

July 2001

BUDGET COMMITTEE ON HUMAN SERVICES - OTHER RESPONSIBILITIES

REVISED TANF ADMINISTRATION

Subsections 5 and 6 of North Dakota Century Code Section 50-09-29 authorize the Department of Human Services, subject to approval of the Legislative Council, to change the temporary assistance for needy families (TANF) program if there is insufficient worker opportunity to participate in work activities due to increases in the unemployment rate or if the administration of the program causes otherwise eligible individuals to become a charge upon the counties under Chapter 50-01. The Budget Committee on Human Services has been assigned the responsibility to receive any requests from the Department of Human Services under these subsections.

TANF Program

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

The TANF block grant replaced the aid to families with dependent children (AFDC) program. The program is effective through September 30, 2002, and Congress is considering reauthorization. It is expected to be reauthorized by Congress, but changes may be made. The block grant:

- Includes a 15 percent cap on state and administrative costs.
- Requires that the Legislative Assembly appropriate the state's block grant funds.
- Requires an 80 percent maintenance of effort based on the state spending for fiscal year 1994.
- Allows transfers of block grant moneys up to 30 percent to a 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.

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

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

To be eligible for meeting the state's work participation rate, the Act requires participants to work a minimum of 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. The work participation requirement for fiscal year 2000 was 40 percent; however, due to the state's reduction of 40.3 percent in TANF caseloads, the work participation requirement for North Dakota was effectively reduced to zero. A state's required work participation percentage rate is reduced by the state's TANF percentage caseload reduction. North Dakota's actual work participation rate for 2000 was 34 percent.

TANF Funding

North Dakota currently receives approximately \$26 million of federal TANF funds each year. The 2001 Legislative Assembly appropriated a total of \$25.6 million for the TANF grant program for the 2001-03 biennium, \$4 million of which is from the general fund, \$11.2 million of federal TANF funds, and \$10.4 million of other funds. The 2001-03 biennium appropriation is an increase of approximately \$200,000 from the \$25,400,000 provided for the 1999-2001 biennium.

Estimated TANF block grants available to North Dakota, estimated expenditures, and estimated carryover funds are listed in the following schedule:

	TANF Block Grant	Estimated Expendi- tures 2001-03	Estimated Carryforward to 2003-05
2001	\$18,707,794	\$18,707,794	
2002	26,399,809	26,399,809	
2003	19,799,856 ¹	10,906,274	\$8,893,582
Total	\$64,907,459	\$56,013,877	\$8,893,582

¹ Estimated amount after reauthorization

The Department of Human Services estimates spending \$56 million of federal TANF funds during the 2001-03 biennium for:

Assistance to Needy Families	
TEEM benefit	\$11,175,551
TANF child care	5,657,871
Job Preparation	
TANF work activity - Special payments	3,058,671
JOBS - Transportation	1,811,486
JOBS - Client services	4,022,316
JOBS - Support services	920,552
Subtotal	\$9,813,025
Formation and Maintenance of Families	
Family-focused services	\$1,902,500
Child abuse and neglect investigations	777,500
Parent aid	1,326,000
Intensive in-home services	655,995
Foster care emergency assistance	11,564,869
Subtotal	\$16,226,864
Other	
Systems maintenance and operations	\$2,396,518
Systems - Financed development	502,729
County	
Emergency assistance - Case management	3,891,038
TANF assessments	720,000
Subtotal	\$7,510,285
Administration	
JOBS contract administration	\$418,328
State office administration	2,117,485
County administration	3,094,468
Subtotal	\$5,630,281
Total	\$56,013,877

Study Plan

The committee may wish to proceed with this responsibility as follows:

1. Consider any requests from the Department of Human Services to change the TANF program.

2. Receive reports from the Department of Human Services on the status of the reauthorization of the federal TANF program by Congress.

DEVELOPMENTAL DISABILITIES SERVICES - PROVIDER REIMBURSEMENT SYSTEM

Section 1 of Senate Bill No. 2307 provides that the Department of Human Services, in cooperation with developmental disabilities services providers representing each of the eight human service regions, prepare a joint recommendation for consideration by the 58th Legislative Assembly regarding a new state-wide developmental disabilities services provider reimbursement system. The section provides that the department is to report quarterly to the Legislative Council regarding the progress in preparing the joint recommendation. The Budget Committee on Human Services has been assigned the responsibility to receive these quarterly reports.

Funding

The 2001 Legislative Assembly appropriated a total of \$164,200,000 for developmental disabilities services grants for the 2001-03 biennium, of which \$53,700,000 is from the general fund, \$43,000 from the health care trust fund, and \$110,400,000 of federal funds. In total, the funding provided for developmental disabilities services grants is an increase of \$15.3 million compared to the 1999-2001 biennium appropriation of \$148.9 million.

Study Plan

The committee may wish to proceed with this responsibility by receiving reports from the Department of Human Services at each meeting on the status of the development of a new developmental disabilities services provider reimbursement system.