

## GUIDANCE MEMO

**TO:** PENNSYLVANIA'S LOCAL WORKFORCE INVESTMENT BOARDS (LWIBs)  
PENNSYLVANIA'S COUNTY ASSISTANCE OFFICES AND EARN CENTERS

**FROM:** SANDI VITO, PENNSYLVANIA DEPARTMENT OF LABOR & INDUSTRY, SECRETARY  
HARRIET DICHTER, PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE, ACTING  
SECRETARY

**DATE:** FEBRUARY 24, 2010

**RE:** GUIDANCE MEMO: 2010 SUBSIDIZED ADULT EMPLOYMENT PROGRAM

### OVERVIEW

Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds, which are included as part of the American Reinvestment and Recovery Act (ARRA), are issued to support states that experience increased costs due to growth in the TANF caseload. TANF Emergency Contingency funds can be used to provide benefits and services to TANF recipients and other eligible families that comply with the four statutory purposes of the TANF program.

The four purposes are:

1. To provide assistance to needy families so that children may be cared for in their own 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 establish numerical goals for preventing and reducing the incidence of these pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

A state is eligible to apply for emergency funds if at least one of the following three conditions is met for a quarter during FY 2009 or FY 2010:

- The average monthly assistance caseload and expenditures in a quarter is higher than its average monthly assistance caseload for the corresponding quarter in the Emergency Fund base year;
- The expenditures for non-recurrent short-term benefits in the quarter are higher than its expenditures for such benefits in the corresponding quarter of the Emergency Fund base year;
- The expenditures for subsidized employment in the quarter are higher than such expenditures in the corresponding quarter of the Emergency Fund base year.

Pennsylvania has selected FY2007 as the base year because expenditures were lower than in FY2008, making it easier for the state to meet the conditions described above.

The Department of Public Welfare (DPW) has drawn down TANF ARRA funds to support a number of projects including heating assistance, home mortgage foreclosure aid, legal aid, and subsidized employment and continues to explore the potential for other eligible projects with stakeholders and community partners.

Among these projects, subsidized employment is DPW's top priority. HHS has made no adjustments to the required work participation rate and with job placements slowing due to economic conditions, subsidized employment represents a critical activity to maintain compliance with federal TANF regulations. DPW has applied and will continue to apply TANF ARRA funding in support of the planned expansion of subsidized employment opportunities for TANF recipients. Workforce investment areas are encouraged to engage with DPW in cooperative and substantive efforts to identify subsidized employment opportunities for TANF participants.

The Pennsylvania Department of Labor and Industry (L&I), in coordination with DPW, seeks to apply TANF ARRA Emergency Contingency Funding to the development of subsidized employment for TANF recipients and eligible populations with households whose income is below or equal to 235% of the Federal Poverty Income Guidelines (FPIG). Targeted eligible populations include Supplemental Nutrition Assistance Program (SNAP) recipients and Unemployment Compensation (UC) recipients who meet eligibility requirements. Using TANF ARRA funds in this manner achieves several key objectives:

- Engages unemployed or underemployed participants in work experience that will keep them connected to work and maintain or build workplace skills;
- Increases household income by supplementing UC compensation or part time wages;
- Builds and maintains valuable connections to employers for potential future unsubsidized employment.

TANF ARRA funds expire on September 30, 2010. There are discussions at the federal level regarding an extension of the funding; should an extension be granted, there is the potential to continue subsidized employment activities through the extension period.

## LOCAL AREA PLAN SUBMISSION

To access ARRA TANF Emergency Contingency Funds, each local workforce investment board must submit, in cooperation with their Local Management Committee (LMC), a subsidized adult employment program plan. It is at the local workforce investment areas discretion to propose how many participants they intend to serve from April 1, 2010 – September 30, 2010 utilizing the ARRA TANF Emergency Contingency Funds. To assist in the identification of participant level, Attachment 1 contains a summary of training activity for the same time period in 2009. Local workforce investment areas can also draw on their experience administering paid work experience and subsidized employment programs for TANF participants to estimate participation levels.

ARRA TANF Emergency Contingency Funds must be expended by September 30, 2010 and may only be used to subsidize gross wages. Subsequently, co-enrollment in WIA and TANF is

encouraged as WIA adult funds can be leveraged to provide case management, skills assessments, career guidance, and literacy and basic skill training. Matching requirements, as explained below, will be required for the expansion of your area's subsidized adult employment program using TANF Emergency Contingency Funds.

**Subsidized adult employment program plans are due no later than March 30<sup>th</sup>.** We encourage earlier submission wherever possible, and the Departments will approve, deny, or ask for modifications as plans are submitted. Given the short time frame for recruitment of employers and participants, local workforce investment areas and LMCs are encouraged to submit plans as soon as possible for review.

Applications must include a narrative addressing:

1. Recruitment of employers and adult participants;
2. Identification of how many participants will be served, indicating the average cost per individual (*not to exceed \$13 per hour*);
3. Targeted types of placements (e.g. clerical, maintenance, customer service);
4. Monitoring protocols to assure quality of subsidized placement and compliance with relevant employment laws and policies; and
5. A Budget and budget narrative that includes number of participants and expenditures as well as local match required. (*See Attachment 2*)

Questions regarding the content of this policy guidance must be submitted, in writing, via [RA-LI-ARRA@state.pa.us](mailto:RA-LI-ARRA@state.pa.us). The commonwealth will try to respond to a question within three (3) business days, unless a similar question and answer have already been posted on [www.paworkforce.state.pa.us](http://www.paworkforce.state.pa.us) under "Recovery Act Workforce Information", "Workforce Development", "Subsidized Adult Employment Program", "Frequently Asked Questions (FAQ)".

## TIMEFRAME

Plans must be submitted for the period ending September 30, 2010. No wages or expenditures for the subsidized adult employment program may be expended after that date as the ARRA TANF Emergency Contingency Funds will expire on September 30, 2010.

## RECRUITMENT AND REFERRAL

Recruitment and referral will be a joint responsibility of TANF and WIA staff. Current TANF clients will have an Agreement of Mutual Responsibility (AMR) from the County Assistance Office (CAO). Participating TANF clients must have an AMR. However, in order to promote timely access to services, in cases where a TANF client contacts the Pennsylvania CareerLink® but does not have an AMR, the Pennsylvania CareerLink® may provide services to the individual at the time of contact. The individual can subsequently contact the CAO to have an AMR created or updated to reflect the planned subsidized employment activity.

To assist in recruiting non-TANF and WIA eligible adults, DPW's Bureau of Employment and Training Programs will provide local workforce investment areas with a list, by county, of all Pennsylvania families participating in SNAP by April 1, 2010. This list will include the names, addresses, and phone numbers of the heads of households. In addition, L&I will provide monthly lists of individuals receiving UC that are at or below the eligibility threshold. Given the confidential nature of this information, it is not to be distributed beyond specifically appointed staff to ensure that the lists are kept in a safe and secure environment to maintain participant

privacy.

Local workforce investment areas, CAOs, and Pennsylvania CareerLink® Business Service Teams should collaborate and coordinate, when possible, in the recruitment of employers for worksites. Relationships developed through the industry partnerships, local workforce investment boards, and LMCs are also valuable resources in identifying growing industries, occupations, and employment opportunities for adults participating in the subsidized employment programs.

## **PRIORITY OF SERVICE**

When using ARRA TANF Emergency Contingency Funds, priority of service must be given to adults currently receiving TANF. Secondary priority should be given to adults who are eligible for TANF based on a household income of no more than 235% of the FPIG, including SNAP participants and UC recipients. Custodial or non custodial parents of a TANF eligible child as well as income eligible adults without children may participate.

To reflect the ARRA and Jobs for Veterans Act requirements, state and local areas are also strongly encouraged to work with Pennsylvania CareerLink® veterans' representatives, county veterans' affair offices, Bureau of Veterans and Military Affairs, Disabled Veterans (DAV), Veterans Administration (VA) hospitals and clinics, and the Office of Vocational Rehabilitation to provide priority of services for veterans and their spouses in the identification and placement of veterans and eligible spouse in subsidized employment.

## **PROGRAM DESIGN CONSIDERATIONS**

*Objective Assessment* – Local areas have the flexibility to determine the appropriate type of assessment served with the TANF ARRA Emergency Contingency Funds. In all instances, the assessment must demonstrate that subsidized employment is an appropriate activity for the participant.

## **SUBSIDIZED EMPLOYMENT**

Subsidized employment projects for TANF recipients proposed under TANF ARRA Emergency Contingency Funds will comply with DPW guidelines. There are two types of subsidized employment that qualify under ARRA:

1. Regular employment where the employee's wages are paid by the employer with a partial subsidy from the commonwealth; and
2. Paid work experience or temporary employment where the employee's wages are paid in full by the commonwealth.

Detailed guidelines can be found at:

<http://www.betpcmproject.org/betponlineforum/BETPLibrary/Library.asp>.

Subsidized employment job slots funded with ARRA TANF Emergency Contingency Funds may not be created where an individual is on layoff from the same or a substantially equivalent job. In addition, local workforce investment areas may not create subsidized job slots when an employer has terminated individuals from employment or caused an involuntary reduction in its workforce in order to fill the vacancy with a subsidized worker. Local workforce investment

areas must be vigilant to ensure that ARRA TANF Emergency Contingency Funds are not simply subsidizing activity that would have occurred in the absence of the subsidy.

## **WORKSITES**

Worksites may be in the private, for profit sector, non-profit sector, or public sector. Employment should be a work experience intended to increase work readiness skills of participants and not impact the profit margin of a for-profit company. In all instances, worksites must follow all federal, state and local rules and regulations dealing with health and safety of the workers. Local workforce investment areas must consult with their own legal advisors in interpreting these rules and regulations.

## **SUPPORTIVE SERVICES**

As noted previously, TANF Emergency Contingency Funds may only be used to subsidize gross wages. Through the use of co-enrollment in both TANF and WIA, adults participating in TANF Emergency Contingency Funded subsidized employment will be able to benefit from additional WIA and Wagner-Peyser services such as career guidance, skill assessments, case management, supportive services, basic skills and literacy training, and occupational training.

## **TANF EMERGENCY CONTINGENCY FUND MATCHING REQUIREMENTS**

Local workforce investment areas may count the value of employer supervision and training towards the required Maintenance of Effort (MOE). HHS allows that the cost of training and supervision can be 25% of the gross reimbursable wage costs. Therefore, local workforce investment areas may assume that the supervision and training costs of the employer satisfy the MOE requirement. While additional documentation is not required, budget requests and invoices (*See Attachment 2*) must reflect this required match.

## **PERFORMANCE TRACKING AND REPORTING**

All participants must be enrolled in the Commonwealth Workforce Development System (CWDS). The commonwealth will supply special codes for your use when serving adult with TANF Contingency funds, as with WIA Recovery Act funds, to ensure that these adults are tracked properly. The CWDS system will then be able to generate a separate report for activities supported by TANF Emergency Contingency funds.

For the TANF Emergency Contingency Funds, local workforce investment areas must report, on a weekly basis, the following:

- Number of participants in each of the following employer categories: for-profit; public; non profit; and government; and
- Number of participants who have transitioned from subsidized into unsubsidized employment.

The weekly reports (*See Attachment 3*) are used as tools for both the state and local workforce investment areas to monitor progress toward achieving planned numbers as well as identifying areas where the commonwealth may provide technical assistance to locals, as needed.

**CWDS is the official participant tracking and reporting system for both WIA and TANF programs.**

## IMPACT OF PARTICIPANT INCOME ON PUBLIC BENEFITS

For purposes of determining eligibility for public benefits, income earned by participating adults is excluded under the following circumstances:

- TANF households: Gross income for household members between the ages of 14 and 21, who is a full or part time student, and is not employed full time.
- SNAP households: Gross income for household members under the age of 18 and who is under parental control.
- Medical Assistance households: Gross income for a child 18 years of age or under or a child in secondary school, under parental control, and under the age of 21.
- Income is included when determining eligibility for public benefits when the participant is the head of household.

Collaboration and cooperation between TANF and WIA agencies will be crucial in determining continued eligibility of recipients of public assistance benefits. These participants must always be advised to contact their CAO caseworker when their circumstances change, such as but not limited to, when they are placed in subsidized employment, increases in wages, and/or transition into unsubsidized employment.

## ATTACHMENT 1: APRIL 1, 2009 – SEPTEMBER 30, 2009 ACTIVITY

LWIA	TOTAL WORKERS SERVED*	ADULTS SERVED**	DISLOCATED WORKERS SERVED**
CE175 CENTRAL PA	1039	532	517
LV070 LEHIGH VALLEY	107	27	87
NC125 NORTHCENTRAL	55	14	41
NE055 LACKAWANNA COUNTY	44	19	26
NE075 LUZERNE & SCHUYLKILL	108	26	82
NE135 POCONO COUNTIES	212	45	168
NT130 NORTHERN TIER	42	10	32
NW145 WEST CENTRAL JOB PARTNERSHIP	111	26	85
NW170 NORTHWEST	47	16	31
SA100 SOUTHERN ALLEGHENIES	183	25	159
SC180 SOUTHCENTRAL	189	22	178
SE015 BERKS COUNTY	52	7	45
SE020 BUCKS COUNTY	142	27	115
SE030 CHESTER COUNTY	50	18	32
SE035 DELAWARE COUNTY	47	8	39
SE060 LANCASTER COUNTY	173	44	129
SE080 MONTGOMERY COUNTY	113	14	99
SE090 PHILADELPHIA	1016	334	685
SW005 ALLEGHENY COUNTY	189	80	109
SW045 WESTMORELAND-FAYETTE	199	88	111
SW095 PITTSBURGH	164	105	59
SW110 TRI-COUNTY	77	7	70
SW165 SOUTHWEST CORNER	131	68	70
<b>TOTALS</b>	<b>4490</b>	<b>1562</b>	<b>2969</b>

*\*Adults Served + Dislocated Workers Served may not equal Total Workers Served due to some participants being served through both programs.*

*\*\*Adults Served and Dislocated Workers Served figures include those new participants served with both regular and ARRA funding, noting that some may be receiving services with both funding streams.*

## ATTACHMENT 2: BUDGET FORM

Expense Item	ARRA TANF Emergency Contingency Funds (April 1, 2010 - September 30, 2010)		
	Expenditures	Participants	Employer Match
<b>Administration</b>			
Admin Staff Salaries & Fringe Benefits			
Operational Expenses (e.g. travel, postage, printing, etc.)			
Administrative Functions including Contracted Services			
<b>Program</b>			
<b>Staff and Infrastructure</b>			
Staff Salaries			
Fringe Benefits			
Travel			
Facilities - Rent			
Facilities - Utilities			
Facilities - Maintenance			
Office Supplies			
Equipment			
<b>Subsidized Wages</b>			
Wages(for participants only)	\$ -		\$ -
Fringe Benefits (For participants only)			
<b>Supportive Services</b>			
<b>Other Costs</b>			
Other - Specify			
<b>Project Total(s)</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>

### ATTACHMENT 3: REPORTING FORM (SAMPLE)

*Please Note:* This weekly report is used as a tool for both the state and LWIA's to monitor progress toward achieving planned numbers as well as identifying areas where the state might provide technical assistance to locals as needed. The CWDS is the official participant tracking and reporting system

Local Workforce Investment Area	Planned Participants	# Participants Week Ending XX/XX/2010	# Vendors/ Program Providers Under Contract	# Total Worksites	# Public Sector/ Government Worksites	# For-Profit Worksites	# Non-Profit Worksites	# Workers Transitioned from Subsidized to Unsubsidized Employment
<b>TOTALS:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Berks								
Bucks								
Central								
Chester								
Delaware								
Lackawanna								
Lancaster								
Lehigh Valley								
Luzerne/Schuylkill								
Montgomery								
North Central								
Northern Tier								
Northwest								
Philadelphia								
Pocono								
South Central								
Southern Alleghenies								
Southwest Corner								
Three Rivers								
Tri-County								
West Central								
Westmoreland/ Fayette								