



CDSS

JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



ARNOLD SCHWARZENEGGER
GOVERNOR

March 4, 2010

COUNTY FISCAL INFORMATION NOTICE NO. CN-09-1044

TO: ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL COUNTY WELFARE TO WORK COORDINATORS
ALL COUNTY CONSORTIA MANAGERS

SUBJECT: CLARIFYING CLAIMING INSTRUCTIONS REGARDING THE
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)
EMERGENCY CONTINGENCY FUND (ECF): SUBSIDIZED
EMPLOYMENT

REFERENCE: COUNTY FISCAL LETTER (CFL) 09/10-32, DATED
OCTOBER 26, 2009 AND ALL COUNTY LETTER (ACL) 09-42,
DATED SEPTEMBER 15, 2009

The purpose of this letter is to provide clarification to claiming instructions provided in CFL 09/10-32 regarding the use of TANF ECF funds for subsidized employment, due to county questions and recently released federal guidance.

ECF Eligible Expenditures

The California Department of Social Services (CDSS) has received many questions asking what populations are considered eligible to receive services when it comes to funding subsidized employment with TANF ECF.

Because subsidized employment services do not constitute “assistance” under federal TANF law, safety net families can receive subsidized employment funded with TANF ECF. Counties can claim costs for safety net families to those codes identified as “Fund with Single Allocation – Federally Eligible population” on page 6 of the claiming instructions (CFL 09/10-32). Counties may also choose to claim costs for safety net families to any of the ECF codes that are funded 80 percent ECF and 20 percent using county funds/third party contributions or Fraud Incentives.

Families composed of persons fleeing to avoid prosecution, or custody or confinement after conviction for a felony, and families that include a person who has been convicted of certain drug-related felonies may be eligible to receive TANF ECF subsidized employment services if they meet the definition of a “needy family”. Counties can claim these costs to any of the ECF codes that are funded 80 percent ECF and 20 percent using county/third party contributions or Fraud Incentives. The Single Allocation cannot be used to fund services for these families. Instructions for claiming TANF ECF can be found in CFL 09/10-32.

Unallowable ECF Expenditures

CFL 09/10-32 instructed counties to claim the nonfederal California Work Opportunity and Responsibility to Kids Program recipient’s wage subsidies and other administrative costs associated with subsidized employment to program code (PC) 876 (Admin) or PC 877 (Non-Admin), if the recipient is not federally eligible under TANF. To clarify, the nonfederal population referred to in CFL 09/10-32 is only the recent non-citizen entrant population, where the individual has resided in the country for less than five years and is ineligible to receive TANF assistance and services. Under federal law, persons who legally entered the United States are ineligible for any means-tested public benefit for a period of five years; unless that person meets an exception based on their immigration status (i.e. this excludes refugees and asylees). Thus, counties may earn TANF ECF by providing services to this population; however, services provided to this population cannot be funded with TANF dollars, including TANF ECF. Therefore, services to this population must be funded solely with state funds. PCs 876 and 877 must be used to claim costs when a county chooses to provide subsidized employment services to recent non-citizen entrants.

Subsidized employment, funded with federal or state funds, for undocumented citizens is not allowable under any circumstance.

Third Party Expenditures

The recently updated federal Question and Answer (Q&A), posted on the Administration for Children and Families (ACF) website, stated that “The employer’s costs for supervising and training a subsidized employee can count as a State expenditure for MOE and the Emergency Fund, but not the employer’s unreimbursed wage costs”. ACF has recently confirmed that claiming of an employer’s unreimbursed wage costs, such as employer taxes, worker’s compensation insurance, etc. as third party expenditures is not allowable. As mentioned in CFL 09/10-32, counties must internally document their third party expenditures, as these expenditures may be subject to future audits.

For estimating and claiming quarterly expenditures, ACF has allowed states to assume up to an additional 25 percent of a recipient’s wage (excluding benefits, payroll taxes, workers’ compensation, etc.) for supervision and training as a third party contribution without providing additional documentation for application purposes. However, if the

supervision and training exceeds 25 percent of a recipient's wages or the county is using a different methodology, CDSS must obtain federal approval of that methodology. The county must document and submit the methodology through the County Welfare Director's Association (CWDA) data collection process used to support the TANF ECF applications. Counties must also retain such documentation of the costs.

Third Party Base Year Adjustments

The Q&A also informed states that if third party expenditures are claimed as Maintenance of Efforts (MOE) in Federal Fiscal Year (FFY) 2009 or FFY 2010 for purposes of earning TANF ECF, adjustments for similar third party spending in the base years must be included whether or not they were previously claimed as MOE. The Q&A extends this adjustment down to third party organizations, whether or not a county had previous relations with that third party organization in the base years. Therefore, if a county establishes a relationship with a third party in FFY 2009 or FFY 2010 to provide services to their recipients and the third party's expenditures for programs that served persons eligible for TANF are used as the 20 percent to claim ECF, the county must also capture the third party organization's expenditures for subsidized employment programs that served persons who would have been eligible for California TANF ECF services in the base years. (See pages 3-4 of ACL 09-42) Any new third party base expenditures must be reported through the CWDA data collection process used to support the TANF ECF applications.

Time Study Code Descriptions

The time study code descriptions for the TANF ECF claiming codes were inadvertently omitted from CFL 09/10-32 and are attached to this letter. *Please note that the codes and descriptions attached have not changed from those provided in CFL 09/10-32.* A pdf copy of these descriptions can also be found at: http://www.dss.cahwnet.gov/lettersnotices/entres/getinfo/CFL_Code/ProgCodeDescriptions.pdf

The federal Q&A can be found at: <http://www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm>. Claiming questions regarding this letter can be directed to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

KÄREN CAGLE, Chief
Estimates and Research Services Branch

Enclosures

cc: CWDA

**TANF ECF
TIME STUDY CODE DESCRIPTIONS**

CODE 7371 ARRA 2009 EARNED ECF – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who have earned their FFY 2009 ECF in order to meet the FFY 2010 base by quarter.

CODE 7381 ARRA 2009 EARNED ECF – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who have earned their FFY 2009 ECF in order to meet the FFY 2010 base by quarter.

CODE 8701 ARRA SUB EMPLOY BASE – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is only available for those counties who had expenditures in the base year. This code will be blocked for counties who are not base counties.

CODE 8711 ARRA SUB EMP BASE – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is only available for those counties who had expenditures in the base year. This code will be blocked for counties who are not base counties.

CODE 8721 SUB EMP ECF/COUNTY – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties claiming 100 percent of their wage subsidies and administrative costs associated with subsidized employment; who wish to fund 20 percent with county funds or documented third party contributions. This includes counties using county funds for the needy family population. (ACL 09-42, dated September 15, 2009).

These codes should be used by counties who do not have a base obligation including those counties who have additional expenditures above their base.

CODE 8731 SUB EMP ECF/COUNTY – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties claiming 100 percent of their wage subsidies and administrative costs associated with subsidized employment; who wish to fund 20 percent with county funds or documented third party contributions. This includes counties using county funds for the needy family population. (ACL 09-42, dated September 15, 2009).

These codes should be used by counties who do not have a base obligation including those counties who have additional expenditures above their base.

CODE 8741 SUB EMP ECF/SINGLE – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties claiming 100 percent of their wage subsidies and administrative costs associated with subsidized employment; whose recipients are federally eligible under CalWORKs and want to fund 20 percent with their Single Allocation.

CODE 8751 SUB EMP ECF/SINGLE – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties claiming 100 percent of their wage subsidies and administrative costs associated with subsidized employment; whose recipients are federally eligible under CalWORKs and want to fund 20 percent of their base expenditures with their Single Allocation.

CODE 8761 NONFED SUB EMP ECF/SINGLE – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and

projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who will claim 100 percent of their wage subsidies and administrative costs associated with subsidized employment and whose recipients are not federally eligible under TANF.

CODE 8771 NONFED SUB EMP ECF/SINGLE – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans, work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who will claim 100 percent of their wage subsidies and administrative costs associated with subsidized employment and whose recipients are not federally eligible under TANF.

CODE 8781 SUB EMP ECF/FRAUD INC – ADMIN

Includes activities necessary for the proper administration of the TANF ECF subsidized employment program (e.g. general administration which includes salaries and benefits of staff performing administration and coordination functions of monitoring programs and projects, cost for the goods and services, contract costs and all indirect or overhead costs, etc.).

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who will claim 100 percent of their wage subsidies and administrative costs associated with subsidized employment, and wish to fund 20 percent of their base expenditures with their Fraud incentives.

CODE 8791 SUB EMP ECF/FRAUD INC – NON-ADMIN

Includes activities related to a county's direct administration costs for the subsidized employment program (e.g. salaries and benefit costs for staff providing program services and contracts devoted entirely to such activities; program case management, providing information to clients, screening and assessments, development of employability plans,

Attachment A

work site recruitment, placement, etc.). It is not considered to be general administration and/or coordination of the subsidized employment program.

These include but are not limited to activities related to a county's subsidized employment program, such as, work site recruitment and development, placement, case management, and program oversight.

Note: This time study code is available for counties who will claim 100 percent of their wage subsidies and administrative costs associated with subsidized employment, and wish to fund 20 percent of their base expenditures with their Fraud incentives.