



LPRO: Legislative Policy and Research Office

LOW-INCOME FAMILY STABILITY

BACKGROUND BRIEF

In 1996, the federal government ended the Aid to Families with Dependent Children (AFDC) federal match program and combined the funding with childcare and employment programs, creating the Temporary Assistance for Needy Families (TANF) program. Under current law, states receive lump-sum payments called block grants to design their own assistance programs with some federal limitations. The TANF program focuses public assistance on employment and self-sufficiency, requiring clients' participation in return for continued benefits. Oregon receives \$167 million in TANF block grants 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).

As of April 2016, TANF provided cash assistance to approximately 23,641 Oregon households. These

cash benefits help meet the basic needs of over 61,000 individuals, including over 41,000 children. Family stabilization, family engagement, employment and training services are also available to families in the TANF program.

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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 work-eligible adult participants and 90 percent of work-eligible adults receiving two-parent TANF cash grants in work-related activities. States must meet this criterion or face reductions of the state's block grant;



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- The federal government calculates state Caseload Reduction Credits intended to reduce TANF participation rate targets. Reductions are formulated on caseloads for the 2005 base year;
- States must expend a MOE requirement equivalent to 80 percent of their 1994 contribution to AFDC-related programs;
- States must report to the Administration for Children and Families the defined work activities participation data as well as maintain a quality assurance process that complies with standards for work participation and expanded verification documentation requirements; and
- States may use federal money for benefits to a family for more than five years only if that family receives a hardship extension. States can apply extensions 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 maintains TANF assistance for the children even when the adults on the program have received their five years of TANF.
- Support services – such as quality child care and access to transportation – were available to ensure engagement in employment, training and family stability activities;
- Investments in the Job Opportunity and Basic Skills (JOBS) and Family Support and Connections program enhanced the TANF program's ability to reduce the probability of child welfare involvement in TANF cases;
- Case manager staff resources for the TANF program were better aligned with caseload;
- A percentage of the families receiving TANF were allowed to attend postsecondary education as part of their self-sufficiency plans; and
- A post-TANF payment was provided for up to a year to families entering employment and leaving TANF.

2007 OREGON TANF REDESIGN

In 2007, the Governor and the legislature redesigned the TANF program (House Bill 2469), focusing on family stability and economic security in order to achieve better outcomes for families in need. The most notable program modifications include:

- Resources were made available to identify client strengths and barriers early on in the process so that clients could get the help they needed to be ready for employment;

OREGON'S TANF PROGRAM IN THE RECESSION AND RECOVERY

As Oregon's TANF redesign was beginning to work, the Oregon economy began to deteriorate. The economic recession had the greatest impact on low-income families. It also made it impossible to maintain even a fraction of the full TANF program design as intended in the 2007 legislation.

The loss of jobs in the state had a clear impact on the TANF caseload. Beginning in late 2007, there was rapid caseload growth as families found it more difficult to find jobs. The program was strained during the recession, and the immediate aftermath, due to a high caseload and insufficient resources, including case management staff.



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Additionally, in the 2009-11 and 2011-13 biennia the TANF and JOBS programs experienced significant reductions due to limited resources. Funding for JOBS services was reduced by 50 percent during the 2011-13 biennium. With a growing caseload, fewer resources and no additional staff, the legislature directed the Department of Human Services (DHS) to focus the TANF program on meeting the basic needs of eligible families by providing cash assistance and to place part of HB 2469 into suspension; those suspensions are still in effect today.

OREGON'S TANF PROGRAM TODAY

The TANF caseload in Oregon is slowly and steadily declining, but it is not projected to reach pre-recession levels for several more years due to the uneven economic recovery. Many TANF families continue to face steep barriers to employment and need the fuller complement of TANF services to help make progress toward self-sufficiency. With an improving economy and a strong interest from elected officials to meet Oregon's statewide education and employment-focused policy initiatives, many believed it was time to reinvest in the TANF program and strengthen the program's impact.

After nearly a year of research, collaboration and conversation among a variety of TANF stakeholders, a TANF reinvestment bill was introduced in the 2015 session. This bill, House Bill 3535, passed and resulted in a reinvestment of \$28.8 million in the TANF program to improve outcomes for children and families. HB 3535 did not require new funding; instead, a decline in the number of families receiving TANF assistance generated caseload savings that were used to fund the bill.

HB 3535 contained targeted investments and policy changes that, taken together, strengthened the ability to stabilize families and place parents on an employment pathway that leads out of poverty and into self-reliance. Some of these targeted investments and policy changes included:

- Reduce the impact of the "benefits cliff" when TANF participants become employed;
- Simplify eligibility requirements and expand services to increase family stability;
- Improve services that can prevent families from entering TANF;
- Build program capacity to provide the customized, strength-based family engagement approach that TANF participants need to achieve and maintain family stability and employment; and
- Increase the program's flexibility to target local needs and opportunities.

Several sections of HB 3535 became effective on April 1, 2016 and July 1, 2016. DHS will provide updates to the legislature as it continues to implement HB 3535.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Supplemental Nutrition Assistance Program (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. The participation rate is the percentage of



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potentially SNAP-eligible persons in the state receiving food benefits. In May 2016, more than 719,503 Oregonians – 19 percent of the state’s population – received benefits.

Employment and Training (E&T) Program: States administering SNAP are federally required to offer a limited companion employment and training program. Oregon serves mandatory clients in the Oregon Food Stamp Employment and Training (OFSET) Program or with services for the Able Bodied Adults Without Dependents (ABAWD). Voluntary customers can receive services through the 50/50 E&T program.

OFSET is an eight-week commitment for every 12 months a person receives SNAP benefits. Mandatory clients are those at least 18, but not yet 60 years of age, who are not exempt due to disability, caring for children or other barriers to employment.

ABAWDs are limited to receiving three months of benefits during a three-year period unless they are performing certain federally required work requirements. The services to ABAWDs help the clients complete those requirements and maintain eligibility.

The 50/50 E&T program supplies services to non-mandatory SNAP recipients helping people to prepare for work search and to find employment. The programs assist people with training to become employable and to advance in their career goal.

Nutrition Education: A key element of SNAP is nutrition education. The state contracts with the Oregon State University (OSU) Extension Service to provide all nutrition education services. Other partners, such as schools, Women, Infants and Children (WIC), the Oregon Department of Education’s Child Nutrition Program, food banks and grocery

stores are also involved in nutrition education.

As of May 2010, the OSU Extension Service has offices in every Oregon county and provides a range of classes to various age groups. In 2014, all 36 Oregon counties reported that SNAP educators made 387,838 contacts to teach 3,726 adults and pregnant/parenting teens and 381,180 youth. Participants learned about healthy eating, physical activity, food resource management and food safety. Food Hero, Oregon’s social marketing campaign, is available in every Oregon county with the intended purpose of helping low-income Oregonians improve their health by increasing consumption of fruits and vegetables and providing food budgeting and shopping tips.

Program Outreach: To increase participation in SNAP, the state contracts with nonprofit groups. Outreach, along with policy and procedural changes, has increased participation rates significantly in recent years. Participation rates have risen from 229,508 households in October 2007 to 404,988 households in May 2016.

Elderly and Disabled Recipients: Self-Sufficiency offices serve 89 percent of the SNAP population. Elderly persons (60 and older) plus persons with disabilities, who require services, are assisted by Aging and Persons with Disabilities 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 Supplemental Security Income (SSI)



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recipients or persons age 65 and older who live in Clackamas, Columbia, Multnomah and Washington counties. They receive SNAP benefits as cash.

COMMODITY SUPPLEMENTAL FOOD PROGRAM AND EMERGENCY FOOD ASSISTANCE PROGRAM

As of October 1, 2015, administration of the food assistance programs, Commodity Supplemental Food Program (CSFP) and Emergency Food Assistance Program (EFAP), were transferred from the Oregon Housing and Community Services to DHS. CSFP serves just over 1,700 elderly people monthly with a prescribed package of food through four food banks in Oregon. Each month EFAP serves more than 250,000 low-income people/families across the state with emergency food boxes.

EMPLOYMENT RELATED DAY CARE

Employment Related Day Care (ERDC) helps low-income working families from a variety of cultural and linguistic backgrounds, in urban and rural communities, arrange and pay for quality child care. ERDC provides low-income families with the same opportunity to quality child care as families with higher incomes; aimed at helping reduce the achievement gap and end the poverty cycle. Quality child care may nurture a child's learning and development, better preparing the child to succeed in school and later in the workforce. ERDC helps parents stay employed and gain self-sufficiency by assisting with consistent, stable child care that parents need to remain on the job. ERDC also supports care for

children with special needs, and offers providers who come from diverse cultural backgrounds.

In October 2015, ERDC implemented several program enhancements. These were a result of House Bill 2015 and the Child Care and Development Fund Act of 2014. Enhancements included:

- 12-month certification period for all families;
- Additional time for work search when a job loss occurs;
- Continued benefits for families with a caretaker on medical leave;
- Child care hours for working students; and
- Child care for families who are self-employed.

The program pays providers on behalf of the family, at a rate that gives parents access to a variety of child care options. In addition, ERDC is 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 will increase. This increase occurs at the end of a 12-month period when the family recertifies. The goal is to keep their child care costs affordable, while the family adjusts to paying all child care costs as they become self-sufficient. To be eligible for the program, a family's income must be less than 185 percent of the 2016 Federal Poverty Level; for a family of three, this amounts to a \$3,108 gross income per month.

ERDC has a higher ongoing income limit. This allows families to stay on the program longer as they receive wage increases. The ongoing income limit for a family of three is \$4,200. ERDC has a legislatively approved caseload cap of 8,100 families and 14,580 children per month. The program's average



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cost per case is \$753. The cost per case increases as program enhancements are made, child care provider rates rise and more families choose higher quality care. The cost per case is the driving factor on how many families the program can support.

Child care providers are required to become approved by the State and meet a set of health and safety standards. All are required to complete background checks, attend pre-service health and safety training and have access to additional education.

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 refugees learn how to navigate the culture and become self-sufficient as quickly as possible. The Refugee 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 cash assistance within the Refugee Program is approximately 462 cases and 952 individuals. An estimated 820 to 880 individuals per month are served in Refugee Employment projects.

Initial resettlement and cash 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 & Science

University, which provides mental health and trauma treatment for refugees.

PREVENTION SERVICES

The Office of Self-Sufficiency Programs (OSSP) oversees a sexual health education program focused on reducing at-risk behavior including pregnancy prevention called My Future-My Choice. This program involves a comprehensive approach with state and community partners including public health departments and schools.

My Future-My Choice is designed to use high school peer educators to teach in the middle school classrooms. Older teens are selected and trained to serve as role models for younger youth encouraging them to abstain from sexual involvement, resist social and peer pressure and better understand the influences of the media.

PROGRAM INTEGRITY

The Office of Program Integrity consists of the Quality Control unit responsible for reviewing cases for federal compliance. The Office of Program Integrity 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.

QUALITY ASSURANCE

Self-Sufficiency Program Design includes the Quality Assurance team which is responsible for conducting reviews in local branches to promote policy awareness and consistent application of policy and best practice.



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