

**Testimony of
Carol Cartledge
Director of Economic Assistance Policy Division
North Dakota Department of Human Services
House Ways and Means
Subcommittee on Human Resources
Chairman Geoff Davis
May 17, 2012**

Chairman Davis, members of the subcommittee, I am here today to provide you with information on North Dakota's Temporary Assistance for Needy Families (TANF) program.

Maintenance-of-effort (MOE) is the amount a state must spend in order to receive the TANF block grant. Excess MOE is in excess of the amount the State needs to meet its MOE expenditure requirement. A State may claim as 'excess MOE' existing State and third-party spending. Using this option allows a State to reduce their target work participation rates and operate separate state programs to address special needs of families with severe barriers to employment. Target work participation rate is the percentage of TANF households required to be participating in a work activity which may be lowered by a caseload reduction credit.

States must engage 50 percent of TANF participants who are work-eligible and 90 percent of two-parent TANF families in work activities or states face financial penalties for failing to meet the work participation requirements. However, the rates a state must actually meet for a federal

fiscal year are reduced by the amount of a state's caseload reduction credit. Generally, the caseload reduction credit equals the number of percentage points that a State reduces its overall caseload in the prior fiscal year compared to its overall caseload in the base year. If a state utilizes the excess MOE option, it further reduces the reduction credit.

North Dakota took a serious look at the excess MOE option with the implementation of the Deficit Reduction Act of 2005. After much discussion, North Dakota decided not to rely on excess MOE as a means of meeting the work participation rate but instead looked at other options under the TANF. Taking it a step further, we looked at ways to meet the 50 percent work participation rate requirement without using a caseload reduction credit to stay within the federal work requirements. In order to achieve this goal, North Dakota researched our current policy and procedures.

In 2006, the North Dakota Department of Human Services conducted on-site visits at the county and state level to determine where improvements could be made. Many of the discussions surrounded why TANF clients cannot work or be in a work activity. Obstacles typically related to mental health, family and health issues. Based on these visits, we learned we needed to change the focus from what clients cannot do to what they can do. Further, we needed to look at entities that work with families with multiple barriers and agencies with the skill set and expertise to work effectively with various populations in North Dakota.

This led to contracts for case management and employment services with three agencies: Community Options, Job Service North Dakota, and Tribal Employment and Training. Under TANF, adults receiving assistance are

expected to engage in work activities and develop the capability to support themselves and their families.

We also shifted our focus on the federally defined work activities and how to make the work activities work for us and not against us. North Dakota uses the full array of work activities to, with some individuals involved in more than one activity. We have become creative with the work activities such as work with Tribal agencies for TANF clients to achieve the required number of hours while participating in a Pow-wow, purchase equipment for self-employment business, or groups of TANF clients work together to support a community project.

North Dakota continued to look at TANF and how we could improve the program to better serve our clients and their needs. Today, North Dakota has regular TANF benefit and these additional options:

- **Diversion Assistance**, which provides short-term help to families that are employed or will be employed, to help the parents/caregivers to remain employed.
- A **regular TANF** benefit, which is a monthly benefit with a 60-month lifetime limit.
 - **Pay After Performance** – Work-eligible individuals are required to meet work requirements before their needs will be met. This means a child-only payment is made, and if the work-eligible individual meets the work requirements, a supplement payment is made to meet that individual's needs. If the work-eligible

individual does not meet the work requirements, a sanction is imposed. This requirement is for the first four months on TANF.

- A new endeavor is a **Career Ladder** started in 2011 – Individuals pursuing secondary education in a highly employable field in North Dakota are allowed to pursue education beyond the 12-month federal limitation.

- **TANF Kinship Care** assistance expands the options for placement of children who are in the care, custody, and control of the child welfare system by providing enhanced funding and services to those who qualify eligible for the program.

- **Transition assistance** promotes job retention by providing an extended period of assistance to qualified TANF households to further assist working families to remain self-sufficient from TANF.

- **Post TANF** provides six months of support services once a family is no longer eligible for TANF or Transition Assistance.

- **Support services** are provided to TANF families such as a transportation allowance to get to and from work activities, help with car repairs, clothing for work or job interviews, tools or equipment for work, professional license fee, and tuition assistance. All support services have annual dollar limitations.

Implementing these changes to the TANF program has resulted in a work participation rate increase. In federal fiscal year 2005, without caseload

reduction credit, North Dakota's work participation rate was 31.45 percent. That rate increased to 71.7 percent the first quarter federal fiscal year 2012. This is a 128 percent improvement.

This concludes my testimony. I would be happy to answer any questions you may have.

North Dakota TANF Stories

When "George" first started with the JOBS program, he was a recently divorced father of three boys ranging in age from 3-7. He came to the JOBS program eager to work and get his life back on track. "George" had not worked in a paying position since his eldest child was born, as he was a stay-at-home dad for his children while his ex-wife worked. He was still a little shaken from his divorce, but had the personal motivation and desire to better himself and his family. After a brief period of volunteering at a local thrift store and an assessment of his skills and interests, "George" found employment at a retail store. With his hard work and positivity, "George" quickly gained a department management position. At his last meeting with his employment specialist, "George" shared that he was offered a higher management position and planned to accept the offer.

North Dakota TANF Stories

I graduated with a bachelor's degree in Human Services in 2010. The following fall I accepted a case management position. I was so excited and eager to work as a case manager. Throughout the next year and a half my knowledge of the TANF program and the customers I worked with grew tremendously. I learned things from first hand experiences that I could not have learned from a book or sitting in a lecture. I learned how to handle stressful and difficult situations with ease and grace. I have seen the power of a helping hand and believe that I have made positive, long lasting impressions in the lives of the customers I have served.

In my continued quest to help people I began the journey towards my Master's in Social Work degree in January 2012. Shortly after that I received a promotion to director in North Dakota. I continue to build on a wealth of knowledge from my colleagues, my customers, and my schooling. All areas of my life seem to blend together and my knowledge in the field of Human Services continues to grow on a daily basis.

TANF is a great program that gives people opportunities that they might not have had without the program.

North Dakota TANF Stories

Because of you guys helping me I have a great job that I love and because of my job I am able to stay in Valley City. I was living on a reservation before moving to Valley City. My life was very bad and my children were suffering. My boyfriend was abusive to me and my children. With the help of Community Options I am safe and enjoy my life now. You guys also helped me out with mileage that helps out a lot and new clothes for my job I really appreciate the help you guys have given me. Thank you very much.