



Temporary Assistance for Needy Families (TANF) Reinvestment Overview

**April 2016 Changes
Implementation Phase 1**

Table of Contents

Overview of the TANF Reinvestment Project	3
IMPLEMENTATION PHASE 1 – APRIL 2016	4
Benefits Cliff	4
Employment Payments.....	4
TANF Exit Limit Increase.....	4
Reduced Childcare Co-pay.....	4
Non-Citizen Household and Treatment of Income.....	5
Caretaker Relative Definition	5
Deprivation	5
Program Participant Re-engagement	5
Employment Separation Penalties.....	5
Re-opening TANF when a Disqualification Exists.....	6
Time Limits	6
Alignment of the Clock and Coding.....	6
Language Shift from Exemptions and Extensions to Hardships.....	6
Hardship Extensions.....	6
Temporary Continuation.....	7
IMPLEMENTATION PHASE 2	8
Community Collaborative Impact	8
Flexibility in Support Services	8
Program Participant Re-Engagement	8
Standardized Process Model.....	8
Adjusting the Applications of Disqualifications to Cases.....	9
Policy Changes for Accountability and Consistency	9
Teen Parents.....	9
Re-engagement Tracking and TRACs Updates.....	9
Added Opportunities to Engage Participants in Services.....	9
Disqualification.....	10
Staffing	10

Overview of the TANF Reinvestment Project

In 2015, the Oregon State Legislature authorized the Oregon Department of Human Services (DHS) to reinvest \$28.8 million in savings generated from a decline in the TANF caseload back into the program. Known as the TANF Reinvestment Project, the effort involves implementing a variety of strategies to achieve five goals for improving results for children and families:

- Reduce the impact of the benefits cliff on participants when they become employed;
- Simplify eligibility requirements to strengthen family connections and stability for children;
- Expand family stability services;
- Increase flexibility in support services to prevent families from entering TANF; and,
- Improve program capacity to provide strength-based, customized and outcome focused case management.

The TANF Reinvestment Project implementation will happen in phases, with the first phase beginning in April 2016. This document provides an overview of changes for April 2016 and previews those that follow.

Workgroups that include broad representation from local offices, the central office and partners have met since September 2015 to plan the implementation. The workgroups made recommendations for implementation of multiple pieces of policy and practice improvements addressing both the philosophical and technical aspect of the work that accompanies each of the changes. The TANF Reinvestment Steering Committee approved recommendations from each workgroup for the first phase of implementation in February 2016.

Changes taking effect on April 1, 2016 include:

- Eliminating deprivation as an eligibility requirement;
- Expanding the caretaker relative definition;
- Aligning the state and federal time limits;
- Reducing the impact of the benefits cliff; and,
- Program participant re-engagement.

IMPLEMENTATION PHASE 1 – APRIL 2016

Benefits Cliff

Effective Date: April 2016

TANF Policy Unit Contact: Rishona Hinsee

The “benefits cliff” is a term used to identify the steep drop off in public assistance low-income families face when they become employed. Many low-income families rely on one or more government subsidy programs. When earnings start coming into households, benefits from programs like SNAP, TANF and ERDC can be greatly reduced or lost.

For most families on the benefits cliff, budgeting becomes a challenge. For example when a participant gains employment they may find that not only does their TANF benefits end, they have a decrease in SNAP, incur a new cost of childcare copays, housing costs may go up since housing programs are adjusted by the monthly gross income and a decrease in case management supports.

Employment Payments

Employment payments totaling \$225 will be issued to families exiting TANF due to employment. The employment payments will be paid out through a “step down” approach over three months. The first month after TANF ends, they will receive \$100; in the second month, \$75; and \$50 in the third month.

Currently, when a family exits the TANF cash program, there are no support dollars available to provide a cushion or transition off the program. Sometimes a full paycheck is a month away. Families also may have become reliant on receiving benefits at the beginning of the month and no longer have that predictable safety net.

TANF Exit Limit Increase

The income limit for exiting TANF will be double the payment standard. The income limit for exiting TANF will increase to allow families to remain in TANF longer to improve their abilities to maintain employment and meet their families’ needs.

Currently, the income threshold for a family to be over the income limit and ineligible to receive TANF cash assistance is very low. For example, the adult in a family of three would exceed the TANF income limit if they work approximately 16 hours a week at minimum wage (or \$616 gross monthly income). Starting in April 2016, for example, the adult in a family of three could work about 29 hours a week at minimum wage and remain in TANF (\$1012 gross monthly income).

Reduced Childcare Co-pay

Families will have a reduced ERDC co-pay of \$27 for three months after exiting TANF to gradually transition them into making their full ERDC co-payments. On the fourth month after exiting TANF, they become responsible for paying the regular co-pay amount.

While a participant is engaged in the JOBS program and has a need for childcare to participate, the TANF program pays 100% of their childcare costs up to the maximum allowed. When a participant exits TANF due to employment, they can be eligible for childcare through ERDC. ERDC provides subsidized childcare to low-income families. ERDC families are responsible for a co-payment, and the co-payment can create an added monthly expense and financial struggle for families exiting TANF.

Non-Citizen Household and Treatment of Income

The income calculation used for a family who has undocumented, non-citizens in the household will be the same as a family who has only citizens.

Currently, TANF families that contain undocumented, non-citizens have the income calculated differently than households that contain only U.S. citizens. All income calculations for TANF, whether for citizens or non-citizens, require complex computer system calculations used to determine the amount of income counted on each case. These specialized calculations are extremely error prone and inequitable.

Caretaker Relative Definition

Effective Date: April 2016

TANF Policy Unit Contacts: Lisa Buss

The caretaker relative definition will be expanded to allow additional relatives to care for children in the absence of a parent. Additions include any blood relative with the prefixes of grand, great or great-great, as well as blood relatives or step-parents/step-siblings of a child from before the child was adopted.

Deprivation

Effective Date: April 2016

TANF Policy Unit contacts: Patrick Ring

Deprivation will be eliminated as an eligibility requirement to allow children more time to build relationships with parents that live outside their home without affecting the family's TANF eligibility.

Program Participant Re-engagement

Effective Date: April 2016

TANF Policy Unit contacts: Patrick Ring and Jason Shaw

Employment Separation Penalties

Requiring ongoing TANF participants to maintain employment of at least 100 hours or more a month as an eligibility requirement at any point during the participant's certification. This means that if a participant is working, the threshold for looking at the reason for employment separation is 100 hours in the month. If a participant is below that level, the employment separation rule is not considered. The employment separation penalties will apply for up to 120 days from the date the participant was fired or quit the job.

For example, Suzy is a TANF participant. She reported a job on February 5th and anticipates working at least 100 hours a month. She is scheduled to go over income by March 31st. On March 3rd, she lets you know that she quit her job that same day. She stated that she would rather have TANF and be home with her family.

The worker determined she did not have good case for her job quit. Suzy is no longer eligibility for TANF for 120 days from the date of her quit. The department sends a timely closure notice for TANF effective March 31st. Suzy can re-apply for TANF on July 1.

Re-opening TANF when a Disqualification Exists

Applicants who had TANF close with an active disqualification within the past three months will be required to complete two weeks of activities as an eligibility requirement for TANF. This will apply to applicants who are determined to be JOBS mandatory at the time of application for TANF benefits.

Time Limits

Effective Date: April 2016

TANF Policy Unit Contact: Jennifer Bell

TANF cash assistance is a temporary means of support while families work toward self-sufficiency. Both the state and federal time limit for adults participating in TANF is 60 months (5 years); however, each counts months toward the time limit differently. This means that a participant who reaches the 60-month federal time limit can continue in the program until they reach the state's time limit.

The disconnect is in the application of hardship criteria. The federal clock only considers hardship exemptions after a TANF participant reaches the time limit. In Oregon, the count toward the state time limit stops whenever a family meets a hardship exemption. The count resumes when the hardship is resolved.

An audit conducted by the Oregon Secretary of State determined DHS needed to align the state time limit with the federal time limit to clear up confusion for staff and families.

Alignment of the Clock and Coding

The computer system coding which allowed caseworkers to "stop the clock" will be removed to align the state and federal time limit clocks.

Currently, when a participant has a reason to be exempted from the time limit, caseworkers can apply a code to the computer system which will "stop the state clock" for the participant. This computer coding allows DHS to track the number of months the exemption code is on a case, what the exemption code is, and that the time on TANF should not count toward the "state" time clock based on that computer code. Once that code is removed, the exemption is lifted and the count starts up again.

Language Shift from Exemptions and Extensions to Hardships

There is general confusion when discussing exemptions and extensions. After April 1, 2016, the term "exemption" will become obsolete. ***There will be a shift in the language to replace the word "exemption" with the term "hardship extension."*** Hardship extensions represent actions taken to allow a case to exceed the 60-month time limit on TANF.

Hardship Extensions

There are several reasons why a case may extend past the 60-month time limit. ***Currently, we use several codes to "stop" the time limit count. After April 1, 2016, those codes become the hardship extensions and each extension will have a timeframe.*** For example, if there were a medical situation that allows for a hardship extension past the 60th month, that case would be allowed a specific amount of time to continue the adult benefits.

When a participant indicates they have a hardship, the hardship will be reviewed and verified before benefits are approved to continue past the 60th month. If a hardship extension is approved, the caseworker will staff the case with central office to ensure that the case was reviewed, there was a discussion with the participant, and verification was received. Once staffing with central office has happened, if approved, caseworkers will code the TANF case with the hardship reason code.

Hardship	Code	Requirements	Guidance/Notes
Domestic Violence	TLD	Open TA-DVS or staff with Central Office	May or may not be active in program depending on the need of the individual. All cases must have a high-level plan.
Battered and Subject to Extreme Cruelty	TLB	Must staff with Central Office	Low numbers in general.
Learning Disability	TLL	Documented learning disability. IEP and in school. If assessment is in process, staff with Central Office.	Must be validated by a qualified medical professional and added to TRACS computer system disability screen. Assessment must be offered.
Mental Health Drug and Alcohol, Disabled Adult	TLM, TLA, TLS	Documented disability by a qualified medical professional. If assessment is in process, staff with Central Office.	Documented on TRACS disability page by a qualified medical professional Staffing required if participant is in the process of obtaining documentation.
Adult caring for child with disability	TLC	Documentation required from qualified medical professional	Need to keep school in mind when child is disabled but attending school.
Parents of Scholars Program	TLE	Oregon statute requires cases to be identified by a specific computer code. There are only two families in the state in the Parents of Scholars Program.	

Temporary Continuation

Two new codes will allow “temporary continuation” in the TANF program. Temporary continuation allows an extension past 60 months for two reasons:

- Family Crisis: Applies to family with a crisis that has occurred and is out of the participant’s control (i.e. death in family, house fire, etc.).
- JOBS Plus: Applies to a participant who needs to finish a JOBS Plus contract. Guidelines around how late a JOBS Plus contract could begin will be incorporated into this rule.

In addition to the two new scenarios, a select group of staff from Central Office will be the only ones who will have the ability to code these cases.

Hardship	Code	Requirements	Guidance/Notes
NEW Family Crisis	TLF	Family Crisis – staff with central office Limited to computer system super user.	Immediate and serious crisis that prevents someone from obtaining and maintaining employment. Can include families working with Child Welfare.
NEW JOBS Plus	TLP	Continue the plan. Limited to computer system super user.	Allows participants in activities that have end dates to continue through that activity. I.e. Vocational Training, JOBS Plus. Must be staffed with Central Office.

IMPLEMENTATION PHASE 2

The following are previews of additional changes related to the TANF Reinvestment Project that will be part of the second phase of implementation.

Community Collaborative Impact

Effective Date: June 2016

TANF Policy Unit Contact: Lily Sehon

Community partners were invited to submit proposals for contracts to collaborate with DHS to provide creative and innovative services that address three specific areas: Employment retention, family stability and preventing entry/re-entry into the TANF program. These services will not be an extension of what current contractors are already providing. The contracts are funded through June 2017.

Flexibility in Support Services

Effective Date: June 2016

TANF Policy Unit Contacts: Lily Sehon

Invite DHS Districts to submit proposals for pilot projects to increase flexibility in issuing support services to prevent TANF entry and allow payments for housing or transportation to prevent job loss. The projects would run through June 2017.

Program Participant Re-Engagement

Effective Date: July 2016

TANF Policy Unit Contacts: Patrick Ring and Jason Shaw

Standardized Process Model

A workgroup discussed the various re-engagement processes across the state and created a Standardized Process, which addresses all requirements to move a participant forward in the re-engagement process. The Standardized Process allows each area to incorporate key elements while at the same time keeping a consistent process statewide. The Office of Continuous Improvement will move this work into statewide implementation beginning in March of 2016.

Adjusting the Applications of Disqualifications to Cases

Disqualification amounts will change to mirror the Child Support Disqualification Model to create equity for all family sizes. The grant reductions of 25%, 50%, 75% and 100% will be consecutive and be applied to the family's gross grant amount, regardless of whether there is an adult in the benefit group.

Policy Changes for Accountability and Consistency

Effective date: July 2016

TANF Policy Unit Contacts: Patrick Ring and Jason Shaw

Teen Parents

All TANF disqualifications a participant received as a teen parent will be removed from the teen's case history when they transition to an adult TANF case.

Re-Engagement Tracking and TRACS Updates:

A standardized process will be put in place to track each re-engagement to show how many participants go through the re-engagement process, how many re-engage and at which levels, and how many participants reach disqualification. The Office of Continuous Improvement will begin piloting during March of 2016. The re-engagement page on TRACS will be updated to support the process changes.

Added Opportunities to Engage Participants in Services

Additional opportunities to engage participants - especially participants known to the department as having disabilities or barriers outside their control – are being added to the re-engagement process. TRACS updates will support the re-engagement effort and to aid in easier documentation of work being done around engaging participants in services. Additionally, many of the forms used in the re-engagement process were standardized and will be available in additional languages.

Disqualification - Review Process

A revamp of the disqualification review process is underway to support field staff and the changes in the new re-engagement protocols. The new review process will look at both errors that require a grant supplement and process deviations that require a process corrections but no grant supplement. The process will provide clear expectations to the field with the areas of review clearly stated in advance. The process aims to improve engagement outcomes at a local level.

Disqualification – Grant Reduction

When an individual is disqualified, their needs are removed from the grant for the first three months. At the fourth month, the family experiences a full family sanction. The reduction amounts are changing. The first month (DQ1/MQ1) will be a 25% reduction to the grant. DQ2/MQ2 is a 50% reduction followed by a 75% reduction at DQ3/MQ3, and finally a 100% reduction at a DQ4/MQ4. All reductions will take place after a grant reduction due to earned or unearned income.

Disqualification - Reduction Notices

Beginning in July 2016, all reduction notices associated with disqualification will be sent automatically. This includes notices for any level of disqualification.

Staffing

Effective Date: Ongoing

SSP Operations Contact: Sandy Dugan

Investments will be made to expand intensive services for participants, prioritizing those near the time limit and those with the most barriers to employment. This includes up to 17 new positions which will focus on providing guidance and coaching for case managers along with updated expectations for field delivery positions.