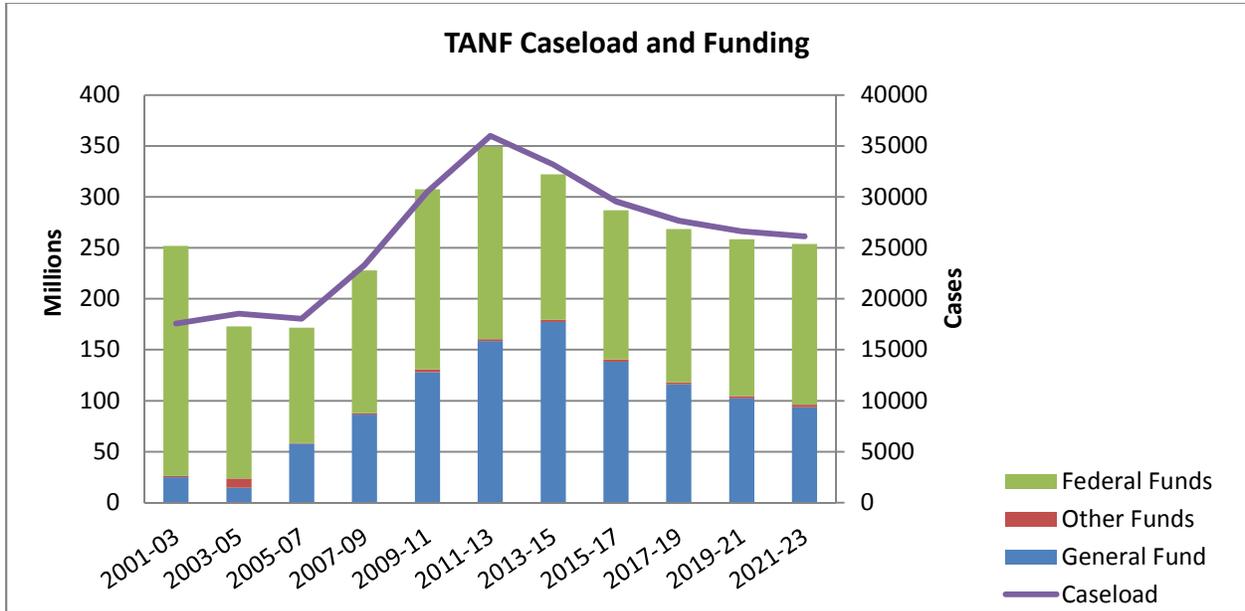


# Department of Human Services: Temporary Assistance for Needy Families – Cash Assistance Self-Sufficiency Program

Primary Outcome Area: Economy and Jobs  
 Secondary Outcome Area: Safety  
 Program Contact: Xochitl Esparza, 503-945-6122



*Note: The Temporary Assistance for Needy Families (TANF) caseload has seen dramatic increases since the economic downturn. Projections assume Oregon’s economic conditions and job market improves beginning the end of the 2011-13 biennium.*

## Executive Summary

Temporary Assistance for Needy Families (TANF) is a critical safety net program for families with children living in extreme poverty. TANF helps families, including over 63,000 children, from a variety of diverse backgrounds to address their most basic needs. TANF provides eligible families with cash assistance, connections to support and community resources, case management, and employment and training services. Safety net programs are usually the last step for families with few or no resources left, and any assistance can have an immediate impact on their health, safety and well-being. These families typically use TANF funds to prevent homelessness and to help with other factors contributing to family instability. The goal of the program is to help families address barriers, and gain skills and access to employment opportunities to become self-sufficient.

**Program Funding Request**

	TANF Cash Assistance			
	GF	OF	FF	TF
LAB	158,517,687	1,998,836	188,798,801	349,315,324
ARB	208,330,748	2,047,112	142,674,894	353,052,754
Difference	49,813,061	48,276	(46,123,907)	3,737,430
Percent Change	31.4%	2.4%	-24.4%	1.1%

**Significant Proposed Program Changes from 2011-13**

Self Sufficiency Investments/Reductions	TANF Cash Assistance			
	GF	OF	FF	TF
Continue 185% FPL TANF eligibility for non-needy caretaker relatives	(6.84)	0.00	0.00	(6.84)
Continue 120 day ineligibility for TANF if unemployed without good cause	(0.91)	0.00	0.00	(0.91)
Continue up front assessment and JOBS orientation to be TANF eligible	(3.08)	0.00	0.00	(3.08)

(\$ Millions)

This budget proposes to continue three eligibility limitations set to expire at the end of the 2011-13 Biennium. These funds are then redirected into the JOBS budget to increase the number of TANF clients receiving JOBS services. By investing in the JOBS program and in case management staff (in the Healthy People Budget) the length of stay of clients will be reduced, leading to lower TANF caseloads and higher work participation. This is necessary both to reduce costs but also to avoid federal penalties of up to \$26 million currently facing Oregon. This budget also includes backfill of one time reductions taken in 2011-13 due to budget shortfalls.

**Program Description**

TANF is a collection of programs directed at improving the lives of very low-income Oregon families with children. Our overall TANF program provides immediate cash assistance at a point when families have exhausted all other resources. We also provide employment and training services, linkages to services in the community and short-term interventions such as support to strengthen parenting skills or the healthy development of children. Most parents and caretaker relatives must meet additional requirements to receive TANF services, such as participating in the Job Opportunity and Basic Skills (JOBS) program. These individuals must participate in JOBS to gain the skills necessary to join the workforce and retain a job or face possible sanctions, including losing benefits. A TANF family may participate in the JOBS program and access a variety of other programs and services as part of the plan to move a client towards self-sufficiency.

To qualify for TANF, families must be below 40 percent of the Federal Poverty Line. For a family of three, this means an income below \$616 per month. Currently the maximum monthly benefit for a family of three is \$506 (approximately 33 percent of FPL). There is a 60-month time limit for adults to receive TANF.

The TANF program serves population with a wide range of abilities and challenges. While 95 percent of TANF recipients have no current earnings, over 30 percent have been employed within the last two years. About 50 percent of TANF households have a disability or other

barrier. Most clients - 85 percent - are paying for housing without any assistance from a Federal housing program or other subsidy.

Young children make up a large number of those served within TANF. Half of all children in TANF are between 0-5 years old. In about 20 percent of TANF households, the adults receive assistance for the children but not for themselves. In these households, many have an adult who is disabled and receiving Social Security benefits or a caretaker relative, such as an aunt, uncle or grandparent, is caring for the children. Many of these families have unique needs in both providing basic support for children and in navigating resources that can help them provide a stable, safe home environment.

The State Family Pre-SSI/SSDI (SFPSS) Program is designed to assist TANF-eligible individuals with disabilities obtain Social Security disability benefits through the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) programs. The program serves individuals who are not required to participate in the JOBS program. The program provides families with a cash grant, professional assistance with Social Security Administration (SSA) applications and appeals and case management services. Once a client is awarded SSI benefits, the department recovers a portion of the payments it made to the family during the application process from the client's initial SSI lump-sum payment.

Post-TANF is a program that provides an incentive to employment. This program has been suspended for the remainder of the biennium because of budgetary constraints. Post-TANF provided a small transitional payment of \$50 a month for up to a year for those who leave TANF due to employment. The goal of this incentive was to help families transition to financial independence to reduce their chances of returning to the program.

Other programs such as Employment Related Day Care (Education Outcomes Area), the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, Family Support and Connections (Safety Outcomes Area), and medical assistance all play a critical role in helping those on cash assistance transition to employment and financial independence. The major cost driver for the TANF cash assistance programs is the economy. As the state of the economy has worsened, families (including parents with disabilities who may have been able to work previously with accommodations) are finding it more difficult to obtain employment. The resulting financial strain leads them to seek our services.

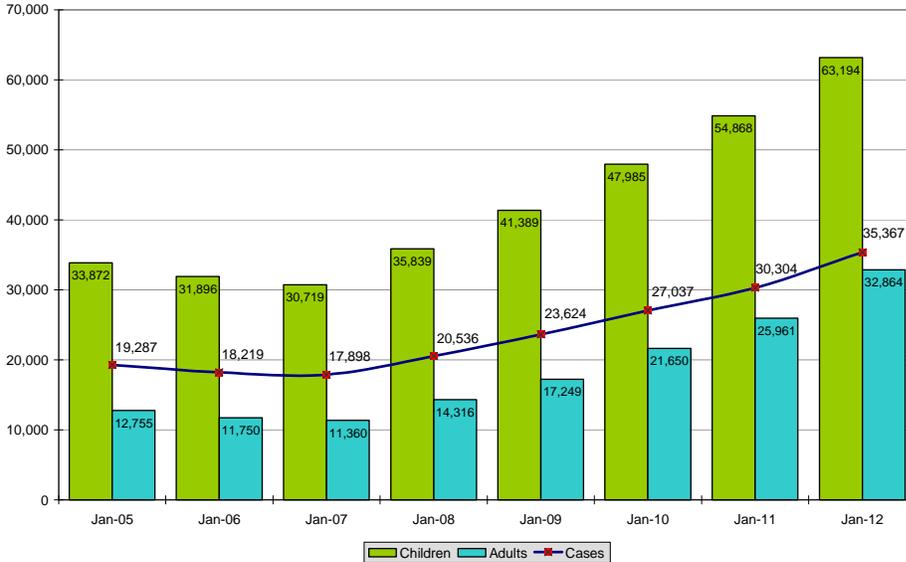
### **Program Justification and Link to 10-Year Outcome**

There is a direct link between the TANF cash assistance programs and the Economy and Jobs Outcome area. TANF strives to reduce unemployment - including unemployment of underrepresented individuals - and create job-ready communities. The TANF program is represented in the Oregon Workforce Investment Board which is aligning strategies across Oregon's workforce programs.

The TANF and Pre-SSI/SSDI programs also contribute to family stability and safety. TANF cash assistance provides for the basic financial needs of very low-income families with children. Over 95 percent of families with an adult recipient receiving TANF in Oregon have zero income. Some of these families are homeless, which makes finding and maintaining employment

extremely difficult. Being in a constant state of crisis can also negatively impact children, including their ability to attend school and make progress in their learning. Without this cash assistance, most of these families would not have the financial means to survive. Extreme poverty is one of the leading family stressors that can put children at risk of abuse. The program faces challenges in times of economic recession when the demand for services increases and state funds to provide those services are stretched.

TANF Children, Adults, and Cases January 2005 to January 2012



### **Program Performance**

In January 2012, the TANF program served 35,367 families. These households include 63,194 children and 32,864 adults from a diverse range of abilities, cultures and communities. The number of children served by the program has nearly doubled since January 2005.

TANF cash assistance expenditures have increased since the onset of the economic recession.

As the caseload increased, we improved our processes to reduce the time a client waits for an intake appointment when applying for TANF. This effort helped to both standardize services across the state and ensure that applicants are seen more quickly. Many offices went from a three-week wait for an appointment to four days, with the majority being seen within two days.

### **Enabling Legislation/Program Authorization**

The TANF program is authorized under Title IV-A of the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and the Deficit Reduction Act of 2005. A significant portion of the TANF eligibility criteria is codified in State statute chapters 411 and 412.

### **Funding Streams**

TANF is funded primarily through General Fund dollars and the TANF Federal block grant that requires a minimum state expenditure level, known as Maintenance of Effort (MOE). Oregon's TANF block grant is \$166.8 million per year. Oregon's MOE requirement is equal to 80 percent

of the state's historic expenditures or approximately \$98 million per year. Expenditures counted towards MOE must not be from a federal source and must not be matched to other federal funds. Oregon generally meets MOE through a combination of eligible DHS and other agency expenditures. Both the TANF federal block grant and MOE expenditures must be spent in a manner reasonably calculated to meet one of the four federally-mandated TANF purposes which are: 1) provide assistance to needy families; 2) end dependence of needy parents by promoting job preparation, work and marriage; 3) prevent and reduce out-of-wedlock pregnancies, and 4) encourage and maintain family formations.

The State Family Pre-SSI/SSDI program is a General Fund program. A large portion of SFPSS funds expended count as MOE dollars for the TANF program. In addition, the Department recovers a portion of funds expended through client reimbursements.