Oregon Law Center

522 SW Fifth Ave. Suite 812 Portland, OR 97204

Ways and Means Subcommittee on Human Services

SB 5526 – DHS/Self Sufficiency budget

April 5, 2017

Testimony of John Mullin jmullin@oregonlawcenter.org 503-867-6236

Co-Chairs, members of the Subcommittee, thank you for the opportunity to testify on HB 5026, the Department of Human Services, (DHS) budget bill, and today with regard to the Self Sufficiency Program (SSP).

The mission of the Oregon Law Center (OLC) is to "achieve justice for the low-income communities of Oregon by providing a full range of the highest quality civil legal services." We have long supported SSP programs as a part of the work we do engaging with our clients specific to public benefits.

OLC works with the TANF Alliance, and we support their testimony. We underscore and expand the support for the current service level (CSL) for all of DHS. We understand that revenue will need to be raised this session in order to balance the budget, which advocates believe is essential to ensure a successful session, but more importantly, stays true to the commitments made to low income and vulnerable Oregonians.

While we support the CSL, as noted above, I would like to use my time to talk about TANF and its history, current issues and need in Oregon:

- **Aid to Families and Dependent Children (AFDC)** - what was commonly referred to as "welfare," had its roots going back to the passage of the Social Security Act of 1935. While AFDC went through changes and updates over the years, the essential approach was to assist low income families with cash grants and services, and the main thrust in Oregon was stabilizing single parent and couples through small monthly cash grants. These grants were increased over the years in consideration of cost of living, however, the grant level has remained largely unchanged since 1991;

- "**Welfare Reform**" - refers to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. This Act made a number of significant changes, including renaming AFDC to Temporary Assistance to Needy Families (TANF) and establishing fixed cost block grants for states, which removed the entitlement features of AFDC, while requiring work on the part of participants, establishing a lifetime limit of five years for benefits for TANF households, and giving states responsibility and broad discretion and flexibility in spending the federal funds;
- **Oregon's TANF Program** - took shape in a direct and substantial way during the 2007 session, with the passage of HB 2469. I had the opportunity to be part of a work group, convened by freshman House Members, Rep. Tina Kotek and Rep. Ron Mauer. Based on the work of our group, the legislature budgeted a $25 Million increase, to be used mainly for case management and assessment improvements, pre and post TANF assistance, a Pre SSI/SSDI program, and a parents-as-scholars program, allowing a small percentage of recipients to pursue educational opportunities;
- **The recession -** shortly after HB 2469 was implemented, we ran into the "Great Recession." Decisions were made to preserve the grants for recipients, but cutting JOBS services and other features of HB 2469, leading to a series of bills to "suspend" programmatic features of HB 2469, and to "extend" the programs until such time as the economy and budget improved. The suspend/extend bill of this session, HB 2347, passed the House on March 29th ;
- **HB 3535 -** passed in the 2015 session, HB 3535 allowed for the re-investment of nearly $30 million in caseload savings back into the TANF program. As the economy improved, it has been easier for people to move into work, as more jobs are available, while fewer families access and enter the program. The decline in the numbers of households, coupled with HB 3535, has made it possible to target case management and services to assist those moving off the program. These investments included raising the income maximum for families exiting TANF, providing for a three month reduction in child care cost sharing subsidies for former TANF recipients, and adding to contracts with community based organization assisting with a number of services. HB 3535 also aligned the five year time limits between the state and the federal government.

The TANF Alliance has created a list of improvements necessary to ensure a successful approach to assisting families in need. However, we have limited our advocacy this session to preserving the “extend/suspend” provisions of HB 2469, continuing the investments of HB 3535, and to pointing out the gross underfunding of the TANF grant, essentially unchanged since 1991. When TANF was implemented in 1996, a family could have up to 59% of the federal poverty level (FPL) to be financially eligible. At this point, families entering the system would have to have incomes less than 37% of FPL. This is unacceptable to advocates, and the grant level is way overdue for an increase.

Thank you for your consideration of the history and current issues of the TANF program, and for the budget, I urge you to support the CSL at a minimum.