

Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
January 17, 2011

Chairman Holmberg, members of the Senate Appropriations Committee, I am Tove Mandigo, Economic Assistance Policy Division Director in the Department of Human Services. I am here today to provide you an overview of the Economic Assistance Division, for the Department of Human Services.

Programs

Economic Assistance Policy (EAP) is responsible for eligibility policy for Basic Care Assistance, Child Care Assistance, Low Income Heating and Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF). This includes:

- Distribution of benefits to recipients and payments to providers;
- Direction, supervision, and training of county social service board administration of EAP programs;
- Implementation of applicable state and federal law;
- Operation of electronic eligibility determination and reporting systems; and
- Preparation of required state and federal reports.

Economic Assistance Policy also performs Quality Control reviews of SNAP, Healthy Steps, Medicaid and TANF.

Caseload / Customer Base

EAP will direct and supervise county social services' determination of eligibility for the following:

Basic Care Assistance: An average of 489 residents of licensed Basic Care facilities.

Child Care Assistance: An average of 3,915 cases per month, and pays about 3,055 qualified child care providers an average monthly benefit per case of \$219.

SNAP: An average of 33,890 cases each month, and pays about 450 grocers in North Dakota an average monthly benefit per case of \$297.

LIHEAP: Approximately 16,000 cases each heating season, and pays about 400 energy providers an average monthly benefit per case of \$222 for regular cases.

TANF: An average of 2,241 cases each month receiving an average monthly benefit of \$301. Job Opportunities and Basic Skills (JOBS) program will work with 1,221 cases to find jobs and promote family self-sufficiency at an average monthly cost of \$246.

Kinship Care: An average of 29 cases each month receiving an average monthly benefit of \$614. These children would otherwise be in Foster Care. The limit on child care assistance benefits to those providing Kinship Care has been removed and the Department now pays actual costs of child care.

Program Trends / Major Program Changes

Child Care Assistance: The child care caseloads are lower due to less cases qualifying for benefits as a result of increased wages in North Dakota. Some cases are qualifying at lower benefit amounts due to the increased wages in North Dakota.

SNAP: The SNAP program is the cornerstone of USDA nutrition programs and is the safety net that helps people buy food to help them meet their nutrition needs. The caseload during the 2011-2013 biennium continues to increase. Outreach has been formalized ensuring that people are aware of the program and can access it. The Department launched the online

Application for Assistance early last fall as a way to make it easier for people to apply for and remain on the program.

LIHEAP: The LIHEAP caseload has remained fairly stable but the fuel costs have steadily increased. This is a 100% federally funded program. In the past two Federal Fiscal Years (FFY), the federal government funded \$5.1 billion per year nationwide, so states could meet the fiscal demands of increasing fuel costs. With this funding, trends would indicate that North Dakota will meet the heating needs of the LIHEAP clients in the 2011-2013 biennium, although FFY 2011 funding is not yet final.

TANF: North Dakota continues to exceed the federally required 50% work participation rate without the addition of the caseload reduction credit. In order to meet the federally required work participation rate, the Department contracts with Job Service, Community Options and Tribal Employment and Training. As a result of case management by employment contractors, pay after performance, and job opportunities in North Dakota, the TANF caseload remains below 3,000 per month.

Overview of Budget Changes

Description	2009 - 2011 Budget	2011 - 2013 Budget	Increase / Decrease
Salary and Wages	5,236,318	5,516,945	280,627
Operating	11,711,891	11,703,561	(8,330)
Grants	334,441,734	331,251,570	(3,190,164)
Total	351,389,943	348,472,076	(2,917,867)
General Fund	10,676,487	11,439,272	762,785
Federal Funds	322,674,475	318,286,921	(4,387,554)
Other Funds	18,038,981	18,745,883	706,902
Total	351,389,943	348,472,076	(2,917,867)

FTE	38.80	39.80	1.00
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The Salary and Wages line item increased by \$280,627 and can be attributed to the following:

- \$288,487 in total funds of which \$123,401 is general fund needed to fund the Governor's salary package for state employees.
- \$101,942 in total funds of which \$64,213 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- An increase of \$17,058 of which all is general fund to fund the cost of the Training FTE added for Health Care Reform. The FTE is projected to be hired April 2013.
- The remaining \$126,860 decrease is a combination of increases and decreases needed to sustain the salary of the 39.80 FTE in this area of the budget.

The Operating line item decreased by (\$8,330) and is a combination of the increases expected next biennium which are offset by decreases as follows:

- \$190,091 decrease in purchased services, \$106,261 general fund, related to federally required estate collection activities. The duties will now be handled by the Legal Advisory Unit.
- \$478,261 decrease in Supportive Services, all federal funds, due to decreased JOBS clients and JOBS clients needing less of these supportive services.
- \$280,455 increase in the Payment Error Rate Measurement contract, \$74,321 general fund, due to the cyclical nature of the three-year federal eligibility review requirements.
- \$32,545 increase, all federal funds, due to increased costs to serve JOBS clients.
- \$37,273 increase in Parental Responsibility Initiative for the Development of Employment (PRIDE), all federal funds, due to the program being expanded to additional locations in the state.

- \$173,091 increase in SNAP, all federal funds, for outreach programs.
- \$101,947 increase to SNAP EBT (Electronic Benefit Transfer), \$6,117 general fund, due to increased SNAP caseload.
- \$10,000 increase in Non-Employee Travel, all federal funds, due to the TANF Work Group assisting with additional projects such as TANF Next Steps and the development of an expanded education program for TANF clients.
- \$23,000 increase in LIHEAP Printing, all federal funds, due to an increased caseload.

The Grants line item decreased by \$3,190,164 and is a combination of the increases and decreases expected next biennium. Some of the significant changes are noted below:

- \$9,474,333 decrease to the TANF Subsidized Employment Program, all federal TANF ARRA funds, which expired September 30, 2010.
- \$606,593 decrease in the SNAP Food Nutrition contracted with NDSU, all federal funds, as the amount of match provided by NDSU decreased.
- \$365,408 decrease in the SNAP Charitable Food Program created by SB 2231 from the 2009 Legislative Session, \$350,000 general fund, expires 6/30/2011.
- \$13,126,445 decrease in LIHEAP benefits, all federal funds, which were built on weather and fuel price trends that did not reach the levels budgeted in the 2009-2011 biennium.
- \$478,261 decrease in Supportive Services, all federal funds, due to decreased JOBS clients and JOBS clients needing less of these supportive services.

- \$2,759,339 decrease in SNAP Administration, all federal funds, due to removal of one-time ARRA funds.
- \$1,804,982 decrease in Child Care benefits, all federal funds, due to decreased caseloads and costs.
- \$2,081,766 decrease in TANF Regular Benefits, all federal funds, due to decreased caseload and costs.
- \$5,589,191 decrease in TANF Diversion Benefits, all federal funds, due to changes in Federal Regulations, very few individuals qualify for this benefit now.
- \$1,066,213 increase in Indian County Allocation, all general fund, based upon the statutory funding formula in HB 1540 from the 2009 Legislative Session.
- \$1,407,975 increase in JOBS Transportation benefits, all federal funds, due to increased clients working and in need of transportation assistance. Higher gas prices caused an increase in the amount of the maximum monthly benefit.
- \$30,506,121 increase in SNAP benefits, all federal funds, based on federal outreach on a national level.

This concludes my testimony on the 2011 – 2013 budget request for Economic Assistance and Policy Division area of the Department. I would be happy to answer any questions.