

# NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

## WELFARE REFORM COMMITTEE

Monday and Tuesday, May 4-5, 1998

Northwest Human Service Center, UND-Williston, and Northwest Research Extension Center, Williston, North Dakota  
Four Bears Casino and Lodge, New Town, North Dakota

Senator Jim Yockim, Chairman, called the meeting to order at 8:30 a.m. in the meeting room at the Northwest Human Service Center, 316 Second Avenue West, Williston.

**Members present:** Senators Jim Yockim, Judy L. DeMers, Tom Fischer, Judy Lee, Russell T. Thane; Representatives LeRoy G. Bernstein, Connie Johnsen, Ralph L. Kilzer, Clara Sue Price

**Members absent:** Senators Donna L. Nalewaja, Bob Stenehjem; Representatives Linda Christenson, Jack Dalrymple, Carol A. Niemeier, Robin Weisz

**Others present:** See attached appendix

**It was moved by Senator Fischer, seconded by Senator DeMers, and carried on a voice vote that the minutes of the March 10-11, 1998, meeting be approved as mailed.**

### BUDGET TOUR RESPONSIBILITIES - NORTHWEST HUMAN SERVICE CENTER

Ms. Vira Stenehjem, Director, Northwest Human Service Center, welcomed the committee and discussed the center's budget status. She said the center is currently projecting a shortfall of approximately \$500,000 in special fund income relating to reduced Title XIX or Medicaid collections. She said the general fund matching related to this is approximately \$127,000. She said the human service center plans to make the necessary budgetary changes to keep the center's budget in balance.

Ms. Stenehjem distributed a booklet of testimony regarding the Northwest Human Service Center, a copy of which is on file in the Legislative Council office. Ms. Stenehjem introduced other Northwest Human Service Center staff.

Mr. David Hance, Business Manager, discussed his first month as the center's business manager.

Mr. Dennis Omgig, Program Manager, discussed clients and the statistical study, an overview of programs available at the center, center goals and objectives, the utilization review committee, and the liaison project. Mr. Omgig

said the total number of unduplicated clients served during 1997 was 2,062 compared to 1,645 served during 1991. He said the center is authorized for 69.5 full-time equivalents (FTEs).

Ms. Jerri Weiss, Extended Care Coordinator, provided information on persons served with a serious mental illness. Ms. Weiss also discussed the department's extended care services outcome measurement project which provides information regarding client or consumer satisfaction with center services.

Ms. Marilyn Rudolph, Regional Supervisor of County Social Services, discussed the newly established assessment center, a jointly funded project by Williams County, the North Dakota Department of Human Services, Children and Family Services Division, the Sheriff's Association, and the North Dakota Association of Counties. This facility is to keep children in the home community and treat their environment instead of sending them out of the region for treatment.

Ms. Karen Quick, Aging Services Program Administrator, discussed the services provided, including the supervision of regional aging services and advocating for elderly services. Ms. Quick said it is predicted in 40 years the nation's population age 65 and over will double and the population age 85 and older will triple, all affecting the economy and the demands for resources in communities.

In response to a question from Senator Yockim, Ms. Stenehjem said of the 69.5 FTE positions authorized, 4.5 FTE positions are currently vacant. She said to meet the required 95 percent budget request for the 1999-2001 biennium, the current vacant FTE positions will remain vacant, and the center's priority listing will be used to identify options for reducing services.

Representative Johnsen said the 95 percent budget should be viewed as an opportunity for change at the human service center and to explore options to do business differently.

Mr. Omvig distributed a report entitled *Children at the Crossroads*, regarding the temporary assistance for needy families program and child welfare, and the effect of alcoholism and drug dependency. A copy of the report is on file in the Legislative Council office.

### WELFARE REFORM STUDY

The Legislative Council staff distributed a memorandum entitled *Welfare Reform Study Responsibilities and Major Issues Identified to Date*.

Chairman Yockim called on Mr. Kevin Iverson, Director, Training, Education, Employment, and Management (TEEM) Division, Department of Human Services. Mr. Iverson provided testimony regarding the implementation of the temporary assistance for needy families (TANF) program in North Dakota and related information. A copy of his presentation is on file in the Legislative Council office. Mr. Iverson discussed the status of the statewide implementation of the TEEM program. He said approximately 25 percent of the state's caseload has been converted to TEEM as of March 1998. He said regarding the simplified food stamp program, it does not appear to be any advantage to design and implement a simplified food stamp program as approved in TEEM. He said the department's plan is to standardize eligibility rules where possible and hope that Congress or the federal agencies will eventually allow more flexibility to states in establishing common rules among TANF, Medicaid, and food stamp programs.

Mr. Iverson provided information regarding updated 1997-99 biennium caseloads and expenditures for the TANF program. He said the March 1998 caseload was 3,320, an increase of 21 cases from February 1998. He said estimated TANF expenditures for the 1997-99 biennium are projected to be \$59.9 million, of which \$7.3 million is from the general fund, compared to the \$73.4 million, of which \$12.6 million is from the general fund, appropriated by the 1997 Legislative Assembly. Mr. Iverson discussed the status of the welfare-to-work program and provided information regarding TANF and welfare-to-work activities, welfare-to-work eligibility criteria, and a draft flow chart showing how the process for referral and assignment to the welfare-to-work program could take place if the plan were implemented. Mr. Iverson said \$18.3 million was appropriated for the federal child care development block grant for the 1997-99 biennium and the current estimate of expenditures is \$14.4 million, resulting in projected savings of \$3.9 million. Mr. Iverson also discussed the food stamp and Medicaid caseloads.

Mr. Iverson said the TANF work participation rate was approximately 29 percent compared to the federal requirement of 30 percent. He said the state can reduce the federal requirement because of the state's decrease in average monthly caseload. He said this adjustment would put North Dakota in compliance with the federal requirement. He said this adjustment will be made annually at the end of the federal fiscal year. Mr. Iverson said there is legislation introduced in the United States House of Representatives that would allow the completion of a high school or a college program to count as a permissible work activity for TANF. Mr. Iverson also discussed the status of North Dakota Healthy Steps program, the state's effort to implement the children's health insurance program (CHIP) as authorized by Congress. He said it is anticipated that the program will begin in October or November 1998 and will include an expansion of Medicaid eligibility as well as insurance coverage through a provider.

The Legislative Council staff presented memorandums entitled *Department of Human Services - Children's Health Insurance Program Purchasing Practices, North Dakota Discrimination Laws, and Proposed Changes Regarding Home and Community-Based Services and Guardian and Conservator Fees*.

Senator DeMers said the memorandum regarding the CHIP program suggests the insurance coverage should be subject to bidding requirements. She said especially because the Legislative Assembly did not have an opportunity to develop the program, the Department of Human Services should solicit bids for the insurance coverage.

Chairman Yockim asked Legislative Council staff to provide a copy of the memorandum entitled *Department of Human Services - Children's Health Insurance Program Purchasing Practices* to the Department of Human Services, that the Department of Human Services respond in written form to committee members, and that the department provide testimony at the next committee meeting regarding the purchase of health insurance coverage for the Healthy Steps program.

In response to questions from committee members, Mr. Iverson said the anticipated start date for the Healthy Steps program is October or November 1998. He said Blue Cross Blue Shield will be considered as a sole source provider if federal approval is obtained; if not, requests for proposals will be issued. He said any contract with an insurance provider will ideally be based on the Department of Human Services paying a predetermined premium for insurance coverage.

He said this is preferable to the state paying for the medical services on an open-end basis.

Ms. Michon Sax, Director, McKenzie and Williams County Social Service Boards, provided testimony, a copy of which is on file in the Legislative Council office. Ms. Sax discussed the TEEM program implementation status and recent case closures for the TEEM cases in Williams County. Ms. Sax said of the 20 closures in the last three months all but two clients remain on other assistance programs, such as food stamps and medical assistance. She said McKenzie County began its conversion to TEEM in March 1998. She said the availability of adequate child care is a major factor in a client's ability to maintain employment. Ms. Sax's testimony provides information regarding recent aid to families with dependent children (AFDC), food stamps, Medicaid, and fuel assistance caseloads by county and by race.

In response to questions from committee members, Ms. Lois Reiersen, Economic Assistance Supervisor, Williams County Social Services, discussed the sanction provisions of the TEEM program which includes a system of progressive sanctions and multiple client opportunities for correction. She said most clients are sanctioned because of their failure to comply or show up for job training. She said clients are aware of their responsibilities.

Ms. Laura Slater, Community Action and Development, Williston, provided information regarding the entrepreneurship for single parents and minorities (ESPM) program. She said the program provides 10 weeks of training to assist students to develop a business plan and other skills necessary for entrepreneurship. A copy of a brochure regarding the classes is on file in the Legislative Council office.

Ms. Karen Mills, Supervisor and a registered nurse at the Northwest Human Service Center, expressed concerns regarding the long-term chemical dependency facility (The Hillman House). She said currently the facility is an eight-bed facility that accepts people referred from Mercy Recovery for long-term addiction treatment. She said the problem that has been encountered is that Montana residents are referred from Mercy Recovery and many have no ability to pay for the services. She said many of these clients are Indians. In response to questions from committee members, she said she is reviewing the possibility of negotiations with either the tribes or the state of Montana for payment of the services provided.

The committee recessed at 12:05 p.m. and reconvened at 12:30 p.m. at UND-Williston, 1410 University Avenue.

### **BUDGET TOUR RESPONSIBILITIES - UND-WILLISTON**

Mr. Garvin Stevens, Dean, UND-Williston, welcomed the committee to the campus. He discussed the growth in buildings and capital improvements made at UND-Williston since its establishment in the early 1960s. He said the UND-Williston Foundation owns some of the buildings on the eastern edge of campus and leases them to UND-Williston. He said the buildings and grounds of the campus are "state of the art" because of updating in recent years. He said UND-Williston was able to use excess tuition revenues on nonrecurring capital improvements to improve the campus buildings and parking lots. Building updates included roof and window replacements.

Mr. Stevens said UND-Williston's facility needs include a health and wellness center. He said the proposed health and wellness center will be adjacent to the current gymnasium facility. He said all buildings on campus have been either locally financed or financed by the UND-Williston Foundation. He said the campus has been part of the state higher education system since 1984, and the current gymnasium does not meet Americans with Disabilities Act standards or local fire codes. He said the building is not sufficient to house graduation ceremonies. He said students are willing to continue paying a student fee into a building fund and that the campus will ask for some state financing to assist in the funding of the health and wellness center.

Mr. Stevens said UND-Williston has experienced enrollment declines from a headcount enrollment in the fall of 1996 of 846 to 788 in the fall of 1997. He said full-time equivalent enrollments declined from 702 in 1996 to 663 in 1997. He said this enrollment decline has resulted in a tuition revenue shortfall of \$160,000 for the 1997-99 biennium. He said to accommodate this shortfall, in the fall of 1998 two existing programs will no longer receive state funding support--the hazardous materials management program and the small business management program. He said any additional savings that are necessary will be generated by reduced hiring of adjunct faculty. Mr. Stevens distributed plans for the health and wellness center, information regarding two-year and less programs with limited student completions, and information regarding the impact of a 95 percent budget request for the 1999-2001

biennium. Mr. Stevens said the total impact of the 95 percent budget request, including continuing 1998-99 salary increases and funding inflationary adjustments, is \$636,426 or a 9.3 percent reduction from the 1997-99 appropriation. He said this amount includes general fund and other related fund reductions. He said the 1999-2001 budget request will be prepared discontinuing state funding of the two programs mentioned previously, a reduction of one administrative position, and a reduction in instructional-related activities.

In response to a question from Representative Johnsen, Mr. Stevens said there are numerous programs that have been eliminated at the institutions of higher education in North Dakota. He said he believes the institutions are making the correct changes but that it takes time to make these changes. He said an example of an area where change needs to take place is that there are currently six colleges preparing teachers in North Dakota. He said they prepare 800 students for approximately 100 jobs available in North Dakota each year. He said two-year programs are needed to train students for available jobs.

In response to questions from Senator DeMers, Mr. Stevens said he originally supported the chancellor system and that it allowed many changes to take place in the coordination of service delivery. He said the requirements of auditors, the chancellor's office, and others have become a burden for UND-Williston.

The committee then toured the facilities at UND-Williston, recessed at 2:30 p.m., and reconvened at 3:00 p.m. in the meeting room of the Ernie French Center, Williston Research Extension Center, two miles southwest of Williston on Highway 2.

Mr. Jerry Bergman, Director, Williston Research Extension Center, welcomed the committee and distributed a packet of information regarding the Williston Research Extension Center, a copy of which is on file in the Legislative Council office. Also in attendance were Mr. Neil Reveland, Superintendent; Mr. Jim Staricka, Soil Scientist; Mr. Pete Nygaard, Chairman, Williston Research Extension Center Advisory Board; Mr. Gordon Bradberry, Research Specialist; Mr. Randy Mehlhoff, High Value Crop Extension Specialist; Mr. Ward Koeser, Mayor, City of Williston; and Ms. Nancy Bakewell, Williston Chamber of Commerce.

Mr. Bergman discussed the status of the current budget and indicated an additional \$9,000 will be required as a result of increased operating costs of the Ernie French Center and the new shop building during the 1999-2001

biennium. He said the major capital projects needed at the Williston Research Extension Center include:

Pesticide storage/handling building	\$15,000
Plot laboratory addition	30,000
Machine storage building addition	15,000
Concrete floor for existing machine storage building	15,000
<b>Total</b>	<b>\$75,000</b>

Mr. Bradberry discussed the Ernie French Center which was completed and occupied in April 1998. He said the facility was constructed with \$50,000 of state general fund moneys and \$650,000 of private contributions.

Mr. Randy Mehlhoff discussed his role in high value crops in the Williston area. He said he sees an unlimited potential for these crops in eastern Montana and western North Dakota but that the crops require a high input or initial investment. He said the area needs a potato processing plant. Its development is under consideration, and related research is being completed.

Mr. Ward Koeser, Mayor, City of Williston, discussed the research center's role in the local economy. He said agriculture is a major component in the area's economy, and the city is actively supportive of research efforts that will improve and diversify the region's agricultural economy.

Mr. Nygaard discussed the arrangement with the state of Montana for a regional research effort and combined center directorship. He said the original five-year agreement was scheduled to expire in July 1998 but will be extended for an additional five years. He said this cooperative effort has resulted in increased federal support for agricultural research. Mr. Nygaard discussed the expanded irrigation in the Nesson Valley area and the introduction and expansion of potato, sugar beet, and vegetable production.

The committee recessed at 4:30 p.m. and reconvened at 9:00 a.m. on Tuesday, May 5, 1998, in the Bingo Hall, Four Bears Casino and Lodge, New Town.

### TRIBAL WELFARE REFORM ISSUES

Mr. John Opp, Department of Human Services, provided testimony regarding tribal welfare reform issues, a copy of which is on file in the Legislative Council office. Mr. Opp said there is no legislation pending before Congress that would modify the existing TANF law relating to TANF tribal programs. He said a tribe's TANF grant is

determined by the population within the identified tribal service area during federal fiscal year 1994. Mr. Opp discussed the average monthly caseloads and federal and nonfederal dollars spent during federal fiscal year 1994 for each of the state's Indian tribes. In addition, Mr. Opp provided information regarding the average caseload and expenditures for AFDC programs for calendar year 1997 for each of the four tribes. He said in addition, the 1997-99 appropriation included \$618,000 for 18 months to offset the fiscal impact of a required 65 cases to one worker ratio for TEEM cases in Benson, Rolette, and Sioux Counties. He said federal policies allow a state to reduce its TANF maintenance of effort level in a fiscal year in which a state's family assistance grant is reduced because a tribe has received a tribal family assistance grant. Therefore, if a tribe administered its TANF program, the state could reduce the amount of related general fund moneys spent on TANF-related costs. Mr. Opp's testimony includes information regarding other states' tribal TANF programs and monthly AFDC caseloads for Benson, Dunn, McKenzie, McLean, Mercer, Mountrail, Ramsey, Rolette, and Sioux Counties, including information on the number of Indian cases.

In response to a question from Senator Lee, Mr. Opp said the tribe can define its service area and serve tribal members off the reservation. He said the department has requested an Attorney General's opinion to determine, for a tribe that begins its TANF program prior to the 1999 Legislative Assembly, if the Department of Human Services can provide the related state funds.

In response to questions from committee members regarding possible incentives or benefits to the state for state tribal TANF programs, Mr. Opp said discussions have been ongoing with the tribes regarding coordination of service delivery. He said a tribe can negotiate a lower TANF work participation rate. This could benefit the state by avoiding possible penalties for the state's failure to meet work participation rates. He said the penalties are five percent of the state's TANF funds the first year or approximately \$1.3 million, and the penalty can increase to as much as 21 percent of the annual TANF block grant. He said the state's annual TANF block grant is \$26.4 million.

Mr. Edward Lone Fight, Three Affiliated Tribes, provided testimony regarding welfare reform, a copy of which is on file in the Legislative Council office. He said the tribe is negotiating with state officials to develop its own tribal TANF program and has requested financial and technical assistance from the Bureau of Indian Affairs to offset

related costs. He said the tribe is very concerned with the TANF sanctions and the high number of Native American TANF recipients being sanctioned. He said case management is a primary concern and that the state has not paid attention to the needs of Indian clients. He said the TANF caseload reductions have occurred because the most employable clients are employed, with the more difficult clients to be employed later. He said this results in Native American caseloads increasing as a percentage of the total because of employment difficulties. He said the tribe is concerned that clients will be so discouraged because of the sanctions that services offered later will not be successful.

Ms. Susan Hall, Human Resources Director, Four Bears Casino and Lodge, New Town, provided comments regarding welfare reform. A copy of her testimony is on file in the Legislative Council office. She said the casino employs 370 individuals and suggested that it will take a tremendous amount of resources to assist TANF clients in moving from welfare to work. She said obstacles include adequate transportation, day and night child care, and financial resources to carry clients to their first full paycheck. She said as an employer the casino can provide jobs but is financially limited in meeting the special needs of TANF clients during their transition to work.

In response to questions from committee members, Ms. Hall said the casino can provide on-the-job training for approximately 30 entry level positions.

In response to a question from Senator Thane regarding the casino's employee turnover rate, Ms. Jane Lone Fight, Four Bears Casino and Lodge, said the casino has had a 100 percent turnover over the last two years, of which approximately 70 percent is due to absenteeism resulting from transportation and day care problems and approximately 30 percent is due to substance abuse and lack of finances.

In response to a question from Senator DeMers, Ms. Hall said the Three Affiliated Tribes has a day care center that is open from Monday through Friday from 8:00 a.m. to 5:00 p.m. in New Town. Casino employees are also using family members for child care.

In response to a question from Senator Yockim, Mr. Iverson said there are funds available for car maintenance for a recipient's car, and a transportation stipend could be used to support a van or other type of pooled transportation.

In response to a question from Representative Kilzer, Ms. Lone Fight said approximately 25 to 30 percent of the casino's employees are from New Town with the majority from rural areas,

including Twin Buttes, Mandaree, Parshall, and White Shield. She said weather and poor roads affect employee work attendance.

Mr. Hugh Baker, Three Affiliated Tribes, expressed concerns regarding case management issues for Indian TANF recipients. He said the needs of a client and the client's family must be reviewed and addressed to assist the client in becoming independent. He said many people have addiction problems and dysfunctional families. He said the Job Service North Dakota proposal for job training was considerably less costly than the tribe's proposal, which makes him wonder what client services are being provided by Job Service and if they are sufficient to meet the clients' needs.

In response to a question from Senator Thane, Mr. Baker said ideally caseloads for case managers should not exceed 25 clients per caseworker, and it appears Job Service's caseloads ratio could be as high as 75 clients to each worker.

Mr. Leo Cummings, Three Affiliated Tribes, provided testimony, a copy of which is on file in the Legislative Council office. Mr. Cummings also distributed a task force report made to the Minnesota Legislature on a plan for tribal operations of family assistance programs, a copy of which is on file in the Legislative Council office. Mr. Cummings discussed his meetings with the New Town Job Service staff, which addressed the services provided by the tribal 477 program and the Job Service jobs contract, the potential for collaboration efforts, service areas, and the potential for scheduling services for mutual and overall benefit. He said the integration of the tribe's welfare-to-work program into the 477 program has added a job training readiness component, a client support mechanism to assist in chemical abuse or alcoholism programming, and has potential for addressing client transportation issues.

Ms. Becky Knight, representing Mr. Terrance Red Fox, Fort Berthold Housing Authority, distributed testimony prepared by Mr. Red Fox regarding housing needs on the Fort Berthold Reservation, a copy of which is on file in the Legislative Council office. She stressed that the Three Affiliated Tribes will experience, beginning in 1998, a 30 percent reduction in housing funding with additional cuts anticipated in the year 2002. She said the tribe has a housing waiting list in excess of 400 families which will likely increase as a result of welfare reform and a potential return of tribal families to the reservation.

In response to a question from Representative Price regarding the Legislative Assembly's role in

changing the misconception that if tribal members return to the reservation they may continue to receive benefits after the 60-month limit, Ms. Knight said they are working to correct this misconception, but tribal members often want to return to their home in difficult times.

Ms. Abigail Bingen, Director, Tribal Day Care, New Town, provided testimony, a copy of which is on file in the Legislative Council office. She said the center provides child care for children ages six weeks to three years of age and has an annual budget of approximately \$400,000. She said the center employs 11 tribal members.

Ms. Rose LeBeau, Director, Employment Training, Spirit Lake Tribe, Devils Lake, discussed the planning efforts underway for the tribe's welfare-to-work program. She said the tribe is planning for a heavy equipment training program that may be supported by a \$600,000 grant from the North Dakota Department of Transportation to train tribal members and others for operating heavy equipment. She said the program is open to all people and should start in approximately two weeks with 20 persons receiving training in the first training class.

Mr. Don Stokke, Customer Service Area One Manager, Job Service North Dakota, Minot, provided testimony regarding services provided by Job Service North Dakota on the Fort Berthold Reservation. A copy of his presentation is on file in the Legislative Council office. He said currently there are four staff members providing services in New Town. His presentation includes information on Job Service activity in New Town which indicates a total of 211 applicants were placed in jobs for the fiscal year ended June 1997.

## OTHER ISSUES

The Legislative Council staff presented a bill draft requiring the Department of Human Services to provide food stamp benefits to refugees who have exceeded the federal time limit for eligibility in the food stamp program.

Mr. Opp provided testimony regarding the impact of the bill draft, a copy of which is on file in the Legislative Council office. Mr. Opp said the costs for the 1999-2001 biennium are projected to be \$260,681 from the general fund. He said this would provide benefits for aliens, which includes refugees and other legal aliens, whose federal food stamp benefits have expired. He said refugees are eligible for benefits for the first 60 months they are in the country and again when they become United States citizens. He said citizenship generally takes six to six and one-half years. As a result, in a typical case, the state, if

the bill draft became law, would provide benefits beginning with the 61st month and continuing to citizenship or one and one-half years later. Thus, benefits, in a typical case, would be for approximately one and one-half years. He said the bill draft could be amended to limit the provision of state food stamp benefits to a set number of months.

In response to a question from Senator Yockim, Mr. Opp said the department will notify the Congressional Delegation of the state's concern regarding the loss of benefits for refugees and legal aliens prior to citizenship and report back to the committee at its next meeting.

In response to questions from committee members, Mr. Opp said the primary reason why refugees may be delayed in receiving United States citizenship is if they are older and have difficulty in learning the English language, which is a necessity for United States citizenship.

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

### **TRIBAL WELFARE REFORM ISSUES**

Mr. Raphael DeCoteau, Tribal Chairman, Turtle Mountain Band of Chippewa Indians, provided information regarding the feasibility of a tribal TANF program and distributed a letter sent to Governor Schafer regarding the tribal TANF program, a copy of which is on file in the Legislative Council office. Mr. DeCoteau said the tribe has a 59 percent unemployment rate and will graduate 150 high school graduates this spring with no job opportunities. Mr. DeCoteau discussed other states' tribal TANF programs and unemployment rates on North Dakota reservations. He said the tribe's economic development effort is to create 3,500 to 5,000 new primary sector jobs before the year 2013. He said the first priority is to 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. He said the tribe's second priority is to strengthen tribally owned businesses to increase profitability and to create jobs by additional Uniband contracts, additional Turtle Mountain Manufacturing products, and strengthening and expanding tribal services. He said the third priority is to participate in joint ventures to create primary sector jobs, including Midwest Industries, Chippewa Homes, and Chippewa Doors and Windows. He said the fourth priority is to expand tourism, including the construction of a Sky Dancer Resort Hotel and the

extension of the gaming compact to allow for financing a new casino. He said the fifth priority is to create a sufficient and reliable economic development funding stream from additional revenues from the new casino. He said 25 percent of gaming gross revenues is earmarked for work force development and economic development.

Mr. DeCoteau said the proposed Turtle Mountain Work First Initiative to reduce poverty would include \$7.9 million per year of TANF and work force development, school and work retention services of \$1.7 million per year, and private sector job creation of \$3.1 million per year. He said the funding from the state of North Dakota would total \$11,082,000 consisting of approximately 30 percent of the federal TANF block grant (\$7,920,000), the welfare-to-work block grant (\$1,200,000), and the federal child care block grant (\$1,962,000). He said in addition, \$1,627,626 will be provided from the Turtle Mountain Tribe's share of TANF, welfare-to-work program, child care, and gaming revenue. He said the next steps for the Turtle Mountain Tribe are to seek local and statewide support for the Work First Initiative, to encourage Governor Schafer 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.

Chairman Yockim said the next committee meeting is scheduled for Monday and Tuesday, August 31 and September 1, 1998, in Bismarck. The committee adjourned at 2:15 p.m. subject to the call of the chair.

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Jim W. Smith  
Assistant Legislative Budget Analyst and Auditor

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Chester E. Nelson, Jr.  
Legislative Budget Analyst and Auditor

ATTACH:1