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Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

Background Brief on ...

Low-Income Family Stability

Temporary Assistance for Needy Families (TANF)

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 program (TANF). TANF's goal is to help the poorest families stabilize their lives so they can find and sustain employment, and thereby end their need for public assistance. TANF is available to families with children living in extreme poverty, who cannot afford basics such as shelter, utilities, and daily necessities. The program also provides support services such as help paying for child care and transportation, help applying for Supplemental Security Income (SSI), and help applying for grants to escape domestic violence.

Under current law, states receive fixed (or capped), lump-sum payments ("block grants") to devise their own welfare programs, specific to the needs of their respective populations (with some limitations). TANF conditions persons' continued receipt of public assistance on their participation: they are required to work, to look for work, or to complete training and/or other programs designed to move them toward work and self-sufficiency, in order to maintain their eligibility for assistance.

Oregon receives \$167 million in TANF block grants per year. To receive these federal dollars, Oregon must contribute at least \$92 million state dollars toward TANF clients and services (called "Maintenance of Effort" or **MOE**). For the 2013-15 biennium, the total TANF budget is about \$500 million.

As of February 2014, TANF provides ongoing, monthly cash assistance to approximately 35,000 low-income

families in Oregon (around 95,000 individual Oregonians). Prior to the recession, in December of 2007, the number of families served was under 20,000; at its peak, in February of 2013, TANF helped just over 37,000 families. This dramatic increase in the number of families served is largely attributed to the Great Recession: between 2007 and 2013, the number of single-parent families almost doubled, and the number of two-parent families increased almost fivefold. In 2013, TANF helped roughly one in every 40 Oregonians.

Federal Requirements for TANF

The federal government does not specify exactly how each state must spend its block grant, but rather, requires states to meet certain standards, described below. A failure to meet the required standards can result in a reduction of the state's block grant.

- 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 into work-related activities.
- States must expend a MOE requirement equivalent to 80 percent of their 1994 contribution to AFDC-related programs.
- States must maintain a quality assurance process, and comply with standards for work participation and for expanded verification documentation.
- States may use federal money for benefits to a family for more than five years only if that family receives an exemption. (States can grant 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, and Oregon has criteria to enable funding for families who meet certain criteria beyond the federal five-year limit.
- There is also a Caseload Reduction Credit for state's that reduce TANF caseloads.

2007 Oregon TANF Redesign

In 2007, the TANF program was significantly modified (House Bill 2469). The most notable changes included:

- Investments in the Job Opportunity and Basic Skills program (**JOBS**) and the Family Support and Connections program to reduce the probability of child welfare involvement in TANF cases. (The JOBS program focuses on helping families prepare for employment and on addressing family stability concerns.)
- Resources were made available to identify client strengths and barriers early.
- Support services (such as child care and access to transportation) were enhanced.
- Adjustments were made to more closely align case management/staff resources to caseloads.
- One percent of the families receiving TANF were allowed to attend post-secondary education as part of their self-sufficiency plan.

The Great Recession

Following the first year of implementation of the TANF redesign, TANF recipients showed improved outcomes in many areas, including a 38 percent increase in job placements, a 13 percent increase in participation in the JOBS program, and over 400 families being approved for SSI. At the same time however, Oregon's economy was deteriorating. For two years, the state's unemployment rate was over 10 percent: February 2009 to February 2011. It has slowly improved over time but remains high compared to the national average. Oregon shifted gears to serve more and more families in need and the full program redesign of 2007 could not be maintained. Instead, a kind of triage went into effect: many services and activities were reduced or cut altogether; monthly cash payments were reduced (to be spread over more recipients); the state's funding contribution increased significantly; and staff workloads doubled while staffing levels remained the same. The current number of families in need is anticipated to remain at high levels for years to come. The Great Recession had, and continues to have, the greatest adverse impact on the poorest families.

Failure to meet TANF's Work Participation Standard

Oregon has not achieved the TANF program's required work participation rate since about 2006. As of May 2013, the state was facing \$27.7 million in federal penalties, while participating in a "corrective compliance plan" approved by the United States Department of Health and Human Services Office of Family Assistance.

Supplemental Nutrition Assistance Program (SNAP)

SNAP is a federal nutrition program that provides supplemental help to low-income families, single adults, and childless couples, to buy food. Client benefits are 100 percent federally funded, but costs to administer the program are split 50/50 between federal and state governments.

The intent of SNAP is to assist all eligible persons meet their nutritional needs. A person does not have to be destitute to qualify. Oregon has historically achieved very high participation rates compared to other states. (The participation rate is the percentage of potentially SNAP-eligible persons in the state actually receiving food benefits). In August of 2013, about 808,244 Oregonians in 443,501 households received food benefits (about 20 percent of the state's population).

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

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, caring for children, or other barriers to employment.

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

education services. As of May 2010, the Extension Service had offices in every Oregon county providing a range of classes to various age groups. Every year, thousands of participants learn about healthy eating, physical activity, food resource management, and food safety. Other partners and programs are also involved in nutrition education, including schools, grocery stores, the Department of Education's Child Nutrition Program, and the WIC program (Women, Infants and Children).

Oregon State University is also responsible for the *Food Hero* campaign, available in all counties as of 2012, to help low-income Oregonians improve their health by increasing consumption of fruits and vegetables.

Employment Related Day Care (ERDC)

The purpose of the ERDC program, and the Child Care and Development Fund supporting it, is to provide very low-income families the same access to quality child care as higher income families. ERDC helps working, low-income families pay 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 a family's income increases, its share of the child care costs also increases – the goal being that it remain affordable.

Refugee Program

Refugees are admitted to the United States for humanitarian reasons by the U.S. Department of State. Comprehensive resettlement services are provided 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 the Department of

Human Services (**DHS**) and partner agencies.

Initial resettlement and cash management services are delivered by nonprofit resettlement agencies in Portland. Services include ongoing employment related programs, such as 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 Science University to provide mental health and trauma treatment.

Prevention Services for Teens

The DHS Office of Self-Sufficiency Programs (**OSSP**) oversees teen programs focused on reducing at-risk behaviors, including pregnancy prevention, My Future My Choice, and AmeriCorps. These programs involve comprehensive approaches that include schools and community partners. These programs also coordinate with other prevention and youth development initiatives including those that concern juvenile crime, drug and alcohol use, youth suicide, and dropping out of school.

Public Assistance Program Integrity

When a person qualifies for state assistance such as TANF and SNAP, an account is established for them, much like an ordinary bank account, to allow the recipient to access benefits using an EBT card (electronic benefits transfer), called the Oregon Trail Card. An Oregon Trail Card operates just like a bank card: benefits are deposited into the recipient's account on a monthly basis, and the recipient may make purchases or withdraw cash using the card at store locations and automatic teller machines. A cardholder receiving SNAP benefits may buy food, and a cardholder receiving TANF benefits may buy nonfood items and obtain cash. There are a number of limitations associated with each type of assistance and fees sometimes apply, but overall, there is nothing different or conspicuous about the transaction, which lessens the stigma associated with receiving benefits, in addition to reducing costs of administration.

The use of EBT cards to distribute public assistance evolved across the country in the late 1990s. A number of high-profile fraud cases

involving EBT cards in other states, and here in Oregon, occurred in the years that followed. These cases caused particular outrage among taxpayers during the Great Recession, which led to modifications at federal and state levels to improve quality control requirements. As of 2014, states are still struggling to find acceptable ways to prevent abuses that do not create additional barriers for those in need.

The federal government requires states to have quality control mechanisms in place, to ensure compliance with assistance programs. For example, to receive SNAP funds, DHS reviews and reports on cases for federal compliance and conducts random reviews at local branches to promote consistent and accurate eligibility determinations. The Office of Payment Accuracy and Recovery at DHS is responsible for investigating allegations of both client and provider fraud that involve federal and state assistance dollars, including Medicaid/Oregon Health Plan programs, SNAP, TANF, child care benefits, and other uses of and benefits made available through the Oregon Trail Card.

Staff and Agency Contacts

Sandy Thiele-Cirka
Legislative Committee Services
sandy.thielecirka@state.or.us
503-986-1286

Cheyenne Ross
Legislative Committee Services
cheyenne.ross@state.or.us
503.986.1490

Chris Edmonds
[Department of Human Services](#)
Legislative Coordinator
503-602-6584

Jill Gray
[Department of Human Services](#)
Legislative Coordinator
503-945-6526

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