



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

Office of the Director

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June 2, 2008

The Honorable Peter Courtney, Co-Chair

The Honorable Jeff Merkley, Co-Chair

Emergency Board

900 Court Street, NE

H-178 State Capitol

Salem, Oregon 97301



RE: Progress Report on Temporary Assistance for Needy Families
Program Restructuring

Dear Co-Chairpersons:

The department was directed by budget note attached to HB 5031 from the 2007 Legislative Session to report to the Interim Committee on Ways and Means, the 2008 Special Session, or the Emergency Board on the restructured Temporary Assistance for Needy Families (TANF) program, with revised budget estimates for the program, at the time of each departmental budget rebalance. Also, the department is to continue its work with the Family Services Review Commission and other stakeholders during the interim to review the impact of the restructured program on program clients, assess program outcomes, and consider any potential program improvements. The department is also directed to report to the 2009 Legislative Assembly on its findings and any recommendations developed as a result of this work.

This update represents the third update on the implementation efforts currently underway. The department also has continued to provide ongoing updates to the Family Services Review Commission and other stakeholders.

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Background

House Bill 2469, the TANF restructuring bill, was signed into law July 31, 2007. HB 2469 made major changes to Oregon's TANF and Job Opportunity and Basic Skills (JOBS) programs. Some of the major program changes were:

- Created a new State Family Pre-SSI/SSDI program to assist TANF adults with severe disabilities to apply for federal disability benefits through the Social Security Administration. The program is voluntary and provides a higher monthly payment standard for those people found eligible to participate in the program.
- Created a new Post-TANF program, which provides a \$150 monthly payment for up to one year to TANF, State Family Pre-SSI/SSDI and Pre-TANF clients who become ineligible for cash assistance due to increased employment earnings. Clients remain eligible for the new program for up to 12 months if they meet federal participation requirements, modified TANF non-financial eligibility and have income less than 250 percent of the Federal Poverty Level guidelines.
- Strengthened the client re-engagement (sanction) process. Clients are given every opportunity to participate, all screenings must be offered and child safety considered prior to imposing any sanctions. Sanctions are only applied when it is determined the client is willfully not participating; this action requires a team decision. Clients must actively participate for two weeks to end an imposed sanction; the full cash grant is restored once the client meets this requirement.
- HB 5031 also provided additional funding for expansion of the Family Support and Connections child abuse prevention program, staffing for 16 Intensive Case Consultant and 12 Business Manager positions.

The department will continue to work with the Family Services Review Commission and other stakeholders to assess impacts on clients, outcomes achieved and assess possible program improvements. Twice

yearly reports will also be presented to the Family Services Review Commission on the implementation of the new TANF re-engagement policy. The department will present the next sanction report to the FSRC in June 2008. The department also updates the Family Services Review Commission monthly on the TANF and other program areas.

Implementation Update – HB 2469 and HB 5031

Policy and Rule Implementation

Temporary rules were prepared and implemented on October 1, 2007. The October changes involved the revision of approximately 60 administrative rules and 40 sections of the Family Services Manual (department policy). The vast majority of these rules and policies were TANF related. Permanent rules including proposed changes were implemented on March 1, 2008. As part of the review process, Children, Adults and Families (CAF) formed the TANF Rules Advisory Committee (membership list attached, see attachment 1). This group was established in accordance with Administrative Procedures Act, to advise the CAF Office of Self Sufficiency Programs about the primary TANF program rule changes and potential fiscal impacts, prior to the filing of rules for public comment. This committee will continue to review rules associated with approved programmatic changes contained in HB 2469, such as Parents as Scholars and Child Support pass through and disregard, which take effect in October 2008.

Training

In addition to training sessions provided to department staff, managers and partners throughout the state during the months of July through September 2007, the department conducted 30 all-day regional training sessions. These sessions took place January 2008 through March 2008 with a focus on both philosophical and technical issues including marketing of services to clients, the engagement and re-engagement processes, and strength-based approaches to case management.

Future training is planned during the annual CAF Self Sufficiency Accuracy and Skills Enhancement Summits which will begin in June 2008. This training will include TANF redesign topics as well as

coordination when other Self-Sufficiency programs are also being accessed by clients.

Program Specific Updates

Contracts: JOBS and Family Support and Connections contracts were updated to reflect the new program design and increased performance outcomes. The Family Support and Connections program has experienced increased utilization of services. The department originally anticipated approximately 500 referrals per quarter. This program is currently in the third quarter of the expanded availability. During the January 1 through March 31, 2008 quarter, there were a total of 738 referrals. The department is anticipating the number of referrals to this program will continue to grow. The Family Support and Connections program receives consistent positive feedback from families and case managers with respect to the benefit these services have on keeping families safe, stable and helping them move toward self-sufficiency.

Similarly, JOBS program costs are higher than originally estimated as the number of clients needing services is higher than anticipated in the original budget assumptions.

State Family Pre-SSI/SSDI: The State Family Pre-SSI/SSDI (SFPSS) program continues to grow. As of May 6, 2008, there were 913 clients who had completed the Interim Assistance Authorization process and entered the SFPSS program. In addition, there were 174 referrals made during the month of April, 2008. The department continues to receive reimbursements from the Social Security Administration as clients are determined eligible for federal disability benefits. As of May 7, 2008 the department had closed 55 cases after SSI was approved. The reimbursement amount received as a result of these closures was \$45,478.

The expanded staff capacity has allowed the department to assist clients in completing the on-line SSI application, schedule appointments, call ahead to remind clients of the appointments and attend the

appointment as needed. All of this added involvement is helping decrease the time it takes to get SSI/SSDI approved.

Post-TANF: Clients who closed their TANF cash assistance grant in September 2007, due to earnings, were the first clients eligible for these benefits. This program has continued to add approximately 250-300 new participants each month. As of May 13, 2008 there were 2,092 clients receiving the Post-TANF \$150 monthly payment. Clients report this program has been very helpful in meeting the initial financial demands of a new job such as purchasing new clothing and providing gas money to get to work.

Re-engagement Review: The first regular report, required by HB 2469 on implementation of the new TANF sanction policy was provided to the Family Services Review Commission (FSRC) on November 1, 2007. The first report focused on a review of active sanctions during the months of July, August and September 2007 under the old sanction structure. The review was part of a larger effort to re-engage clients and ensure client plans were current with the transition to the new program structure. In 34 percent (272 of 802) of cases reviewed, all steps were completed correctly.

The second statewide review of all cases with an active sanction was conducted in March 2008. The review found 49 percent (45 of 92) of cases had all steps in the newly redesigned client re-engagement process completed correctly. This resulted in 47 cases where a sanction was removed. Many of the removals were the result of lack of sufficient documentation with respect to the re-engagement process. In 32 of the 47 cases, the removal of one or more sanction resulted in an underpayment or under issuance of benefits to the family. In these instances, supplements were issued. The total amount of supplements issued was \$11,347; for an average of \$355 per case supplemented.

This review showed improvements made in the areas of documentation and identification through up front screenings for issues such as disabilities, accommodations and domestic violence. This review also identified a number of critical areas in the new re-engagement process.

These areas include accessing and utilizing the information gathered through screenings and consulting with experts to provide guidance and recommendations in case planning within the allotted timeframes.

The program changes made on October 1, 2007, which included the new re-engagement process, have resulted in increased workload. Certain aspects of the re-engagement process are going well, while other aspects need attention. A committee including department staff and client advocates will be involved in evaluating the process and working to identify and implement improvements.

Local and central office analysts will continue to monitor the re-engagement process. Through local and state level monitoring the department will assess progress in helping ensure consistent, appropriate, and strength based services are provided across the state.

New Program Initiatives: The department has been working on three HB 2469 programmatic changes that will be implemented in October 2008. These are child support pass-through and disregard, modifications to eligibility for TANF related medical assistance and implementation of a Parents as Scholars (PAS) component as part of the Job Opportunity and Basic Skills Program.

The child support pass-through and disregard will allow the state to pass through and exclude as income \$50 per child in child support received per month, up to a maximum of \$200 per month. A rule advisory committee, including members from the department and from the Department of Justice, Division of Child Support, is currently developing administrative rules and policy to implement child support pass-through and disregard.

Implementation of Parents as Scholars will allow the department to support TANF applicants and recipients who are pursuing a two- or four-year degree while receiving cash assistance. Up to one percent of the number of households receiving TANF on January 1 of each calendar year will be able to participate in PAS. A PAS workgroup is

currently developing administrative rules and policy to implement PAS. (A list of PAS workgroup members is attached; see attachment 2).

In order to ensure medical eligibility is allowed for Pre-TANF and TANF clients who become employed, the department is also in the process of revising program rules to disregard earned income. This will support the intent of HB 2469 to disregard earned income for several months in order to ensure TANF related medical recipients will obtain Transitional Medical. The revised rules will be reviewed by the TANF Rules Advisory Committee.

Federal Regulations

The Deficit Reduction Act of 2005, reauthorizing the federal TANF program, was signed into law by President Bush on February 8, 2006. Interim Final Rules regarding the reauthorized TANF program were published June 29, 2006. The Final Rules regarding the reauthorized program were published February 5, 2008. The Final Rules maintain the limited definitions for countable activities and additional administrative burdens related to participation documentation and monitoring. While some modifications to the Interim Final Rules will allow additional limited flexibility to states related to the counting of some activities, the fundamental restrictive nature of the Interim Final Rules continues. The department will update the Work Verification Plan incorporating the modifications included in the Final Rules by October 2008. One of the challenges resulting from these rules has been the added workload for staff related to the extensive level of verification required for all participation criteria.

The Economy, TANF Caseloads and Job Placements

In developing the program impact estimates for the TANF program restructuring there were no assumptions built in for an economy shift. Base assumptions anticipated a continued stable economy. Since the original estimates were made the forecasted expectations surrounding the economy have significantly changed. The economy's changing circumstances are reflected in both the TANF cash assistance program as well as in the Food Stamp program growth. The growth in these

program areas presents significant challenges for existing staff to absorb the added workload associated with the added need. In looking at the change in caseloads and other related factors there are also some interesting contrasts.

Caseload Growth: The TANF one-parent and two-parent caseload grew from 18,565 families in October 2007 to 20,091 in March 2008, an increase of 1,526 cases (8.2 percent). The TANF caseload is seasonal and normally grows between October and March. In comparison, the caseload grew from 17,435 in October 2006 to 18,265 in March 2007, an increase of 830 cases (4.8 percent).

During the five-month interval from October 2007 to March 2008, there were 8,935 TANF intakes and 7,409 exits, a net growth of 1,526 cases. During the same five month period ending in March 2007, there were 7,968 intakes and 7,138 exits, a net growth of 830 cases. Therefore, recent caseload growth for the October 2007 to March 2008 period is nearly double this same window a year earlier.

TANF Job Placements: Verified TANF placements numbered 4,144 during the period October 2006 to March 2007. During the October 2007 through March 2008 period verified placements numbered 4,910; an increase of more than 18 percent.

Strong year-over-year growth in TANF intakes and caseload are likely the effects of a lagging economy. While the placement comparison above seems to reflect improved outcomes in employment may be occurring, the lagging economy may be obscuring this impact as more families seek these services as reflected in the higher levels of intakes.

Summary

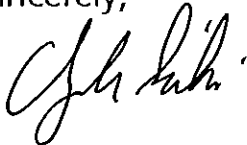
The support of the Oregon Legislature and Governor has allowed for a comprehensive redesign of the TANF and JOBS programs, focusing on enabling families to remain or become stable. The full impact from this sweeping change in program design will take some time to be realized. While it was initially projected TANF redesign would reduce TANF one-

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parent and two-parent caseloads, the strong year-over-year growth in TANF intakes and caseload are likely the effects of a lagging economy. Nevertheless, the TANF job placements since October have significantly increased and the new program elements such as Post-TANF continue to serve more clients.

The department continues to collaborate with various partners regarding program policy implementation issues and concerns, with the goal of providing the most effective and efficient program possible to Oregon's low income families with children. If you have any questions, please feel free to call me at (503) 945-5633 or Xochitl Esparza, Interim TANF Program Manager at (503) 945-6122.

Sincerely,

A handwritten signature in black ink, appearing to read "Clyde Saiki". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping tail.

Clyde Saiki,
Deputy Director of Operations

Cc: John Britton, Legislative Fiscal Office
Sheila Baker, Legislative Fiscal Office
Eric Moore, Department of Administrative Services
Vic Todd, Department of Human Services

Attachment 1

TANF RULES ADVISORY COMMITTEE MEMBERS	
Name	Organization
Kim Fredlund	Program Manager, Department of Human Services
Mike Leachman	Oregon Center for Public Policy
Doreen Binder	Transition Projects, Inc
Rosemary Lazzari	Community Mediator
Margie Paulson, CWDP	ERN Director
Kelli McKnight	Options Counseling Services of Oregon
John Mullin	Oregon Law Center
Sybil Hebb	Oregon Law Center
Megan Dorton	Legal Aide of Oregon
Steve Eccles	Case Manager, Department of Human Services

Attachment 2

PARENTS AS SCHOLARS COMMITTEE MEMBERS

Jessica Chanay	Oregon Hunger Relief Task Force
Sarah Radcliffe	Oregon Law Center
Sara Merten	Private Consultant
Sabina Riggi	Housing Authority of Portland
Jon Stubenvoll	Oregon Food Bank
Rosemary Lazzari	Family Services Review Commission
Gena Wickstrom	NW Career Colleges Federation
Mickey Sieracki	Everest College
Marcia Kelly	American Association of University Women
Cam Preus	Commissioner of Comm. Colleges & Workforce Development
April McGuire	Department of Community Colleges & Workforce Development
Brenda Sifuentez	Oregon Students of Color Coalition
Rep. Tina Kotek	Oregon Legislature
Leslie Potter	Business Analyst, Department of Human Services
Sandy Dugan	Program Manager, Department of Human Services
Karrie Farrell	Case Manager, Department of Human Services
John Radich	District Manager, Department of Human Services
Elizabeth Lindbloom	Program Manager, Department of Human Services
Brian Yarnell	Field Policy Analyst, Department of Human Services
Lisa Buss	Policy Analyst, Department of Human Services
Amy Sevdv	Policy Analyst, Department of Human Services