

**MEMORANDUM**

**To:** Persons Interested in the 2007 Changes to Oregon’s TANF Program

**From:** Sara Merten and Mike Leachman<sup>1</sup>

**Re:** Summary of 2007 HB 2469 Changes to Oregon’s TANF Program

**Date:** October 31, 2007

The following is a summary of the key provisions of HB 2469.

**Improves statewide screening and assessment of TANF clients**

Oregon’s new TANF program will provide upfront screening for every TANF recipient.<sup>2</sup> If caseworkers identify a barrier to employment, the new program design mandates that these clients be referred to a thorough assessment with a qualified professional.<sup>3</sup> Screening and assessment of each TANF client will allow caseworkers to create an individualized work plan that establishes goals and identifies work activities that will help recipients stabilize their finances and their families.<sup>4</sup>

If implemented properly, this improvement in Oregon’s TANF program should help identify clients with barriers to employment and create opportunities to eliminate barriers and to provide more realistic opportunities to engage clients in appropriate work activities. In the long run, this should help Oregon meet its work participation goals and reduce the number of clients who return to TANF.

**Modifies the sanctions that TANF clients face if they do not comply with program case plans**

HB 2469 makes changes to Oregon’s sanction policy. Prior policy allowed TANF case workers to impose full family sanctions, closing a family’s entire TANF grant, if a recipient fails to comply with their case plan for six months. The new policy shortens this time period to three months for clients who are “willfully noncompliant” with their case plans.<sup>5</sup> However, the new policy mandates that before the state can sanction a family, it must screen, and if appropriate assess, recipients to determine whether the family’s compliance problems stem from physical and mental health problems, domestic violence, learning disabilities, or substance abuse problems.<sup>6</sup> HB 2469 also

---

<sup>1</sup> Sara Merten was a consultant to OCPP; Mike Leachman is a policy analyst at OCPP.

<sup>2</sup> Enrolled House Bill 2469 (hereafter “HB 2469”), Section 2, creating new ORS 418.040(3).

<sup>3</sup> Id.

<sup>4</sup> HB 2469, Section 2, creating new ORS 418.040(4).

<sup>5</sup> HB 2469, Section 3, creating new ORS 418.045(4)(a)(C) and (5).

<sup>6</sup> HB 2469, Section 3, creating new ORS 418.045(4)(b)(C).

establishes that, prior to issuing a full family sanction, the state must assess whether sanctioning a family will leave the children at risk of being abused. If the state determines that a full family sanction will place the children at risk, a full family sanction will not be allowed.<sup>7</sup>

Once a client has received a full family sanction, they will be able to receive cash assistance again after they demonstrate cooperation with the case plan for two weeks.<sup>8</sup>

Every six months, DHS is required to report to the Family Services Review Commission about the status and outcomes of families in sanction status.<sup>9</sup>

### **Establishes 60-month lifetime limit for adults, with certain exemptions and extensions**

Federal TANF law restricts the use of federal TANF funds to provide assistance to a family that includes an adult for a lifetime limit of 60 months. However, the law allows for federal TANF funds to be used beyond 60 months for TANF recipients who face a state-defined hardship. Oregon was previously exempt from the 60-month federal time limit through a waiver that expired in 2003.

HB 2469 establishes a 60-month time limit in Oregon.<sup>10</sup> This time limit applies only to adult TANF recipients.<sup>11</sup> Benefits can continue to children in a household after the adult has reached their 60-month lifetime limit.<sup>12</sup>

HB 2469 provides for time limit exemptions and extensions. An exemption from the TANF 60-month time limit means that during a month in which a client suffers from one of several barriers to employment, that month of TANF cash assistance will not count toward their 60-month limit.<sup>13</sup> Time limit extensions apply to families who have exhausted their 60-month time limit and who face any of the barriers that trigger exemptions.<sup>14</sup> These families will be eligible to receive additional months of TANF cash assistance while these hardships are present.

---

<sup>7</sup> HB 2469, Section 3, creating new ORS 418.045(4)(c).

<sup>8</sup> HB 2469, Section 3, creating new ORS 418.045(5)(b).

<sup>9</sup> HB 2469, Section 3, creating new ORS 418.045(6). The Family Services Review Commission is established under ORS 411.125.

<sup>10</sup> HB 2469, Section 5, amending ORS 418.131(1).

<sup>11</sup> HB 2469, Section 5, creating new ORS 418.131(1), imposes the 60-month time limit on caretaker relatives only. Caretaker relatives are defined in HB 2469, Section 1(2), as a dependent child's father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew or niece who lives in a residence maintained by one or more of the relatives as the child's or the relative's own home. HB 2469, Section 5, creating new ORS 418.131(2)(c), further clarifies that the Department may not count toward the 60-month limit any month in which the caretaker relative is a minor child who is neither the head of the household nor married to the head of the household.

<sup>12</sup> Id.

<sup>13</sup> HB 2469, Section 5, creating new ORS 418.131(2).

<sup>14</sup> HB 2469, Section 5, creating new ORS 418.131(3).

### **Creates a state Family Pre-SSI/SSDI program for clients with disabilities**

HB 2469 creates a state-funded program that will help TANF recipients who may be eligible apply for federal Supplemental Security Income (SSI) or Supplemental Security Income Disability Income (SSDI) program.<sup>15</sup> The federal SSI/SSDI program provides cash assistance to low-income individuals who have disabilities that prevent them from working for 12 months or longer. It can take years for SSI/SSDI applications to be approved. The state program will provide participants with a monthly cash grant, assistance obtaining medical documentation, and access to contract attorneys for any administrative appeals.<sup>16</sup> If a client is found to be eligible for SSI/SSDI, DHS may recover the adult portion of SSI/SSDI from the retroactive payments to cover the costs of the monthly grant from the time the adult entered the program.<sup>17</sup>

Participation in the program for SSI/SSDI applicants is to be fully voluntary. HB 2469 directs DHS to provide information about employment opportunities and employment resources to Pre-SSI/SSDI participants.<sup>18</sup>

The bill specifies that the amount of the monthly grant is not to be less than 43 percent of the SSI payment in effect at the time plus the amount the child or children in the family would receive if the adult did not receive TANF aid.<sup>19</sup>

### **Allows children in TANF families to receive some child support**

Oregon currently does not allow any child support payments to reach children in TANF families. HB 2469 takes advantage of incentives included in the Deficit Reduction Act and allows TANF recipients to receive \$50 for each child, up to \$200, in child support that is collected from the non-custodial parent by the state.<sup>20</sup> This provision goes into effect October 1, 2008.<sup>21</sup>

### **Allows parents more time to spend with newborns**

Federal law allows states to exempt parents with a child 12 months and under from the federal TANF work participation requirements. This exemption is a lifetime limit of 12 months. Prior to the enactment of HB 2469, Oregon allowed just a 90-day exemption after the birth of a child. HB 2469 allows for one parent per family to be exempt from participation in work activities during the infant's first six months, up to 12 months per family.<sup>22</sup> This expansion will allow new parents more time to spend

---

<sup>15</sup> HB 2469, Section 8(1), added to and made part of ORS 418.035 to 418.125.

<sup>16</sup> HB 2469, Sections 8(1) and (2), added to and made part of ORS 418.035 to 418.125.

<sup>17</sup> HB 2469, Section 9, amending ORS 411.105(2).

<sup>18</sup> HB 2469, Section 8(4), added to and made part of ORS 418.035 to 418.125.

<sup>19</sup> HB 2469, Section 8(3), added to and made part of ORS 418.035 to 418.125.

<sup>20</sup> HB 2469, Section 10, creating new ORS 25.020(2)(b).

<sup>21</sup> HB 2469, Section 25.

<sup>22</sup> HB 2469, Section 2, creating new ORS 418.040(7)(d).

with their newborn and will allow the state to exempt these families from the work rate.

Parents who are under 20 years old may be required to attend school or other suitable activities after the child is 16 weeks old.<sup>23</sup>

### **Allows TANF children to spend a bit more time with their non-custodial fathers**

Oregon restricts the amount of time TANF children may spend with their non-custodial parent (usually their father). Prior to the enactment of HB 2469, fathers of TANF children could visit in their children's home for a total of only 12 hours per week. HB 2469 increased this limit on visits in the children's home to 30 hours per week.<sup>24</sup>

This modest change did not affect other restrictions on the amount of time TANF children may spend with their fathers. HB 2469 did not alter the state administrative rule that TANF children are not allowed to sleep at their father's home 30 percent or more of the time and did not change the statute providing that fathers are not allowed to visit them more than four times a week.<sup>25</sup> If the child spends more than the allowed amount of time with their father, the family is ineligible for TANF cash assistance.

These rules are inconsistent with a legislative finding elsewhere in the statutes that "frequent visits with absent parents are often in the best interests of needy children."<sup>26</sup> The rules also run counter to substantial research demonstrating that children benefit when they are able to spend more time with their non-custodial father.

Oregon's restrictions on how much time TANF children may spend with their fathers are counterproductive and – despite the modest improvement contained in HB 2469 – remain substantially harsher than in most states. Oregon's TANF children would benefit if the rules did not place such harsh limits on the time they may spend with their fathers.

### **Continues support to families after they've left TANF for work**

HB 2469 authorizes a new program to provide a cash grant – set by administrative rule at \$150 per month – for employed persons leaving TANF.<sup>27</sup> These monthly cash grants will be available to clients for 12 months, or until the family income reaches 250 percent of the federal poverty level, as long as the client is engaged in a

---

<sup>23</sup> HB 2469, Section 2, creating new ORS 418.040(7)(d)(A).

<sup>24</sup> HB 2469, Section 5c, amending ORS 418.149(1)(a).

<sup>25</sup> The administrative rule refusing TANF to children sleeping in their fathers' home 30 percent or more of the time is at OAR 461-125-0120. While that rule disqualifies the child only if the father is also making significant decisions about the child's life, that additional criteria is likely subsumed by the 30 percent rule. The statute limiting fathers' visits to four times a week is at ORS 418.149(1)(a).

<sup>26</sup> ORS 418.147.

<sup>27</sup> HB 2469, Section 6, creating new ORS 418.155. The administrative rule setting the grant at \$150 is currently temporary, effective through March 29, 2008, at OAR 461-135-1250.

combination of employment and work activities for the number of hours necessary to meet the federal work participation rates.<sup>28</sup> Advocates and the Oregon Department of Human Services expect the additional support will help families who have left TANF to maintain some stability and remain employed.

HB 2469 also provides that post-TANF grants should be disregarded in determining eligibility for state child care subsidies.<sup>29</sup> The bill also makes clear that recipients of post-TANF grants may also receive support services, such as money for work clothes, auto repair, or moving expenses from the state.<sup>30</sup> If a client is no longer participating in employment and work activities for the hours required to meet work participation, then DHS must determine whether the family is eligible for TANF cash benefits prior to terminating aid.<sup>31</sup>

**Allows TANF families that obtain employment quickly to receive transitional Medicaid after they leave TANF**

The federal Transitional Medical Assistance (TMA) program provides at least 6 months of extended health benefits to families who lose eligibility for TANF because of increased income from or hours of work.<sup>32</sup> TMA is not available to everyone. If adults in the "pre-TANF" program are successful and find a job quickly, they may not meet one of the eligibility requirements to qualify for TMA.<sup>33</sup> HB 2469 makes a policy change to ensure that TANF program participants who are successful at quickly obtaining employment are not disadvantaged relative to other TANF recipients and that emphasis on quick attachment to the labor force does not result in more uninsured children and parents.<sup>34</sup> This provision goes into effect October 1, 2008.<sup>35</sup>

---

<sup>28</sup> HB 2469, Section 6, creating new ORS 418.155(2).

<sup>29</sup> HB 2469, Section 6, creating new ORS 418.155(4).

<sup>30</sup> HB 2469, Section 6, creating new ORS 418.155(5).

<sup>31</sup> HB 2469, Section 6, creating new ORS 418.155(3).

<sup>32</sup> 42 U.S.C. § 1396r-6. The federal TMA rules allow for an additional six months (for a total of 12 months) of TMA for former TANF recipients who continue to meet certain income and other criteria.

<sup>33</sup> Specifically, the requirement under 42 U.S.C. § 1396r-6(1) that only families receiving TANF in three of the six months before they became ineligible for TANF may receive TMA.

<sup>34</sup> Specifically, HB 2469, Section 18a, amending ORS 414.025(2)(L), as amended by HB 2469, Section 18, allows families to receive TMA if they participated in TANF in the preceding month before they became ineligible.

<sup>35</sup> HB 2469, Section 25.