Oregon Center for Public Policy
204 N. First St., Suite C • PO Box 7 • Silverton, OR 97381 • www.ocpp.org • 503-873-1201 • fax 503-873-1947

# Executive Summary

*September 12, 2005*

# The TANF Shell Game:
## Oregon uses funds for helping poor families be self-sufficient to cover other budget holes

by Michael Leachman, Sara Merten, and Chuck Sheketoff

As Oregon families left the cash assistance caseload following welfare reform, Oregon could have devoted the savings to help low-wage workers continue building their skills and achieve true self-sufficiency. Instead, Oregon has spent a large chunk of the savings filling other budget holes.

- Nearly a quarter of welfare-related spending in Oregon is going to pay for child protective services, not to promote self-sufficiency through traditional welfare services. Some of the savings from cutting self-sufficiency programs has been spent on K-12 education and the Oregon Health Plan.

- Total, inflation-adjusted spending from all federal and state revenue sources on the four traditional self-sufficiency programs - child care subsidies, employment services, cash assistance, and emergency assistance - fell from $744 million in 1993-95 to $478 million in the 2003-05 budget period.

- Because funding for the four traditional self-sufficiency programs has not remained at 1993-95 levels, Oregon's low-income families have lost a total of $861 million in support over the last decade.

- In 2005-07, despite Oregon's return to economic growth, these programs are being cut even more.

Major spending cuts in self-sufficiency programs were produced by deliberate policy choices that had nothing to do with how well Oregon's poorest families were doing.

- Oregon has required families to be deeper in poverty each year to be eligible for temporary cash assistance. By 2005, eligibility shrank to 46 percent of the federal poverty level for a mother with two children. In 1991, it was at 66 percent of poverty.

- Less than two percent of Oregon TANF cash assistance recipients had earnings from work in 2005. Nationally, 25 percent of adult TANF recipients were employed in 2004.

- The number of able-bodied families with children in Oregon who were poor in 2001-03 stood at about 65,000, essentially the same number as when welfare reform began in the mid-1990s.

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Nine years ago, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly known as “welfare reform.” The Act gave states more control over welfare policy while imposing strict new rules aimed at pushing more recipients into the workforce. It established the Temporary Assistance for Needy Families (TANF) program as the nation’s primary welfare program to implement the new rules.

Welfare reform significantly affected state fiscal policies. Under the TANF rules Oregon has substantially more flexibility over how it may spend welfare-related funds. In addition, federal TANF funds have not kept up with inflation and the TANF rules have allowed states to spend substantially less on traditional programs aimed at helping families with dependent children achieve self-sufficiency.

Facing a state budget under pressure from increasing costs and inadequate revenue, Oregon has taken heavy advantage of the increased flexibility under TANF to siphon money away from the four traditional self-sufficiency programs – child care subsidies, employment services, cash assistance, and emergency assistance - to fill budget gaps in other state programs. Oregon’s ongoing state revenue shortfall has translated “increased flexibility” into “more shell games.”

When Oregon families left the cash assistance caseload following welfare reform, Oregon could have devoted the savings to help low-wage workers to continue building their skills and achieve true self-sufficiency. Instead, Oregon has spent a large chunk of the savings filling other budget holes. Major spending cuts in self-sufficiency programs were produced by deliberate policy choices that had nothing to do with how well Oregon’s poorest families were doing. Because funding for the four traditional self-sufficiency programs has not remained at 1993-95 levels, Oregon’s low-income families have lost over the last decade a total of $861 million in support.

## Welfare reform significantly altered state fiscal policy

Welfare reform affected fiscal policy in Oregon in two major ways: first, by capping the amount of money available from the federal government while allowing states to spend less, and second, by allowing states much more flexibility to spend welfare money on a wider range of programs and services.

### Federal block grant losing value over time

Prior to welfare reform, states were entitled to federal payments covering a portion of welfare costs, with no cap on how much the federal government paid.[1] Under TANF, states receive an annual "block grant" from the federal government. Under current law, the size of the TANF block grant does not change no matter how many families with dependent children need assistance. In addition, the value of the TANF block grant is eroded by inflation over time.

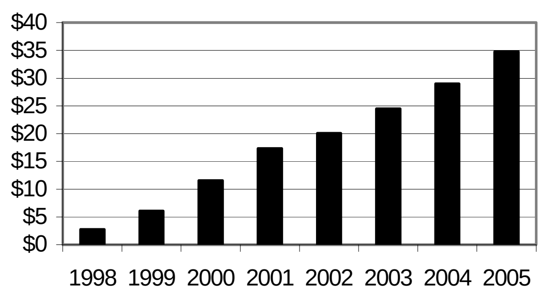
Oregon's basic annual TANF block grant is $167.9 million, an amount based on federal spending on welfare programs in Oregon in federal fiscal year 1994.[2] Because 1994 was a peak year for welfare caseloads in Oregon, initially the federal block grant represented an increase over the previous year's spending. The federal government spent $142 million in Oregon in federal fiscal year 1996, the last year before federal welfare reform began, on the primary welfare programs.[3] Federal spending then increased to $167.9 million in federal fiscal year 1997, the first full year under federal welfare reform. Then, it immediately began losing value to inflation.

If the block grant had been adjusted for inflation since federal fiscal year 1997, the first full year under federal welfare reform, it would be 21 percent larger in federal fiscal year 2005 than it actually is. In other words, in federal fiscal year 2005 alone Oregon is losing $35 million in federal TANF funds solely because the block grant has lost value to inflation (Figure 1).

After adjusting for the impacts of inflation, federal spending is now even lower than it was in federal fiscal year 1996, the final year before the federal block grant was set at $167.9 million. Federal welfare spending in 1996, adjusted for inflation to federal fiscal year 2005 dollars, equals $176 million. That's $8 million more than Oregon received through the block grant in federal fiscal year 2005. As time goes on, the federal grant will grow increasingly small compared to federal spending before welfare reform, unless Congress increases the size of the block grants.

**In federal fiscal year 2005 alone Oregon is losing $35 million in federal TANF funds solely because the block grant has lost value to inflation.**

**Figure 1: Value of federal TANF funds lost to inflation since 1997, Oregon**




Source: OCPP adjusted for inflation using US CPI-U.

Some of the decline in the value of TANF has been offset by increases in federal funding for child care subsidies through the Child Care and Development Fund (CCDF), a separate block grant and federal revenue source used primarily to subsidize child care for low-income workers. In the 2003-05 state budget period, Oregon spent $58.5 million annually in federal CCDF funds, up from an inflation-adjusted $45.7 million in federal fiscal year 1998.[4]

### Federal welfare reform rules have allowed Oregon to cut state spending

To receive TANF funds, states must spend at least three-quarters of what they spent on welfare programs in the 1994 federal fiscal year.[5] This state spending requirement is known as "maintenance of effort," or MOE.

Since Oregon spent $122.2 million in federal fiscal year 1994 on welfare programs, Oregon must spend at least $91.6 million in state MOE funds to fulfill the TANF requirements.[6]

In the first full biennium following federal welfare reform, 1997-99, Oregon spent enough on TANF-eligible Oregonians to meet the MOE requirement easily.[7] By 1999-01, though, Oregon spent just barely over the minimum. In his proposed budget for 1999-01, then-Governor John Kitzhaber proposed spending just $3.8 million over the MOE minimum, despite the booming economy and relatively abundant state revenues.[8]

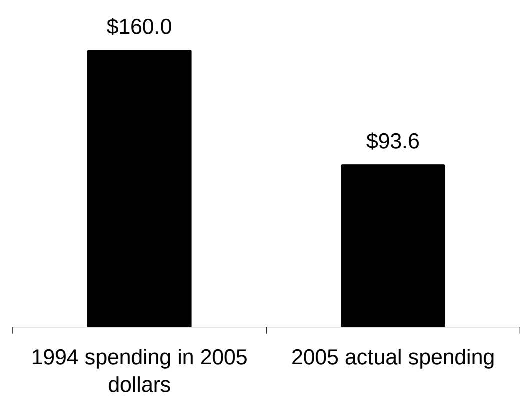
Since then, Oregon has continued to spend only the bare minimum on MOE. In the 2003-05 biennium, Oregon spent about $93.6 million annually meeting MOE, just $2 million over the minimum required.[9] By cutting its MOE spending down to the minimum, Oregon has generated money to spend elsewhere in the state budget, thereby shifting support from TANF-eligible families to other Oregonians.

Had Oregon continued to spend as much as in federal fiscal year 1994 ($122 million), and increased that amount for inflation each year, the state would be spending $160 million in federal fiscal year 2005 on programs for TANF-eligible Oregonians, over $66 million more than it is actually spending (Figure 2). In other words, Oregon has cut real state spending by nearly 42 percent since 1994.

### *Rules allow states to shift funding away from self-sufficiency programs*

**Oregon has cut real state spending on TANF-eligible Oregonians by nearly 42 percent since 1994.**

**Figure 2: Cut in state funds spent on TANF-eligible Oregonians**




Source: OCPP analysis of Oregon Dept. of Human Services data and U.S. Dept. of Health and Human Services data.

Under welfare reform, states have a great deal of latitude in spending federal TANF funds and in counting state spending towards the MOE minimum. States are, however, required to spend TANF funds in a manner consistent with the broad purposes of TANF as outlined by Congress: (1) to provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives; (2) to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) to prevent and reduce the incidence of out-of-wedlock pregnancies; and (4) to encourage the formation and maintenance of two-parent families.[10] States that are particularly effective in reaching these goals may receive bonuses from the federal government. Oregon has received bonuses totaling $8.3 million.[11]

States also have extensive flexibility in what they count as MOE spending. States must spend MOE funds on programs that benefit needy families. States may count spending on programs that would otherwise not be allowed under TANF rules, if they spent money on those programs in federal fiscal year 1995.[12] In addition, spending on programs other than those that mirror pre-welfare reform programs can only count toward MOE if state spending exceeds the 1995 level for that program. This "new spending test" still allows states substantial flexibility to count - as MOE - spending on programs that would not have been considered "welfare" prior to welfare reform.

In addition to sharply reducing spending on welfare programs, Oregon has taken advantage of the expanded flexibility available under welfare reform to take funds that used to be spent on the four traditional self-sufficiency programs - child care, employment services, cash assistance, and emergency assistance - and spend them filling other budget holes.

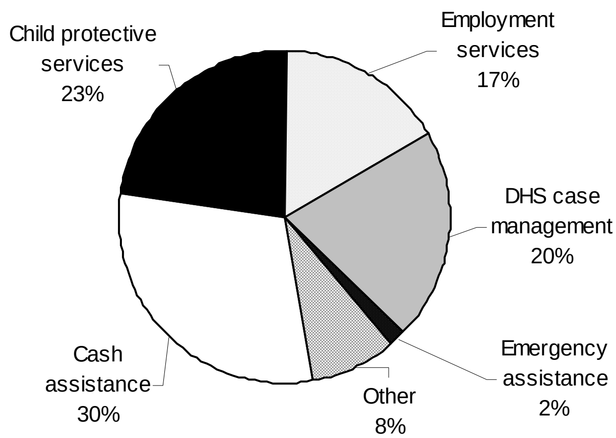
## Self-sufficiency funds spent on child protective services

Prior to welfare reform, states typically spent little, if any, of their federal or state welfare funds on child protective services. Under the new, more flexible welfare reform rules, such spending has increased.[13] In Oregon, the increase has been dramatic. In effect, welfare reform created a new major source of revenue for Oregon's child protective services system – the federal TANF block grant and the associated state MOE.

Welfare reform created this new revenue source at a time when the costs of Oregon's child protective services system were increasing. The Adoption and Safe Families Act of 1997 required states to act more quickly to place children permanently in out-of-home care. To comply, Oregon needed to intensify its casework and add staff. In addition, an agreement with the Juvenile Rights Project to avoid litigation required Oregon to adopt gradually between 1995 and 2003 a new "System of Care" casework approach that was more tailored to the needs of individual children. At the same time, the costs of providing protective services were increasing because abuse reports were rising and the children involved were younger.[14]

**Nearly a quarter of welfare-related spending in Oregon is going to child protective services, not to promote self-sufficiency through traditional welfare services.**

**Figure 3: How Oregon's TANF block grant and associated MOE was spent, 2003-05**



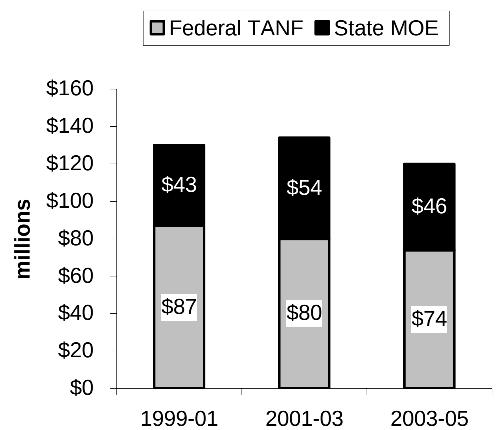

Source: OCPP analysis of Oregon Dept. of Human Services data. Estimates based on spending through November 2004 rebalance.
Note: The "Other" category includes a small amount of spending for child care subsides Oregon pays for these subsidies almost entirely through the federal Child Care and Development Fund. "Other" also includes a Headstart pre-K program, grants for needy college students, licensing child care facilities, parenting and health services programs for low-income parents, the refundable portion of a tax credit for low-income families with out-of-pocket child care costs, alcohol and drug treatment programs, and other programs.

With costs rising in child protective services, Oregon has taken heavy advantage of the opportunity created by welfare reform to use TANF and MOE funds to support child protective services. In 2003-05, Oregon spent nearly $74 million of the federal TANF block grant on child protective services. In addition, the state counted $46 million in state spending towards the MOE requirement. In total, the state spent $120 million of combined state and federal welfare-related funds on child protective services.

This $120 million amounts to about 23 percent of total TANF and MOE spending in Oregon in 2003-05 (Figure 3). That is, nearly a quarter of welfare-related spending in Oregon is going to protect children, not to promote self-sufficiency through traditional welfare services.

Oregon also used TANF and MOE funds to pay for child protective services in previous budget cycles. In the 2001-03 budget cycle, Oregon spent $134 million ($80 million in TANF funds and $54 million in MOE) on child protective services (Figure 4).[15] This amounts to nearly 25 percent of all TANF and MOE spending in 2001-03. Similarly, the state spent $130 million ($87 million in federal TANF funds and $43 million in MOE funds) on child protective services in 1999-01.[16] In the last three budget cycles combined, Oregon has spent $384 million in TANF and MOE funds on child protective services.

**Figure 4: Total spending in TANF and MOE on child protective services**




Source: Oregon Dept. of Human Services.

**In the last three budget cycles combined, Oregon has spent a total of $384 million in TANF and MOE funds on child protective services.**

## Oregon also has funded other programs with TANF MOE funds

Besides child protective services, other programs outside the four traditional self-sufficiency programs also receive state MOE funds. Among the programs directly receiving state MOE funding in 2003-05 were:

- $5.7 million for a Headstart pre-Kindergarten program for low-income children;
- $7 million for the Oregon Opportunity Grant Program, providing grants to help needy students, but not TANF cash assistance recipients, attend college[17];
- $3.9 million to pay for Employment Department staff to license child care facilities and investigate complaints.
- $7 million to the Oregon Commission on Children and Families, to help pay for the Healthy Start, Great Start, and Crisis Relief Nurseries programs.[18]

In addition, Oregon has indirectly filled budget holes in state services well beyond the scope of TANF, using TANF and MOE funds.

**Child protective services remains underfunded**

Despite the influx of TANF and associated MOE funds to Oregon's child protective services system, the system remains underfunded.

Reports of child abuse in Oregon rose 90 percent between federal fiscal years 1996 and 2004. In the 2004 federal fiscal year, DHS received 46,524 reports of abuse and found that more than 10,600 children had been abused. Between 1996 and 2004, 171 Oregon children died as a result of child abuse.[19]

In federal fiscal year 2004, the number of children entering the foster care system outnumbered the number of children leaving the system by nearly 1,000.[20] Children entering the system are increasingly younger and more likely to face serious behavioral or medical problems. Over half of all children in foster care require Oregon to pay special rates to their foster care provider.[21]

Despite these problems, during the economic downturn Oregon cut funding for key aspects of its child protective services system. System of Care flexible funds used to individualize child protective services were cut, residential treatment services were cut, special rates paid to foster care providers were cut, and base rates to foster care providers and adoptive families were cut temporarily (but restored in November 2003).[22] The 2005-07 budget, rather than restoring other cuts made during the downturn, reduces the maximum on one-time adoption payments and delays cost-of-living adjustments for rates paid to foster care providers and adoptive families until April 2006.[23]

Oregon's children need a high quality child protective services system. When the money to fund such a system comes out of the pockets of low-income parents by reducing efforts to move them toward economic self-sufficiency, however, it is counterproductive. The economic stress on families increases when self-sufficiency supports are inadequate. This additional stress leaves children more vulnerable to abuse. Well-funded programs that truly help low-income parents achieve self-sufficiency will cut costs in child protective services over time.

Other sources of funding are available to fund a high-quality child protective services system. Oregon does not need to raid the TANF grant and associated MOE funds. For instance by restoring only a portion of the corporate income taxes lost to tax breaks and corporate tax dodging over the last generation, Oregon could pay to help more low-income families become self-sufficient *and* cover the costs of a higher quality child protective services system. As OCPP's report *Corporate Tax Dodge* released earlier this year showed, if corporations were still paying the same share of Oregon income taxes that they paid in the mid-1970s, Oregon would have $1.8 billion more in the current biennium.

It is effectively impossible for OCPP to account precisely for each dollar of TANF and MOE "savings" spent in other program areas. When Oregon cuts state spending on self-sufficiency programs or uses federal TANF dollars to replace state spending on self-sufficiency programs, the "savings" in state funds are available to spend elsewhere. The newly available money is fungible. Tracking where these state dollars go is very difficult.

Nevertheless, it is clear that Oregon has taken money from families seeking self-sufficiency and spent it on other programs that do not benefit only families unable to meet their basic needs without public assistance. Oregon could have chosen to spend all the savings from cash assistance caseload declines on expanded programs to help families with dependent children achieve true self-sufficiency, but that is not what has happened.

The U.S. General Accounting Office found in a 2001 report that Oregon had spent some of the savings from cutting self-sufficiency programs on K-12 education and the Oregon Health Plan.

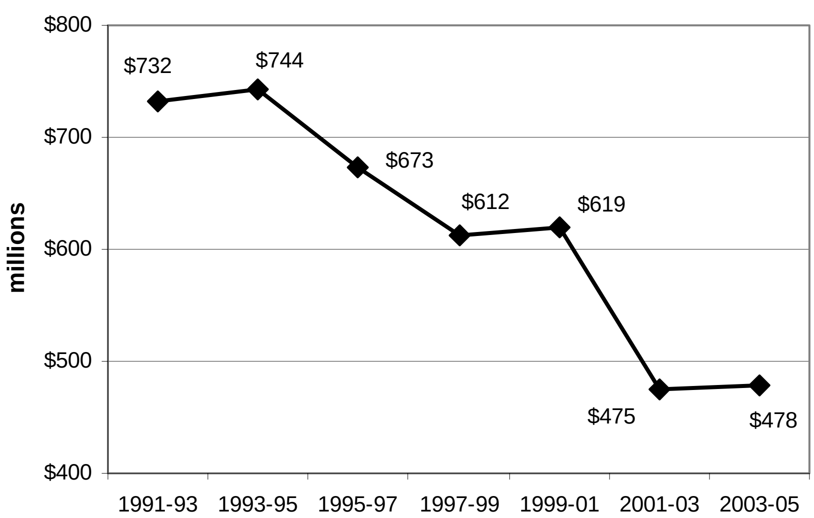
The GAO wrote, "Oregon found that it could use the TANF funds to replace state general fund dollars in several other programs. In turn, the state general funds that were freed up helped support a[n] . . . increase in Oregon's support for K-12 education programs."[24] The GAO also reported that "State officials claim that the successes Oregon has achieved in its [welfare] program have permitted it to transfer savings realized from a smaller caseload to other programs, such as the Oregon Health Plan."[25]

GAO is currently preparing a follow-up to their 2001 report. The follow-up report will update GAO's analysis of TANF and MOE spending in Oregon and other states. It is likely to be released later this year.

## Spending on self-sufficiency programs is sharply down

Low-income families struggling to reach self-sufficiency are receiving substantially less support than they were before welfare reform.

**Figure 5: Total spending on self-sufficiency programs, Oregon, in 2003-05 dollars**




Source: OCPP analysis of Dept. of Human Services data. Self-sufficiency programs include ANF/AFDC, ERDC, JOBS, and Emergency Assistance.

**Low-income families struggling to reach self-sufficiency are receiving substantially less support than they were before welfare reform.**

Total, inflation-adjusted spending from all federal and state revenue sources on the four traditional self-sufficiency programs - child care subsidies, employment services, cash assistance, and emergency assistance - fell from $744 million in 1993-95 to $478 million in the 2003-05 budget period (Figure 5).

In other words, in 2003-05 low-income families in Oregon were getting $265 million less in support as they sought self-sufficiency than they were a decade ago when welfare reform began. Because funding for the four traditional self-sufficiency programs has not remained at 1993-95 levels, Oregon's low-income families have lost a total of $861 million in support over the last decade (Table 1).

**Because funding for the four traditional self-sufficiency programs has not remained at 1993-95 levels, Oregon's low-income families have lost a total of $861 million in support over the last decade.**

**Table 1: Total spending on self-sufficiency programs, Oregon**

| | In current dollars | In 2003-05 dollars | Change since 1993-95, in 2003-05 dollars |
|---|---|---|---|
| 1991-93 | $545 | $732 | |
| 1993-95 | $585 | $744 | |
| 1995-97 | $559 | $673 | -$70 |
| 1997-99 | $529 | $612 | -$132 |
| 1999-01 | $565 | $619 | -$125 |
| 2001-03 | $453 | $475 | -$269 |
| 2003-05 | $478 | $478 | -$265 |
| **Total** | | | **-$861** |

Source: OCPP analysis of Dept. of Human Services data.

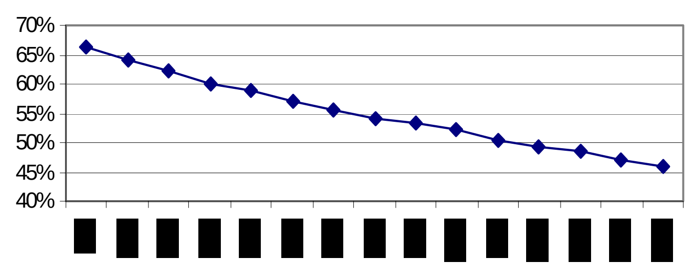
## Policy choices have driven welfare caseload decline

The Oregon Department of Human Services (DHS) has claimed that their success in moving welfare recipients to self-sufficiency has allowed the Department to reduce spending on the four traditional self-sufficiency programs. State officials told the GAO that when "families started to become more self-sufficient and left the caseloads, less funding was needed to support the program."[26]

This explanation of the spending decline fails to acknowledge that major spending cuts in self-sufficiency programs were produced by deliberate policy choices that had nothing to do with how well Oregon's poorest families were doing.

**Oregon has required families to be deeper in poverty each year to be eligible for temporary cash assistance.**

**Figure 6: Oregon TANF gross income limit for a family of three (1 parent, 2 kids), as a percent of poverty guideline**




Source: OCPP analysis of U.S. Dept. of Housing & Human Services poverty guidelines.

When parents with dependent children leave welfare, their child care costs often increase. In addition, they may also see other costs like transportation costs and work apparel costs rise. As the cash assistance caseload declined, Oregon could have chosen to spend an equivalent amount on programs that help low-wage working families with children absorb these new costs. While Oregon did increase its spending for work supports, the increase was not enough to maintain Oregon's investment in self-sufficiency programs at previous levels. Low-income families with children lost out.

### *To get cash assistance today, Oregon families have to be poorer*

Oregon has required families to be deeper in poverty each year to be eligible for temporary cash assistance. Since July 1991, the three-person family "gross income limit" (the maximum allowable income before certain deductions and exemptions) under TANF has been frozen at $616 per month. As a result, today a family has to be poorer and work fewer hours at minimum wage to be eligible for temporary cash assistance. In 1991, a working mother with two children and income above 66 percent of the federal poverty guideline ($928 per month in 1991), or working 30 hours a week at minimum wage, was not eligible for welfare. By 2005, eligibility shrank to 46 percent of the federal poverty level (Figure 6). Due to increases in the state's minimum wage, a three-person family working 20 hours a week at minimum wage earns too much to qualify for cash assistance.

**Oregon's reports to federal government are almost useless for analyzing spending over time**

Like all states, Oregon is required to file with the U.S. Department of Health and Human Services (HHS) quarterly and annual reports on the state's TANF and MOE spending. These reports are relatively useless for determining trends over time in how Oregon has spent its TANF and MOE dollars.

The reports fulfill a bureaucratic requirement but fail to make Oregon's TANF and MOE spending transparent to the public. For instance, Oregon consistently reports to HHS that it has met the bare minimum MOE requirement *precisely*, a claim that OCPP was not surprised to discover fails to match internal Oregon Department of Human Services budget documents. The reports require Oregon simply to detail that it met the MOE requirement; they do not require Oregon to detail any state spending above the bare minimum MOE requirement that was used to help TANF-eligible Oregonians. As a result, actual total state spending is not reported.

Comparing actual spending over time is impossible using Oregon's HHS reports. This problem is not unique to Oregon. States are allowed to use current year federal funds to reimburse the state for past year expenditures. Until April 2003, states could either report adjustments to prior year expenditures in the current year or amend past year reports to reflect the reimbursement. The latter method allows for an accurate assessment of spending over time. But in April 2003, HHS specified that states must report adjustments to prior year expenditures in the current year.[27] Thus, it remains impossible to separate prior year spending from current year spending. States may even report "negative spending" (a gain in funds) during the current year. This makes comparisons over time of spending using this data difficult, at best.

In addition, federal reporting categories are broad and do not always mirror state expenditures. For example, expenditures within the Job Opportunities and Basic Skills (JOBS) program may be divided into several federal reporting categories. Most of the program is counted under "work activities." But other JOBS spending might fall under the "child care," "transportation and support services," or "other non-assistance" categories. As a result, tracking what has happened to JOBS funding over time is hard to determine using the HHS reports.

To add more confusion, Oregon's reports to HHS are prepared for each federal fiscal year, a single-year period beginning in October, but Oregon budgets are based on a two-year period beginning in July.

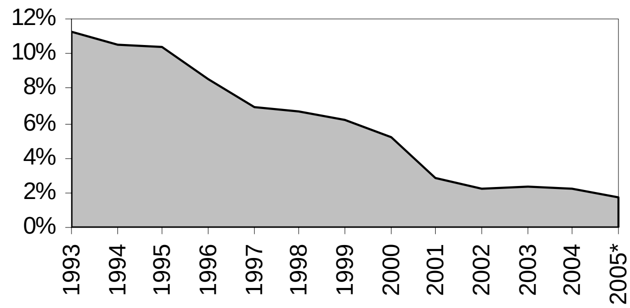
Last, Oregon has not been consistent in how it completes the reports. Over the years, different employees of the Oregon Department of Human Services have completed the HHS reports and have categorized spending differently.

Oregon's policy choice to freeze the TANF eligibility limit translates into a policy of refusing cash assistance to an increasing share of low-income families with dependent children. As Oregon families left the TANF cash assistance caseload, Oregon could have devoted the savings to help low-wage workers to continue building their skills and achieve true self-sufficiency. Instead, Oregon has spent a large chunk of the savings filling other budget holes.

Other states have structured their TANF programs to allow more working families to supplement their wages with cash assistance. Just four states - Arizona, Mississippi, Wisconsin, and Wyoming - have lower earnings limits for TANF recipients in the first month of employment than Oregon.[28]

**The percentage of Oregon TANF cash assistance recipients with earnings from work has fallen sharply over the last decade, from over 11 percent in 1993 to less than two percent in 2005.**

Figure 7: Percent of Oregon TANF cases with earnings, 1993-2005




Source: OCPP analysis of Oregon DHS data.
* 2005 data are partial, through June

Thanks largely to this policy, the percentage of Oregon TANF cash assistance recipients with earnings from work has fallen sharply over the last decade, from over 11 percent in 1993 to less than two percent in 2005 (Figure 7). In June 2005, only 312 TANF families had any earnings from work. Just three other states had a smaller share of TANF recipients working in 2001.[29] Nationally, 25 percent of adult TANF recipients were employed in 2004.[30]

It is not known precisely how many Oregon families have lost access to TANF benefits and services because of the eligibility limit freeze. If the gross income limit for a family of three had been allowed to grow each year with inflation, it would be $874 in 2005, 42 percent larger than it actually is.

### *The new welfare system created additional roadblocks for families*

Prior to welfare reform, DHS was required to begin providing cash assistance sooner than it does today. In those days, the agency had to determine eligibility within 45 days and to provide benefits as of the 30th day of receipt of an application, or sooner if all eligibility factors were verified. Today, the agency first places families in an "assessment program" and requires that they wait 45 days before receiving the first monthly cash assistance payment.[31] During that time frame, the welfare agency and its contractors work to divert families from receiving temporary assistance. A family diverted is not necessarily working. The diversion effort and the forced delay in obtaining the first monthly payment dissuade some families from seeking temporary assistance.

The tougher standards for receiving temporary cash assistance is further reflected in a mid-1990s policy change (in effect until October 31, 2003) affecting the number of two-parent families receiving monthly cash aid due to under- and unemployment. Called "pay after performance," the policy required both parents to spend up to 40 hours each for two weeks in job search before monthly cash payments to the family could begin. This "pay after performance" policy was implemented to reduce the size of the two-parent TANF caseload without regard to the economic status of those discouraged, diverted, or placed into employment from the program.

**Number of poor families with children same as before welfare reform**

Families achieve self-sufficiency when they are able to meet their basic needs. Leaving welfare is just one step in this process. Fewer Oregon families receive cash assistance benefits than before welfare reform, but that does not mean more families have achieved self-sufficiency.

The number of able-bodied families with children in Oregon who were poor in 2001-03 stood at about 65,000, essentially the same number as when welfare reform began in the mid-1990s.

Because Oregon has chosen to spend a substantial part of the "savings" from welfare reform filling other budget holes rather than investing more in low-wage workers, poverty remains higher in Oregon's workforce than it otherwise would be. This is a problem that is exacerbated by a shift in Oregon's job base over the last generation from manufacturing and natural resources to services and retail. In 2002-03, Oregon's poverty rate among working families with children was 9.5 percent, nearly double the 4.8 percent rate in 1979-81.

The caseload reduction strategy worked. In June 1993 there were 4,004 two-parent families receiving cash assistance, but by October 2003 - when the policy was discontinued - only 941 were receiving monthly support. The decline cannot be accounted for by a corresponding decline in under- and unemployed among two-parent households with children in Oregon.

Since the end of "pay after performance" the two-parent TANF caseload has remained low compared to historic levels, but has risen more quickly than the one-parent caseload in response to the difficult economic times. Over the first year after DHS eliminated "pay after performance," two-parent cases increased nearly seven percent while one-parent cases rose just over one percent.

### *Oregon chose not to save for a rainy day*

In the late 1990s, with the national economy booming and welfare caseloads plummeting, many states spent only a portion of their federal TANF block grant funds. When the recession hit, these states were able to draw on the "savings" they had built up during the boom years.

Oregon, by contrast, each year spent nearly all of its TANF money. In October 2000, with the recession looming just around the corner, Oregon had saved none of the federal TANF funds it had received since welfare reform began.[32]

As a result, unlike many states, Oregon had no reserve funds to draw on when the recession increased the need for temporary cash assistance and job training for low-income unemployed parents. Instead, when tax revenue collapsed and Oregon voters rejected tax increases, Oregon cut funding for critical self-sufficiency efforts – child care subsidies, employment services, and emergency assistance.

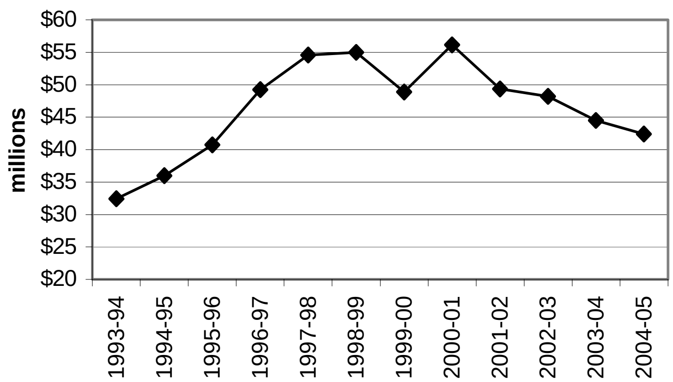
Moreover, the cuts in these areas were not restored in the 2005-07 biennium. In fact, funding for employment services was reduced even more. Despite Oregon's return to economic growth, the state revenue crisis continues.

## Eligibility limit for child care subsidies reduced

Child care subsidies are crucial to many parents working in low-wage jobs. For these parents to successfully transition from cash assistance to work, they must find safe and affordable child care for their children. Increasing funding for child care subsidies was an important part of Oregon's early welfare reform efforts. In the late 1990s, though, real spending for Oregon's primary child care subsidy program – the Employment Related Day Care (ERDC) program – leveled off even as TANF caseloads continued to fall. Then, when the recession hit and state revenues plummeted, real spending on child care subsidies slipped back to mid-1990s levels, when the cash assistance caseload was much higher than it is today. Between state fiscal years 2000-01 and 2004-05, total real spending on ERDC declined by $14 million, a 24 percent loss (Figure 8). ERDC spending is now on par with program spending in 1995-96, when twice as many Oregonians were receiving cash assistance. Since Oregon's poor families with dependent children today are more likely to be employed than before welfare reform, demand for child care subsidies is probably higher than before welfare reform. Because of the spending cuts to ERDC, Oregon is not meeting this increased demand.

**Between state fiscal years 2000-01 and 2004-05, total real spending on ERDC declined by $14 million, a 24 percent loss. ERDC spending is now on par with program spending in 1995-96, when twice as many Oregonians were receiving cash assistance.**

**Figure 8: Total spending on the Employment Related Day Care program, in 2004-05 dollars, Oregon**




Source: OCPP analysis of Oregon Dept. of Human Services data. Infaltion adjustment with US CPI-U.

Some of the decline in ERDC spending during the recent economic downturn is due to a modest increase in the cash assistance caseloads, as some low-income parents lost jobs to the recession. Undoubtedly, though, the ERDC spending decline was deepened when Oregon cut the income limit for ERDC eligibility to help balance a state budget lacking revenue during the recession.

During the fifth special legislative session of 2002, faced with an ongoing revenue shortfall, Oregon lawmakers decided that if voters rejected Measure 28 – a temporary income tax increase – a number of budget cuts would automatically occur. One of these cuts reduced the maximum amount of income Oregon families can earn and still be eligible for child care subsidies through ERDC. In addition, the co-payments required from low-income families participating in ERDC were scheduled for an increase. After Measure 28 failed in January 2003, the ERDC income limit dropped from 185 percent of the federal poverty line to 150 percent, and co-payments increased.

Following these cuts, the ERDC program shrank sharply. In March 2003, more than 1,800 fewer children were receiving ERDC benefits than just two months earlier, before the Measure 28 vote. The eight percent decline that occurred over these two months is much steeper than the usual change between January and March. Over the prior seven years, the number of ERDC children receiving benefits had declined by an average of 0.6 percent between January and March.

The 2003 Legislative Assembly partially rolled back the co-payment increases. The income eligibility limit for ERDC, however, remains at 150 percent of poverty (just $24,135 for a family of three in 2005). The limit was not restored to 185 percent of poverty in the 2005-07 budget. In fact, Governor Kulongoski proposed further ERDC cuts. While the Legislative Assembly refused these additional reductions, the ERDC cuts that occurred during the economic downturn remain despite Oregon's return to economic growth.

Sadly, ERDC has not fully helped the primary group it was intended to serve – families leaving the cash assistance caseloads. As thousands of Oregon families with children left the welfare caseload over the last decade, only a portion received child care support. In June 2005, there were 24,971 fewer families with children receiving TANF cash assistance in Oregon than in April 1993, and just 4,500 more families receiving ERDC.

ERDC also fails to meet the needs of low-income working families because the subsidy is too small. ERDC's subsidy, combined with the required co-payment, is less than the cost of child care in most of Oregon. In 2004, the maximum state child care subsidy plus the required co-pay was not enough to purchase care in any child care center in 59 percent of Oregon zip codes with child care centers reporting their rates to the state.[33] In fact, only 21 percent of toddler child care slots statewide in 2004 could be purchased using state subsidies plus the co-pay, a decline from 38 percent in 2000.[34]

## Regular emergency assistance eliminated

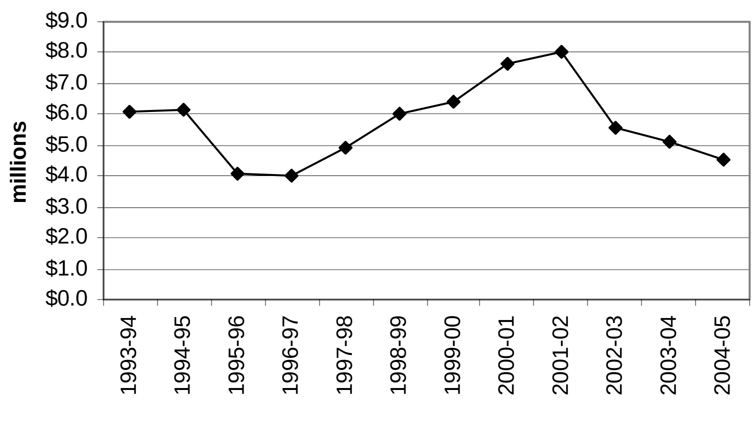
In the several years following welfare reform, Oregon used regular Emergency Assistance payments to keep families with children off the TANF cash assistance caseloads. Families with children facing emergency situations with no other financial resources could receive regular Emergency Assistance payments. A family might have received an Emergency Assistance payment, for example, to pay an overdue rent bill to avoid a pending eviction, or to pay a gas bill to avoid having their heat turned off. Families could receive payments just once in any 12-month period. The payments were known as "regular" Emergency Assistance to distinguish them from special Emergency Assistance payments available only to victims of domestic violence.

Oregon doubled its real spending on Emergency Assistance (including both "regular" payments and the special domestic violence-related payments) from about $4 million to about $8 million between 1996-97 and 2001-02 (Figure x). The spending increase was part of Oregon's efforts to divert potential welfare recipients away from longer-term cash assistance and thus drive down the TANF caseload.

After the economic downturn hit, Oregon scaled back and then eliminated the regular Emergency Assistance program. On April 1, 2002, Oregon lowered the maximum regular Emergency Assistance payment from $350 to $100.[35] The program was entirely eliminated on May 1, 2004.[36]

**Between state fiscal year 2001-02 and 2004-05, total real spending on Emergency Assistance payments fell back to $4.5 million, just above its level at the beginning of welfare reform.**

**Figure 9: Total spending on emergency assistance, in 2004-05 dollars, Oregon**




Source: OCPP analysis of Oregon Dept. of Human Services data.

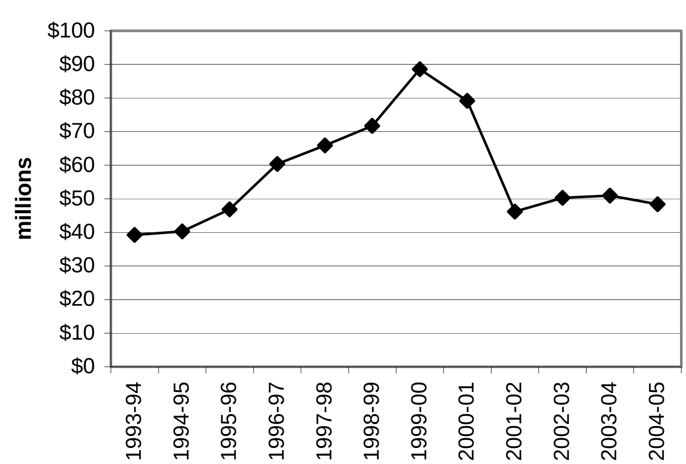
The 2002 maximum payment cut produced a sharp drop in Emergency Assistance spending, and the regular program's elimination in 2004 left Oregon spending Emergency Assistance funds only to help domestic violence victims. Between state fiscal year 2001-02 and 2004-05, total real spending on Emergency Assistance payments fell back to $4.5 million, just above its level at the beginning of welfare reform (Figure 9).

## Employment services were also reduced

Funding to help families in the TANF program prepare for and find work was also slashed when the revenue crisis hit. Between state fiscal years 1999-00 and 2001-02, Oregon cut real spending in the JOBS program, the primary employment services program for TANF recipients, nearly in half. Inflation-adjusted funding fell by more than $42 million between 1999-00 and 2001-02, a collapse of 48 percent (Figure 10). Employment services spending fell to levels not seen since welfare reform first began in Oregon in the mid-1990s.

**Inflation-adjusted funding for the JOBS program fell by more than $42 million between 1999-00 and 2001-02, a collapse of 48 percent.**

**Figure 10: Total spending on JOBS program, in 2004-05 dollars, Oregon**



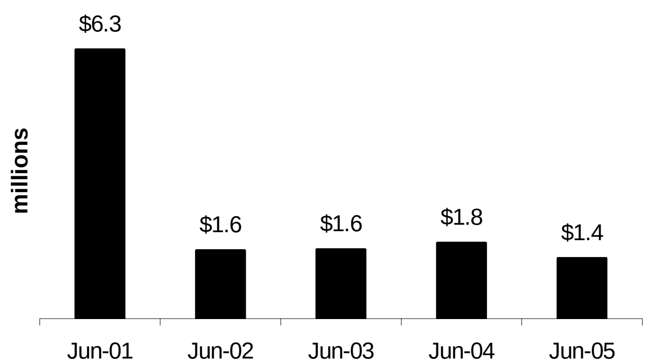

Source: OCPP analysis of Oregon Dept. of Human Services data. Inflation adjustment with US CPI-U.

Much of the decline in JOBS spending came from sharp cuts in JOBS "support services" These are payments to TANF clients for items and services they need to participate in the JOBS program. About two-thirds of support service payments (68 percent in June 2005) go to cover the costs of day care while clients attend job search classes and other employment services programs.[37] The next largest block (nearly 18 percent in

June 2005) goes to reimburse clients for transportation costs for participating in JOBS activities. Support services payments also help clients cover certain costs including housing, auto repair, and clothing costs.

JOBS support services payments plummeted in July 2001, at the end of the 1999-01 biennium. In June 2001, DHS distributed $6.3 million in JOBS support services payments, but the next month the Department sharply scaled back the payments. In June 2002, they totaled $1.6 million. In June 2005, they were just $1.4 million, a 78 percent decline from four years earlier (Figure 11).[38]

**Figure 11: Total monthly spending for JOBS support services, current dollars**




Source: OCPP analysis of Oregon Dept. of Human Services data.

**Much of the decline in JOBS spending came from sharp cuts in JOBS "support services" These are payments to TANF clients for items and services they need to participate in the JOBS program.**

## Unless Oregon raises new revenue, more cuts are likely in future

The future of Oregon's TANF program looks bleak. The cuts to child care subsidies, employment services, and emergency assistance brought about by the economic downturn were not restored in the 2005-07 budget, despite Oregon's return to economic growth. There are too many other holes in Oregon's budget that are considered a higher priority by the state's political leadership, and there is too little money coming in, even with the economy's improvement. At the same time, the Legislative Assembly and the Governor took a "no new taxes" approach to the 2005-07 state budget.

In fact, rather than restoring the previous cuts, the Legislative Assembly cut JOBS employment services another $4.5 million in 2005-07. Legislators restored new cuts to the ERDC child care subsidy program proposed by Governor Kulongoski, but they did cut field staff for self-sufficiency and child welfare programs.[39]

Moreover, according to the Legislative Fiscal Office, the 2005-07 budget does not cover the costs of anticipated caseloads in TANF, ERDC, and some child welfare programs and, as a result, DHS will likely have to cut these programs by about $25.4 million over the next two years.[40] DHS testified that "if caseloads and costs in these programs hold at the projected levels," the Department will "probably change eligibility criteria, decrease client or provider payments, or take other management actions to stay within the approved budget."[41] The term "management actions" is a euphemism for cutting benefits to families.

In addition, the federal government appears poised to further reduce real funding for TANF and impose substantial new program costs on Oregon.

The original welfare reform law authorized federal funding for TANF through September 30, 2002. To date, Congress has debated changing some rules and funding levels, and the Bush Administration has pushed for certain changes, but legislation reauthorizing the program has yet to pass. Instead, Congress has extended the existing TANF legislation ten times. The current extension expires September 30, 2005.

Despite this delay, the debate on TANF reauthorization has already brought substantial changes to Oregon's program. Oregon operated under a waiver to federal rules until July 2003. The waiver effectively exempted Oregon from federal standards on how TANF recipients should spend their time and from federal limits on the length of time recipients may receive TANF benefits. As the deadline for the waiver's expiration approached, the Bush Administration and its allies in Congress determinedly opposed the waiver's extension. As a result, Oregon was forced to accept federal rules, which require strict time limits and offer less flexibility to caseworkers.

When the TANF program is finally reauthorized, it appears likely that the new rules will require Oregon to sharply increase the percentage of TANF recipients in jobs or unpaid work placements and meet strict requirements on the number of hours recipients would have to work. The Bush Administration has proposed allowing states to count recipients toward the work requirement only if they are in paid or unpaid work for 24 hours per week.

Oregon would need to restructure its welfare system in fundamental ways to adopt the Administration's approach. In response to a 2001 survey conducted by the National Governor's Association and the American Public Human Services Association about the impact of the Administration's proposal on the states, Oregon's Department of Human Services wrote that:

> *Present level funding would not be sufficient to finance a program with the features and scale as that outlined in the Administration's proposal . . . The cost of operating a program with a work experience component capable of serving all TANF families with adults in the grant would require us to completely redesign our program around a work experience component and then determine what we could afford to provide beyond that. This would likely drive up the costs of the program and support services significantly.*[42]

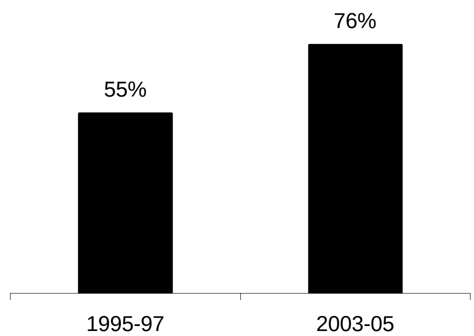
With most of Oregon's TANF-related spending going to find and maintain workfare positions for TANF recipients, other programs (such as employment services, support services, and emergency assistance) will likely face additional cuts. Child care subsidies could also face further cuts if Congress does not increase funding for the Child Care and Development Fund.

At the same time, the TANF reauthorization debate to date suggests that the size of the TANF block grant will not change. As a result, the federal grant to Oregon will continue to lose value over time.

Oregon is particularly vulnerable to federal budget cuts in TANF because Oregon's welfare system is now much more dependent on federal dollars than it used to be. That's because when welfare reform allowed more flexibility in state and federal welfare spending, Oregon quickly began shifting more of the costs of self-sufficiency programs to the federal government.

Between the 1995-97 biennium and the 1997-99 biennium, total state spending on cash assistance, child care, emergency assistance, and employment services collapsed, falling by 47 percent in current dollars. Total federal spending on the four basic self-sufficiency programs, by contrast, actually increased by 15 percent in current dollars, even as TANF caseloads plummeted. The rise in total federal spending on self-sufficiency programs was due partly to the fact that the federal TANF grant was based on peak caseload levels in 1994 (not lower caseloads in 1995 and 1996) and because of increases in federal child care funding through the Child Care and Development Fund.

**Figure 12: Share of four traditional self-sufficiency programs paid for with federal funds**




Source: OCPP analysis of Legislative Fiscal Office data (for 1995-97) and Oregon Dept. of Human Services data (for 2003-05). Note: Data sources may not be precisely comparable.

**Oregon is particularly vulnerable to federal budget cuts in TANF because Oregon's welfare system is now much more dependent on federal dollars than it used to be.**

Although precisely comparable data for subsequent budget cycles is not available, it is clear that Oregon's self-sufficiency programs remain substantially more dependent on federal revenue sources than before welfare reform. OCPP's analysis of data from the Legislative Fiscal Office indicates that in 2003-05, 76 percent of Oregon's self-sufficiency program funds came from federal revenue sources. This is up from about 55 percent in 1995-97 (Figure 12).

## Conclusion

Oregon's ongoing revenue shortfall has put pressure on the State to both cut services and find ways of funding existing services with less revenue. Under welfare reform, Oregon has more flexibility to shift welfare dollars away from families with dependent children seeking self-sufficiency. Faced with rising costs and inadequate revenue to fund child protective services and other state investments, Oregon has taken advantage of welfare reform's flexibility to pay for services that, at best, are not designed primarily to help families achieve self-sufficiency and, at worst, have very little to do with the goals of welfare reform.

Oregon could have chosen to continue investing in families with children struggling towards self-sufficiency at the same levels as before welfare reform. Instead, when families left the welfare caseload, Oregon shifted much of their former investment in such families to fill other budget holes. In the short-term, Oregon's poor families with children are the losers, and in the long-term Oregon's economy and social fabric will be less durable and vibrant than they might have been.

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## Endnotes:

[1] Just prior to federal welfare reform Oregon received a waiver that essentially established a block grant for the state, capping federal payments for the Aid to Dependent Children and JOBS program but allowing the state to keep extra federal funds if "savings" occurred because the caseload decreased.
[2] Under P.L. 104-93 Section 403(a)(1)(b), the size of each state's block grant is based on the highest of the following: average annual federal spending in federal fiscal years 1992, 1993, and 1994; federal spending in federal fiscal year 1994 (plus a bonus amount in certain circumstances if a state amended its Emergency Assistance plan in 1994 or 1995); or, four-thirds of federal spending over the first three quarters of federal fiscal year 1995. Oregon's Legislative Fiscal Office indicates that Oregon's block grant is based on federal spending in federal fiscal year 1994. See Legislative Fiscal Office, *Detailed Analysis of the 1999-01 Legislatively Adopted Budget*, p. 13. Available at http://www.leg.state.or.us/comm/lfo/.
[3] Includes federal funding for AFDC, Emergency Assistance, and JOBS programs. Committee on Ways and Means, U.S. House of Representatives, *1998 Green Book*, May 19, 1998, Table 7-41 on pp. 506-07.
[4] Not all CCDF funds go to subsidize child care for low-income workers. In 2003-05, only two-thirds of CCDF funds were spent for this purpose. Data on CCDF spending in the 2003-05 biennium comes from a spreadsheet entitled, "2003-05 LAB Statewide Estimates for TANF, CCDF, and State Match MOE, November 04 Rebalance Changes included," provided to OCPP by Dave Lyda of the Oregon Department of Human Services. The figure for FFY1998 is from Committee on Ways and Means, U.S. House of Representatives, *2000 Green Book*, October 6, 2000, Table 9-29 on pp. 628-29. Available at http://www.gpoaccess.gov/wmprints/green/2000.html. Inflation adjustment with US CPI-U to FFY2005 dollars, estimated using CPI figures available through June 2005.
[5] Under the TANF rules, Oregon must spend at least 75 percent of state spending in federal fiscal year 1994 on AFDC, JOBS, Emergency Assistance, and AFDC-related child care programs. States failing to meet the TANF work requirements must spend at least 80 percent of state spending in federal fiscal year 1994.
[6] The U.S. Department of Health and Human Services lists all state MOE requirements for federal fiscal year 2004 at http://www.acf.hhs.gov/programs/ofs/data/2004/tableD_2004.html.
[7] Legislative Fiscal Office, *Detailed Analysis of the 1999-01 Legislatively Adopted Budget,* p. 12. Available at http://www.leg.state.or.us/comm/lfo/.
[8] Ibid.
[9] Department of Human Services spreadsheet entitled, "2001-03 Statewide Estimates for TANF, CCDF, and State MOE, Includes the DHS 2001-03 Rebalance," sent by Dave Lyda by email to Sara Merten.
[10] P.L. 104-93 Section 401(a).
[11] Oregon did not receive a bonus for performance in FFY1999, the first year for which bonuses were awarded, or in FFY2000. The U.S. Department of Health and Human Services subsequently added more measures by which states could be judged eligible for bonuses. See *Federal Register*, Vol. 65, No. 169, August 30, 2000, pp. 52814-52855. Oregon received bonuses totaling $4.1 million in FFY2001 for performance in food stamp participation and "family formation and stability." Oregon also received a bonus of $2.0 million for showing a relatively strong increase in earnings gains and job retention among current and former recipients in FFY2002, and a bonus of $2.2 million for showing relatively strong increase in Medicaid and SCHIP enrollment among TANF leavers in FFY2003. The U.S. Department of Health and Human Services maintains a list of high performance bonuses awarded to states, by performance year, at http://www.acf.hhs.gov/programs/ofa/HPB/hpbindex.htm.
[12] The MOE requirement is based on state spending in FFY1994, while the new spending test is based on state spending for particular programs in FFY1995.
[13] Greenberg, Mark and Elise Richer, *How States Used TANF and MOE Funds in FY 2002: The Picture From Federal Reporting*, Center on Law and Social Policy, p. 5. Available at http://www.clasp.org/publications/02_TANF_spending.pdf. Oregon, unlike most states, does not provide foster care payments to relatives who are not considered needy. Some of these relatives apply for and receive TANF cash assistance for the child. This practice dates from before welfare reform. In this way, TANF and its predecessor program have indirectly supported the child protective services system to some degree for some time.
[14] Legislative Fiscal Office, *Detailed Analysis of the 2001-03 Legislatively Adopted Budget*, p. 98-103. Available at http://www.leg.state.or.us/comm/lfo/,
[15] Department of Human Services spreadsheet entitled, "2001-03 Statewide Estimates for TANF, CCDF, and State MOE, Includes the DHS 2001-03 Rebalance," sent by Dave Lyda by email to Sara Merten.
[16] Email to author from Marge Reinhart, Oregon Department of Human Services, August 17, 2005.

[17] Given that Oregon does not allow parents in TANF families to attend college and has not implemented a small "parents as scholars" program that would allow a small number of TANF parents to attend college, this diversion is particularly troubling.
[18] Healthy Start is a pre-natal and post-partum home-visit program for first birth families. Great Start provides local funding to provide parenting, health services, and home visits for children 0 to 8 years old. Crisis Relief Nurseries are therapeutic early childhood classrooms for children from birth to 6 years of age.
[19] Oregon Department of Human Services, *The Status of Children in Oregon's Child Protection System 2004*, May 2005. Available at http://www.oregon.gov/DHS/abuse/publications/children/abusestats2004.pdf.
[20] Ibid.
[21] Legislative Fiscal Office, Analysis of the 2005-07 Governor's Budget, January 10, 2005, p. 76. Available at http://www.leg.state.or.us/comm/lfo/05_07agb/Analysis_2005-07_Governors_Budget.pdf
[22] Ibid, pp. 75-77.
[23] These cuts are based on OCPP's reading of the Legislative Fiscal Office's Analysis of the 2005-07 Governor's Budget, and the Senate Special Committee on Budget's Budget Report and Measure Summary for the Oregon Department of Human Services, Prepared by Jan Dean and Pam Teschner of the Oregon Department of Administrative Services and dated June 30, 2005.
[24] U.S. General Accounting Office, *Welfare Reform: Challenges in Maintaining a Federal-State Fiscal Partnership*, GAO-01-828, August 2001, p. 119. Available at http://www.gao.gov/new.items/d01828.pdf.
[25] Ibid, p. 122-23.
[26] U.S. General Accounting Office, *Welfare Reform: Challenges in Maintaining a Federal-State Fiscal Partnership*, GAO-01-828, August 2001, p. 119. Available at http://www.gao.gov/new.items/d01828.pdf.
[27] Greenberg, Mark and Elise Richer, *How States Used TANF and MOE Funds in FY 2002: The Picture From Federal Reporting*, Center on Law and Social Policy, p. 8. Available at http://www.clasp.org/publications/02_TANF_spending.pdf.
[28] As of January 1, 2003, the latest data available across states from the Committee on Ways and Means, U.S. House of Representatives, *2004 Green Book*, March 2004. Available at http://www.gpoaccess.gov/wmprints/green/2004.html. See pages 7-51 through 7-54. Persons with jobs are not eligible for transitional TANF assistance in Wisconsin, so the earnings limit there is effectively zero. Four other states – Alabama, Georgia, Louisiana, and Texas – have earnings limits that are *higher* than Oregon's in the recipient's first month of employment, but phase-in limits that are lower than Oregon's once the recipient is employed for some time.
[29] "Working" in this sentence means working in an unsubsidized job at least one hour a week. Committee on Ways and Means, U.S. House of Representatives, *2004 Green Book*, March 2004. Available at http://www.gpoaccess.gov/wmprints/green/2004.html. See pages 7-81 through 7-84.
[30] U.S. Department of Health and Human Services, Office of Family Assistance, *Temporary Assistance for Needy Families (TANF): Sixth Annual Report to Congress*, November 2004, p. X8. Available at http://www.acf.hhs.gov/programs/ofa/annualreport6/ar6index.htm
[31] During the assessment period, applicants can request "support service payments" totaling up to 200 percent of the regular monthly grant amount. For a family of three, this means the maximum support service payment is $920. In June 2003, the average Assessment participant received $333 in support service payments.
[32] U.S. Health and Human Services spending data based on ACF-196 forms. See Table G for FFY2000 in downloadable excel spreadsheet at http://www.acf.dhhs.gov/programs/ofs/data/tanf_2000.html.
[33] Grobe, Deana, Clara Pratt, and Roberta Weber, 2004 Oregon Child Care Market Rate Study, Oregon State University, Family Policy Program. Prepared for the Oregon Department of Human Services, August 2004, p. III-IV.
[34] Ibid.
[35] Oregon Department of Human Services, *Family Services Manual*. For section on Emergency Assistance, see http://dhsmanuals.hr.state.or.us/EligManual/05EA-H.htm. Click on statute and then on "Previous Rules" for history of when the maximum benefit was cut from $350 to $100.
[36] Department of Human Services, "Across-the-board Reductions for the 2001-03 and 2003-05 Bienniums," p. 26. Available at http://egov.oregon.gov/DHS/aboutdhs/budget/0507budget/reduxsummary_0202-1104.pdf
[37] The 68 percent figure is OCPP's calculation using DHS data from the Department's *Branch and Service Delivery Area data*, June 2005, p. 38, available at http://www.oregon.gov/DHS/assistance/data/branch_bk/bb0506.pdf. Excludes support services payments to participants in the Assessment program. These clients are being assessed for eligibility and hence are not considered to be on the JOBS caseload.
[38] The figures in this section, it should be noted, are for single-month periods. The figures for overall JOBS expenditures presented earlier described *annual* spending. Also, these figures exclude support service payments for Assessment program participants. These clients are being assessed for

eligibility and hence are not considered to be on the JOBS caseload. Total Assessment program expenditures fell from $243,818 in June 2001 to $189,582 in June 2005.

[39] The Department of Human Services, in its review of this paper sent to OCPP on August 17, 2005, stated, "Our budget staff are still reviewing final numbers (we had some "add backs" in the final hours), so tentatively we believe there will be a small (around 25 position) loss in self-sufficiency and no cuts in child welfare."

[40] Senate Special Committee on Budget, "Budget Report and Measure Summary" for the Department of Human Services. July 27, 2005. Reviewed by Sheila Baker and John Britton, Legislative Fiscal Office.

[41] Ibid, p. 8.

[42] OCPP received a copy of Oregon's responses to the survey in 2001. The full survey results are reported in National Governors' Association and American Public Human Services Association, *Welfare Reform Reauthorization: State Impact of Proposed Changes in Work Requirements, April 2002 Survey Results*.