

Families in need stretch Oregon's safety net

Last year's budget cuts, unemployment, hamper efforts to get off public assistance

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Aid to Oregon families in need is at its highest level since welfare reform took effect in 1997, according to the state Department of Human Services, and it's burning a \$44 million hole in the state's self-sufficiency programs.

That will be the challenge for lawmakers as they convene in Salem to "rebalance" the two-year budget enacted last year, which means more cuts loom for the state's overstretched program for poor families.

As of October 2011, there were 33,759 Oregon families — more than 90,000 people, including 60,000 children — enrolled in the state's Temporary Assistance for Needy Families program, or TANF. Last year, the state's overall TANF caseload increased 16 percent, 35 percent among two-parent families.

"The program cannot withstand any more cuts," says Xochitl Esparza, TANF program manager with DHS. "Further reductions are going to be detrimental to the program. What we have seen over time is it has impacted families, impacted outcomes, and any further reductions will likely have a negative affect on both."

Those cuts, combined with the poor economy, lagging job opportunities and the absence of Recovery Act funding that buoyed the program in 2009, are contributing to the high numbers by keeping people from moving off the program.

TANF provides cash assistance to low-income families with children while they strive to become self-sufficient. The program's goal is to reduce the number of families living in poverty, through employment and community resources. To qualify for TANF, families must have very few assets and little or no income. The current maximum monthly benefit for a family of three is \$506.

Last year, in crafting the 2011-12 DHS budget, legislators cut the employment and training component of TANF by 51 percent. The JOBS program, which stands for Job Opportunity and Basic Skills, not only offered training and placement services, but helped cover transportation costs and child care costs through the Employment Related Day Care, or ERDC. DHS has also frozen staff levels, even as enrollment increases, placing greater challenges on case worker capacity. (The state already has three federal TANF-related penalties, \$27.7 million

worth, for not achieving work participation targets in three consecutive years.)

But lawmakers will have to adjust the budget to cover the \$44 million need from the General Fund, which is only a portion of the total \$300 million the state budget needs to balance.

People who work with TANF recipients say last year's elimination of most child care and transportation support is keeping people from getting off the program and going back to work.

"The goal of TANF JOBS program is to help people exit TANF as quickly as they can by providing the resources they need to become self sufficient. If you eliminate that piece of the service package,

then families are going to be stuck on TANF until they hit their five-year mark, and they're going to be cut off," says Rachel Post, director of Supportive Housing and Employment at Central City Concern, Portland's largest low-income service provider "They risk going back to being homeless, back into addictions, children back into foster care, back into the criminal justice system."

"We have families with young children, single-parent households, and that parent needs to get out, and their ability to get out and find work is limited by (cuts to child care assistance)," says Marc Jolin, executive director of JOIN, which helps people secure and maintain housing.

"We've got a dad with a four-year-old child who was out looking for work. They took away his child care resources, his transportation assistance, so the impact on him is he hasn't been able to find work," Jolin says. "So we're having to help by continuing to subsidize his rent."

Across the nation, TANF benefits for poor families are below the levels they were in 1996 (adjusted for inflation) when the

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program was launched. TANF replaced the Aid to Families with Dependent Children, or AFDC, bringing with it a greater emphasis placed on securing and maintaining employment.

Like Oregon, states across the nation have made cuts to their TANF programs, some far more drastic to the point of having a two-year limit on receiving assistance. Oregon currently has a five-year maximum

limit. One option to cut costs would be to deny TANF to families that have reached their five-year limit in another state. Even larger cuts could be made by removing more families from child care assistance.

Regan Grey, policy director with Children First For Oregon says the way the budget was crafted undercuts the intentions of the programs.

"They removed all of the supports for a parent who would be in the JOBS program," Grey says. "So we've supplied them with classes, but they don't have transportation costs or child care costs covered so they can't utilize the JOBS program."

Grey says using the ERDC budget to back fill the TANF hole is counterproductive because it will only increase the number of families — who might otherwise be in the workforce with the assistance — turning to TANF for support.

"It's not good for children, and it's not good for the state's budget either," Grey says. "It costs more to serve a family in TANF than in ERDC. It's not a wise use of dollars, nor is it the best benefit for the child."

Rep. Tina Kotek, D-North/Northeast Portland, says she and the Democratic caucus are going to try to preserve services and prevent the cuts from going any deeper. However, budget limits are hard and fast, with no deficit allowed.

"I don't think we're going to do a lot of new harm, but we can't restore what's been happening because of the budget

requirements," Kotek says.

Looking forward, Kotek, who has been an outspoken defender of social services, says she hopes the state and rise above the status quo.

"I think we keep fighting to restore money to that program. The reality is that unless people have a pathway off the caseload — if we don't help them become more job ready — we're going to continue to have a budget challenge to that program," Kotek says. "It really does matter to those families to help them get back to work."

The increase in the caseload to TANF shouldn't come as a shock, says Alison McIntosh, policy and communications director with Neighborhood Partnership. This is how the system is supposed to work, with people getting help during the greatest economic crisis. One of Neighborhood Partnerships primary projects is the Bridges to Housing program, which serves TANF families.

"Here in Oregon, we've put basic safety-net programs in place like TANF to help protect families with children during a recession, and to help them get back on their feet as the economy improves," McIntosh says. "Right now, families are struggling to survive even with TANF support, facing choices like paying rent or buying food and medicine. TANF caseloads have grown during this recession, as the program meets its basic purpose. We need to maintain these basic safety net programs like TANF — they aren't a luxury, but a life-raft for kids and families."

Jolin says the program cannot absorb any more cuts without seeing more people struggling to keep a roof over their heads.

Post says an even larger concern is the impact the cuts have on children.

"The families we're seeing, which are families who are initiating treatment because they want to get clean and sober, they want to be reunited with their children. They want to be responsible parents. They want to take care of their families. They're doing everything that they can," Post says. "These are very strong, courageous, resilient families who are working really hard and getting through treatment and now they have no means to secure income because they have kids at home to take care of. It impacts the development of the children."



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