

Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
January 19, 2015

Chairman Holmberg, members of the Senate Appropriation Committee, 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:

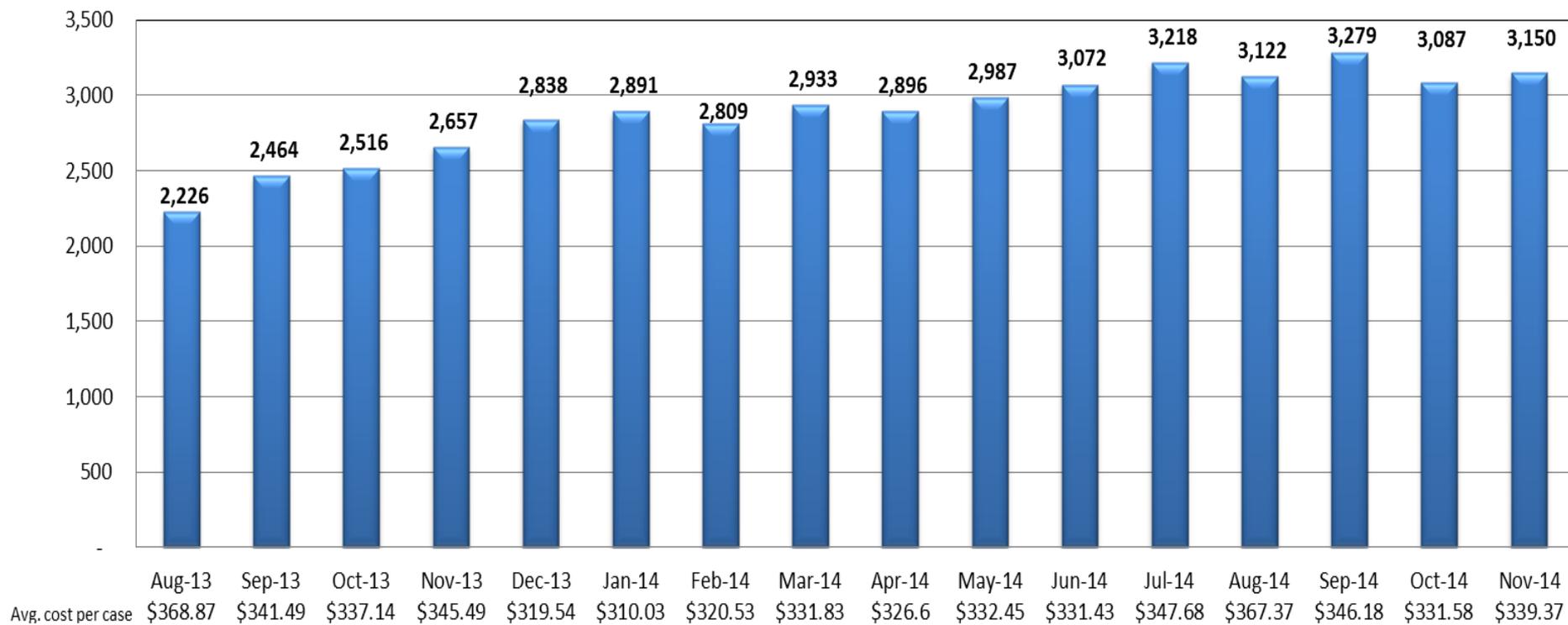
1. A 12-month re-determination of eligibility which provides more stability for parents and children and means families may be on assistance longer. Currently eligibility is re-determined every six months.
2. Continued eligibility for at least three months to allow for job search after loss of employment.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

Mayville State University (MSU) pursued and was awarded an Early Head Start-Child Care (EHS-CC) Partnership Grant. Through the grant, MSU plans on partnering with 15 child care licensed facilities in the Grand Forks surrounding area. This will be a pilot project for the state of North Dakota to help determine effectiveness and efficiency of contracting with service providers. The Economic Assistance Policy Division will partner with MSU on establishing a subsidy contract to meet the needs of up to 64 children who qualify under Child Care Assistance provisions.

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.

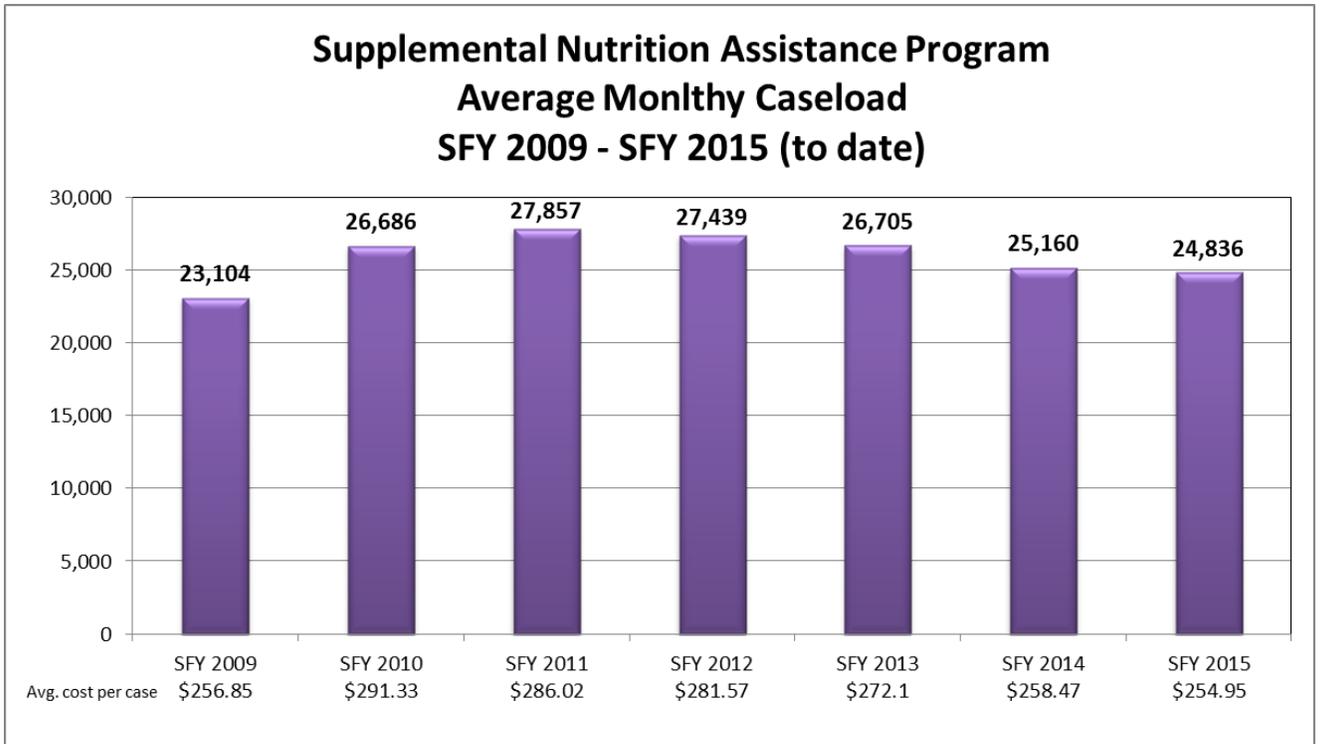
SNAP

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

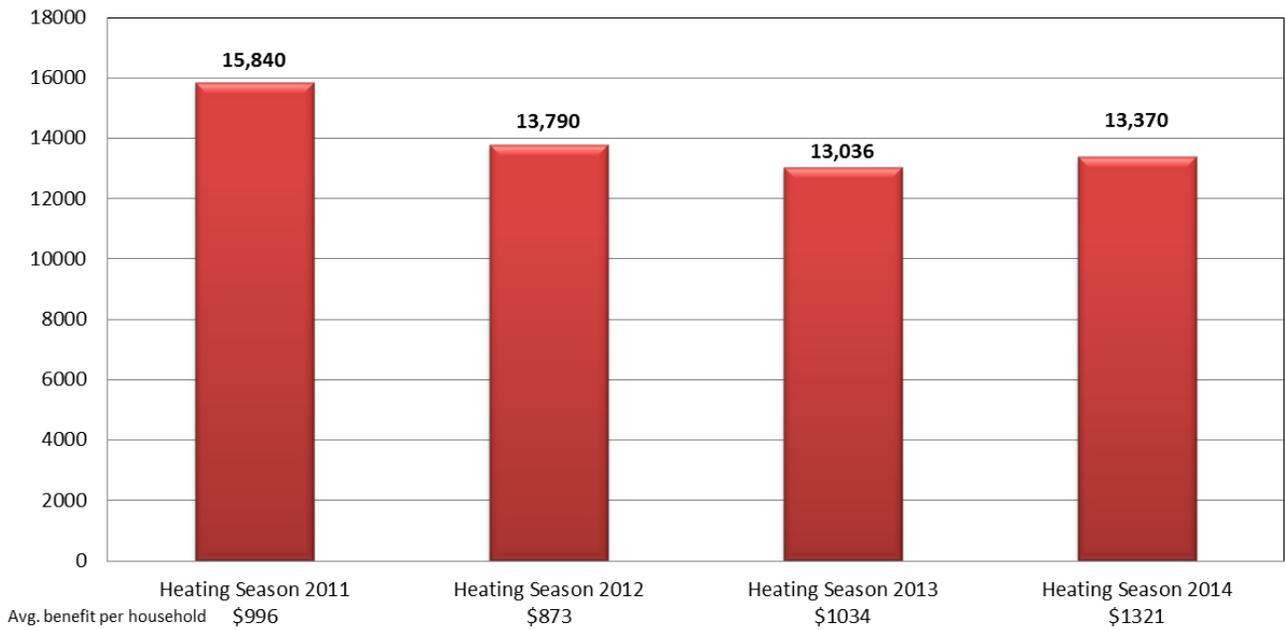
LIHEAP helps low-income households with home heating costs. It pays a portion of the bill of qualifying households. It also helps pay for furnace cleaning, repair, and replacement and weatherization services such as chimney cleaning and inspection, home insulation, and weather stripping around doors 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.

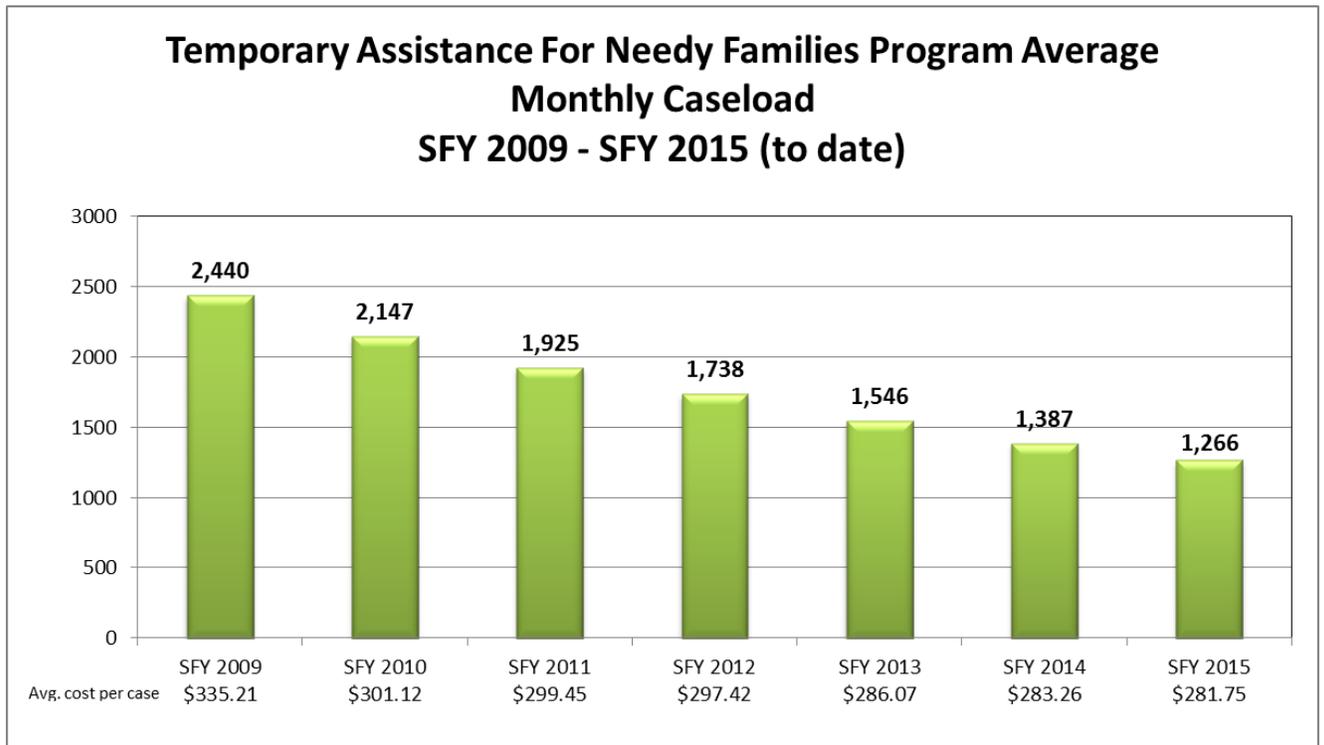
TANF

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	2015 - 2017 Executive Budget	Increase / (Decrease)
Salary and Wages	5,289,009	5,986,455	697,446
Operating	10,320,844	10,668,353	347,509
Grants	293,992,504	275,361,760	(18,630,744)
Total	309,602,357	292,016,568	(17,585,789)
General Fund	10,968,609	23,863,977	12,895,368
Federal Fund	277,648,768	248,296,283	(29,352,485)
Other Funds	20,984,980	19,856,308	(1,128,672)
Total	309,602,357	292,016,568	(17,585,789)
Full-Time Equivalent (FTE)	31.8	31.8	0.0

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.

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.

Attachment A:

North Dakota Department of Human Services						
Changes in Economic Assistance Program Grants from 2013-2015 Appropriation to 2015-2017 Budget to Senate						
Description	2013-2015 Appropriation	Cost Changes	Caseload/ Utilization Changes	Provider Rate Increase to 75th Percentile	Total Changes	2015-2017 Budget to Senate
TANF	\$14,117,625	\$579,262	(\$3,892,359)		(\$3,313,097)	\$10,804,528
Child Care	\$23,398,665	\$1,855,304	\$6,452,069	\$2,022,099	\$10,329,472	\$33,728,137
Kinship Care	\$399,047	\$42,627	\$464,165		\$506,792	\$905,839
*SNAP - Benefits	\$201,004,039	(\$27,653,827)	(\$8,426,805)		(\$36,080,632)	\$164,923,407
Low Inc Home Energy Assistance Program (LIHEAP)	\$36,323,130	\$23,957,171	(\$9,144,427)		\$14,812,744	\$51,135,874
Total Economic Assistance Program	\$275,242,506	(\$1,219,463)	(\$14,547,357)	\$2,022,099	(\$13,744,721)	\$261,497,785
General Funds	\$3,208,823	\$3,335,215	\$6,452,069	\$2,022,099	\$11,809,383	\$15,018,206
Also included in the grants line are other Economic Assistance Program grants for which cost and caseload data is not computed. These grants include:						
Indian County Allocation	\$ 5,942,875					
TANF Transportation and Support Services	3,302,110	(1)				
* SNAP Training, Outreach, and Nutrition Education Grants	2,583,990					
LIHEAP Weatherization and Case Management	2,035,000	(2)				
Total Other Grants	13,863,975					
Cost/Caseload Grants from above	261,497,785					
Total All Economic Assistance Grants	\$ 275,361,760					
*Supplemental Nutrition Assistance Program						
Note:						
(1) \$1,794,255 decrease in TANF Transportation 2013-2015 Appropriation due to decreased TANF caseload.						
(2) \$3,000,000 decrease in LIHEAP Weatherization 2013-2015 Appropriation due to a decrease in federal funds.						