



TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

ISSUE BRIEF

INTRODUCTION

The Temporary Assistance for Needy Families (TANF) program is designed to provide services and cash assistance to low-income families with children to meet a family's basic needs such as food, clothing, shelter, and utilities.¹ The program is designed to provide the supports families need to transition to employment when they exit the program.

Oregon families may be eligible for TANF depending on their economic status. The Department of Human Services (DHS) administers the TANF program with block grants from the federal government. Oregon's TANF program receives \$167 million in TANF block grants per year and Oregon is required to contribute approximately \$98 million in maintenance of effort (MOE) funds. The two funding sources have different federal restrictions, and Oregon contributes additional, separate funding that is not subject to federal restrictions.

In 2018, TANF benefits were granted to 33,655 Oregon families.²

OREGON'S TANF PROGRAM

Oregon's TANF program offers family coaching, engagement supports, and cash assistance to low-income families with children.³ Family coaching includes screening and assessing families to identify their needs and barriers to employment, developing case plans which include eligibility and benefit determinations, and assisting families with their case plan goals and activities. Engagement supports include supporting families that are disconnected from or facing barriers to reaching case plan goals.

TANF families are eligible to receive education, training, and job placement services through the Job Opportunities and Basic Skills (JOBS) program. The JOBS program provides families with a variety of opportunities to gain useful skills and experiences in preparation for employment.

HISTORY OF TANF IN OREGON

The Great Depression in the 1930s prompted the federal government to respond with a series of programs culminating in the Social Security Act. These programs ranged from emergency assistance, employment services, and cash grants for families with dependent children. In 1996,

¹ Oregon Department of Human Services. *Cash Assistance*.

<http://www.oregon.gov/DHS/ASSISTANCE/CASH/Pages/index.aspx>, visited February 26, 2019.

² Oregon Department of Human Services. *Oregon Public Assistance Program Data*.

<http://www.oregon.gov/DHS/ASSISTANCE/Pages/data-pa.aspx>, visited February 26, 2019.

³ Oregon Department of Human Services. *Temporary Assistance for Needy Families State Plan, 2018*.

<http://www.oregon.gov/DHS/ASSISTANCE/CASH/Pages/Data-Reports.aspx>, visited February 26, 2019.

the federal government created TANF by combining the funding for these programs into block grants for states to design their own assistance programs. Congress authorized funding for TANF through 2002.⁴

The TANF program provided states with more flexibility in deciding how to assist low-income families. To receive the new block grant, states had to meet a MOE requirement as well as work requirements (a minimum number of hours of work activities recipients must participate in depending on family size) for TANF recipients. MOE funds had to be spent either on the TANF program, an optional Separate State Program (SSP), or both; the work requirements and time limits did not apply to the SSPs. To receive benefits under TANF in Oregon, families were required to participate in a specific number of hours in the JOBS program each week.

2000s to 2015

By the time TANF expired in 2002, federal law required 50 percent of one-parent families receiving TANF to participate in 30 hours of work activities each week and required 90 percent of two-parent families receiving TANF to participate in 35 to 55 combined hours of work activities each week. Two-parent families made up less than five percent of the TANF caseload; many states (including Oregon) found it difficult to meet the federal work requirement for two-parent families and moved them into SSPs.⁵

After the authorization expired, TANF subsisted through short-term extensions until it was reauthorized for five more years in 2005 through the Deficit Reduction Act. This reauthorization included more requirements on how the block grant and SSP funding could be spent; a notable modification is the extension of work requirements to SSP participants. Oregon and 25 other states responded to this new requirement by creating solely state-funded programs so that they could provide assistance to families that were unable to meet the work requirements.⁶ The state-funded programs did not have federal restrictions on funding because they were not funded by the TANF block grant or the MOE funds. Oregon targeted this program for families pursuing Social Security Income or Supplemental Security Disability Income benefits.

The separately funded programs in Oregon were part of an extensive redesign of the TANF program in compliance with the federal reauthorization.⁷ The redesign focused on family stability and economic security to achieve better outcomes for families in need. The redesign was implemented in 2007, just before the recession started impacting Oregon families. The unemployment rate in Oregon increased from five percent in April 2007 to 11.9 percent by April 2009.⁸

TANF caseloads in Oregon increased as well, from 18,354 families in April 2007 to 25,178 families in April 2009; caseloads continued to increase to 37,080 families in February 2013.⁹ In order to

⁴ Center on Budget and Policy Priorities. *Policy Basics: An Introduction to TANF*, 2015.

<https://www.cbpp.org/research/policy-basics-an-introduction-to-tanf>, accessed January 10, 2018.

⁵ Pavetti, L., Rosenburg, L., & Derr, M. (2009). *Understanding Temporary Assistance for Needy Families Caseloads After Passage of the Deficit Reduction Act of 2005*.

⁶ Rosenberg, L., Derr, M., Pavetti, L., Asheer, S., Hague Angus, M., Sattar, S., & Max, J. (2008) *A Study of States' TANF Diversion Programs*. https://www.acf.hhs.gov/sites/default/files/opre/tanf_diversion.pdf, visited March 14, 2018.

⁷ Oregon Laws 2007, Chap. 861.

⁸ U.S. Department of Labor, Bureau of Labor Statistics. *Oregon Economy at a Glance*.

https://www.bls.gov/eag/eag.or.htm#eag_or.f.1, visited March 16, 2018.

⁹ Oregon Department of Human Services. *Oregon Public Assistance Program Data*.

<http://www.oregon.gov/DHS/ASSISTANCE/Pages/data-pa.aspx>, visited March 1, 2018.

provide cash assistance to the growing number of families in need, Oregon used funds meant for reforms in the redesign (suspending portions of the program), contributed an additional \$88 million from the General Fund to TANF, increased caseloads (up to 200 cases per case manager), and reduced services for clients by half.¹⁰

2015 to Present

The suspensions in the redesign were approved for the 2009-2011 biennium and were subsequently approved for the following four biennia. The TANF caseload in Oregon decreased by 18.8 percent from 2013 to 2015 as families recovered from the recession (see **Figure 2**).¹¹ A TANF reinvestment bill was enacted in Oregon's 2015 legislative session, resulting in a reinvestment of \$28.8 million in TANF.¹² The measure 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.

The reinvestment contained targeted investments and policy changes that, taken together, aimed to strengthen the ability to stabilize families and place parents on an employment pathway that would lead out of poverty and into self-reliance. Unlike the redesign, which focused on family stability, the reinvestment prioritized providing families with an easier transition to employment. DHS implemented a family coaching approach to case management, delivering a holistic method of identifying needs and barriers to self-sufficiency for families in deep poverty.

The federal authorization for TANF expired in 2010; the program is currently funded through a short-term extension, which expires June 30, 2019.¹³

ELIGIBILITY & BENEFIT LEVELS

Eligibility for TANF benefits is based on the poverty status of the family seeking benefits. The poverty status is measured by comparing the applicant's income to the poverty guidelines (often referred to as the federal poverty level, or FPL), which is the income needed to meet basic needs. The U.S. Department of Health and Human Services determines the poverty guidelines by comparing the U.S. Census Bureau's annual Official Poverty Report with the Consumer Price Index (the measure of change in prices on consumer goods and services over time).¹⁴

In 2017, the median family income in Oregon for a family of two was \$69,209 (or \$5,767 per month);¹⁵ the FPL for a family of two was \$16,240 (or \$1,353 per month).¹⁶ To qualify for TANF benefits in Oregon, families must be at or below 37 percent of the FPL (\$500 per month for a family of two in 2017), and the monthly benefit level for a family of two receiving TANF was \$432 (see **Figure 1**).¹⁷

¹⁰ Oregon Secretary of State. *Temporary Assistance for Needy Families: High Expectations, Stronger Partnerships, and Better Data Could Help More Parents Find Work*, April 2014. Secretary of State Audit Report, Number 2014-08A.

¹¹ Oregon Department of Human Services. *Oregon Public Assistance Program Data*.

<<http://www.oregon.gov/DHS/ASSISTANCE/Pages/data-pa.aspx>>, visited March 1, 2018.

¹² Oregon Laws 2015, Chap. 765.

¹³ 42 U.S.C. 603 Sec 403 (a) (1)(C).

¹⁴ U.S. Department of Health & Human Services. *2017 Poverty Guidelines*. <<https://aspe.hhs.gov/2017-poverty-guidelines>>, visited February 15th, 2018.

¹⁵ U.S. Census Bureau. *Current Population Survey, Annual Social and Economic Supplement, 2017*.

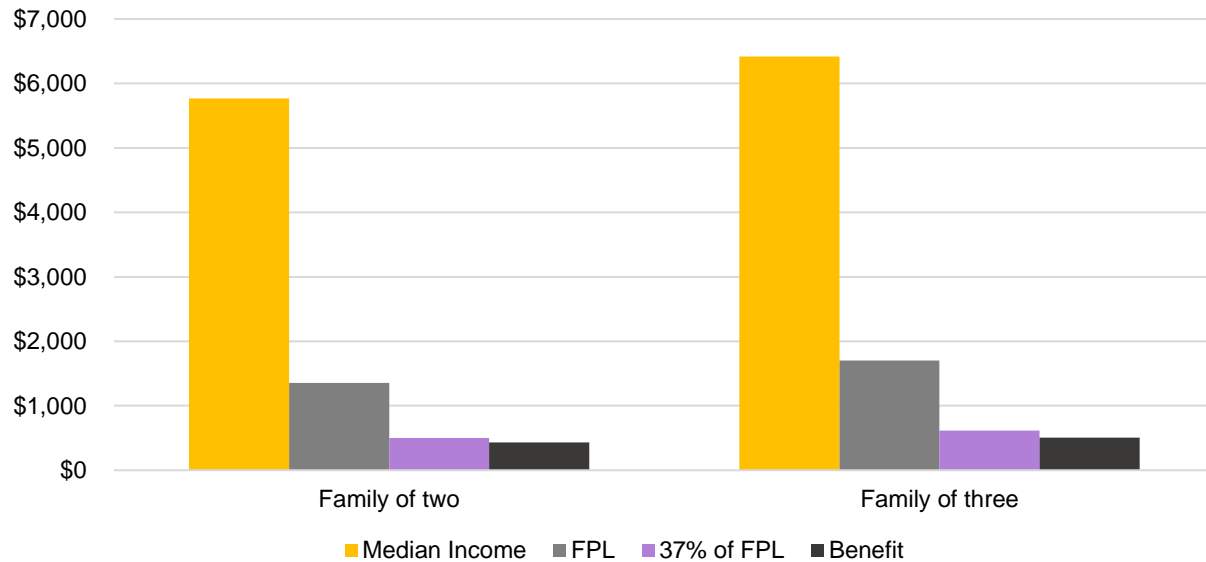
<<https://www.census.gov/cps/data/cpstablescreator.html>>, visited February 15th, 2018.

¹⁶ U.S. Department of Health & Human Services. *2017 Poverty Guidelines*. <<https://aspe.hhs.gov/2017-poverty-guidelines>>, visited February 15th, 2018.

¹⁷ OAR 461-155-0030.

The median family income in Oregon for a family of three was \$77,000 (or \$6,416 per month) in 2017.¹⁸ The FPL for a family of three was \$20,420 (or \$1,702 per month) in the same year.¹⁹ Families of three at or below 37 percent of the FPL (\$616 income per month) qualified for TANF in 2017; the monthly benefit level for a family of three receiving TANF was \$506 (see **Figure 1**).²⁰

Figure 1. TANF Eligibility & Benefit Levels in Oregon, 2017



Source: Legislative Policy and Research Office

Data: Oregon Department of Human Services, U.S. Census Bureau

CASELOAD TRENDS

TANF in Oregon is comprised of three core components: the one-parent program (Basic), the two-parent program (UN), and the state-funded program for families who are pursuing federal Supplemental Security Income or Supplemental Security Disability Income benefits (State Family Pre-SSI/SSDI). The combined caseload decreased by 36 percent between 2013 and 2017 (see **Figure 2**).²¹ The average monthly caseload in 2018 was 21,192.²²

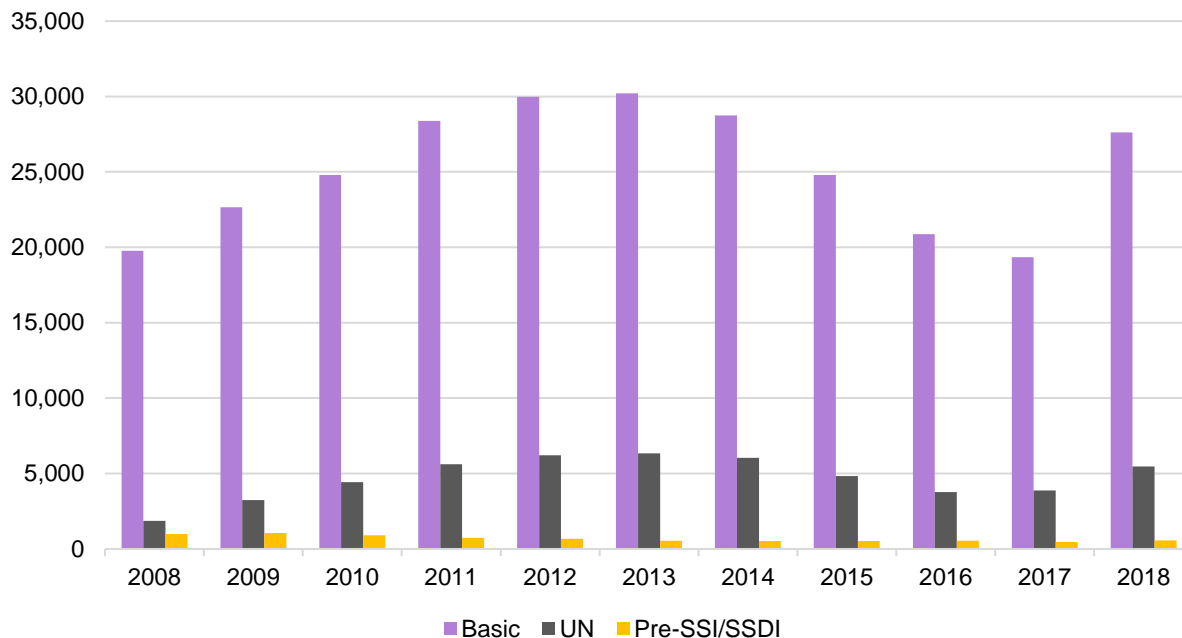
¹⁸ U.S. Census Bureau. Current Population Survey, Annual Social and Economic Supplement, 2017. <<https://www.census.gov/cps/data/cpstablescreator.html>>, visited February 15th, 2018.

¹⁹ U.S. Department of Health & Human Services. 2017 Poverty Guidelines. <<https://aspe.hhs.gov/2017-poverty-guidelines>>, visited February 15th, 2018.

²⁰ OAR 461-155-0030.

²¹ Oregon Department of Human Services. *Oregon Public Assistance Program Data*. <<http://www.oregon.gov/DHS/ASSISTANCE/Pages/data-pa.aspx>>, visited February 22, 2019.

²² Ibid.

Figure 2. TANF Caseloads in Oregon, 2008 - 2018

Source: Legislative Policy and Research Office
 Data: Oregon Department of Human Services

TANF Basic

TANF Basic provides family coaching, engagement supports, and cash assistance to one-parent families who have little to no income. The TANF Basic caseload decreased by 36 percent between 2013 and 2017, from 30,212 cases to 19,336 cases respectively.²³ There were 27,607 TANF Basic cases in 2018; the average monthly TANF Basic caseload in 2017 was 17,856.²⁴

TANF UN

TANF UN provides family coaching, engagement supports, and cash assistance to two-parent families with little to no income. The TANF UN caseload decreased by 39 percent between 2013 and 2017, from 6,341 cases to 3,870 cases, respectively.²⁵ There were 5,479 TANF UN cases in 2018, and the average monthly TANF UN caseload in 2018 was 2,990.²⁶

Pre-SSI/SSDI

The State Family Pre-SSI/SSDI program provides cash assistance and support to families pursuing Supplemental Security Income and Supplemental Security Disability Income benefits. The Pre-SSI/SSDI caseload decreased by 17 percent between 2013 and 2017, from 555 cases to 460 cases, respectively.²⁷ There were 567 Pre-SSI/SSDI cases in 2018; the average monthly Pre-SSI/SSDI caseload in 2018 was 337.²⁸

²³ Ibid.

²⁴ Ibid.

²⁵ Oregon Department of Human Services. *Oregon Public Assistance Program Data*. <<http://www.oregon.gov/DHS/ASSISTANCE/Pages/data-pa.aspx>>, visited February 22, 2019.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

Caseload Impact on Staffing Levels

When the impacts of the recession started in 2009, Oregon responded by making a series of changes including doubling TANF caseloads to provide more cash grants to families in need. In some parts of Oregon, caseloads increased to 200 families per case manager;²⁹ DHS was staffed with case managers at 39.7 percent of need.³⁰ In 2011, DHS rolled out an Intake Initiative to streamline the TANF intake process statewide and alleviate the stress on clients and staff, and in 2013 DHS implemented an agency-wide modernization initiative to restructure the experience of clients.

Due to the growing caseloads and growing demand for caseworkers, DHS was staffed at 35.1 percent of need entering the 2013-2015 biennium.³¹ In 2015, DHS continued to implement initiatives targeted at increasing efficiencies and converted 163 eligibility worker positions into case manager positions in order to meet the growing demand.³² These efforts made it possible for DHS to increase staffing to 59 percent of the need by 2015 and 78 percent of the need by 2017.³³

TIME LIMITS

The federal 60-month time limit for receiving TANF benefits applies to adults in any program funded by the TANF block grant with some exceptions. In federal fiscal year 2018, 36.5 percent of TANF families in Oregon were exempt from the federal time limit because they were child-only cases.³⁴ Oregon established a state 60-month time limit, also with exceptions, in the 2007 TANF Redesign.³⁵

As a result of the inconsistency between the federal and state exceptions, the length of time recipients receive benefits is calculated differently. Under the federal calculation, Oregon families receive TANF benefits for an average of 25 months; under the state calculations, Oregon families receive TANF benefits for an average of 22 months (see **Figure 3**).³⁶ Since the implementation of the 2015 TANF Reinvestment, DHS has focused on aligning the federal and state restrictions to create more consistency and to ensure the delivery of quality services to families receiving TANF.

²⁹ Oregon Secretary of State. *Temporary Assistance for Needy Families: High Expectations, Stronger Partnerships, and Better Data Could Help More Parents Find Work*, April 2014. Secretary of State Audit Report, Number 2014-08A.

³⁰ Oregon Department of Human Services. *Workload Report to the 76th Legislative Assembly*. <https://www.oregonlegislature.gov/citizen_engagement/Reports/2011_DHS_Workload%20report.pdf>, accessed March 28, 2018.

³¹ Oregon Department of Human Services. *Workload Report to the 77th Legislative Assembly*. <https://www.oregonlegislature.gov/citizen_engagement/Reports/2013_DHS_Workload%20report.pdf>, accessed March 28, 2018.

³² Oregon Department of Human Services. *Workload Report to the 79th Legislative Assembly*. <https://www.oregonlegislature.gov/citizen_engagement/Reports/DHS_2017WorkloadReport-409-161.pdf>, accessed March 22, 2018.

³³ Oregon Department of Human Services. *Workload Report to the 78th Legislative Assembly*. <https://www.oregonlegislature.gov/citizen_engagement/Reports/DHS_WorkloadReport2015FINAL.pdf>, accessed March 28, 2018.

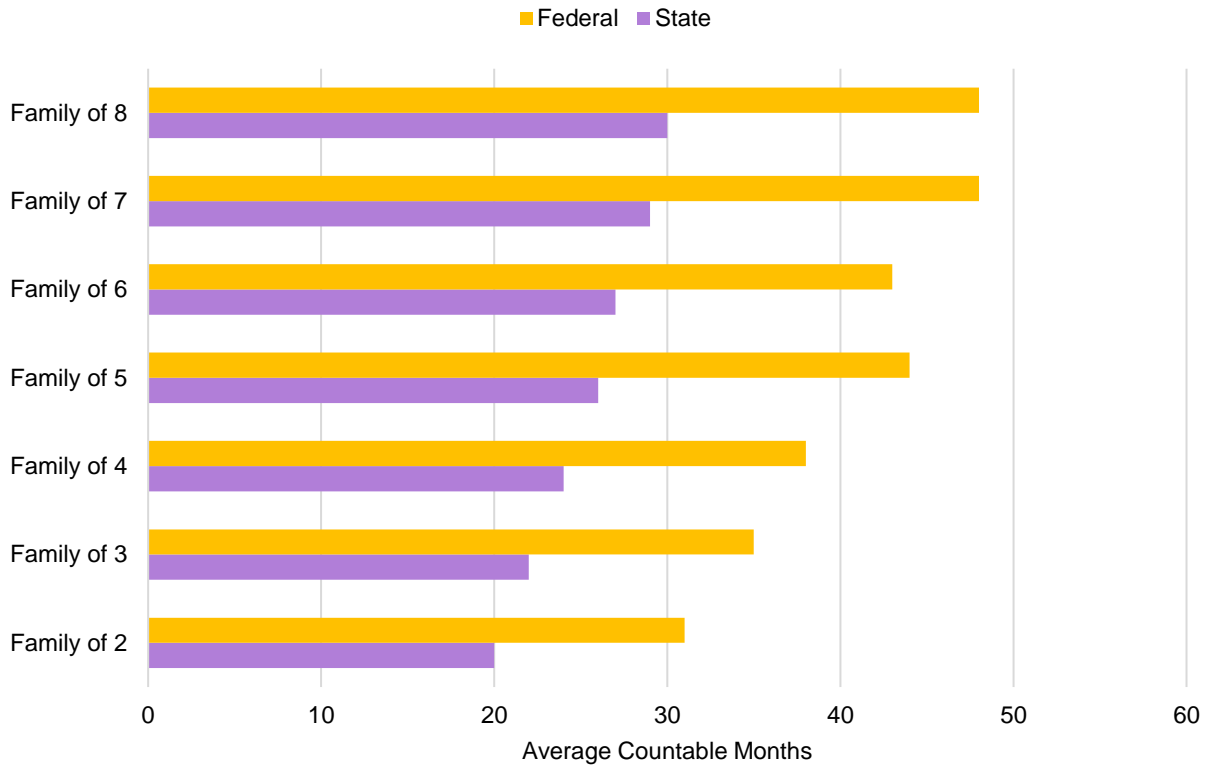
³⁴ Administration for Children & Families. *FY2018 Characteristics and Financial Circumstances of TANF Recipients*. <https://www.acf.hhs.gov/sites/default/files/ofa/fy18_characteristics_web_508_2.pdf>, visited August 30, 2019.

³⁵ Oregon Department of Human Services. *Report to the 2017 Legislative Assembly Regarding Temporary Assistance for Needy Families as Required by ORS 412.079*. <<http://www.oregon.gov/DHS/ABOUTDHS/DHSBUDGET/20172019Budget/2017%20TANF%20Report%20-%20ORS%20412.079.pdf>>, visited March 23, 2018.

³⁶ Ibid.

DHS is continuing to implement the alignment with federal regulations of time limit restrictions as of 2018.

Figure 3. Average Length of Time on TANF in Months, 2003 - 2016



Source: Legislative Policy and Research Office
 Data: Oregon Department of Human Services