



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

500 Summer St. NE, E-15

Salem, OR 97301

Voice: 503-945-5600

Fax: 503-581-6198

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The Honorable Elizabeth Steiner Hayward, Co-Chair
The Honorable Dan Rayfield, Co-Chair
Ways and Means Joint Sub-Committee on Human Services
Oregon State Legislature
900 Court Street NE
Salem, OR 97301



Dear Co-Chairs Steiner Hayward and Rayfield,

Please accept this letter as the response to questions from the March 30, 2017 presentation to the Ways and Means Joint Subcommittee on Human Services regarding our Self-Sufficiency Programs (SSP).

Q: Do families experience a financial gap when they leave the Temporary Assistance for Needy Families (TANF) program that causes them to continue to need assistance from other Self-Sufficiency Programs (SSP)?

A: Yes. “Benefits cliff” is a term to describe a barrier for low-income families trying to move up the economic ladder. It describes situations where going to work or getting a raise causes a family to backslide.

In benefits cliff scenarios, benefits decrease as earnings increase, and the loss of benefits may partially or completely offset the family’s earnings. For some benefits, there is no phase out and the loss of benefits is abrupt.

In 2015, the Oregon State Legislature passed two bills that allowed DHS to reinvest about \$28.8 million in TANF caseload savings back into the program. Part of the funding was used to reduce the impact of the benefits cliff on families leaving TANF due to employment; however, the investment did not eliminate the “benefits cliff” for TANF families.

The TANF Reinvestment Project included three major policy changes to allow families to gradually phase off of the TANF program when parents become employed instead of experiencing a quick cut-off from their monthly cash assistance as soon as they hit the income limit. The changes that took effect on April 1, 2016 included:

- An increase in the income limit for exiting TANF for employed participants. The new exit limit doubled the payment standard. For a family of three, the limit increased from \$616 to \$1012 per month.
- Providing transitional employment payments for families exiting TANF with earnings. The payments total \$225 and are paid out over three months.
- Providing a reduced Employment Related Day Care (ERDC) co-pay of \$27 a month for the first three months after a family exits TANF due to employment.

“Assisting People to Become Independent, Healthy and Safe”

Q. What are the challenges participants in the TANF program experience?

A: In the fourth quarter of 2016, a total of 5,494 people in the TANF program (23% of the caseload) were documented as having at least one challenge considered a “disability type” by the program. Numbers below will total more than 5,494 because a TANF participant may have more than one challenge.

Disability Type	Addiction	Cognitive	Learning	Mental	Physical	Total
Statewide Persons **	843	474	619	3170	3310	8,416
Percent of total disability	6%	3.4%	4.4%	22.5%	23.5%	

***Unduplicated counts in each Disability Type but a person can have multiple disability types.*

Q: Does SSP monitor other employment data such as wage changes and the labor participation rate?

A: The DHS Office of Forecasting Research and Analysis produces the SSP caseload forecast and regional forecast twice a year. The forecasting process is complex and utilizes a variety of information from inside and outside of DHS, including the state economist’s employment forecast as well as the state demographic forecast produced by the Office of Economic Analysis. The employment forecast takes into account a variety of factors, both economic and demographic. Those factors include both the labor force participation rate and wage changes.

The Oregon Office of Economic Analysis is closely tracking both labor force participation and “job polarization.” Job polarization refers to the recovery of low wage and high wage jobs since the start of economic expansion, and the lack of mid-wage jobs. For more from OEA on both factors, see here:

<https://oregoneconomicanalysis.com/2015/12/29/2016-outlook-labor-force-participation-and-middle-wage-jobs/>

Q: What is the current federal poverty rate?

A: Federal Poverty Guidelines, sometimes referred to as the “federal poverty level,” are based on income and size of family, and is based on the cost of living, and adjusted yearly. It does not vary based on geography or state, except for Alaska and Hawaii, where the cost of living is higher than everywhere else. It’s calculated based on the consumer price index adjusted for a ‘minimum food diet.’ It’s been adjusted every year since it was created, in 1963.

2017 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in	Poverty

family/household	Guideline
1	\$12,060
2	16,240
3	20,420
4	24,600
5	28,780
6	32,960
7	37,140
8	41,320

For families/households with more than 8 persons,
add \$4,180 for each additional person.

For more information, please see the U.S. Department of Health and Human Services webpage on Poverty Guidelines at <https://aspe.hhs.gov/poverty-guidelines>.

Q. Are Oregonians slipping down into poverty or are more people living in poverty moving into Oregon?

A. DHS does not track this information for Oregon, and relies on information from the census and other sources. The State Employment Economist at the Oregon Employment Department, Nick Beleiciks (nick.j.beleiciks@oregon.gov), may be the best state source to provide that information.

Although Oregon residency is confirmed when people apply for assistance from SSP, we do not record how long a person has lived in Oregon in the client information system.

Q: How does Oregon's TANF eligibility criteria compare to Washington's?

A. TANF is a federal block grant program which gives states significant flexibility in how they design their own programs and so an apples-to-apples comparison is not possible.

Washington looks at the same basic eligibility criteria as Oregon, and has a grant amount similar to Oregon. In Washington, a family of three with no income receives \$521 in monthly cash assistance compared to \$506 in Oregon. There are similar requirements between the states including engagement in an appropriate work plan and cooperation with the Division of Child Support. The two states also have very similar time limits, support services and referral programs.

Some of the primary differences are that Washington has lower resource limits and used the federal time limit clock only. Washington also offers a Diversion Cash Assistance Program, which Oregon does not. This program offers short-term support to families who do not need ongoing assistance.

For more information about Washington, see: <https://www.dshs.wa.gov/esa/community-services-offices/tanf-and-support-services>

Q. Has financial eligibility criteria changed from 2007 to 2016?

A. There have been changes over the years.

- The Supplemental Nutrition Assistance Program (SNAP) expanded to 185 percent of the federal poverty level on December 1, 2000 for households that meet Categorical Eligibility. In January 2014, a liquid asset test was added for Categorically Eligible households. The liquid assets for the household must be less than \$25,000.
- The Employment Related Day Care (ERDC) program expanded its exit limit to 250 percent of the federal poverty level on October 1, 2015. The income limit to enter the program is 185 percent of the federal poverty level and families can remain in the program until their income exceeds 250 percent of the federal poverty level. The exit limit calculated using a combination of 250% FPL and 85% of the state median income, whichever is higher.
- TANF increased the income limit for families exiting the program due to employment in April 2016. The income limit for exiting TANF is now double the payment standard. For example, before the change, the income limit for a family of three (one adult, two children) for exiting TANF was \$616; since the change it is now \$1,012.

Q: What types of SSP services are people participating in by county and have they changed over the years?

A: Caseloads for the two largest programs in SSP, SNAP and TANF, continue to be higher than before The Great Recession. Attached is a file that compares the percentage of each county's population participating in SSP's main programs in 2007 and 2016.

Q: Have the types of services SSP provides changed between 2007 and today?

A: The types of services SSP has provided Oregonians since 2007 has changed most significantly in the TANF program. During the Great Recession, Oregon made a strategic decision to reduce the employment services side of the TANF program and some ancillary services in order to expand the cash assistance side of the program to keep the safety net in place for struggling Oregon families. At the time, jobs were not readily available to place TANF clients into. Oregon also lost to budget cuts programs and supports designed to prevent families from entering TANF and homelessness. Although the 2015 legislative session brought a significant investment of caseload savings back into the program, the TANF has not been restored to pre-recession budget levels.

During the 2015-17 biennium, the SNAP program took advantage of federal supports to establish a strong Employment and Training component, which is slated for expansion in the next biennium.

Q. How many one- and two-parent families are in the TANF program?

A. In the fourth quarter of 2016, there was an average of 19,727 one-parent families and 3,713 two-parent families in the TANF program each month.

Q: How do you calculate how much a family needs to eat to determine its SNAP benefits?

A: In 2008, the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program (SNAP). The program helps people supplement their grocery budgets but is not intended to cover the whole need. SNAP participants must meet eligibility requirements to receive food benefits. The size of the monthly food benefit is calculated through a formula based mostly on household income and size, and expenses. In Oregon, the average monthly food benefit is \$121.71 per individual and \$220.40 per household.

The amount of food benefits SNAP participants receive is tied to the USDA's Thrifty Food Plan. The Thrifty Food Plan is considered the basis for enough nutrition for a family. The dollar amount differs for the ages of people in the household. Small children need to eat less, for example. Under the Thrifty Food Plan, a family of four with children under age five would need to spend \$557.10 per month, minimum, for adequate nutrition. A table and other information is available online at <https://www.cnpp.usda.gov/sites/default/files/CostofFoodFeb2017.pdf>.

Q. Has the number of ERDC providers dropped?

A. Yes. In comparing the number of "family, friend and neighbor" providers in January 2016 to January 2017, the program has 563 fewer providers. The number of these providers, also known as "license-exempt" providers, approved by DHS in January 2016 was 2,516 and in January 2017 was 1,953.

It is likely that new requirements implemented in November 2016 effected the number of providers. License-exempt providers often provide child care for short periods of time, sometimes just two or three months, and may find the new requirements a disincentive to being a temporary or infrequent provider.

License-exempt providers are now required to complete pre-service trainings, ongoing training hours and a site visit at the location where care will be provided. Pre-service trainings include:

- 2-hour online Health and Safety training
- 2-hour online What you can do about child abuse training
- 4-hour, in-person CPR/First Aid training (Hybrid combination online and in-person available in some counties)
- 6 hours of ongoing training over each two year period from initial approval with DHS to the re-evaluation date

Another change that may have future impact is the addition of fingerprinting to the background checks for license-exempt providers. This requirement went into effect in January 2017.

If you have additional questions, please contact SSP Legislative Coordinator Jill Gray at jill.gray@state.or.us or (503) 569-9484.

Sincerely,



Kim Fredlund
Director, Self-Sufficiency Programs
Oregon Department of Human Services

cc:

Clyde Saiki, Director, Oregon Department of Human Services
Gene Evans, Director, Public Affairs, Oregon Department of Human Services
Jill Gray, Legislative Coordinator for Self-Sufficiency Programs, Oregon Department of Human Services

Attachments:

- SSP Percent of Population 2007-2016

Attachment A

County	Percent of Population			Percent of Population		
	2007	2007	2007	2016	2016	2016
County	SNAP	TANF	ERDC	SNAP	TANF	ERDC
BAKER	19.6%	2.8%	1.52%	28.9%	4.7%	1.18%
BENTON	9.8%	1.5%	0.57%	13.3%	1.6%	0.35%
CLACKAMAS	8.3%	1.3%	0.71%	14.3%	1.7%	0.50%
CLATSOP	18.3%	1.5%	1.14%	26.0%	1.6%	0.67%
COLUMBIA	15.6%	1.7%	1.09%	23.0%	2.7%	0.76%
COOS	21.4%	3.5%	1.45%	33.9%	3.8%	0.82%
CROOK	13.0%	1.4%	0.79%	29.3%	3.6%	0.78%
CURRY	16.4%	2.6%	0.71%	26.7%	1.9%	0.54%
DESCHUTES	11.7%	1.3%	0.81%	19.6%	1.6%	0.65%
DOUGLAS	22.1%	3.7%	1.63%	30.7%	4.3%	0.83%
GILLIAM	12.4%	1.7%	1.11%	20.1%	1.4%	0.51%
GRANT	12.2%	0.8%	0.36%	19.9%	1.5%	0.57%
HARNEY	17.2%	1.2%	1.26%	26.5%	3.2%	0.41%
HOOD RIVER	14.3%	1.4%	0.83%	16.4%	1.5%	0.59%
JACKSON	17.2%	1.7%	1.60%	28.3%	4.0%	0.99%
JEFFERSON	28.2%	4.0%	0.84%	41.6%	8.0%	1.09%
JOSEPHINE	22.3%	3.7%	1.22%	35.9%	6.0%	1.03%
KLAMATH	22.1%	2.3%	1.11%	34.4%	4.2%	0.80%
LAKE	19.2%	2.3%	0.61%	24.5%	1.8%	0.27%
LANE	17.9%	2.2%	1.51%	26.0%	2.9%	1.02%
LINCOLN	19.9%	3.2%	1.38%	30.4%	3.4%	0.50%
LINN	21.4%	2.9%	1.46%	30.3%	3.5%	0.80%
MALHEUR	21.5%	1.8%	1.31%	35.8%	5.8%	0.96%
MARION	18.6%	3.3%	1.69%	27.4%	4.0%	1.12%
MORROW	15.7%	2.2%	0.95%	25.4%	4.8%	0.65%
MULTNOMAH	16.2%	3.3%	1.30%	22.3%	3.5%	1.01%
POLK	19.1%	3.9%	1.31%	25.3%	4.5%	0.91%
SHERMAN	14.2%	2.1%	0.38%	18.9%	1.7%	0.33%
TILLAMOOK	14.9%	1.8%	1.04%	23.7%	1.8%	0.66%
UMATILLA	22.3%	2.7%	1.60%	26.2%	4.3%	0.80%
UNION	18.2%	2.7%	1.85%	24.9%	4.6%	1.19%
WALLOWA	11.4%	1.2%	0.94%	19.1%	3.4%	0.43%
WASCO	20.8%	2.7%	1.46%	27.3%	2.6%	1.06%
WASHINGTON	8.4%	1.4%	0.88%	13.2%	1.8%	0.75%
WHEELER	10.2%	1.4%	0.13%	22.5%	1.2%	0.14%
YAMHILL	15.7%	2.2%	1.25%	22.0%	2.9%	0.85%

SSP Caseload Count includes a non-duplicated count of persons in each program.
To be counted, a person had to be in one program for at least one month in the year in question.
Percent of population is derived from the "Certified Population Estimate" from Portland State University.
From Office of Forecasting Research and Analysis, Integrated Client Services Data Warehouse