Senate Human Services Committee
HB 1036
March 20, 2023
Senator Kathy Hogan

Chair Lee and members of the Senate Human Service Committee, my name is Kathy Hogan, and I represent District 21.

HB 1036 is a simple bill that simply raises the monthly Temporary Assistance to Needy Family (TANF) benefit from 25% of the poverty level to 50% of the poverty level.

TANF is a federal program that was converted from the Aid to Families with Dependent Children program that was established in the 1930 with the Social Security Act during the great depression to a block grant program with the passage of Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

The TANF program provides states (which includes DC and territories for this purpose) with flexibility in operating programs designed to help low-income families with children achieve economic self-sufficiency. The federal government does not provide TANF cash assistance directly to the public. Instead, states use their TANF grants to fund monthly cash assistance payments to low-income families with children, as well as a wide range of services that are designed to address one or more of the program's four broad purposes:

- Provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives.
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- Prevent and reduce the incidence of out-of-wedlock pregnancies.
- Encourage the formation and maintenance of two-parent families.

These purposes were outlined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), the law that created TANF, replacing the Aid to Families with Dependent Children (AFDC) and related programs.

Since the major work that was done during the 1997 legislative session to outline the structure for the TANF program few modifications have been made to that structure. Since that time, the numbers of families receiving assistance have consistently dropped and the % of funding to assistance low income has also dropped as TANF funding has been redirected to other programs. Two reference documents are linked
https://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_nd.pdf

https://www.cbpp.org/large-shares-of-tanf-funds-not-used-for-basic-assistance-or-supporting-work

In July 1996 the maximum monthly benefit was $431/month which was 40% of the 1996 poverty level. In July 2021 the maximum month benefit was $486/month which is 27% of the poverty level. This has been a 33% drop for our lowest income families with children compared to the poverty level.

How did this happen in ND? I think it is not any person or systems fault, it is simply that poor families do not have an advocate to monitor the trends. During the Interim Human Services Committee as we were studying the challenges of getting working families off all assistance such as Child Care Assistance, SNAP or Medicaid, it became evident that we had not been monitoring these trends. This bill invites us to provide increased financial support to the lowest income families with children.

On a side note, after researching this national trend and looking at the ND data, this bill emerged. In addition to proposing an increase in the poverty level for payments, I hope that we as a legislature can better monitor the uses of all TANF funds. In some states, there have been excessive abuses of the TANF block grant funds, and we need to assure that we are more diligent in monitoring these funds.

Thank you for the opportunity to share these comments, I am willing to answer any questions.