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Ohio Works First Hardship Exemptions ***An Underutilized Tool to Extend Benefits to Families in Need***

By Rose Frech
For The Center for Community Solutions

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Key Findings

- Despite strict time limits put into place as a result of welfare reform, Temporary Assistance for Needy Families (TANF) does allow for exceptions, including the granting of hardship exemptions which can allow families to receive cash assistance beyond Ohio's 36-month limit.
- Through Ohio's TANF program, "Ohio Works First," counties are given flexibility in defining what constitutes a "hardship" and making determinations about eligibility for extensions. This flexibility results in inconsistencies in implementation across the state.
- Currently, Ohio grants hardship exemptions for 0.64 percent of its eligible caseload, though federal law will allow for exemptions of up to 20 percent.
- Multiple factors may be attributed to the small number of exemptions in Ohio, including the major decline in adults receiving benefits, the increase in recipients leaving the program due to noncompliance with requirements, and a diverse interpretation across the state of the goals of the TANF program.

Introduction

In 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), reforming welfare as we knew it. The now 20-year-old law instituted the Temporary Assistance for Needy Families (TANF) program, replacing Aid to Families with Dependent Children (AFDC), the country's prior cash assistance program. Among other reforms, including the implementation of stricter work requirements, the legislation mandated a five-year lifetime maximum for cash benefits. The law also shifted the program to a block grant and gave states increased authority in designing, implementing, and administering their own welfare programs. As a result, in 1997, Ohio lawmakers elected to adopt a more stringent three-year lifetime limit on cash benefits when creating its redesigned cash assistance program, Ohio Works Firsts (OWF). The guidelines allowed, however, for eligible families to re-enter the program after a two-year absence under certain circumstances (described below).

Advocates had concerns about poor families losing their safety net following the adoption of TANF, but many recognized the need for change. While these reforms represented a drastic shift from AFDC, which had imposed no time limits, many advocates were reassured by research that suggested that many AFDC recipients did not receive benefits in excess of five years (about one-third), suggesting that most families did not rely on welfare for long periods.¹ Additionally, policy makers expected that states would develop new innovative programs to help connect recipients to work, decreasing the need for long-term assistance. Furthermore, they designed TANF to allow for states to grant *hardship exemptions*, or time-limit extensions, for up to 20 percent of their caseloads. In short, these exemptions allowed families to receive benefits beyond the established time limits if that time limit presented a hardship to the family. In Ohio, this stipulation comforted concerned advocates, as it provided counties with an option to not remove benefits from a family experiencing circumstances that interfered with securing self-sustaining work and regular income.

Overview of Hardship Exemptions

The federal criteria for hardship exemptions are nonspecific and provide states with significant flexibility. According to the Administration for Children and Families, “states are permitted to extend assistance to a limited number of families once the 60-month time limit has been reached and if families have experienced hardship, as defined by the State, or these families include an individual who has been battered or subjected to extreme cruelty as defined in the statute. The number of families receiving assistance for more than 60 months must not exceed 20 percent of the State's average monthly caseload.” States are given the authority to define what qualifies as a “hardship.”² Additionally, the law requires that eligible families may not be granted a “hardship” until they have reached their established time limit.

Accordingly, the Ohio Revised Code (ORC) addresses the issue through the following provision (described in section ORC 5107.18 in the law on OWF eligibility time limits):

“(F) A county department of job and family services may exempt not more than twenty per cent of the average monthly number of Ohio Works First assistance groups from the time limit established by this section on the grounds that the county department determines that the time limit is a hardship.

(G) The Department of Job and Family Services shall continually monitor the percentage of the average monthly number of Ohio Works First assistance groups in each county that is exempted under division (F) of this section from the time limit established by this section. On determining that the percentage in any county equals or exceeds eighteen per cent, the department shall immediately notify the county department of job and family services.”³

There is no specific criteria which designates how long a county may extend benefits to an assistance group, or family, using this exemption. However, the family must continue to meet the other criteria for the program to continue to receive assistance (including the work

participation requirement). In spite of this, some counties specify how long a family may continue to receive benefits once granted an exemption (for example, three or six months), and verification, or documentation, of hardship is often required. Counties report data monthly to the state on those receiving benefits while under hardship, and no sanction is clearly identified for counties who may exceed the limit. There is no formal process for oversight of individual hardship cases.

Not all OWF recipients are subject to time limits. Child-only cases, which occur most often when an OWF eligible child does not reside with his or her parents, are exempt. Therefore the 20-percent threshold only applies to the caseload of recipients subject to the time limit, and therefore eligible for a possible hardship exemption. According to data reported to the Administration for Children and Families, about 75 percent of Ohio's caseload is exempt from the time limit.⁴ This is mostly due to the shift in the makeup of the caseload, as the program today serves very few adults (mostly as a result of aggressive implementation of the work-requirement).

The process for granting hardship exemptions, or making determinations of hardship, differs by county. In some cases, it is the assigned caseworker who makes the decision about who should be granted a hardship, though supervisor approval is often required. In other counties, a review panel is established to make determinations about requests for exemptions.

Other Exceptions to the Time Limit

Hardship exemptions differ from another exception to Ohio's 36-month time limit, the *good cause extension*. Families (also referred to as assistance groups) who have participated in OWF for 36 months, and leave the program for a two-year period, may reapply and be considered for an additional 24 months of assistance. According to the ORC, factors that make one potentially eligible for a good cause extension may include, "losing employment and inability to find employment (reference section [5107.26](#) of the Revised Code); divorce; domestic violence considerations; unique personal circumstances; and any other reason the county agency determines to be good cause for participating in OWF beyond the thirty-six month limit."⁵ Those granted good cause extensions could potentially also be eligible for a hardship exemption once they complete their two years of additional time with the program.

The state also adopted a domestic violence waiver in 2008, which offers another form of exemption from the time limit. Counties may request verification to confirm allegations of abuse. OWF recipients who are victims of domestic violence, and granted waivers, are not included in the calculation for the hardship exemption.

Definitions of Hardship

Federal law grants states the responsibility for defining what qualifies as a hardship. The Ohio Department of Job and Family Services broadly defines 15 categories for eligibility for hardship exemptions. However, counties are responsible for setting specific criteria, and interpretations

vary widely. These are the 15 categories and the definition for each exemption provided by the state:

	Category	Exemption Definition
1	<i>Age</i>	<i>Eligibility based on the age of one or more assistance group members.</i>
2	<i>Child Protective Services Case Plan</i>	<i>Eligibility based on an assistance group member having a Child Protective Service case which presents a significant barrier to self-sufficiency as defined by the county.</i>
3	<i>Dependent Care Barriers</i>	<i>Eligibility based on temporary, irresolvable dependent care (i.e. child, disabled, elderly) issues as defined by the county.</i>
4	<i>Disability or Medical Condition</i>	<i>Eligibility based on the disability or medical condition, either temporary or permanent, of any assistance group member.</i>
5	<i>Domestic Violence/Family Crisis</i>	<i>Eligibility based on an assistance group member being a victim of domestic violence which presents a significant barrier.</i>
6	<i>Educational Barriers/Training</i>	<i>Eligibility based on temporary, irresolvable educational issues as defined by the county.</i>
7	<i>Felony/Criminal Barriers</i>	<i>Eligibility based on an assistance group member being unable to become self-sufficient while working on overcoming barriers due to felony/criminal convictions.</i>
8	<i>Homelessness</i>	<i>Eligibility based on the homelessness of the assistance group.</i>
9	<i>Other</i>	<i>Eligibility based on any other criteria the county may have established.</i>
10	<i>Pregnancy/Child Bearing</i>	<i>Eligibility based on issues related to the pregnancy of an assistance group member.</i>
11	<i>Program Compliance Problems</i>	<i>Eligibility based on an assistance group member who, through no fault of their own, has not been given the opportunity to participate in work activity leading to self-sufficiency.</i>
12	<i>Substance Abuse</i>	<i>Eligibility based on an assistance group member being unable to become self-sufficient due to chemical or alcohol dependency for which treatment is being sought as defined by the county.</i>

13	<i>Teen Parent</i>	<i>Eligibility based on at least one parent of an assistance group being under a specified age.</i>
14	<i>Transportation Barriers</i>	<i>Eligibility based on temporary, irresolvable transportation issues as defined by the county.</i>
15	<i>Unemployed/ Underemployed</i>	<i>Eligibility based on the unemployment or underemployment of an adult assistance group member.</i>
**	<i>Inter-county Transfer</i>	<i>A case which had hardship eligibility in a county is relocating to a different county and has yet to have eligibility determined under the new county's eligibility criteria.</i>

Adapted from <http://jfs.ohio.gov/WorkArea/DownloadAsset.aspx?id=2147644374>

An [online search tool](#) allows users to search for county-specific criteria under each category, which demonstrates how each county's policies around hardship differ substantially.

For example, for the category of "age," some counties interpret this as a hardship to a family due to a parent/caregiver who is over the age of 60 or 65, while others interpret this category based on the age of the children in the assistance group, and, for example, issue exemptions when there is a very young child residing in the home.

Additionally, some counties loosely interpret the category of dependent care exemptions as "child care unavailable" or a generic "dependent care barriers." Other counties prescribe much more restrictive criteria to establish hardship and use this category specifically for families with special needs children (for example "the individual is a single parent of a child with special needs under 12 years of age and appropriate child care is not available"). Other counties restrict this exemption to families with four or more children in the home.

Similar variations can be found for each category. For the exemption category of "substance abuse," which may be particularly significant as Ohio battles an opiate epidemic, some counties only name the hardship of substance abuse as possibly qualifying, while others require that the afflicted individual be engaged in residential (inpatient) treatment in order to be eligible for the exemption. Furthermore, the inclusion of the "other" criteria gives counties broad leverage in granting exemptions for families in a range of situations. In many counties, this means those facing general hardship or an inability to find work. In others, exemptions in the "other" category will only be issued in the instance of a natural disaster.

2003 Ohio Attorney General Opinion

It is plausible that this wide-ranging criteria results in discrepancies in the implementation of the hardship exemption program across the state. While a family may qualify for an exemption in one county, another family, facing an identical circumstance, may be denied in another. These inconsistencies have not gone without notice. In 2003, the Ohio Attorney General issued

an opinion related to the state's practice of allowing counties to develop their own definitions of "hardship." The question concerned an appeal of a denied request for hardship and whether a state hearing officer could consider other definitions of "hardship" outside of what the county had established. The Attorney General's opinion stated that the county definitions can only be viewed as "informal guidelines" as they are not codified in state law. Therefore, when making a determination about a hardship exemption appeal, the state may not rely solely on the definitions used informally by counties (though this may be one variable to consider). Nonetheless, as the state does not offer a clear definition of what qualifies as a hardship, appeals decisions must rely on a "commonly understood" interpretation of the term, as one might find in the dictionary.¹ The opinion also suggests that counties should consider a broad definition of the concept of "hardship" when making determinations on individual cases, as opposed to exclusively referencing its informal criteria, as a family may qualify under a general definition of "hardship," though not meet the outlined criteria.⁶

This opinion would suggest that granting counties such leverage to dictate their own criteria for hardship may be problematic, and that adoption of statewide criteria may be appropriate to assure consistent implementation. However, there is little evidence to suggest that any changes were made based on this ruling.

How Many Hardship Exemptions Are Granted in Ohio?

While such variations in criteria had the potential to lead to excessive exemptions (given that counties could presumably fit many families into the defined categories), the opposite, in fact, has occurred.

As of May, 2016, counties reported a total of 644 OWF recipients receiving benefits while under hardship. This represents just .64 percent of the average caseload (among those subject to the time limit). This rate is heavily diminished by the fact that 43 Ohio counties currently report zero hardship exemptions. An additional 31 counties report less than 1 percent of their eligible caseloads are under hardship, and 8 counties report exemptions making up between 1 and 5 percent of their caseload. Just one Ohio County, Athens County in Southeastern Ohio, reports double-digit hardship exemptions, at 16 percent. Overall, across the state, hardships are most often granted under the category of disability/medical conditions. See the appendix for data on hardship exemptions by county.

It appears that this approach to hardship is not unique to Ohio. As of 2014, nationally, only about 2 percent of TANF families received hardship exemptions beyond the 60-month limit. Overall, in 2014, over 70 percent of TANF families with a head of household receiving assistance received benefits for 36 months or less.⁷

¹ The decision points to the definition in the *Webster's New World Dictionary*, "a thing hard to bear; specific cause of discomfort or suffering, as poverty, pain, etc." as well as "privation, suffering, adversity," from *Black's Law Dictionary*.

Why Are So Few Granted?

Hardship exemptions provide counties with a tool to extend benefits to those in need who are struggling to find self-sustaining work or facing other adversity. Data suggest that Ohio continues to struggle with a full recovery from the recession. The opiate epidemic has further exacerbated the challenges for many in finding and keeping work. Individuals with felony convictions continue to face barriers to employment. Homelessness continues to plague thousands of families across the state, while cuts to transportation funding have resulted in decreased access to public buses and trains to get to work. As of 2015, over 1,000 teen parents were OWF recipients. Hardship among poor families is evident. So why are so few counties granting this type of exemption? Multiple factors appear to be at play.

One major variable is that, as previously mentioned, time limits don't apply to child-only cases. Currently, in Ohio, child-only cases represent most of the remaining open OWF cases in Ohio, while cases that include adults (traditional one- or two-parent family OWF cases) make up the minority. As of June, 2016, some Ohio counties reported zero adults receiving benefits. This shift came about in large part due to the state's increased emphasis on the work requirement. As fear mounted among administrators that Ohio would be sanctioned by the federal government for not meeting the 50 percent required work participation requirement, counties faced pressure to more strictly enforce these work requirements. As a result, over the past several years, many adults faced sanctions and were removed from the program, resulting in a decrease in families receiving the benefit. As these adult cases are the only cases that face a time limit, and so few families in Ohio receive OWF, there are fewer potentially eligible clients.

Furthermore, data suggest that most people don't leave welfare because they are up against time limits. As of 2013, just 12 percent left due to time constraints. Unfortunately, most did not leave due to securing employment. Indeed, two-thirds left OWF due to not meeting program requirements.⁸

County-specific practices may also be a variable. The language in some counties requires that a family requests a hardship exemption in order to be considered, though it is likely that many families are not aware of this option. Additionally, complex processes or vague criteria may keep some county workers from exploring this option when families are up against time limits. It is also possible that ideology and deviating opinions about the goals of the TANF program are at least in part responsible. While some counties may embrace all available tools to extend benefits to families, using a broader interpretation of the criteria, others may adopt a stricter enforcement of the policies with an increased focus on personal responsibility and reducing assistance caseloads.

Despite changes to the makeup of the OWF caseload, there remain several thousand families in Ohio potentially eligible for hardship exemptions and up against time limits. The small number granted across the state suggests that, overall, counties are conservative in granting these extensions.

Conclusion and Recommendations

The current state of the hardship exemption program in Ohio is a prime example of the unrealized potential of welfare reform. While reform had its critics, the program was developed to allow for flexibility in implementation and offers tools to allow states to continue to provide a safety net to families in need. These tools include hardship exemptions, but also good cause extensions, and TANF-funded programs like Prevention, Retention, and Contingency (PRC). To date, none of these programs have been fully utilized to keep children and families out of deep poverty. Rates of children and families in deep poverty in Ohio are staggering, suggesting the program has not been successful in this regard. Instead, the program has measured its success on a major decline in caseload, resulting mostly from sanctions, as opposed to moving people from welfare to work.

While the number of OWF recipients bound to time limits has substantially decreased, there remain ways that counties can better use tools like hardship exemptions to support families in their transition to self-sufficiency.

- Inconsistency in implementation of the program is problematic. While granting counties flexibility was intended to lead to more individualized assessment and support, the opposite effect has occurred. Many counties have abandoned the use of exemptions. Statewide standard criteria for hardship, as well as automatic eligibility for families who meet the established criteria, should be considered. Additional state oversight may be required. This would lead to consistent application of the process across the state. Moreover, it would provide assurances that families are treated equally regardless of their county of residence. Similar variations in implementation can be found for good-cause extensions and a standardized process should be considered there as well. With the current rates of exemptions and adult caseloads so low, Ohio is not close to exceeding the 20 percent threshold. Therefore, a more generous approach to granting exemptions which may help to keep families stable should be considered.
- While on a case-by-case basis, these exemptions have a considerable impact on an individual family, the wider implications for this policy depend largely on the number of families exhausting their time-limit, a number which has declined significantly over the past few years. Data suggest that families are being removed from the program before they have stable incomes. More attention is needed to developing mechanisms to better support OWF recipients as they seek to comply with the program requirements. Recipients need better support to get to, and keep, work placements. Work placements should be designed to lead to regular living wage employment.

Furthermore, federal law recognizes that not all recipients will be able to meet the substantial work requirements; hence, the work participation rate is set at 50 percent. Ohio is no longer at risk of going below the 50 percent work participation rate, and

therefore should consider the individual circumstances of the family prior to issuing work-related sanctions. ⁹ The end goal should not be to simply move families off of welfare, but to move families closer to self-sufficiency.

- Efforts to move individuals from welfare to work are most effective when they are individualized to meet the needs of a specific family. Recent efforts in Ohio, like the introduction of the Comprehensive Case Management and Employment program, move the state closer to this vision. As case managers assess and develop relationships with eligible families, and learn more about the specific barriers they face, there may be a greater recognition of the need for a more flexible implementation of OWF policies. Relying on available tools, including hardship exemptions, access to PRC funds, and good-cause extensions, to meet the needs of specific families should be a component of a shift to a more individualized approach.

Ohio's current efforts to improve its OWF program, and outcomes for families, are commendable, and offer an opportunity to smooth the transition as families seek to move out of poverty. Hardship exemptions are one of several program tools that will be valuable as services become more individualized and customized to meet the unique needs of each family. These exemptions come at no cost to counties or the state, and as recipients must continue to meet all program requirements while under hardship, they do not have an adverse impact on work participation rates. While time limits are seen by many as necessary to reduce welfare dependency, they have also led to hardship for many families who have needed additional time to overcome significant challenges. Exemptions provide a mechanism for counties to provide a needed safety net as families seek to overcome these challenges, and should not be abandoned.

Appendix

Hardship Exemption Data by County, May, 2016

County	Total	% of Caseload
Adams	0	0
Allen	0	0
Ashland	0	0
Ashtabula	1	0.12
Athens	126	16.05
Auglaize	0	0
Belmont	1	0.27
Brown	0	0
Butler	12	0.55
Carroll	0	0
Champaign	0	0
Clark	0	0
Clermont	2	0.28
Clinton	0	0
Columbiana	3	0.49
Coshocton	2	0.54
Crawford	2	0.46
Cuyahoga	58	0.49
Darke	0	0
Defiance	0	0
Delaware	1	0.21
Erie	0	0
Fairfield	1	0.12

Fayette	0	0
Franklin	98	0.69
Fulton	0	0
Gallia	7	1.41
Geauga	0	0
Greene	2	0.26
Guernsey	0	0
Hamilton	56	0.54
Hancock	0	0
Hardin	0	0
Harrison	0	0
Henry	0	0
Highland	2	0.42
Hocking	0	0
Holmes	0	0
Huron	0	0
Jackson	0	0
Jefferson	1	0.13
Knox	0	0
Lake	30	4.42
Lawrence	0	0
Licking	1	0.11
Logan	0	0
Lorain	11	0.46
Lucas	94	1.55
Madison	5	1.46

Mahoning	44	1.19
Marion	0	0
Medina	0	0
Meigs	9	3.41
Mercer	1	0.76
Miami	1	0.21
Monroe	0	0
Montgomery	18	0.28
Morgan	0	0
Morrow	0	0
Muskingum	7	0.64
Noble	0	0
Ottawa	2	0.99
Paulding	0	0
Perry	4	0.81
Pickaway	1	0.17
Pike	0	0
Portgage	0	0
Preble	0	0
Putnam	0	0
Richland	5	0.39
Ross	21	2.49
Sandusky	2	0.84
Scioto	1	0.08
Seneca	0	0
Shelby	0	0

Stark	5	0.15
Statewide	644	0.64
Summit	4	0.06
Trumbull	2	0.1
Tuscarawas	0	0
Union	0	0
Van Wert	0	0
Vinton	0	0
Warren	0	0
Washington	0	0
Wayne	7	1.3
Williams	0	0
Wood	0	0
Wyandot	0	0

¹ Larner, Mary & Page, Stephen. Introduction to the AFCD Program: Welfare to Work. *The Future of our Children*. Volume 7, Spring, 1997 https://www.princeton.edu/futureofchildren/publications/docs/07_01_01.pdf

² Administration for Children and Families, Time Limits Q & A, <http://www.acf.hhs.gov/ofa/resource/q-a-time-limits>

³ Ohio Revised Code, 5207.18 Eligibility Time Limits, <http://codes.ohio.gov/orc/5107.18>

⁴[http://www.acf.hhs.gov/sites/default/files/ofa/characteristics and financial circumstances of tanf recipients.pdf](http://www.acf.hhs.gov/sites/default/files/ofa/characteristics_and_financial_circumstances_of_tanf_recipients.pdf)

⁵ Ohio Revised Code, 5101: 1-23-01 Ohio Works First; Time Limited Receipt of Assistance, <http://codes.ohio.gov/oac/5101:1-23-01>

⁶ Ohio Attorney General Opinion, Opinion Number 2003-003 <http://www.ohioattorneygeneral.gov/getattachment/c2c086b4-c4df-40a4-b0c6-66c8f9681f3a/2003-003.aspx>

⁷ Temporary Assistance for Needy Families, Adherence to Federal Five-Year Time Limit, FY 2014. Administration for Children and Families, http://www.acf.hhs.gov/sites/default/files/ofa/timelim_2014_web.pdf

⁸ Dolansky, Tara. Ohio Works First is a Flawed Model for a Workforce Program, *State Budgeting Matters*, September, 2013. The Center for Community Solutions.

[http://www.communitysolutions.com/assets/docs/State Budgeting Matters/sbm9n5sped_owf_dolansky_091113.pdf](http://www.communitysolutions.com/assets/docs/State_Budgeting_Matters/sbm9n5sped_owf_dolansky_091113.pdf)

⁹ Work Participation Rates, 2014, Administration for Children and Families.

<http://www.acf.hhs.gov/ofa/resource/wpr20124>



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