

2019 HOUSE INDUSTRY, BUSINESS AND LABOR

HCR 3044

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

HCR 3044
2/18/2019
32873

- Subcommittee
 Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Consider studying, in consultation with Department of Commerce, Department of Human Services & private sector; desirability & feasibility of developing & expanding asset-building opportunities, including a review of state & federal policies associated with government assistance which impede or improve low-income workers' ability to earn more income.

Minutes:

Chairman Keiser: Opens the hearing on HR 3044.

Josh Boschee~District 44: Introduces HCR 3044. This resolution deals with people who are living in poverty in ND. When I talked with our county social services offices, one of the concerns was while people have the title of a case manager, rarely is the person working for the state helping families figure out & navigate the process. Do to the policies set by the federal government & sometimes state government, they are just auditing personal accounts.

We found that we make black & white laws for a gray world. The goal of this resolution is how do define poverty in ND. Several states have defined a sustained ability but ND doesn't have that. We need to define that line.

We need to determine which of our polices, federal or state designed, are impeding North Dakotans from being to move up & out of poverty. What works.

Sometime our programs limit the amount of income they can make. When they make more income working extra, they end up making up too much, they may no longer qualify for those programs.

I would like for us to look at other opportunities for people with help their needs. This is basically the same language introduced last session where it passed both chambers but wasn't selected for a study.

4:00

Rep Schauer: You study but then what? What can this study do in a real way?

Rep Boschee: We have great employees won't take additional shifts or management positions because they would lose the subsistence.

Rep P Anderson: In the middle, you have the population over the age of 55. Are you concerned that the age group of over 65? Is it going to be poorer, any thoughts?

Rep Boschee: I don't know the answer to that but I hope this study will help with that.

Rep P Anderson: Without this group of 65 & older, what impact is this going to have? Are we prepared for that?

Rep Boschee: Our state has done some good things. How can we help employers to incentivize the savings of employees? If we work together we can find out what to do for people.

Rep D Ruby: On the back page, estimating the number of individuals living with low incomes for the next 10 years. Would it be useful information if we knew if they are staying or cycling in & out? Are we trying to figure out who is staying or cycling out?

Rep Boschee: That's a great thing to figure out. The flat line when looking at data, is it flat because of staying in or in & out. They couldn't answer that.

Rep D Ruby: Stepping up for advancements, they have to get a good advancement. The people's disabilities, programs all have different criteria, they are scared of losing the program. Is it going to look into all the different programs & how they would conflict with each other?

Rep Boschee: That is not in the bill, but look for how the policies will be sustainable.

Chairman Keiser: Line 9 & line 11, do you have any data for state by state?

Rep Boschee: I can give you that information. I can tell you is, ND is doing a little better.

Chairman Keiser: If these numbers are the lowest in the country, can we really have the expectation to improve?

Rep Boschee: What would it look like of legislature said we hope to have that number be zero by 2025.

Chairman Keiser: If these numbers are the lowest in the country, can we really have an impact because of different variables. We can study it, but there is nothing that we can really come up.

Rep Boschee: If you refer to page 2, line 5, working with the health department is that we develop our self-sufficiency standard. That is our number for the state of ND, taking in the variables.

Rep D Ruby: It would be nice to know the people who are slightly above the poverty level.

Chairman Keiser: Anyone else here to testify in support, opposition, neutral position? Closed the hearing on HCR 3044. What are the wishes of the committee?

Rep D Ruby: Moves a do pass & placed on the Consent Calendar.

Rep Kasper: Second.

Chairman Keiser: Further discussion?

Rep Kasper: Gave a story about a manager who said that all his workers can't work because they would lose their benefits, it will cost me more to work than to not work. That an area we need to study to find out how we can make our programs to work for the private sector.

Roll call was taken on HCR 3044 for a Do Pass & places on the Consent Calendar with 13 yes, 0 no, 1 absent & Rep Schauer is the carrier.

Date: Feb 18, 2019

Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 3044

House _____ Industry, Business and Labor _____ Committee

Subcommittee

Amendment LC# or
Description: _____

Recommendation

- Adopt Amendment
- Do Pass Do Not Pass Without Committee Recommendation
- As Amended Rerefer to Appropriations
- Place on Consent Calendar

Other Actions

- Reconsider
- _____

Motion Made by Rep Ruby Seconded Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	x		Rep O'Brien	x	
Vice Chairman Lefor	x		Rep Richter	x	
Rep Bosch	x		Rep Ruby	x	
Rep C Johnson	x		Rep Schauer	x	
Rep Kasper	x		Rep Adams	x	
Rep Laning	x		Rep P Anderson	x	
Rep Louser	x		Rep M Nelson	Ab	

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep Schauer

REPORT OF STANDING COMMITTEE

HCR 3044: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3044 was placed on the Tenth order on the calendar.

2019 SENATE HUMAN SERVICES

HCR 3044

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

HCR 3044
3/11/2019
Job #33501

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez

Explanation or reason for introduction of bill/resolution:

A concurrent resolution directing the Legislative Management to consider studying, in consultation with the Department of Commerce, Department of Human Services, and the private sector, the desirability and feasibility of developing and expanding asset-building opportunities.

Minutes:

Attachments #1-2

Madam Chair Lee opens the hearing on HCR 3044.

(01:30-04:22) Representative John Boschee, District 44. Introduces HCR 3044 and provides testimony. Please see **Attachment #1** for written testimony.

Senator Anderson: I had a mentor that used to say it wasn't how much you earned but how much you saved. If you look on page 2 line 2, I would feel more comfortable if that said "ability to earn more income and retain more of that income" so that there is that savings portion in there. Of course, there are barriers to that too as you mentioned because if you have more assets you're not eligible. Even though your assets may increase very little at first, that could be a barrier to some of the services that you're talking about. I would be more comfortable if we added that, if you wouldn't mind.

Representative Boschee: I would be perfectly fine with that. Another agency we might want to explore working in collaboration with would be Job Service North Dakota, they were left out of the draft. They have much more hands on experience in helping people develop skills for jobs but unfortunately due to our capacity of our county social services network, Department of Human Services a lot of times their case managers spend most of their time reviewing paperwork and auditing file rather than sitting down with some and helping them develop skills.

Senator Hogan: Did you look at any of the historical studies that the state has done in the past?

Representative Boschee: I did not.

Senator Hogan: I think in the 1990's when we did Welfare reform, this was much of the focus of what we did for a six-year period.

Madam Chair Lee: That and the fact that we added the Medicaid buy-in for people with disabilities and, there is no cliff, its ratcheting up.

Senator Hogan: I was just curious if you had happened to look back at that. It was probably a six or eight-year period where we did intense study on this issue but its thirty years old.

Madam Chair Lee: The same thing with welfare to work you were allowed to keep more of your resources. You could have a better car and various benefits to assists somebody to get training and be able to be self-sufficient.

Senator Hogan: I think it would be good to look at it again.

Representative Boschee: This was heard in the IBL committee on the house side and we actually heard a lot from the employer side about employees not being able to take extra shifts to protect the assistance to keep their child in childcare.

Madam Chair Lee: The question ends up being whether somebody is then looking at increasing the maximum incomes for childcare and those kinds of things in order to address this or what the other options are. We will see how it shakes out. Interesting variety of sponsors on the bill I thought, you covered the bases well.

Representative Boschee: Two assemblies ago we passed a similar study but it wasn't picked up for a study. I tried to go back to several of the same sponsors because I know that the people you see on here have all expressed interest in addressing poverty one way or the other in the state.

Madam Chair Lee: Any other questions for Representative Boschee? If not, thank you for introducing this to us.

(09:25-13:55) Karen Ehrens, Partner in the North Dakota Economic Security and Prosperity Alliance. Testifying in support of HCR 3044. Please see **Attachment #2** for written testimony.

(15:00) Chip Ammerman, Cass County Social Service Director. Offering neutral testimony on HCR 3044. Testimony is as follows: One of the comments were very much in favor of this bill for the study I think it's well overdue that we take a look at that. We can identify many different cases where someone has taken extra shifts, got a promotion, or increased their salaries that resulted in actual negatively effects on their income. It's a dilemma that many of our people receiving our services are under. They want to get off Welfare and our services but they are in that dilemma of how are they meeting the needs of their children and families. We serve roughly about 14,000 households. The vast majority 85%, are the working poor, about 13% are the aged and disabled and about two percent are in the TANF services. One of the things that Senator Hogan can talk about this as well, the TANF service which is originally developed to help people into the workforce and be successful has greatly diminished the type of services that they provide. Job service in our

area does a tremendous job in helping people get prepared for their work but there isn't a lot of incentive for them to do that other than their personal wealth. When you're in poverty, as its already been testified, the future isn't necessarily your focus it is day to day living and trying to meet the needs of your family. If these services can be expanded where there isn't that cliff, it's kind of a ratcheting down of service to help them get prepared, I think we would be much more successful than we are right now. I will entertain any questions that you may have.

Senator Hogan: Do you have any idea of your TANF households reach the five year limit.

Chip Ammerman: Not very many.

Madam Chair Lee: I just recently read that exact same thing that it is really a matter of eight months or something like that is an average in my time rather than, long stretches.

Chip Ammerman: TANF is a very successful program. One of their dilemmas are when they just start a job or when they lose some benefits it is not a big incentive to get off of services.

Senator O. Larsen: I'm the guy who goes into these households when they start making more money and have to sign them up for health insurance and they are very irritated when that happens. I was wondering, do you think there is a barrier with modified adjusted income that people are not choosing to get married so that they combine that income and then it bumps them off so that they can continue to stay unmarried and receive services?

Chip Ammerman: I'm not an economic assistance expert so my knowledge is somewhat limited my understanding it is a household income regardless if your married or not to be considered. Do we see people not getting married so those incomes aren't necessarily getting combined, it's the income of whoever is in the household at the particular time, that is my understanding?

Madam Chair Lee: Any last comments on HCR 3044?

Madam Chair Lee closes the hearing on HCR 3044.

2019 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

HCR 3044
3/11/2019
Job # 33519

- Subcommittee
 Conference Committee

Committee Clerk: Justin Velez

Explanation or reason for introduction of bill/resolution:

A concurrent resolution directing the Legislative Management to consider studying, in consultation with the Department of Commerce, Department of Human Services, and the private sector, the desirability and feasibility of developing and expanding asset-building opportunities.

Minutes:

No Attachments

Madam Chair Lee opens the discussion on HCR 3044.

Senator Anderson: Should we amend it or just let it go, it is already the .04000 version so it has been changed three times from its original.

Madam Chair Lee: I just struggle a little bit about the whole thing. I'm not much interested in having this be a device which leads us to a definition of livable wage or something like that. I think that encouraging saving isn't necessarily the government's role but I pick my battles.

Senator Hogan: We did identify in the 1990's significant policy changes that went through food stamps and Medicaid and child care when we did studies about this, we haven't looked at this stuff in a long time.

Madam Chair Lee: That is true. I don't have a problem with reviewing that whole part.

Senator Anderson: When you talk about, you don't think it is our role to encourage savings but in the earlier part of the bill we do mention the facts that we have the program already to help people put away for their college through the Bank of North Dakota.

Madam Chair Lee: Does the Bank of North Dakota give 100 dollars to every baby that is born.

Senator Anderson: It is 300 dollars I think.

Madam Chair Lee: Job service, would we like to add that in now?

Senator K. Roers: I would think that if this study happens, that would happen automatically. I'm not sure that is worth the conference committee.

Madam Chair Lee: Vocational rehab is also a part of the discussion and that wasn't even mentioned but they are comparable.

Senator Hogan: Is it still a part of the Department of Human Services though?

Madam Chair Lee: Yes, they are. So, with that thought in mind any further discussion?

Senator Hogan: I will move a **DO PASS**.
Seconded by Senator K. Roers

ROLL CALL VOTE TAKEN

3 YEA, 3 NAY, 0 ABSENT
MOTION FAILED

Senator Anderson: You didn't ask if anybody wanted to change their vote and I think on this one I can change my vote and we can send it out.

Madam Chair Lee: Okay, would you like to make another motion?

Senator Hogan: I move a **DO PASS**
Seconded by Senator K. Roers

ROLL CALL VOTE TAKEN

4 YEA, 2 NAY, 0 ABSENT
MOTION PASSES, DO PASS
Senator Hogan will carry HCR 3044 to the floor.

Madam Chair Lee and the committee engage in an informal discussion then moves on to discuss other bills.

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 3044**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Sen. Hogan Seconded By sen. Roers

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee	x		Sen. Kathy Hogan	x	
Sen. Oley Larsen		x			
Sen. Howard C. Anderson	x				
Sen. David Clemens		x			
Sen. Kristin Roers	x				

Total (Yes) 4 No 2

Absent 0

Floor Assignment Sen. Hogan

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3044: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HCR 3044 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HCR 3044

HCR 3044
3/11/19
#1 pg.1

March 11, 2019



North Dakota House of Representatives

State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0360

Representative
Josh Boschee
District 44
517 First Street North
Fargo, ND 58102-4540
C: 701-367-3513
jboschee@nd.gov

Minority Leader

HCR 3044 Testimony Senate Human Services Committee

Good Morning Chair Lee and members of the Senate Human Services Committee. For the record, I am Josh Boschee and I represent District 44 here in the House of Representatives.

House Concurrent Resolution 3044 was introduced to review state and federal policies associated with government assistance which may impede or improve low-income workers' ability to earn more income.

We know that most North Dakotans who access government assistance are working. The dignity of work is something that North Dakotans hold in high regard and allows us all to improve ourselves, our families and our communities. With our growing workforce shortage, an ample opportunity to fill vacant jobs includes North Dakotans who may be utilizing government assistance to fill child care, nutrition, housing and a variety of other needs.

The goal is for Legislative Management to collaborate with the appropriate state agencies, private employers and North Dakotans who are low-income to provide insight into what works well and what creates barriers for these North Dakotans to increase work hours, accept salary increases and/or career promotions, while accessing government assistance to effectively move up and out of poverty.

Additionally, the study would have the Department of Human Services project the number of individuals who may be living with low incomes for the next 10 years and determine a self-sufficiency standard for North Dakota. As self-sufficiency standard defines the amount of income necessary to meet basic needs without public or private assistance. The goal of having this standard is so that, as a state, we know what the true cost of living is for an individual and their family, rather than depend on regional and national reports that may not know some of the nuance associated with our state and/or the different economic regions of our state.

My hope is that once we have this information, we can review our state and federal policies related to government assistance and hopefully identify ways to help people work more, for more while gradually reducing their dependence on government assistance. Too often, we hear stories from employers and employees that low income North Dakotans not taking promotions, picking up shifts to cover for co-workers or accepting earned pay raises as they will automatically lose one or several government assistance benefits.

I appreciate the committee's consideration of this legislation and I will try my best to answer any questions committee members may have.

North Dakota Economic Security and Prosperity Alliance (NDESPA) Testimony to

the Senate Human Services Committee, House Concurrent Resolution 3044

March 11, 2019

Good Morning, Chair Lee and members of the Senate Human Services Committee. Thank you for considering to study how state and federal policies impede or improve low-income workers' ability to earn more income through HCR 3044. I am Karen Ehrens and am here today as a private citizen, public health professional and partner in the North Dakota Economic Security and Prosperity Alliance, or NDESPA. NDESPA is a coalition of citizens and organizations who have come together to support public policies that work to help low- and moderate-income North Dakotans build assets and get out of poverty; the NDESPA coalition supports this study.

Many North Dakotans are currently experiencing prosperity, but 10 – 11 percent of the people in our state, about 84,000 of our friends and neighborsⁱ,ⁱⁱ still struggle to make ends meet. In North Dakota, nearly 21,000 children live in families with incomes below the federal poverty level (12% of all children in 2017). The official poverty level in 2017 was \$24,858 for a family of two adults and two children - but many researchers agree that, on average, families need an income of about twice that level to meet their most basic needs (i.e., 200% of the federal poverty level). In North Dakota, 30 percent of children live in families with incomes below 200 percent of the federal poverty level (50,602 children in 2017)ⁱⁱⁱ. HCR 3044 will provide for the chance for public, private, and nonprofit agencies working to provide access to services and increased opportunities to examine what is working and what could be working better. HCR 3044 will allow us to come up with North Dakota-specific solutions to help people climb above and stay out of poverty through work.

Broadly, there are at least two areas to examine: building assets and avoiding the “cliff effect.” Some of the more familiar types of asset-building policy solutions include Individual Development Accounts (IDA's), Earned Income Tax Credits (EITC's) at the federal and state levels, Child Tax Credits (CTC's), child care assistance, and matched children's savings accounts like the successful 529 programs available through the Bank of North Dakota. Asset-building

tools also include financial education and counseling, saving money in recognized financial institutions, saving for college, and protection from financial predators. Public and private organizations like Community Action, the NDSU Extension Service and the Village Family Services, among others, also provide financial tools and education.

The cliff effect is loss of benefits in safety net programs as the result of a minor increase in gross wages, like a raise in pay or an extra work shift, which can push a family off program eligibility, losing some benefits or all benefits, like falling off a cliff. Often, an increase in hours or pay is not enough to make up the difference in an individual's or a family's lost benefits. Falling off this cliff can keep a family in poverty and inhibit their economic self-sufficiency.

This nation's core safety net programs, which include Medicaid, the Children's Health Insurance Program (CHIP), and the Supplemental Nutrition Assistance Program (SNAP), among others, reduce poverty, improve nutrition and health care for millions of children and families, and have positive effects on children's health, forward work momentum, and income many years later. One example is SNAP, which kept 14,000 people, including 6,000 North Dakota children, out of poverty in each year between 2009 and 2012^{iv}. Evidence from research shows that the safety net as a whole supports work, especially for parents with low-incomes, by providing more stability in their lives, helping make sure their children are cared for, and helping parents move up while they are working often long hours for low wages^v.

This interim study period would also be a good time to explore the amount of income required for working families to meet basic needs at a minimally adequate level, taking into account family composition, ages of children, and geographic differences in costs. Such a "self-sufficiency standard" has been calculated for 41 states, but not yet in North Dakota.^{vi}

In North Dakota, we have a shared opportunity and responsibility to determine whom in our state would benefit from increasing access to asset-building tools and programs and reducing the impact of fiscal cliffs. We can work together to create an atmosphere of support and self-sufficiency that contribute to employment opportunities and keeping our economy strong.

The North Dakota Economic Security & Prosperity Alliance urges the committee toward a “do pass” recommendation on HCR 3044 so we can study together whether developing and expanding asset-building opportunities is desirable and feasible, and to take a look at state and federal government assistance policies that assist or get in the way of low-income workers’ ability to earn and save more money. I would be happy to take questions from the Committee.

ⁱ 2017 American Community Survey, U.S. Census Bureau, 2018; 2012 – 2016 American Community Survey, U.S. Census Bureau, 2017

ⁱⁱ <https://www.census.gov/quickfacts/nd>

ⁱⁱⁱ North Dakota Kids Count, March 2019

https://www.ndkidscount.org/publications/insights/IOC_8_1_Poverty.pdf

^{iv} https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_north_dakota.pdf

^v Testimony of Olivia Golden, Executive Director, Center for Law and Social Policy, before the House Committee on Ways and Means and the House Committee on Agriculture, June 25, 2015

^{vi} <http://www.selfsufficiencystandard.org/>