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Background Brief on ...

Low-Income Family Stability

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In 1996, federal legislation ended the Aid to Families with Dependent Children program and combined its funding, along with other childcare and employment programs, to become the Temporary Assistance for Needy Families (**TANF**) program. Under current law, states receive fixed, lump sum payments ("block grants") to devise their own welfare programs (with some limitations) for their population's needs. TANF refocuses public assistance on employment and self-sufficiency and requires client participation in return for continued benefits. Oregon receives \$167 million in TANF Block Funds per year and is required to spend between \$92 million and \$98 million (if federal participation requirements are not met) in state funds on eligible clients for allowable services that meet the goals of TANF. This is called "maintenance of effort" (**MOE**).

The Deficit Reduction Act of 2005 (**DRA**), reauthorizing the federal TANF program, was enacted on February 8, 2006. The Final Regulations, published in 2008, provide definitions for countable activities and administrative requirements relating to participation, documentation, and monitoring.

Each month, TANF provides on-going cash assistance to approximately 19,000 low-income Oregon families with children. These cash benefits help meet the basic needs of over 45,000 individuals, including over 32,000 children. Family stabilization, case management, employment and training services are also available to these families.

New federal regulations regarding work participation took effect in 2006. In response, Oregon developed and implemented a comprehensive redesign of the TANF and Job Opportunity and Basic Skills (**JOBS**) programs (see below), focusing on enabling families to remain or become stable. The Department of Human Services (**DHS**) reports that the redesign will allow Oregon to meet the federal work participation rate requirements, while better addressing the family stability and economic security of these eligible families. Implementation of the new program structure began in October 2007. While Oregon will not meet participation requirements in the 2008 fiscal year, the state reports they expect to meet or exceed them in the 2009 fiscal year.

Federal Requirements for TANF

While the federal government does not fully specify how states must

spend their block grants, the 2006 law and 2008 regulations continue to expand certain standards that states must meet:

- States must put 50 percent of all able-bodied adult participants and 90 percent of all able-bodied adults on two-parent TANF cash grants in work-related activities. States must meet this criterion or face possible reduction of the state's block grant.
- The federal government gives states Caseload Reduction Credit for reducing TANF participation. Reductions are formulated on caseloads for a base year, which had been 1995 but has been changed to 2005. Using a later base negatively affects the credit that Oregon receives since the program experienced bigger declines during the earlier years.
- Failure to meet either of the participation rate requirements also increases the base amount of MOE the state is required to expend on the program by \$6.1 million per year (from \$91.6 million to \$97.7 million).
- The federal Department of Health and Human Services has further defined what activities count toward participation, the levels of participation hours that are required, and who is required to participate. The Final Regulations limit the definitions for what activities count as work participation.
- When reporting, states are now required to maintain a quality assurance process and comply with new standards for work participation and expanded verification documentation requirements.
- States may use federal money for benefits to a family for more than five years only if that family receives an exemption. States can give exemptions for up to 20 percent of their caseloads. States may use state funds to fund cash assistance to families beyond the five-year time limit. Oregon has criteria enabling the funding of families who meet certain criteria, beyond the federal five year limit.

Welfare Reform in Oregon

In March 1996, Oregon received a waiver of federal TANF policies to implement the "Oregon

Option." These waivers officially ended in July 2003. With the passage of the DRA, Oregon had to decide how to design services to meet the new federal requirements. The TANF Oversight Committee was established in 2006 to make recommendations on new designs for the program. This committee included legislators, executive office, and state agency staff and community partners. Many of the group's recommendations were ultimately incorporated into House Bill 2469 (2007) that made several changes to Oregon's TANF and JOBS programs:

- Strengthened screening and assessment processes to ensure potential client strengths, barriers, needs, and goals are identified and addressed.
- Increased the time new parents are exempted from JOBS participation requirements, from 3 months to 6 months for parents 20 years of age or older, and 4 months for teen parents.
- Modified state time limit rules for receiving TANF cash assistance, including the creation of new hardship extensions and exceptions based on a client's inability to obtain or maintain employment.
- Created a new State Family Pre-Supplemental Security Income/Social Security Disability Insurance (SSI/SSDI) program to assist TANF adults with severe disabilities to apply for federal disability benefits through the Social Security Administration. The program is voluntary and provides a higher monthly payment standard for people found eligible for the program. Clients must sign an interim assistance agreement that requires those eligible for federal disability benefits to repay the state a portion of their federal benefit settlement.
- Created a new post-TANF program that provides a \$150 monthly payment for up to 1 year to TANF, State Family Pre-SSI/SSDI and pre-TANF clients who become ineligible for cash assistance due to increased employment earnings. Clients remain eligible for up to 12 months if they meet federal participation requirements, modified TANF non-financial eligibility, and have income

less than 250 percent of the Federal Poverty Level (**FPL**) guidelines.

- Strengthened the client re-engagement (sanction) process. Clients are given every opportunity to participate; all screenings must be offered and child safety is considered prior to imposing any sanctions. Sanctions are only applied when it is determined the client is willfully not participating. This action requires a team decision. Clients must actively participate for two weeks to end an imposed sanction, and the full cash grant is restored once the client meets this requirement.
- Approved other programmatic changes that are scheduled for implementation in October 2008. These changes relate to child support collection and distribution, modifications to eligibility for TANF-related medical assistance, and changes in educational opportunities available to TANF families pursuing a two or four year degree while receiving cash assistance.

Oregon's TANF Service Delivery System

The DHS Children, Adults and Families Division administer Oregon's TANF services that consist of:

- *Pre-TANF Program* - A more consistent holistic up-front evaluation process has been created that integrates strength-based case management statewide. TANF adults are screened for domestic violence, alcohol and drug, mental health, physical health, and family stability. When appropriate, families continue to be offered the opportunity to connect to the labor market early in the process while taking advantage of up-front screenings concurrently. Families applying for TANF enter into the pre-TANF Program for up to 45 days. During this period the program provides cash assistance for items such as rent and utilities, food stamps, and Oregon Health Plan (**OHP**) medical coverage.
- *Ongoing TANF Assistance* - Provides ongoing financial assistance to families with

children under the age of 19 who meet income standards. The maximum income payment standard is about 33 percent of the FPL, or about \$485 for a family of 3. Families receiving assistance typically receive food stamps and OHP medical coverage with TANF cash assistance. The total TANF and food stamp allotments support a typical family of 3 at less than 70 percent of the FPL. As a condition of eligibility, participation in work-related activities and services is required.

- *Temporary Assistance for Domestic Violence Survivors* - Financial assistance is available for families who are victims of domestic violence and who must relocate for the health and safety of the victim and related children.
- *JOB Preparation & Placement Services* - Provides services for TANF participants seeking employment. These services include basic education, short-term vocational training, job readiness training, and various forms of work experience, job placement services, and job retention services. Other services include access to mental health and substance abuse services.
- *Child and Family Well-being* - Services are available to help families address possible child well-being issues, such as helping families avoid child welfare intervention. These services include the Family Support and Connections program that provides home and community based services that build on family strengths and address family functioning.

The system also includes the State Family Pre-SSI/SSDI and the post-TANF programs mentioned above.

Food Stamp Program (FSP)

The FSP is a supplemental federally funded benefit program to help low-income families, single adults, and childless couples buy food. While client benefits are 100 percent federally funded, the administration of the program requires a 50 percent state match.

The intent of the FSP is to assist all eligible

persons meet their nutritional needs. In federal fiscal year (FFY) 2005, Oregon's participation rate was the highest in the nation. The participation rate is the percentage of potentially FSP-eligible persons in the state receiving food stamp benefits. In October 2007, more than 443,000 Oregonians – almost 12 percent of Oregon's population – received benefits.

Employment and Training Program - States administering the FSP are federally required to offer a limited companion employment and training program. Oregon's version is the Oregon Food Stamp Employment Transition (OFSET) Program.

OFSET is an 8-week commitment for every 12 months that a person receives FSP benefits. Mandatory clients are those between the ages of 18 to 59 who are not exempt due to age, employment, and caring for children.

Nutrition Education - A key element of the FSP is nutrition education. The state contracts with the Oregon State University Extension Service to provide all nutrition education services.

The Extension Service has offices in almost every county in Oregon and provides a range of classes to various age groups. An estimated 41,271 individuals participated in nutrition education classes in FFY07 and 162,683 people received nutrition education materials such as brochures or food demonstrations.

Nutrition education involves other partners such as schools, Women, Infants and Children (WIC), the Oregon Department of Education's Child Nutrition Program, and grocery stores. Activities in FFY07 included the launch of the Fruits and Veggies – More Matters Campaign and the first statewide summit for Oregon's Fruit and Vegetable Program.

Program Outreach and Service Recipients

To increase participation in the FSP, the state contracts with nonprofit groups. The state reports

that outreach, along with some policy and procedural changes, has increased participation rates significantly in recent years. Participation rates have risen from 109,997 households in December 1999 to 229,508 households in October 2007.

Self-Sufficiency offices serve approximately 60 percent of the food stamp population. Elderly persons (65 and older) plus persons with disabilities who require services are assisted by Senior and Disabled Persons local offices and their contract agencies (Area Agencies on Aging, Disability Services Offices, and Councils of Government).

Food stamp benefits are distributed through an electronic benefit card (EBT). EBT purchases are limited to items approved by the federal Food and Nutrition Service. The only exception is for households made up of SSI recipients or persons age 65 and over who live in Clackamas, Columbia, and Multnomah and Washington counties. They receive food stamp benefits as cash.

Employment Related Day Care (ERDC)

The purpose of the ERDC program, and the Child Care and Development Fund that supports it, is to provide low-income families the same access to quality child care as higher income families. ERDC helps working poor families pay their child care bills, helps families find and keep appropriate child care, and works with providers and child care partners to improve the quality and stability of the child care arrangements parents make.

The program pays providers at a rate that gives parents access to a variety of child care options. ERDC is also designed to provide consistent support for families as their financial situation changes. As the family's income increases, their share of the child care costs also increases, with the goal for it to remain affordable. ERDC serves working families with very low incomes. In the 2007-2009 biennium, it is anticipated to serve an average of 9,141 families

and 19,380 children per month. Effective October 1, 2007, the income eligibility limit for the program is 185 percent of FPL. For a family of 3, this amounts to a \$2,647 gross income per month.

Refugee Resettlement Program

Refugees are admitted to the United States for humanitarian reasons by the U.S. Department of State. The program provides comprehensive resettlement services to help them learn how to navigate the culture and become self-sufficient as quickly as possible. The Refugee Resettlement Program is a collaborative between DHS and partner agencies to help refugees and asylees successfully resettle in this country by providing financial, work-attachment and acculturation services.

The average monthly caseload for Refugee Cash Assistance is approximately 250 cases and 550 individuals. An additional estimated 400 individuals per month are served in Refugee Employment projects.

Initial resettlement and case management services are delivered by nonprofit resettlement agencies in Portland. Services include ongoing employment-related services, including work-based English language training. DHS also works with the Multnomah County Health Department to provide health screenings for all new arrivals and with Oregon Health and Sciences University which provides mental health and trauma treatment for refugees.

Prevention Services

The Office of Self-Sufficiency Programs (OSSP) oversees two teen pregnancy prevention program areas including STARS and AmeriCorps. These programs involve comprehensive approaches with partners including communities and schools. Additionally these programs coordinate with other prevention and youth development initiatives including juvenile crime, drug and alcohol, youth suicide, school drop out and recovery efforts, and education.

Program Integrity

The OSSP Program Integrity group consists of three major areas: the Self-Sufficiency Program Accuracy Team, a Quality Control Unit, and Self-Sufficiency computer business analysts. This area of OSSP is responsible for measurement of eligibility accuracy across all self-sufficiency programs. This group provides information to field and program policy staff to improve the accuracy of eligibility decisions and also provides performance based information to training developers in order to achieve corrective action.

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