

WELFARE REFORM COMMITTEE

The Welfare Reform Committee was assigned the following study responsibilities:

1. Welfare reform monitoring - Evaluation;
2. Implementation of the temporary assistance for needy families (TANF) program;
3. Federal waiver terminations - Approvals;
4. Responsibilities relating to the revised administration of the TANF program; and
5. Tribal welfare reform issues.

Committee members were Senators Jim Yockim (Chairman), Judy L. DeMers, Tom Fischer, Judy Lee, Donna L. Nalewaja, Bob Stenehjem, and Russell T. Thane and Representatives LeRoy G. Bernstein, Linda Christenson, Jack Dalrymple, Connie Johnsen, Ralph L. Kilzer, Carol A. Niemeier, Clara Sue Price, and Robin Weisz.

The committee submitted this report to the Legislative Council at the biennial meeting of the Council in November 1998. The Council accepted the report for submission to the 56th Legislative Assembly.

STUDY RESPONSIBILITIES

Welfare reform monitoring - Evaluation. Section 31 of 1997 House Bill No. 1012 required a Legislative Council study of the monitoring of North Dakota's welfare reform implementation efforts to determine the effectiveness of welfare reform. Also, the section required that the Department of Human Services and persons or parties conducting the review of welfare reform implementation efforts to periodically report regarding the evaluation of welfare reform.

Implementation of the temporary assistance for needy families (TANF) program study. Section 82 of 1997 House Bill No. 1226 directed a study of the implementation of the TANF program. The study was to address the issues of:

- The simplification of all public work programs into a single system;
- Providing a work force preparation and placement program;
- Establishing performance-based outcome measures for all contractors;
- The caseload ratio established in North Dakota Century Code (NDCC) Section 50-09-20.1 (65 cases to one worker);
- The training and expertise of the managers administering the training, education, employment, and management (TEEM) program; and
- The development of a tiered system of benefit support and incentives.

Federal waiver terminations.

North Dakota Century Code Section 50-06-01.8, as amended by Sections 51 and 52 of 1997 House Bill No. 1226, allows, subject to the approval of the Legislative Council, the Department of Human Services to terminate any waiver secured under Section 50-06-01.8(1) if necessary or desirable for the statewide implementation of the TEEM program.

Responsibilities relating to the revised administration of the TANF program. North Dakota Century Code Section 50-09-29, as created by Section 76 of House Bill No. 1226, includes the requirements for the Department of Human Services administration of the TANF program and provides the following exceptions to the administrative requirements:

1. If the secretary of the United States Department of Health and Human Services determines that funds otherwise available for the TANF program would be reduced or eliminated if the department administered the program as provided for in Section 50-09-29(1), the department is to administer the program in a manner that avoids a reduction or loss (subsection 2);
2. If the caseload of households provided assistance exceeds projections provided to the 55th Legislative Assembly, the department, subject to the approval of the Legislative Council, is to administer the TANF program in a manner that avoids spending or committing all funds appropriated prior to June 30, 1999 (subsection 3);
3. If the Department of Human Services determines that an insufficient worker opportunity exists, due to increases in the unemployment rate, to participate in work activities, the department may administer the TANF program in a different manner, subject to the approval of the Legislative Council (subsection 5);
4. If the department determines that administration of the TANF program causes otherwise eligible individuals to become a charge of the counties under NDCC Chapter 50-01, the department may administer the program in a manner that avoids that result, subject to the approval of the Legislative Council (subsection 6); and
5. If projected rates of expenditures for operation of the TANF program indicate the appropriations will be expended or

committed prior to June 30, 1999, the department is to administer the TANF program in a manner that avoids that result, subject to the approval of the Legislative Council.

Tribal welfare reform issues.

Senate Concurrent Resolution No. 4030 directed the Legislative Council to study the issues of welfare reform relating to the relationship between the state and the federally recognized Indian tribes within the state. The committee, in conducting its study, was to solicit input from tribal members, tribal leaders, and tribal government officials interested in state and tribal welfare reform issues.

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996 (PUBLIC LAW 104-193)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 became law in August 1996. The Act provided for substantial welfare reform, including a TANF block grant.

TANF Block Grant

The TANF block grant replaces the aid to families with dependent children (AFDC) program, allows the state to develop its assistance program, and provides North Dakota approximately \$26.4 million annually. The block grant:

- Includes a 15 percent cap on state administrative costs.
- Requires that the legislature appropriate the state's block grant funds.
- Requires an 80 percent maintenance of effort based on state spending for fiscal year 1994 (approximately \$9.7 million per year). (During the 1997-99 biennium, the state plans to spend \$47.2 million of federal TANF funds and \$19.3 million of state maintenance-of-effort funds, for a total of \$66.5 million).
- Allows transfers of block grant moneys up to 30 percent to the social services block grant and up to 10 percent to the child care block grant.
- Requires client work participation.
- Provides for sanctions and penalties against states for failing to meet work participation rates.
- Requires states to implement child support enforcement requirements.
- Limits individual receipt of welfare benefits to a five-year time period.

Tribal TANF Considerations

The Act allows Indian tribes with an approved tribal family assistance plan to directly receive and administer the TANF block grant funds for a tribal welfare program beginning in fiscal year 1997. Each tribe's share is based on the relative share of the state's TANF caseload to be served by the tribe. The state's TANF block grant would be reduced by any amount provided directly to a tribe. In structuring a welfare program, a tribe has the flexibility to establish its own work participation rates and time limits, subject to federal approval. The state, including tribal members, or excluding tribal members if a separate tribal welfare program is approved, is required to meet the federal work participation rates and time limits.

A consideration for the state is the state's role, if any, in the development, funding, and administration of any tribally administered welfare program. The Act **does not** require a state to provide financial support for tribal family assistance plans. Absent any state assistance, tribes would receive only their share of the TANF block grant based on the number of eligible recipients to be served by the tribal TANF program.

Several issues state and tribal governments will need to consider related to the establishment of a tribal TANF program include program coordination, duplication of services, automation and data collection, services for nontribal members on tribal land, quality control, and tribal contracts with the state for operation of tribal programs.

Work Participation Requirements - Sanctions

The Act requires the state to meet the following work participation requirements for recipients on assistance:

Fiscal year 1997	25 percent
Fiscal year 1998	30 percent
Fiscal year 1999	35 percent
Fiscal year 2000	40 percent
Fiscal year 2001	45 percent
Fiscal year 2002 and beyond	50 percent

The Act requires participants to work a minimum number of hours per week to count in meeting the state's work participation rate. The minimum number of work hours required is 20 hours per week for fiscal years 1997 and 1998, 25 hours per week for fiscal year 1999, and 30 hours per week for fiscal year 2000 and beyond. These work participation requirements can be reduced if the state experiences a significant caseload reduction.

States will be sanctioned by a grant reduction of five percent the first year it fails to meet the work participation rates, and if the state continues to fail to meet the requirements, penalties increase by two percent each year to a maximum of 21 percent of the grant. Penalties can be reduced for good cause, such as an economic recession.

1997 LEGISLATIVE ASSEMBLY

House Bill No. 1012

The 1997 Legislative Assembly passed House Bill No. 1012 providing the funding for the Department of Human Services. The bill contained \$425,158 of federal funds for an evaluation of the state's implementation of the TANF program by an outside consultant. The bill also appropriated approximately \$52.8 million of federal moneys from the TANF block grant, or approximately \$26.4 million per year.

House Bill No. 1226

House Bill No. 1226 passed by the 1997 Legislative Assembly provided for the administration of the TANF program and welfare reform efforts. The following highlights some of the significant provisions of the bill:

- Allows the court, in cases in which an individual owes past-due child support, to require the individual to pay past-due support in accordance with a plan approved by the court, to participate in work activities, and to participate in treatment for mental illness or drug or alcohol dependency.
- Allows the court to suspend recreational licenses for nonpayment of child support .
- Establishes a state disbursement unit for the collection and disbursement of payments of child support.
- Expands the information reporting requirements in child support payment orders.
- Requires a court, in a pretrial proceeding, to order child support to be paid if there is evidence of paternity, pending a final determination of paternity.
- Allows the Department of Human Services to issue executions against the property of a child support debtor for child support arrearages greater than six times the monthly child support obligation.
- Provides for a state directory of new hires and for employer reporting of new hires to the Department of Human Services.
- Allows for liens on vehicles, vessels, accounts at financial institutions, and other personal property for nonpayment of child support.
- Requires applicants to provide Social Security numbers before receiving professional or occupational licenses.
- Provides for the establishment of a state case registry of child support cases in the statewide automated data processing system.
- Allows the state child support agency, in the administration of the child support program under Title IV-D, to secure assets by issuing writs of execution to seize property from financial institutions, public and private retirement funds, and other benefits.

- Provides for the establishment of a task force to implement the identified goals and programs relating to out-of-wedlock pregnancies, education and training on the problems of statutory rape, domestic violence victims, and pre-pregnancy family planning services in the TEEM assessment. The task force was to include representatives of all relevant parties, including two members of the Legislative Assembly appointed by the chairman of the Legislative Council.
- Provides for the transfer of responsibilities from the clerks of court to the state disbursement unit by providing intent that from July 1, 1997, to April 1, 1999, the clerks of court and the department share responsibilities and that the department prepare schedules for the transfer of specific responsibilities on a county-by-county and case-by-case basis.

WELFARE REFORM STATUS REPORTS AND MONITORING

TEEM Project

The TEEM project is a North Dakota welfare reform project funded by the TANF block grant program. The committee received status reports from the Department of Human Services at each of the committee's meetings regarding the implementation of the TEEM project. The TEEM project combines benefits for assistance to families with dependent children, food stamps, and fuel assistance. In addition, TEEM is to emphasize employment as a means of attaining self-sufficiency, strengthen the family structure, and emphasize the responsibility of both parents by improving child support collections.

The TEEM project was approved as a waiver project by federal agencies on September 28, 1995. In May 1997 the department submitted the state's TANF plan to the United States Department of Health and Human Services, the plan received federal approval on June 26, 1997, and program implementation began on July 1, 1997.

As of July 1998, 53 percent of the cases in North Dakota were converted to the TEEM program with conversion of all cases expected by early 1999. The TEEM assessment process includes a basic screening for victims of domestic violence and the option of pre-pregnancy family planning services. The committee learned the Welfare Reform Task Force, created by 1997 House Bill No. 1226, is working to reduce out-of-wedlock births and to provide an education plan for the prevention of statutory rape.

The committee learned that because of federal restrictions, the department is not planning to implement a simplified food stamp program but include the regular food stamp program in the TEEM system as soon as possible. The computer changes necessary to integrate the food stamp program into the TEEM assessment will most likely be addressed when the Medicaid-TANF computer project is completed, which is expected to be by June 2000.

The state's welfare benefit cap was implemented July 1, 1998, and the committee was informed that very few households were affected by the benefit cap during the first two months. The benefit cap in general does not allow an increase in benefits to a household on assistance which has additional children while on assistance. The department will provide reports to the 1999 Legislative Assembly regarding the impact of the benefit cap.

The committee learned that the state's work participation rate for June 1998 was 31.8 percent compared to the federal requirement of 30 percent. Beginning in October 1998, the work participation rate increases to 35 percent, and the required hours of participation increase from 20 hours per week to 25 hours. Households may be sanctioned for not participating in job search or work activities. A sanction results in a temporary loss of benefits. Households with a child under four months of age and those sanctioned for less than three months are excluded from the work participation rate calculation. If a household has been sanctioned more than three of the last 12 months, the household is counted in the total to which the work participation rate is applied. A large number of sanctioned households makes it difficult for the state to meet required work participation rates.

Economic Assistance Caseloads and Expenditures

The committee received reports from the Department of Human Services on the status of caseloads for the TANF, food stamp, medical assistance, and child care programs.

As of July 1998, the TANF caseload was 3,176 families compared to the estimate used in the 1997-99 appropriation of 4,380 in July 1997, which was estimated to increase to 4,449 by June 1999. This is the lowest caseload since December 1970. The TANF expenditures for the biennium are now projected to be \$29.03 million, or \$11.85 million less than the \$40.88 million appropriated by the 1997 Legislative Assembly. A total of \$5,738,923 was appropriated from the general fund, of which \$3,321,639 is projected to be spent to meet maintenance-of-effort requirements and the balance, or \$2,417,284, may be used to match the federal welfare-to-work block grant. Based on preliminary estimates, the department plans to have \$7.7 million of TANF funds available from the 1997-99 biennium appropriation to be used during the 1999-2001 biennium. A total of \$47.2 million of federal TANF funds will be spent in the 1997-99 biennium as well as \$19.3 million of state maintenance-of-effort funds.

As of July 1998, 13,664 families were receiving food stamp benefits compared to 14,706 in July 1997, a reduction of 1,042 families. The medical assistance or Medicaid number of eligible recipients was 29,709 for June 1998, compared to 30,228 in July 1997. Since 1993 the Medicaid program has experienced a net reduction in recipients, with a decline in children receiving services and an increase in aged and disabled recipients. Estimated general fund savings for the Medicaid program for the 1997-99 biennium are \$1 million, a portion of which is expected to be used for the funding of the children's health insurance program (CHIP). The child care development program caseload was 3,956 for May 1998, compared to 2,849 in July 1997.

Maintenance-of-Effort Requirements

The TANF block grant requires the state to spend each year at least 80 percent of state spending in federal fiscal year 1994 as its maintenance of effort. For North Dakota this is \$19,372,652 for the 1997-99 biennium. The maintenance of effort is spent by the state for TANF grants, work activities, and administration. The state plans to spend at the maintenance-of-effort level for the biennium.

Children's Health Insurance Program Status Reports

Although the committee was not assigned responsibility to monitor the implementation of North Dakota's children's health insurance program and North Dakota Healthy Steps, the committee received periodic updates. The children's health insurance program was established by Congress in 1997 and requires a state match of 20.7 percent. North Dakota has been allocated just over \$5 million for federal fiscal year 1998, requiring a match of \$1.3 million from the general fund. States are not required to spend the entire allotment during any federal fiscal year but must have a plan approved by September 30, 1998, or forfeit the first-year allotment. During the fifth through seventh years of the program, the state's allotment may be reduced by as much as 25 percent, and any carryover funds from the early years will be available during those years.

The committee learned the Department of Human Services plans to implement the first phase of North Dakota Healthy Steps by expanding Medicaid coverage to children 18 years of age in a family with an adjusted gross income at or below 100 percent of the federal poverty level. The current poverty level is \$12,984 per year for a family of three. Currently, the Medicaid program covers children ages 6 through 17 with a family income at or below 100 percent of the poverty level and children under 6 years of age with a family income at or below 133 percent of the federal poverty level. This change was effective on October 1, 1998. The second phase will be addressed through legislation under development to be considered during the 1999 Legislative Assembly.

Welfare-to-Work Block Grant

Although the committee was not assigned responsibility to monitor the welfare-to-work block grant program, it received periodic reports. The program was established by the federal government in August 1997 and provides funding for North Dakota of approximately \$2.7 million for federal fiscal year 1998 and \$2.5 million for 1999. The state is required to provide matching funds of \$1 for each \$2 of welfare-to-work block grant funds, or \$1.35 million for fiscal year 1998 and \$1.25 million for fiscal year 1999. The grant allows the state to provide up to one-half of its match from in-kind contributions. The department plans to use savings from reduced TANF caseloads to provide the state match. State matching moneys for the remainder of the 1997-99 biennium are approximately \$2.4 million with \$250,000 in state matching funds required for the 1999-2001 biennium. States are allowed to carry forward unspent funds from a federal fiscal year for up to three years.

The welfare-to-work grant program allows services to be provided, including work-readiness activities, assessment and career counseling, individual service strategy, job search skills training, work maturity skills training, job search assistance, placement activities, unsubsidized employment, community service or work experience, job creation through wage subsidies, on-the-job training, job retention/postemployment activities, worksite monitoring, followup on individual progress, basic skills and vocational training, services to employers, and support service activities. The welfare-to-work grant program requires the full integration of all work force training programs and resources available to the state, including Work Force 2000, the JOBS training program, the TANF program, and Job Training Partnership Act employment training.

Evaluation Efforts

An evaluation plan was submitted by the Department of Human Services to the United States Department of Health and Human

Services in July 1997 which included funding requests for an independent evaluation of North Dakota's welfare reform efforts and a related performance audit by the State Auditor's office. The United States Department of Health and Human Services indicated that the performance audit component would not be funded.

The committee learned North Dakota was awarded a one-year grant of approximately \$103,000 from the United States Department of Health and Human Services for an evaluation of TANF and the TEEM project. The department contracted with Berkeley Planning Associates for an evaluation of the state's implementation of the TEEM program. The evaluation is a limited program evaluation and is directed more toward a process evaluation of the TEEM implementation. The evaluation data is gathered primarily from interviews with state and county staffs and clients. Additional interviews will be conducted through June 1999 as the TEEM program is implemented statewide.

TRIBAL ISSUES AND TRIBAL WELFARE REFORM PLANS

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 allows Indian tribes with an approved tribal family assistance plan to directly receive and administer the TANF block grant funds for a tribal welfare program beginning in fiscal year 1997.

The tribe must receive approval from the United States Department of Health and Human Services for a tribal TANF program for a minimum of three years. The state's TANF block grant would be reduced by any amount provided directly to a tribe. In structuring a welfare program, a tribe has the flexibility to establish its own work participation rates and time limits, subject to federal approval.

Joint Meeting

The committee met in October 1997 with members of the Budget Committee on Long-Term Care and the Budget Committee on Human Services to receive input from tribal members and to discuss tribal human service issues.

The committee received testimony from the director of the Division of Tribal Services, Administration for Children and Families, United States Department of Health and Human Services, Washington, DC. The testimony identified major issues the tribes and the states will need to address as tribes develop tribal TANF programs summarized as follows:

- States and tribes should have a common interest and challenge to see that no person who is eligible and in need of services "falls through the cracks."
- States must continue to provide the approximate 30 percent share that was previously contributed under the AFDC program to tribes when the tribes assume responsibility for TANF operations.
- Tribal programs will need state administrative support because of certain minimum costs to be incurred regardless of program size, including staff and programming.
- Program standards and definitions must be coordinated between the tribes and the state.
- Accountability must be addressed by an agreement between tribal and state governments, adjusted as necessary.
- Economic development, job creation, and job training must be available on the reservations.

Issues Regarding Tribal TANF Programs

In response to the committee's request, representatives of the Department of Human Services provided the following list of issues for the tribes and the state to consider regarding tribal administration of a TANF program and regarding the state providing matching funds:

Issues a tribe may consider regarding TANF administration:

1. Pros:
 - a. May reinforce tribal sovereignty.
 - b. May enhance the integration of social services in the tribe, particularly if the tribe contracts with the Bureau of Indian Affairs social services.
 - c. May allow tribal members to better understand the need for services if the services are provided by tribal members.
 - d. May be able to establish work participation requirements lower than the state's requirements.

- e. May develop work activities to fit the unique circumstances of the tribe.
 - f. May create employment opportunities for the staff administering the program
2. Cons:
- a. State will continue to administer food stamps, Medicaid, and other programs; therefore, clients will need to apply and report to separate agencies which may involve additional travel.
 - b. Could result in less coordination and less exchange of information between the tribes and the state for purposes of aiding in administration of other programs.
 - c. Duplication of computer systems.

Issues regarding whether the state should provide matching funds:

1. Pros:
- a. May encourage a tribe to administer its own program.
 - b. Tribal-administered TANF recipients would not be considered in the determination of the state's work participation rate.
 - c. May engender good will between the tribes and the state, particularly since many prior government-to-government relationships were solely between the tribe and the federal government.
2. Cons:
- a. State must maintain offices and basically the same size staff to deliver services to individuals for food stamps and Medicaid and to nontribal individuals.
 - b. Individuals need to apply and report to separate entities.
 - c. Less coordination among agencies of information regarding program benefits.
 - d. Unresolved child support issues including, but not limited to, establishing separate enforcement units and treatment of collections.
 - e. Expense of computer programs.

Turtle Mountain Band of Chippewa Indians Welfare Plans

The committee received information from the tribal chairman of the Turtle Mountain Band of Chippewa Indians regarding the tribe's study of the feasibility of a tribal TANF program, or the Work First Initiative. The committee learned the tribe has a 59 percent unemployment rate and graduates 150 high school graduates each year with few job opportunities. The tribe's economic development goal is to create 3,500 to 5,000 new primary sector jobs before the year 2013 by addressing the following priorities:

1. Secure public investment in local infrastructure, including construction at the Turtle Mountain Community College, an improved water system, improvements to Highway 5, and telecommunications improvements.
2. Strengthen tribally owned businesses to increase profitability and create jobs by additional Uniband contracts, additional Turtle Mountain Manufacturing products, and strengthening and expanding tribal services.
3. Participate in joint ventures to create primary sector jobs, similar to Midwest Industries, Chippewa Homes, and Chippewa Doors and Windows.
4. Expand tourism, including the construction of a Sky Dancer Resort Hotel, and extend the gaming compact to allow for financing a new casino.
5. Create a sufficient and reliable economic development funding stream from additional revenues from the new casino. Currently, 25 percent of gaming gross revenues are earmarked for work force development and economic development.

The committee learned the Turtle Mountain Work First Initiative being developed to reduce poverty would ask the state to make available a total of \$15.9 million for a tribal TANF program during the 1999-2001 biennium. Funding would consist of approximately 30 percent of the federal TANF block grant or \$9,451,800, 30 percent of the welfare-to-work block grant or \$1,680,000, and 30 percent of the federal child care block grant or \$2,820,000. In addition, \$1,980,544 will be requested from the state general fund related to the tribe's share of the state's maintenance-of-effort amount. The tribe estimates its members will represent roughly 30 percent of the state's TANF clients when the program is implemented. A bill draft was presented by tribal representatives to the committee at its last meeting to implement the Work First Initiative. The committee took no action regarding the bill draft and the tribe plans to seek more input and have the bill draft introduced during the 1999 legislative session.

The committee learned the Turtle Mountain Tribe plans to:

- Seek local and statewide support for the Work First Initiative;
- Encourage the Governor to make work force development and job creation priorities a part of his 1998 welfare-to-work program;

- Develop program plans that build upon the experiences and resources of existing tribal organizations;
- Apply for a federal Department of Labor competitive welfare-to-work grant to formulate and implement transportation and child care delivery systems; and
- Seek the support of the 1999 Legislative Assembly for implementation of the Turtle Mountain Work First Initiative.

Client and Child Care Provider Concerns

The committee received testimony from clients and child care providers. Clients expressed concerns regarding the implementation of TEEM including transportation issues, job availability, and work participation requirements. Child care providers expressed concerns with department reimbursement and ratesetting methods.

North Dakota Association of County Social Service Board Directors - County Testimony

At each meeting the committee received reports from representatives of the North Dakota Association of County Social Service Board Directors regarding the status of welfare reform and also received testimony from county directors while holding meetings in Fargo, Grand Forks, Williston, and Bismarck. County directors identified significant reductions in TANF caseloads, with steady or increasing caseloads in other economic assistance areas including food stamps and child care. County representatives expressed concerns including:

- Counties with reservation lands have clients that may be unable to obtain employment within their home communities.
- Several areas of the state have school dropouts occurring as early as grades 7 and 8. The one year of education limitation under the state's TANF program will not allow these individuals to complete a high school equivalency, affecting the clients' ability to find employment.
- Sufficient rural child care and transportation is not available to meet the needs of welfare recipients.
- The 1997 Legislative Assembly established a client-to-staff caseload ratio of 65 to 1 for TEEM caseloads. Some counties indicated that any ratio in excess of 45 to 1 would be excessive; however, counties that may be negatively impacted under the "swap" provisions would have a difficult time staffing at anything less than a 65 to 1 ratio.
- The effect of clients reaching the 60-month limit on TANF benefits. A state-funded general assistance program may be necessary to meet clients' needs.

North Dakota Association of Counties - Distribution of Child Care Funding

The committee learned the Department of Human Services obligated \$1.8 million of federal child care grant funding through the North Dakota Association of Counties. The funds were obligated by the department near the end of federal fiscal year 1997 to avoid losing the funds. The total of \$1.8 million allocated included \$500,000 for community child care centers, \$500,000 for Head Start centers, \$600,000 for contracted child care needs for tribal programs and the United Tribes Technical College, and \$200,000 for areas with the greatest need.

The committee received positive testimony regarding this method of distribution by representatives of county social services and tribal social services. Concerns were expressed that the funding was not available to family home care providers but was available only to group or facility child care providers.

North Dakota University System Reports - Welfare Recipients Education Needs

Representatives of the North Dakota University System informed the committee the system has a role in welfare reform which is being developed as part of the system's six-year plan. A higher education welfare task force has been formed consisting of higher education, tribal, vocational and technical education, Department of Human Services, and Job Service representatives. The committee received information on the Bismarck State College Phoenix program, a training program to assist women in obtaining higher wage technical careers. The committee also received information regarding TANF recipients enrolled in postsecondary education and the challenges higher education faces in welfare reform. Some of the challenges for higher education include the TANF work requirement provisions that limit education to 12 months, the small and disbursed numbers of TANF recipients in a rural state, and the large number of welfare recipients living in areas without good job opportunities and with transportation difficulties.

Committee Considerations - Refugee Food Stamp Benefits

The committee learned federal changes in 1997 limited food stamp benefits for refugees to a 60-month period. As a result, the committee considered but does not recommend a bill draft that would have required the Department of Human Services to provide food stamp benefits from the state general fund to refugees who have exceeded the federal time limit for participation in the program, or 60 months.

The Department of Human Services originally estimated the impact of the bill draft for the 1999-2001 biennium to be \$260,681 from the general fund. This would have provided benefits for legally admitted immigrants, otherwise eligible, which includes refugees and other legal aliens whose federal food stamp benefits have expired. Refugees are eligible for benefits for the first 60 months they are in the country and again when they become United States citizens. Citizenship generally takes six to six and one-half years. Delays are often encountered by refugees who have difficulty with the English language. As a result, in a typical case, the state, if the bill draft would have become law, would have provided benefits beginning with the 61st month and continuing to citizenship or on the average one and one-half years later.

At the last committee meeting the committee learned congressional action in 1998 restored food stamp benefits to some people made ineligible by the five-year limit. The new limit is **seven** years for persons under the age of 18, disabled persons, or persons 65 years of age or above. As a result, the department's revised estimate of the fiscal impact of the bill draft was \$180,000 from the general fund for the 1999-2001 biennium. The fiscal impact related to all legal immigrants who would no longer be eligible for federal food stamp benefits, including refugees and other legally admitted immigrants.

Committee Observations

The committee does not make any recommendations regarding its monitoring of welfare reform and tribal welfare reform issues. The committee anticipates that a future interim committee may be necessary to monitor the status of welfare reform, and the committee identified several issues that may continue to need to be monitored:

- The status of a federally funded evaluation of the state's welfare reform effort, the implementation of TEEM and client progress in meeting established goals, including obtaining and sustaining employment and the possibility of a tracking component included in the evaluation;
- The impact on clients of the 60-month time limit on benefits which will end payments for some clients beginning in July 2002;
- The development of criteria for clients eligible for the 20 percent hardship exception allowance to the 60-month lifetime benefit limit;
- The actual work participation rates compared to rates required by federal legislation;
- The assistance caseload reductions and reasons for the changes;
- The need for adequate available child care, employment opportunities, transportation, and life skills and employment training for clients;
- The day care funding allocation made available through the North Dakota Association of Counties;
- The role of the private sector;
- The related changes to the TEEM computer system;
- The status of biennial expenditures as compared to appropriations for TANF and child care block grant programs;
- The potential need for administrative changes or federal waiver terminations, subject to approval by the Legislative Council;
- The client concerns with the work participation requirements that require a client to work once a client's child reaches four months of age;
- The staff-to-client caseload ratios;
- The potential federal changes that could allow clients to receive more than one year of postsecondary education and meet the work participation requirements;
- As the welfare caseloads are reduced, the "hard-to-employ" welfare recipients will remain and will need more training and assistance, particularly in the areas of interpersonal skills and job readiness;
- The development of tribal welfare programs including the continued cooperation of the Department of Human Services and the tribal representatives in the development of potential tribal TANF programs;
- The issues regarding tribal welfare reform including the tribal welfare area to be served and the potential for the tribes contracting with the Department of Human Services, county social services, or a third party for administration of the tribal TANF program.
- The non-TANF-related problems that must be addressed on the Indian reservations, including high alcoholism rates, the need for job creation, and transportation issues.
- The impact of changing tribal TANF caseloads, high reservation unemployment rates, and the need for client job skills;
- The impact of tribal job training efforts and JOBS employment training contracts;
- The need for child care, transportation, on-the-job training, development of self-esteem, understanding of TANF rules, and access to training/education programs for tribal assistance clients; and
- The impact of the implementation of the children's health insurance program and the welfare-to-work block grant

program.

Budget Tours

While conducting a meeting in Williston, the committee conducted a budget tour of UND-Williston, the Northwest Human Service Center, and the Williston Research Center. On the tour, the committee heard of institutional needs for capital improvements and programs, and of any problems the entities may be encountering during the interim. The tour group minutes are available in the Legislative Council office and will be submitted in report form to the Appropriations Committees during the 1999 Legislative Assembly.