

Testimony
Engrossed House Bill 1012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
March 11, 2013

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Carol Cartledge, Director of Economic Assistance Policy Division of the Department of Human Services (DHS). I am here today to provide you an overview of the Economic Assistance program area.

Programs

Economic Assistance Policy Division (EAP) is responsible for eligibility of Basic Care Assistance Program, Child Care Assistance Program, Crossroads, a program for teen parents, Low Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF) Program. The Division's work includes:

- Distribution of benefits to recipients and payments to providers;
- Direction, supervision, and training of county social services office staff on the administration of EAP programs;
- Implementation of applicable state and federal laws;
- Policy and procedures for determining eligibility in the computer systems; and
- Preparation of required state and federal reports.

EAP also includes Quality Control/Assurance and Regional Representative Units. The Quality Control/Assurance Unit completes case reviews of Child Care Assistance, SNAP, Healthy Steps (Children's Health Insurance Program), Medicaid, and TANF. Regional

Representatives are the liaisons between Economic Assistance programs and county social service eligibility workers.

Caseload

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

Basic Care Assistance: For the 2013-2015 biennium, EAP estimates serving an average of 615 residents of licensed basic care facilities, compared to the 2011-2013 biennium budget which was based on an average of 536 residents.

Child Care Assistance: For the 2013-2015 biennium, EAP estimates serving an average of 3,170 cases per month, and the program will pay about 3,055 qualified child care providers an average monthly benefit per case of \$275. This compares to the 2011-2013 biennium budget, which was based on an average of 3,915 cases per month receiving an average monthly benefit of \$219.

SNAP: For the 2013-2015 biennium, EAP estimates serving an average of 27,671 cases each month that receive an average monthly benefit of \$303, which is used to buy food at about 475 grocers in North Dakota. This compares to the 2011-2013 biennium budget, which was based on an average of 33,890 cases per month receiving an average monthly benefit of \$297.

LIHEAP: For the 2013-2015 biennium, EAP estimates serving an average of 6,578 cases each month during the heating season, and paying about 400 energy providers an average monthly benefit per case of \$230. This compares to the 2011-2013 biennium budget, which was based on approximately 6,910 cases per month during the heating season receiving

an average monthly benefit of \$238. Also included is \$5,070,000 for weatherization and emergency furnace repair and replacement.

TANF: For the 2013-2015 biennium, EAP estimates serving an average of 1,777 cases each month that will receive an average monthly benefit of \$331. The Job Opportunities and Basic Skills (JOBS) program will work with 1,213 cases to find jobs and promote family self-sufficiency at an average monthly cost of \$251. In comparison, the 2011-2013 biennium budget was based on an average of 2,253 TANF cases per month receiving an average monthly benefit of \$302 and JOBS working with 1,221 cases at an average monthly cost of \$246.

Kinship Care: For the 2013-2015 biennium, EAP estimates helping an average of 23 cases each month receiving an average monthly benefit of \$726 compared to the 2011-2013 biennium budget, which was based on approximately 29 cases each month receiving an average monthly benefit of \$614. These children would otherwise be in foster care.

Program Trends/Major Program Changes

Child Care Assistance: The child care caseloads are lower due to fewer families qualifying for benefits or qualifying for a lower benefit amount as a result of increased wages in North Dakota and implementation of a revised co-payment structure. As a result of the lower caseloads, the program increased maximum allowable rates paid to licensed providers, lowered family co-payments and reinstated payments for child care while qualifying individuals pursue a four-year degree in accordance with N.D.C.C. 50-33-03 – Available Benefits. The program is due for federal reauthorization by the end of March 2013.

SNAP: SNAP is the cornerstone of United States Department of Agriculture’s nutrition programs and is the safety net that helps qualifying low-income people buy food to help them meet their nutrition needs. The caseload during the 2011-2013 biennium stabilized and caseloads did not increase as expected. The program is due for federal reauthorization by the end of September 2013, and at this time it is uncertain what will be contained in a new Farm Bill.

LIHEAP: The LIHEAP caseload has remained fairly stable. North Dakota will meet the heating needs of the LIHEAP clients in the 2013-2015 biennium, although FFY 2013 funding is not yet final. The program is due for federal reauthorization by the end of March 2013.

TANF: North Dakota continues to exceed the federally required 50 percent work participation rate without the addition of the caseload reduction credit. As a result of case management by employment contractors, pay after performance, and job opportunities in North Dakota, the TANF caseload remains below 2,000 cases per month. The program is due for federal reauthorization by the end of March 2013.

Overview of Budget Changes

Description	2011 - 2013 Budget	Increase / (Decrease)	2013 - 2015 Executive Budget	House Changes	To Senate
Salary and Wages	4,165,962	677,180	4,843,142	-	4,843,142
Operating	11,589,109	(404,050)	11,185,059	-	11,185,059
Grants	331,251,570	(40,357,071)	290,894,499	-	290,894,499
Total	347,006,641	(40,083,941)	306,922,700	-	306,922,700

General Funds	10,789,107	(2,549,854)	8,239,253	-	8,239,253
Federal Funds	317,470,807	(39,737,340)	277,733,467	-	277,733,467
Other Funds	18,746,727	2,203,253	20,949,980	-	20,949,980
Total	347,006,641	(40,083,941)	306,922,700	-	306,922,700

FTE	30.8	-	30.8	-	30.8
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Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$677,180 and can be attributed to the following:

- \$106,419 in total funds, of which \$49,840 is general fund needed to fund the Governor's benefit package for health insurance and retirement for state employees.
- \$114,442 in total funds, of which \$64,076 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- \$195,542 increase, of which \$79,781 is general fund, to provide for an additional 21 months of funding for the Health Care Reform eligibility and policy training position that was originally funded for three months during the November 2011 special session.
- \$100,191 increase, of which \$38,252 is general fund, to fund payouts for nine employees expected to retire in the 2013-2015 biennium.
- \$122,566 increase, of which \$4,903 is general fund, for an additional temporary position to lessen the impact on current staff involved in the eligibility system modernization project.
- The remaining \$38,020 is a combination of increases and decreases needed to sustain the salaries of the 30.8 FTEs in this area of the budget.

The Operating line item decreased by \$404,050 and is a combination of increases and decreases expected next biennium. The majority of which can be attributed to:

- \$77,469 increase in travel due to bringing county eligibility workers for the eligibility system modernization project. In addition, the Quality Control Lead Reviewer is traveling from Jamestown to Bismarck on a biweekly basis or as needed. The previous Lead Reviewer was located in Bismarck.

- \$368,574 decrease in the Operating Fees and Services budget is due to the Payment Error Rate Measurement required review under the Child Care Assistance program, which is no longer being contracted out. The reviews are now being completed by Quality Control/Quality Assurance Unit staff.
- \$109,372 decrease in printing due to fewer manual letters being printed and an increase in electronic documents.

The Grants line item decreased by \$40,357,071 and is a combination of the increases and decreases expected next biennium. The majority of the decreases can be attributed to:

- SNAP decrease of \$40,653,014, all federal funds, which is due to 2011-2013 biennium caseload estimates not increasing as expected.
- TANF Regular Benefit decrease of \$2,137,877, all federal funds, which is due to the 2011-2013 biennium caseload estimates not increasing as expected.
- LIHEAP increase of \$1,956,853, all federal funds, which is based on estimated weather and fuel price trends.

The general fund request decreased by \$2,549,854 but was offset by an increase of \$2,203,253 in other funds.

The net change of the federal and other funds is a result of the increase and decreases above.

House Changes:

No changes were made in the Economic Assistance Policy Division.

This concludes my testimony on the 2013–2015 budget request for the Economic Assistance Policy Division of the Department. I would be happy to answer any questions.