

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HUMAN SERVICES COMMITTEE

Wednesday, January 9, 2008
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Robert S. Erbele, Vice Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Curt Hofstad, Lee Kaldor, Gary Kreidt, Jon Nelson, Vonnie Pietsch, Chet Pollert, Clara Sue Price, Ken Svedjan, Robin Weisz; Senators Dick Dever, Robert S. Erbele, Aaron Krauter, Judy Lee, Jim Pomeroy, John M. Warner

Members absent: Representatives Jeff Delzer, Patrick R. Hatlestad, James Kerzman; Senator JoNell A. Bakke

Others present: See attached appendix

It was moved by Representative Nelson, seconded by Representative Hofstad, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES STUDY

Ms. Carol Cartledge, Public Assistance Director, Department of Human Services, provided information regarding the temporary assistance for needy families (TANF) program. Ms. Cartledge provided schedules showing the unduplicated number of TANF clients in total and by county since 2003. The following schedule summarized the information presented:

Table with 5 columns: Fiscal Year, Unduplicated Cases, Average Number of Clients Per Household, Total Number of Recipients, Recipients as a Percentage of Population. Rows for years 2007, 2006, 2005, 2004.

In response to a question from Representative Price, Ms. Cartledge said of all counties, Rolette County has the most TANF cases and TANF recipients.

Ms. Cartledge reviewed the history of TANF benefits. Ms. Cartledge said on July 1, 1997, a TANF benefit for a family of three with one adult and two children was \$440. Beginning August 1, 1998, she said, the benefit was increased by 2.2 percent to \$450. Beginning July 2001 benefits were recalculated to remove the "bundled benefit" calculation which had included food stamps and heating assistance. As a result, she said, the TANF benefit for a family of three increased from \$450 to \$477 per month. In January 2004, she said, a dual standard of need policy was

implemented which removed a "double benefit" for families that were also receiving housing or rent assistance. This change resulted in these families receiving \$50 per month less from TANF. Since then, no additional changes have been made. She said the monthly benefit for a family of three receiving housing or rent assistance is \$427 and the monthly benefit for a family receiving housing or rent assistance is \$477.

Ms. Cartledge said historically, TANF benefits have not been adjusted for inflationary increases; however, the department continues to explore supportive services that assist TANF clients to become self-sufficient.

For comparison purposes, Ms. Cartledge presented the following schedule showing inflationary increases provided to foster care providers since 1998:

Table with 2 columns: Fiscal Year Beginning, Inflationary Increases. Rows for years from July 1, 2008 down to July 1, 1998.

Ms. Cartledge reviewed the various components of the TANF program, including:

- 1. Regular TANF benefit - Intended to meet six basic items of need--food, shelter, clothing, fuel and utilities, household supplies, and personal needs. The benefit is received monthly.
2. Diversion assistance - Assists qualified families for up to 4 months within a 12-month period to assist them in becoming or remaining self-sufficient.
3. TANF kinship care - Expands the options for placement of children who are under the custody of a county or the department by providing enhanced funding to individuals eligible for the program.
4. Transitional child care assistance - Promotes job retention by providing an extended service of assistance to qualified TANF households to further assist working families to remain self-sufficient.

5. Job opportunities and basic skills (JOBS) program - Combines education, training, and employment components to assist TANF recipients make the transition to employment.

Regarding the effectiveness of work programs, Ms. Cartledge said the Department of Human Services has contracted with Job Service North Dakota for employment and training services since welfare reform in the late 1990s. As a result of North Dakota's TANF caseload declining over the years, she said, many of the remaining TANF clients have greater challenges and are more difficult to serve. To assist these individuals, she said, the department conducted a three-month pilot project by contracting with Career Options to serve some of these challenging cases. She said the department continues to contract with Job Service North Dakota and Career Options to assist TANF clients become employed.

Ms. Cartledge said the department may conduct a longitudinal study to gather information on the TANF participants and their children for up to 10 years to determine the success of the TANF program. A copy of the report is on file in the Legislative Council office.

Senator Krauter asked how the department is planning for the future service needs of this population as demographics in the state change. Ms. Cartledge said some counties are already experiencing very few clients. She said the department is considering options for providing services to these individuals, including moving clients to where more employment opportunities exist.

Representative Svedjan asked whether the department has any suggestions to improve the TANF program. Ms. Cartledge said the department has made a number of changes to improve the program, including using Career Options and Job Service North Dakota to move more TANF clients to self-sufficiency.

In response to a question from Representative Price, Ms. Cartledge said under federal rules for meeting work activity requirements for TANF clients, postsecondary education only qualifies as a work activity for 12 months. She said the state could allow TANF clients to continue postsecondary education opportunities beyond 12 months; however, the individual would not count as being in a qualified work activity.

Representative Price asked the department to provide additional information on the estimated cost of providing additional postsecondary educational opportunities, the estimated number of TANF clients that would be involved, and opportunities for the TANF program to address areas of worker shortages in North Dakota. Ms. Cartledge said the department would provide this information to the committee at a future meeting.

In response to a question from Representative Svedjan, Ms. Cartledge said the department anticipates carrying forward approximately \$6.7 million of its federal TANF block grant into the 2009-11 biennium. Representative Svedjan asked the

department to provide an update on its projected carryover balance for the committee at its next meeting.

In response to a question from Senator Lee, Ms. Cartledge said although the state has only provided minimal increases in the TANF benefit amount, it has increased other types of assistance for the TANF client, including transportation assistance.

Senator Lee asked the Department of Human Services to provide the committee with suggestions for areas to consider reviewing or changing in the TANF program or related programs for these individuals. Vice Chairman Erbele asked the department to provide that information for the committee at a future meeting.

Mr. Larry Bernhardt, President, North Dakota County Social Service Directors Association, provided information on the TANF program. He presented the following schedule comparing the various components of the TANF program:

	TANF - Diversion	TANF	TANF - Transition	Kinship Care
Upfront eligibility	Pathways	Child support and JOBS	N/A	Child support
JOBS referral	N/A	Referral required	Enrolled at application	N/A
Pathways referral	Referral required	N/A	N/A	N/A
Child support referral	No	Yes	Referred at application	Yes
Health tracks referral	No	Yes	Yes	Yes
Social contract	No	Yes	Yes	Yes
Monthly reporting	Yes	Yes	Yes	Yes
Child care expenses	Paid to provider	Paid to provider	Paid to caretaker	Paid to caretaker
Work retention payment	N/A	N/A	\$200.00 per month	N/A
Transportation allowance	Maximum of \$125	Maximum of \$125	Maximum of \$125	N/A
Program time limits	4 months/12-month period	Lifetime of 60 months	6 continuous months	N/A
Child support income	Paid to caretaker - Counted as income	Assigned to state	Assigned to state	Assigned to state

Mr. Bernhardt presented the following recommendations to make the TANF program more efficient and effective:

1. Allow an eligibility worker to transfer a client from the diversion program to the TANF program or vice versa without having to close the case and process a new application.
2. Allow payment of TANF transition child care expenses directly to the provider rather than to the client.
3. Eliminate the delay and availability of the TANF grant for first-time ReliaCard users.

4. Extend education as an allowable JOBS activity from 12 months to at least 24 months.
5. Establish a penalty for all TANF households who submit their reports after the 10<sup>th</sup> of the month.
6. Increase the TANF basic grant amount.

A copy of the testimony is on file in the Legislative Council office.

In response to a question from Senator Krauter, Ms. Cartledge said the department could consider computer system changes to make it easier to transfer a TANF client from TANF to the diversion program; however, because the department is in the process of rewriting the Medicaid management information system there may be a delay in making this change.

Representative Kaldor suggested receiving information from Job Service North Dakota on training and education needs of TANF clients that would allow them to earn more than the minimum wage.

In response to a question from Senator Krauter, Ms. Cartledge said the resource limit amount to be eligible for the TANF program is determined by the state.

Mr. Jack Tweedie, National Conference of State Legislatures, Denver, Colorado, provided information regarding the TANF program and initiatives in other states. He said the federal program allows states much flexibility in structuring its TANF program. He said within that, however, the state must meet the federal work participation requirements or be subject to fiscal penalties. He said he expects 50 percent of states to fail to meet federal work participation rates this year; however, he said, North Dakota is not one of those states.

Mr. Tweedie suggested states carry forward an amount equal to at least 50 percent of its annual benefit payment spending as a reserve to have available for potential caseload increases.

Regarding benefit levels, Mr. Tweedie said most states have not increased the TANF benefit. He said most states increase a TANF recipient's earned income disregard which allows higher monthly income for the family and provides an incentive for the family to work more.

Mr. Tweedie said North Dakota is one of three states that does not allow two-parent families in the TANF program.

Mr. Tweedie said strategies are available to states to maintain state flexibility despite the new federal TANF rules regarding work participation. He said the strategies include:

1. Work engagement strategies;
2. Targeting/takeout strategies; and
3. Postemployment strategies.

Mr. Tweedie said work engagement strategies involve becoming more aggressive in engaging clients more quickly in work activities. He said North Dakota's diversion assistance program is an example of this type of strategy that assists individuals to become employed before needing TANF benefits. He said other states that also have effective work

engagement programs are Minnesota and Pennsylvania.

Mr. Tweedie said examples of targeting or "take-out" strategies involve programs that focus efforts on increasing the effective engagement of those TANF recipients most likely to benefit. He said these programs provide assistance and services to families unlikely to meet work participation requirements or recipients that engage in activities that do not meet federal definitions. Because these individuals are receiving services and benefits under a separate program, they are not included in the TANF caseload.

Mr. Tweedie discussed postemployment strategies. He said TANF recipients that are working may continue to be counted in the TANF caseload by using a postemployment strategy. He said the Arkansas "Work Pays" program improves Arkansas' work participation rate by continuing to count TANF recipients who have left the program in their work participation rate by providing cash payments for up to 24 months, child care and transportation support, and employment services designed to keep them working and to find better jobs.

Mr. Tweedie said Michigan, South Carolina, and Virginia also have developed programs to improve their work participation rates while Arkansas, Nebraska, New Mexico, Oregon, Vermont, and Washington have programs for job retention and advancement and work participation improvement strategies.

Mr. Tweedie suggested the state identify current state spending that may qualify as maintenance of effort spending for the TANF program among state, local, or community spending.

Mr. Tweedie suggested the committee consider asking the state's TANF agency to respond to the following questions to determine whether the program is efficient and effective:

1. Did the state meet federal work participation requirements?
2. Did the state improve effective engagement of parents in the TANF program?
3. Has the state had to shift more money into welfare-to-work programs to improve work participation?
4. Do TANF program sanctions work?
5. Is the state effectively engaging clients that have difficult challenges and multiple barriers?
6. Does the TANF program provide positive incentives for recipients to start work and increase work effort, i.e., earnings disregards and postemployment assistance?
7. Does the state have income levels where increased earnings result in families being worse off?

Mr. Tweedie suggested the committee further review:

1. Available outcome and performance data.
2. North Dakota's diversion assistance program, including outcome information available, the number of individuals served by the program

that enter the TANF program, the number of individuals served by the program that become employed and avoid the TANF program, and whether the program can engage individuals in employment quicker.

3. North Dakota's transition assistance program, including outcome information available, whether appropriate services are being provided, the appropriateness of the length of time of assistance, how long individuals stay employed after exiting the program, and whether the program counts toward an individual's 60-month TANF limit.
4. The state's restriction on allowing two-parent families in the TANF program.

A copy of the report is on file in the Legislative Council office.

The committee recessed for lunch at 12:00 noon and reconvened at 1:00 p.m.

In response to a question from Representative Kaldor, Ms. Beth Zander, Job Service North Dakota, said Job Service has wage data available for various occupations. Representative Kaldor asked Job Service to provide information on the types of jobs that are in demand in the state that require completion of a 12-month educational program, the types of jobs that are in demand in the state that require completion of 24 months of education, and the average wages for these types of positions.

Representative Kaldor suggested the committee receive information on options for short-term training programs or workforce credentialing for individuals to meet the types of jobs that are in demand in the state. Representative Kaldor suggested the University System and Department of Career and Technical Education be asked to provide information to the committee on options for providing this training.

Senator Warner suggested providing incentives to TANF recipients that would guarantee a job if the individual meets minimum requirements and incentives that would allow the individual to move into a better-paying job by continuing to improve the individual's skills.

Representative Price asked the Legislative Council staff to provide additional information to the committee on the New Mexico "Education Works" program and the Arkansas "Work Pays" program.

Senator Krauter suggested the Department of Human Services provide information to the committee on options for implementing the suggestions made by the North Dakota County Social Service Directors Association to improve the TANF program and the estimated costs and timeframes to implement the changes.

Senator Krauter suggested the Department of Human Services provide information to the committee at the next meeting on the history of eligibility requirements for the TANF program.

Representative Svedjan suggested the Department of Human Services be asked to respond

to the TANF-related questions posed by Mr. Tweedie for the committee's next meeting.

Representative Svedjan suggested the Department of Human Services be asked to provide further information to the committee at its next meeting relating to the TANF program as suggested by Mr. Tweedie.

## **DEPARTMENT OF HUMAN SERVICES INFORMATION TECHNOLOGY EMPLOYEES**

Ms. Jennifer Witham, Director, Information Technology Services, Department of Human Services, presented information regarding the number of information technology employees within the department. Ms. Witham presented the following schedule detailing reductions of information technology staff since 2001. She said information technology functional consolidation resulted in a reduction of three full-time equivalent (FTE) positions during the 2005-07 biennium.

<b>Date</b>	<b>FTE Positions</b>	<b>FTE Change</b>	<b>Reason for Reduction</b>
July 1, 2001	42.00	(3.00)	95% budget instructions
July 1, 2003	39.00	(3.00)	Functional consolidation
		(3.00)	Reduction in force - Legislative budget reductions
July 1, 2005	33.00	(1.00)	Position moved within department
July 1, 2007	32.00		

A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Svedjan, Ms. Witham said the FTE position totals include staff assigned to the Medicaid management information system project.

## **TRANSITION ASSISTANCE FOR CHILD CARE PROGRAM**

Ms. Cartledge provided information regarding the status of the establishment of the transitional child care assistance program provided for under 2007 Senate Bill No. 2186. She said the department completed the computer programming changes necessary to implement the program in August 2007. As of December 2007, she said, 24 TANF families have utilized transitional child care assistance and received benefits of \$8,850.

## **MEDICAID RECIPIENT MEDICATIONS**

The Legislative Council staff distributed a schedule prepared by the Department of Human Services regarding the number of children and adults receiving antipsychotic medications, mood stabilizer medications, and antidepressants under the Medicaid program. A copy of the schedule is on file in the Legislative Council office.

## IMMUNIZATION PROGRAM TRANSITION

Mr. Randy Miller, Immunization Program Business Manager, State Department of Health, provided an update on the immunization program transition. He said the department has contracted with the University of North Dakota School of Medicine and Health Sciences to implement a billing service to process third-party client immunization claims for local public health units. He said the UND School of Medicine and Health Sciences was chosen over Medcenter One because estimated costs were less and because the UND School of Medicine and Health Sciences is a state entity which makes administration less complicated.

Mr. Miller said the department chose to conduct a pilot project prior to full implementation of the immunization program at the local public health units.

Mr. Miller said Blue Cross Blue Shield completed testing of the internal claims process in mid-December. He said testing is currently in progress for two public health unit pilot sites. He said full implementation at the pilot sites is expected to occur February 1, 2008, but is dependent on testing. He said full implementation at all public health unit sites is anticipated in March 2008.

Mr. Miller reported on the status of transition-related expenditures. He said of the \$2 million appropriated for the transition, estimated expenditures through December 2007 have totaled \$1,189,491.

In response to a question from Senator Warner, Ms. Molly Sander, Immunization Program Director, State Department of Health, said the department compiles data on the number of children vaccinated and exemptions claimed.

In response to a question from Vice Chairman Erbele, Ms. Sander said fewer than 1 percent of schoolchildren have an exemption from vaccination.

Representative Price suggested that the committee request the following information from the department relating to the immunization program transition for next meeting:

1. Status of the immunization program transition, including information on the UND School of Medicine and Health Sciences billing system and the interface with Blue Cross Blue Shield.
2. Report from Blue Cross Blue Shield on the immunization program transition.
3. Report on school clinics and the process involved in collecting insurance information.
4. Impact of public health units not receiving private insurance data or incorrect insurance information.
5. The number of public health units that were providing immunizations prior to the transition, the number that will no longer be offering this service, and the number of children affected.

## INFANT DEVELOPMENT PROGRAM STUDY

Ms. Debra Balsdon, Children and Family Support Administrator, Developmental Disabilities Division, Department of Human Services, presented information on the infant development program study. She said the department enters into agreements relating to infant development services with other agencies, including the Department of Public Instruction, the State Department of Health, and the North Dakota Center for Persons with Disabilities.

Ms. Balsdon said the average cost per client for infant development services is \$532.41 per month or \$24.24 per day. She said on July 1, 2005, 675 infants and toddlers were receiving infant development services and on January 1, 2008, 852 were receiving services.

Ms. Balsdon presented information showing the number of infants and toddlers served by infant development programs on December 1, 2007. The data is presented by county and also indicates the percentage of children receiving services as compared to the total number of children less than three years of age living in the county. The number of children served ranges from zero in several counties to 145 in Cass County. She also presented a schedule of FTE positions employed or contracted through the nine licensed infant development programs. A total of 72.66 FET positions are either employed or contracted for by the programs. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Hofstad, Ms. Balsdon said the increase in the number of children receiving infant development services between 2005 and 2008 is a result of having more resources available to identify more eligible infants and toddlers.

In response to a question from Senator Lee, Ms. Balsdon said that the same eligibility criteria is used across the state but some larger cities may have other providers that are providing similar services.

Ms. Balsdon said the North Dakota infant development service delivery model is a transdisciplinary primary coach model with staff that are adult educators/coaches that work with the caregivers. She said infant development programs must employ or have contracts with physical therapists, occupational therapists, speech pathologists, educators, social workers, and other early intervention consultants. She said approximately 41 percent of children who receive developmental disabilities case management prior to three years of age continue to receive case management after their third birthday.

Mr. Mike Ahmann, Executive Director, Bismarck Early Childhood Education Program, commented on the infant development program study. He said the state's current practice of paying for infant development services by using a retrospective

ratesetting process causes inequities among providers across the state and does not reflect current program costs. He said the payment rates for programs range from \$17 to \$27 per day.

Mr. Ahmann suggested changing the current payment process to a system that is more equitable and predictable.

Mr. Ahmann expressed concern regarding the level of funding provided for these services. He said current funding levels make it difficult to hire and retain qualified professional staff.

Mr. Ahmann said computer equipment used by infant development providers is purchased and maintained by the state. He said the equipment is outdated and difficult to use. He suggested the state provide equipment-related funding directly to the providers and allow them to purchase and maintain their own computer equipment. He also recommended that the state develop a web-based data management system that can be easily accessed.

Senator Warner asked Mr. Ahmann to provide information to the committee on options for creating a statewide, web-based data management system,

including the estimated cost. Mr. Ahmann said he would provide this information to the committee.

Senator Krauter suggested the Department of Human Services be asked to provide a list of providers of infant development services by location and information on the retrospective ratesetting system used to pay for infant development services.

Vice Chairman Erbele announced the next committee meeting may be in April or June 2008. There being no further business, Vice Chairman Erbele adjourned the meeting at 2:30 p.m.

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Brady A. Larson  
Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:1