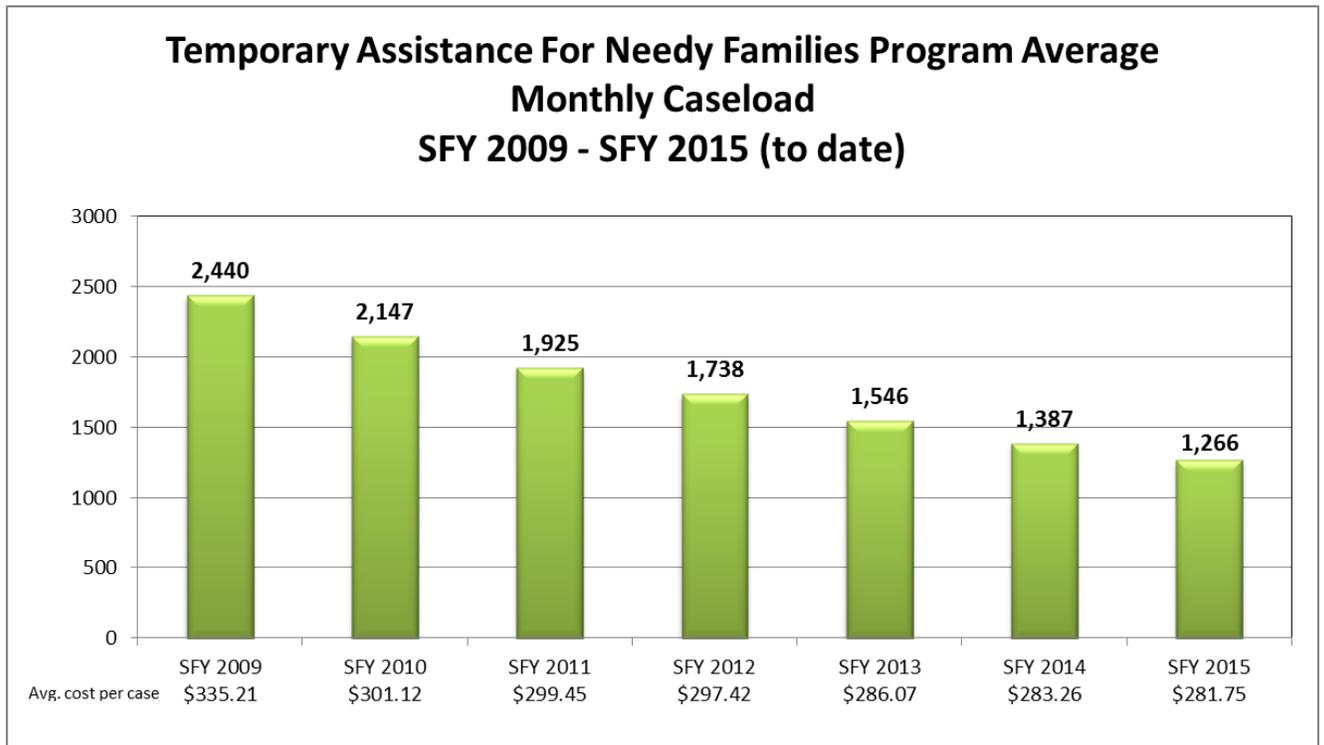
## **TANF**

TANF funded programs include:

- Alternative to Abortion services which provide reimbursements to organizations that deliver Alternative to Abortion services and education to the public about the services. Services include pre-natal education/classes, pregnancy counseling and parenting education/classes. From July 1, 2013 – December 31, 2014, 1,542 women received services.
- Crossroads Program which provides case management and support services to qualified teen parents who are going to high school or working towards their GED.
- Kinship Care Program which provides an alternative to foster care for children living with a relative and in the care and custody of the county. It includes case management and support services. The average number of households receiving assistance is 36 per month.
- Parental Responsibility Initiative for the Development of Employment (PRIDE) Program which provides case management and support services to address nonpayment of child support by noncustodial parents. This program is a collaborative effort involving the Department, Job Service North Dakota, and District Courts. The average number of households receiving assistance is 242 per month.
- TANF program provides cash assistance to indigent families with deprived children meaning a parent is absent due to divorce, separation or death; or one of the parents is disabled. There is a five year limit for receiving benefits. The adult receiving benefits must participate in defined work requirements of employment, unpaid work experience, community services, job search, and job

readiness. TANF's work participation rate for federal fiscal year 2014 was 71%, meaning 71% of the required individuals were in defined work requirements. The average number of households receiving assistance is 1,358 per month.

The TANF programs provide a monthly benefit, supported employment case management services that move individuals into employment and self-sufficiency, and employment support services. The budget includes a cost of living increase each year for the TANF monthly benefit. The last change to the TANF benefit occurred January 2004.



## Overview of Budget Changes

Description	2013-2015 Budget	Increase / (Decrease)	2015-2017 Executive Budget	Senate Changes	2015-2017 Budget To House
Salary and Wages	5,289,009	697,446	5,986,455	(94,455)	5,892,000
Operating	10,320,844	347,509	10,668,353	0	10,668,353
Grants	293,992,504	(18,630,744)	275,361,760	0	275,361,760
Total	309,602,357	(17,585,789)	292,016,568	(94,455)	291,922,113
General Fund	10,968,609	12,895,368	23,863,977	(70,616)	23,793,361
Federal Funds	277,648,768	(29,352,485)	248,296,283	(22,672)	248,273,611
Other Funds	20984980	(1,128,672)	19,856,308	(1,167)	19,855,141
Total	309,602,357	(17,585,789)	292,016,568	(94,455)	291,922,113
Full Time Equivalent (FTE)	31.8	0.0	31.8	0.0	31.8

### Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$697,446, and is mainly attributed to the following:

- \$431,917 in total funds, of which \$376,831 is general fund needed to fund the Governor's compensation package.
- \$91,927 in total funds, of which \$38,166 is general fund needed to continue the employee increases approved by the last Legislative Assembly.
- \$177,840 increase, of which \$109,602 is general fund, for two additional temporary positions to work on the eligibility system modernization project.

- The remaining \$4,238 decrease is a combination of increases and decreases needed to sustain the salary of the 31.8 FTEs.

The Operating line item increased by \$347,509, and is mainly attributed to the following:

- \$328,593 increase in the Operating Fees and Services budget due to SNAP prework required for reprocurement of the Electronic Benefit Transfer vendor. The contract will end on June 30, 2019.
- \$21,293 increase in Rentals/Leases due to the retirements of three staff who previously telecommuted and therefore the Department didn't lease office space for them.

**Attachment A** provides a walk-through of the Economic Assistance Program grants for the 2013-2015 appropriation to the 2015-2017 Executive Budget.

The general fund request increased by \$12,895,368 with \$12,186,214 or 95% of the increase attributed to the Child Care Assistance program, the maintenance-of-effort requirement for the TANF program and funding the Governor's compensation package. The remaining \$709,154 or 5% is related to other salary, operating and grants changes for the Economic Assistance Policy area as described above.

The federal fund request decreased by \$29,352,485 and is mainly attributed to the decrease in the SNAP caseload.

The other fund request decreased by \$1,128,672 and is mainly attributed to a decrease in Child Support Collections due to a decreased TANF caseload.

Senate Changes:

\$94,455 in total funds, of which \$70,616 is general fund to decrease the Governor's compensation package to reflect a change in the state employee performance increase from 3% - 5% to 2% - 4% and to remove the 1% retirement contribution.

**Attachment A** shows the changes in Economic Assistance Budget from 2013-2015 Appropriation to the 2015-2017 Budget to the Senate, and the 2015-2017 Budget to the House.

This concludes my testimony on the 2015–2017 budget request for the Economic Assistance Policy Division of the Department. I would be happy to answer any questions.