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Inside this Brief

Legislative Committee Services
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Background Brief on …

Low-Income Family Stability

In 1996, federal legislation ended the Aid to Families with Dependent Children (**AFDC**) federal match 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 approximately $98 million in state funds on eligible clients for allowable services that meet the goals of TANF. This is called "maintenance of effort" (**MOE)**.

In March 1996, Oregon received a waiver of federal TANF policies to implement the "Oregon Option." These waivers officially ended in July 2003. The Deficit Reduction Act of 2005 **(DRA)**, reauthorizing the federal TANF program, was enacted on February 8, 2006. The Final Regulations, published in 2008, provided definitions for countable activities and administrative requirements relating to participation, documentation, and monitoring.

Each month, TANF provides on-going cash assistance to approximately 26,000 low-income Oregon families with children. These cash benefits help meet the basic needs of over 68,000 individuals, including over 47,000 children. Family stabilization, case management, employment and training services are also available to these families.

Federal Requirements for TANF

While the federal government does not fully specify how states must spend their block grants, the following are the standards that states must meet:

- States must place 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 a Caseload Reduction Credit for reducing TANF participation. Reductions are formulated on caseloads for the 2005 base year (prior to DRA it had been 1995).
- States must expend a Maintenance of Effort (MOE) requirement equivalent to 80 percent of their 1994 contribution to AFDC- related programs.
- When reporting participation (based on Department of Health and Human Services defined activities), states are also required to maintain a quality assurance process and comply with 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.

2007 Oregon TANF Redesign

With the passage of the DRA, Oregon had to decide how to design services to meet the new federal requirements. A committee made up of legislators, executive office, state agency staff and community partners was formed to make recommendations. 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.
- Modified state time limit rules for receiving TANF cash assistance, including the creation of hardship extensions and exceptions based on a client's inability to obtain or maintain employment.
- Created a 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.
- Created a Post-TANF program that provides $150 ($100 since February 1, 2009) monthly payment for up to one year to TANF clients who become employed and lose TANF eligibility. The Post-TANF payment will be further reduced to $50 per month effective October 1, 2010.
- 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.
- Approved other programmatic changes implemented in October 2008. These changes relate to child support pass through and disregard, modifications to eligibility for TANF-related medical assistance, and the creation of the "Parents as Scholars" program which allows a limited number of TANF families to pursue a two or four year degree while receiving cash assistance.

Oregon's TANF Program Post Redesign

The Department of Human Services **(DHS)** had anticipated the 2007 TANF redesign would allow Oregon to meet the federal work participation rate requirements, while better addressing the family stability and economic security of these eligible families. Following the first year of implementation of the TANF redesign, Oregon showed improved outcomes in many areas including: job placements increased by 38 percent; the state JOBS participation rate increased from 21.4 percent to 34 percent; and over 400 families were approved for SSI. The economic crisis in Oregon has resulted in increased demand for TANF benefits and services. Staffing levels did not increase which resulted in limited capacity to provide services other than program eligibility functions. Staffing limitations and reductions taken beginning in the 2007-2009 biennium have impacted Oregon's ability to fully realize House Bill 2469 goals. Oregon did not meet TANF federal work participation rates in Federal Fiscal Years (**FFY**) 2007 and 2008 and is facing potential penalties. Oregon has submitted reasonable cause claims.

In February 2009, President Obama signed the American Recovery and Reinvestment Act (**ARRA**), which provided stimulus money for TANF and other programs. Oregon received ARRA funds which the 2009 Legislative Assembly fully utilized in the 2009-2011 biennium to prevent deeper program reductions in TANF and other TANF related programs. The lingering effects of the current economic recession are anticipated to extend to the 2011-2013 biennium.

Supplemental Nutrition Assistance Program (SNAP)

SNAP 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 SNAP is to assist all eligible persons meet their nutritional needs. In FFY 2005, Oregon's participation rate was the highest in the nation. The participation rate is the percentage of potentially SNAP-eligible persons in the state receiving food stamp benefits. In April 2010, more than 701,000 Oregonians – almost 18 percent of Oregon's population – received benefits.

Employment and Training Program **-** States administering SNAP 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 eight-week commitment for every 12 months that a person receives SNAP 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 SNAP is nutrition education. The state contracts with the Oregon State University Extension Service to provide all nutrition education services.

As of May 2010, the Extension Service has offices in every county in Oregon and provides a range of classes to various age groups. An estimated 50,759 individuals participated in nutrition education classes in FFY 2009 and 221,808 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 FFY 2007 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 SNAP, 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 229,508 households in October 2007 to 369,480 households in April 2010.

Self-Sufficiency offices serve approximately 86 percent of the food stamp population. Elderly persons (65 and older) plus persons with disabilities who require services are assisted by Seniors and People with Disabilities local offices and their contract agencies (Area Agencies on Aging, Disability Services Offices, and Councils of Government).

SNAP 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, 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 made by parents.

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 11,274 families and 20,780 children per month. Effective October 1, 2007, the income eligibility limit for the program is 185 percent of the federal poverty level. For a family of three, this amounts to $2,823 gross income per month.

Refugee 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 effort 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 300 cases and 675 individuals. An additional estimated 450 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 teen programs focused on reducing at-risk behavior including pregnancy prevention, My Future My Choice, 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 dropout 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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