

2013-15 Policy Option Package

Agency Name: Department of Human Services (DHS)
Program Area Name: Office of Self-Sufficiency
Program Name: Temporary Assistance for Needy Families (TANF) cash assistance and Job Opportunity and Basic Skills (JOBS)
Policy Option Package Initiative:
Policy Option Package Title: JOBS Program Structure Adjustments
Policy Option Package Number: 103-01
Related Legislation:
Program Funding Team: Economy and Jobs

Summary Statement:

The recent economic downturn has resulted in many more families with children accessing the Temporary Assistance for Needy Families (TANF) cash assistance program. In addition to the need for assistance to meet basic needs of families in extreme poverty, the higher TANF caseload means that more resources are necessary to help these families with services to obtain employment or address the barriers standing in the way of employment. Program and service reductions in the TANF and Job Opportunity and Basic Skills (JOBS) program have severely impacted family stability and employment outcomes for families. The economic crisis, resulting caseload growth, and program reductions have also affected Oregon's ability to meet federal work participation requirements which risks penalties to the TANF block grant. This policy option would: 1) Enhance JOBS program services through agency partnerships, performance based contracting, and the availability of support services, such as child care, while looking for work; and 2) Enhance upfront assessment process to help families identify their strengths and challenges to be better able to quickly connect to employment. This policy option also connects to Policy Option #102 which enhances Self-Sufficiency case manager staff resources to improve family stability, federal work participation requirements, and employment outcomes for families receiving TANF.

	General Fund	Other Fund	Federal Fund	Total Funds
<u>Policy Option</u> Package Pricing:	\$16,547,606	\$0	\$0	\$16,547,606

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Due to the economic recession, DHS has experienced a rapid increase in the number of families requesting TANF benefits and employment and self-sufficiency services over the past four and half years. This has created challenges in maintaining the programs as designed by the 2007 Legislative Assembly through HB 2469. The intent of HB 2469 was a program model where services were individualized and tailored to meet the needs of the specific family and included addressing family stability in addition to financial stability. The current TANF caseload is approximately 90 percent higher compared to prior to the beginning of the recession. The dramatic increase in the number of families applying for and receiving TANF, without additional staffing and program resources to meet the need, has affected the department’s ability to provide timely, individualized services. Program reductions, particularly to the Job Opportunity and Basic Skills (JOBS) program have impacted the ability of DHS to engage families in activities that lead to employment and greater family stability so that these families can leave the TANF caseload.

The JOBS program is an employment and training program for families receiving TANF benefits. The goal is to help adults gain the skills needed to become self sufficient through employment or other alternatives. The JOBS program provides limited education, training and job placement services through a statewide network of community partners who are contracted to deliver services. The JOBS program also provides support services to help participants engage in activities and go to work. Examples of support services include child care and transportation supports to help participants attend work or other activities.

The economic recession has impacted the availability of JOBS program services as a series of reductions to the program budget have taken place in an effort to help the state balance its budget. The most significant reduction occurred in the 2011-13 biennium when the total budget was cut by 50% of the previous biennium budget. The overall net reduction to JOBS significantly reduced contract services available to help families reduce barriers to employment, increase skills, and gain work experience from over twenty available employment, training, and family stability activities to three contracted options: work experience, subsidized employment (called JOBS Plus), and job search. Support services such as child care and transportation assistance are very limited. Contracted services were prioritized according to the parents' job readiness. Additionally, the number of people that could receive services was reduced to approximately 25% of families who are required to participate. The JOBS reductions coupled with decreased DHS case management staff has resulted in fewer families being served. In addition, the ability of the department to meet federally mandated requirements in the JOBS program has also been eroded. This policy option seeks to improve family stability and employment placement outcomes for families receiving TANF. This policy option would also help bring Oregon into compliance with federal work participation requirements.

This policy option would: 1) Enhance JOBS program services through agency partnerships, performance based contracting, and through increasing the availability of support services for families, such as child care, while looking for work; and 2) Enhance upfront assessment process to help families identify their strengths and challenges to be better able to quickly connect to employment. This policy option also adds training of contractors to advance equity outcomes related to service delivery.

Enhance JOBS program services through agency partnerships, performance based contracting, and through increasing the availability of support services for families, such as child care, while looking for work

Although it is estimated approximately 25 – 30 percent of new clients accessing TANF have work experience, the majority of clients receiving TANF have little or no work experience. This option supports continued partnerships and coordination between DHS and other workforce state agencies to increase employment outcomes for adults in the TANF program. This option also adds capacity and resources to be

able to procure for performance-based employment and training services that increase work opportunities for TANF adults and results in employment placements. Finally, this option would add capacity to offer support services such as child care and transportation to more families so that they can adequately engage in activities that result in work.

Enhance upfront assessment process to help families identify their strengths and challenges to be better able to quickly connect to employment

This option enhances the upfront assessment process to identify job readiness and more quickly connect TANF applicants to work and to connect clients to needed services and have a more informed plan of activities. Anticipated outcomes include: early identification of where a person is in relation to work; increased early identification of disabilities (cognitive, mental illness, learning disabilities, addiction, and physical health); increased identification of client accommodation needs; higher level of employability once identification of disabilities and accommodation needs has been made; increased number of clients entering and completing treatment (mental illness, addiction, physical health); increased early connection to the State Family Pre-SSI/SSDI program; enhanced case plans based on identification of strengths and needs.

This policy option also ensures clients receive effective, understandable and respectful employment and self-sufficiency services that are provided in a manner compatible with their cultural beliefs and practices, preferred language and/or alternate format, physical or cognitive ability, gender and sexual orientation. This policy option also ensures that DHS Self-Sufficiency and JOBS contractor staff are trained in culturally, linguistically and gender appropriate service delivery, including conflict and grievance resolution processes, in order to increase the effectiveness of communication and the quality of service, thereby producing better outcomes.

Implementation

Implementation of this policy option will require amendments to Oregon Administrative Rules and Family Services Manual and TANF core training. It may also require DHS IT system modifications. This option will also require new or expanded performance based interagency and contract agreements and associated training for field staff performing contract administration.

2. WHY DOES DHS PROPOSE THIS POP?

Currently, with inadequate JOBS program resources, the department is not able to adequately serve the families receiving TANF in employment and training programs. This affects the program's ability to meet federally mandated requirements related to work participation and the department's ability to meet its own goal of increasing the number of people employed after receiving DHS services. Oregon's TANF program is currently facing potential penalties based on Federal Work Participation rate performance in FY2007. While federal participation improved significantly FFY 2008 with the TANF design based on HB 2469, the required rate was not achieved in that year either. Oregon did not meet participation requirements in FFY 2009 and it is anticipated Oregon will not meet federal participation requirements in FFY 2010 and FY 2011.

Oregon is currently in a corrective compliance plan approved by the DHHS Office of Family Assistance to meet federal participation requirements. The corrective compliance plan lasts through September 2012. Oregon must improve federal participation or face penalties. If the TANF block grant is reduced, there will be fewer available resources for families in need and fewer resources to meet federal participation requirements.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

This policy option package supports the department's mission and goals of assisting people be safe, become independent and support themselves and their families through stable living wage employment. This policy option would also maintain a minimum level of service for families seeking TANF and employment and self-sufficiency services in the JOBS program. Families would continue to have access to benefits and services to address employment and family stability issues, as well as access to services to address barriers to self-sufficiency. By bringing Oregon into compliance with federal work participation requirements, this policy option reduces the risk of financial penalties so that TANF federal funds are used to meet the needs of Oregon's most vulnerable families.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This policy option is directly tied to DHS- Key Performance Measures of: TANF Family Stability and TANF Re-entry.

This policy option also connects to important DHS breakthrough initiatives associated with increasing the employment outcomes for DHS customers; ensuring contracted providers are delivering outcomes established by DHS programs and contracts; and improving service equity.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

This policy option package may be linked to Legislative Concept # LC- 10000/011. It may require amendments to Sections 1 and 8, chapter 604, Oregon Laws 2011 to reduce the current statutory restrictions associated with the availability and provision JOBS program services.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The department first identified the total need that would align resources and program structure to enable the TANF and JOBS programs to operate as fully intended by 2007 Legislative Assembly. This would be reflected in a department's needs-based budget. The State's budget challenges however are anticipated to continue, therefore, without full funding based on need, the department is pursuing a package that would bring the State into compliance with federal work participation requirements, enable the department to ensure the most vulnerable TANF families receive needed services, and ensure those most able to secure employment are actively participating.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

The department is currently facing up to \$27.7 million in potential penalties from the federal government for not meeting federal work participation requirements in FY2007, FY2008 and FY2009. Not funding this policy option package will increase certainty of additional future federal penalties. Families will continue to be underserved in needed employment and training services. As an example, if a \$27.7 million penalty is imposed progressively, it would result in 2,624 fewer families per month receiving TANF cash assistance in a two year period.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Changes in TANF caseloads have a direct impact on the Division of Child Support cases. Expanding employment and training opportunities for TANF clients requires continued partnerships and coordination with other workforce state agencies and governmental entities such as the Oregon Employment Department and state community colleges as well as community based organizations.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

This option assumes that the average employment placements that lead to closure of TANF will increase by 30% of the current average. This will result in savings that will be incorporated into the total fiscal estimate for this package. This option is also impacted by Policy Option #102 which increases DHS Self-Sufficiency case management staff which in turn is estimated to result in reducing the anticipated average TANF caseload in the 2013-15 biennium by approximately 10%.

Implementation Date(s): July 2013 and October 2013
End Date (if applicable): _____

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

- | | | |
|-------------------------------------|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | Office of Self Sufficiency | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | DHS Budget and Accounting | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | Office of Contracts and Procurement | <input type="checkbox"/> |
| <input type="checkbox"/> | | <input type="checkbox"/> |
| <input type="checkbox"/> | | <input type="checkbox"/> |
| <input type="checkbox"/> | | <input type="checkbox"/> |

b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document).

Yes; the administrative impacts are reflected in the DHS POP#102 related to SSP staffing. Training for JOBS contractors in culturally, linguistically and gender appropriate service delivery, including conflict and grievance resolution processes will also have administrative impacts.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

Yes. It is estimated that by adding \$15 million (\$10 for JOBS employment and training services and \$5 for enhanced upfront assessment process) to the JOBS program budget there will be 30% more employment placements of TANF adults. This means that the TANF caseload will be reduced by an average of 178 families per month.

- d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

Yes; these are reflected DHS POP#102 related to SSP staffing.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

This package will result in administrative costs associated with amendments to Oregon Administrative Rules and Family Services Manual. There is a potential cost to system modifications associated with the enhanced upfront assessment process. This cost cannot be estimated at this time.

f. What are the ongoing costs?

It is estimated the total ongoing cost of enhancing the JOBS program employment and training as well as assessment process will be approximately \$15 million for the 2013-15 biennium.

Training for JOBS contractors in culturally, linguistically and gender appropriate service delivery, including conflict and grievance resolution processes is anticipated to be approximately \$120,000 for the 2013-15 biennium.

g. What are the potential savings?

Yes. By enhancing the JOBS employment and training program offerings, it is estimated approximately 176 fewer families on average will remain on the TANF caseload. This means an estimated savings of (\$1,875,124) for the 2013-15 biennium. Coupled with the Policy Option #102 related to increasing Self-Sufficiency case management staff, more savings are anticipated through caseload declines.

In addition, if Oregon is able to avoid federal penalties of up to \$27.7 million, the TANF block grant allocated to Oregon will be maintained.

h. Based on these answers, is there a fiscal impact?

Yes. This policy option package will result in an estimated net impact of approximately \$16.5 million during the 2013-15 biennium (excludes contract and field staffing!).

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$0	\$0	\$0	\$0	0	0.00
Services & Supplies	\$0	\$0	\$0	\$0		
Capital Outlay	\$0	\$0	\$0	\$0		
Special Payments	\$16,547,606	\$0	\$0	\$16,547,606		
Other	\$0	\$0	\$0	\$0		
Total	\$16,547,606	\$0	\$0	\$16,547,606	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	TANF - JOBS	Program Area 2	Program Area 3	Program Area 4	Total
General Fund	\$16,547,606	\$0	\$0	\$0	\$16,547,606
Other Fund	\$0	\$0	\$0	\$0	\$0
Federal Funds- Ltd	\$0	\$0	\$0	\$0	\$0
Total Funds	\$16,547,606	\$0	\$0	\$0	\$16,547,606
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00