

November 16, 2010

COUNTY FISCAL LETTER (CFL) NO. 10/11-36

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY PROBATION OFFICERS

SUBJECT: CLAIMING INSTRUCTIONS FOR THE CLOSEOUT OF THE  
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)  
EMERGENCY CONTINGENCY FUND (ECF): SUBSIDIZED  
EMPLOYMENT (SE) AND RESUMPTION OF ASSEMBLY  
BILL (AB) 98 PROVISIONS

REFERENCES: CFL 07/08-35 DATED DECEMBER 21, 2007; CFL 09/10-32 DATED  
OCTOBER 26, 2009; CFL 10/11-16 DATED AUGUST 13, 2010; CFL  
09/10-67 DATED JULY 2, 2010; ALL COUNTY LETTER (ACL) 08-14  
DATED APRIL 10, 2008; ACL 10-43 DATED OCTOBER 1, 2010;  
COUNTY FISCAL INFORMATION NOTICE (CFIN) CN-09-1044, DATED  
MARCH 4, 2010; WELFARE AND INSTITUTIONS  
CODE (W&IC) 11322.63

This letter provides County Welfare Departments with claiming instructions related to the closeout of the TANF ECF SE program. Additionally, this CFL provides instructions on transitioning to the optional SE and AB 98 program. Instructions regarding the non-recurrent short-term benefits program will be provided in a separate letter.

### **TANF ECF Closeout**

The current TANF ECF program ended on September 30, 2010. Although there are multiple federal bills that include an extension of TANF ECF and additional funding, there is no active congressional action to extend the existing program.

### **Claiming Instructions – TANF ECF SE**

On August 17, 2010, the Administration for Children and Families published the following guidance regarding claiming TANF ECF expenditures for the August through September 2010 quarter ( [:/www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm#\\_subsidized](http://www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm#_subsidized)):

***Q10: Do all expenditures related to hours worked by subsidized employees on or before September 30, 2010, qualify for reimbursement by the TANF Emergency Fund?***

***A10: Subject to the availability of funds, the TANF Emergency Fund may reimburse expenditures that result in the provision of benefits or services to recipients on or before September 30, 2010.***

*In the context of subsidized employment, this means that the TANF Emergency Fund may reimburse subsidized employment that occurs on or before September 30, 2010.*

*A jurisdiction may make payments to reimburse employers or contractors after September 30, 2010; however, it may only receive TANF Emergency Fund reimbursement for expenditures related to the hours worked by subsidized employees on or before September 30, 2010. Please note that any expenditures related to processing claims for reimbursement (e.g. payments to contractors or employers) that occur after September 30, 2010, do not qualify as expenditures that may be reimbursed by the TANF Emergency Fund because the jurisdiction will not incur the expense related to this activity until after September 30, 2010. While these expenditures do not qualify for reimbursement by the TANF Emergency Fund, a jurisdiction may use TANF funds, including previously earned TANF emergency funds, to cover these costs.*

This guidance allows the counties to claim SE program expenditures for TANF ECF reimbursement incurred on or before September 30, 2010, but paid thereafter, in the December 2010 quarter. Costs incurred after September 30, 2010, are not eligible for TANF ECF reimbursement, which also includes administrative costs associated with processing claims subsequent to the September 30, 2010, date. Vendor or third party expenditures for processing payroll are also not eligible for ECF reimbursement as this action is incurred after September 30, 2010. Only the wages for which the vendor or third party is paying are reimbursable with ECF as those costs were incurred for activities occurring on or before September 30, 2010. However, administrative costs for CalWORKs participants may be funded with TANF funds but not reimbursed with ECF. Furthermore, after the closeout of TANF ECF, counties may still operate SE programs and claiming costs for SE can be claimed to the codes as described later in this letter.

Costs Eligible and Not Eligible to Claim after September 30, 2010

Counties may claim SE expenditures for ECF reimbursement incurred on or before September 30, 2010, and paid in the October through December 2010 quarter. The following costs, however, are NOT eligible for claiming TANF ECF:

Claiming Expenditures for the Federal Fiscal Year (FFY) 2007 Base and FFY 2009 Earned ECF:

Expenditures paid in the December 2010 quarter for activities incurred on or before September 30, 2010, will not have a base obligation to meet because the County Expense Claim operates on a cash claim basis where costs are claimed when they actually occur. Since the TANF ECF program ended on September 30, 2010, and costs are being paid and claimed in the December 2010 quarter, there will be no base to compare against the respective costs. Therefore, there will be no claiming to the base codes listed in CFL 09/10-32.

Claiming Non-Base Year Expenditures:

Since administrative costs for processing claims in the December 2010 quarter are not reimbursable with ECF, counties may only utilize the non-administrative codes. Please see Attachment for available program codes (PC) and program identifier numbers (PIN) for claiming these costs.

Time Study Instructions:

Time studying will not be allowed after the September 30, 2010, closeout date. Therefore, time study codes and direct-to-PCs will be blocked beginning with the December 2010 quarter.

**Claiming Instructions for SE and AB 98 Effective October 1, 2010**

Effective with the December 2010 quarter, counties may resume, or begin, claiming SE and AB 98 expenditures for wage subsidies. Claiming wage subsidies for SE and AB 98 expenditures has not changed with the exception of the addition of a new PC, which is described later in this letter. Once the TANF ECF closeout occurs, the codes utilized for ECF reimbursement will be blocked. Counties may claim SE and AB 98 expenditures as described below:

Claiming Codes for California Work Opportunity and Responsibility to Kids (CalWORKs)  
Recipients that are within AB 98 Provisions:

Pursuant to W&IC 11322.63, payment of the state's portion in wage subsidies for AB 98 shall be made in addition to, and independent of, the Single Allocation.

Counties funding wage subsidies provided to CalWORKs recipients who meet AB 98 provisions (please see ACL 08-14 and ACL 10-43) will claim 50 percent of the wage subsidy, up to 50 percent of the maximum aid payment (MAP) for the assistance unit to PIN 403098 and/or PIN 404098. The remaining balance will be claimed to the corresponding PINs as described below. Claiming codes for the state's portion of the subsidy, up to 50 percent of the MAP are as follows:

Funding Outside of Single Allocation – Federally Eligible Population:

Counties claiming the state's portion of the wage subsidy, up to 50 percent of the MAP for **federally** eligible CalWORKs recipients' (see CFIN No. CN 09-10-1044 dated March 4, 2010) wage subsidy costs will utilize PIN 403098. Counties will claim the remaining balance of this cost to PIN 633098 and/or PIN 781098 (see below for description).

PC	403	AB 98 Subsidized Employment
PIN	403098	Work Subsidy

Costs in PIN 403098 will be funded at 100/00/00/00 (federal/state/health/county).

Funding Outside of Single Allocation – Non-Federally Eligible Population:

Counties claiming the state's portion of the wage subsidy, up to 50 percent of the MAP for **non-federally** eligible CalWORKs recipients' (see CFIN No. CN 09-10-1044 dated March 4, 2010) wage subsidy costs will utilize PIN 404098. Counties will claim the remaining balance of this cost to PIN 451098 and/or PIN 781098 (see below for description).

To clarify, the non-federal population is only the recent non-citizen entrant population, where the individual has resided in the country for less than five years, and is not eligible to receive TANF assistance and services. Under federal law, persons who legally entered the United States (US) 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).

PC	404	AB 98 Non-Federal Subsidized Employment
PIN	404098	Work Subsidy

Costs in PIN 404098 will be funded at 00/100/00/00 (federal/state/health/county).

Funding with County Funds and/or Third Party Contributions

The California Department of Social Services (CDSS) has established a new PIN, 781098, to provide counties with a mechanism to utilize county funds or third party contributions in a combination with, or a substitution for, the Single Allocation. **Please note that the county/third party contributions must be countable as Maintenance of Effort and counties must have a Memorandum of Understanding or agreement in place with the third party.**

PC	781	Third Party - Subsidized Employment
PIN	781098	Work Subsidy

Costs in PIN 781098 will be funded at 00/00/00/100 (federal/state/health/county).

Time Study Instructions:

The AB 98 will not require additional administrative activity for time study purposes. Time study hours will be reported to PC 633 and PC 451 for the administrative activity associated with obtaining SE for CalWORKs recipients.

Claiming Codes for CalWORKs Recipients Not Within AB 98 Provisions:

Counties funding wage subsidies for CalWORKs recipients that do **not** meet the AB 98 provisions (e.g., timed-out CalWORKs recipients and recipients who are receiving wage subsidies for more than six months) will cover 100 percent of the wage subsidy costs using their Single Allocation and will utilize PIN 633098 and/or PIN 451098. Please note that the below codes are also used for counties to claim their portion of AB 98 expenditures using their Single Allocation as described above. The PINs are described as follows:

Funding with Single Allocation – Federally Eligible Population:

Counties will claim 100 percent of wage subsidy costs, using the Single Allocation, for recipients federally eligible under CalWORKs and who do not fall within the AB 98 provisions. This PIN is used for Work Subsidy payments to employers or third parties to help cover costs of employee wages, benefits, supervision, or training.

PC	633	WTW General
PIN	633098	Work Subsidy

Costs in PIN 633098 will be funded at 100/00/00/00 (federal/state/health/county).

Funding with Single Allocation – Non-Federally Eligible Population:

Counties will claim 100 percent of wage subsidy costs, using the Single Allocation, for recipients not federally eligible under CalWORKs and who do not fall within the AB 98 provisions. This PIN is used for Work Subsidy payments to employers or third parties to help cover costs of employee wages, benefits, supervision, or training. To clarify, the non-federal population is only the recent non-citizen entrant population, where the individual has resided in the country for less than five years, and is not eligible to receive TANF assistance and services. Under federal law, persons who legally entered the US 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).

PC	451	Non-federal WTW
PIN	451098	Work Subsidy

Costs in PIN 451098 will be funded at 00/100/00/00 (federal/state/health/county).

Time Study Instructions:

Time study hours will be reported to PC 633 and PC 451 for the administrative activity associated with obtaining SE for CalWORKs recipients.

**TANF ECF Reimbursement (Post-Tipper)**

Full ECF reimbursement is subject to the availability of ECF funds due to the federal government reaching the “tipper” of \$5 billion. The ECF reimbursement will be allocated based on approved ECF funding granted to the state. California has received 98 percent of the ECF funds requested. The ECF funding for the state’s final application (approximately \$21 million) is dependent on the state’s position in the queue which is based upon the submission date of the final application with subsequent federal approval dependent upon available funding relinquished by other states. Because the federal government has reached the “tipper” of \$5 billion, CDSS cannot guarantee full funding will be available for all TANF ECF costs incurred. However, since CDSS has already received 98 percent of the grant request, it is anticipated that sufficient funds may be available assuming actual claims are less than the estimated amounts.

requested. The CDSS is still waiting for federal guidance in the event that full funding of TANF ECF costs is not available for reimbursement.

**Claiming Timeframes**

Information regarding accelerated claiming timeframes was provided in CFL No. 10/11-26 dated October 28, 2010.

Any questions regarding this CFL can be directed to the Fiscal Systems Bureau electronic mailbox at [.systems@dss.ca.gov](mailto:systems@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

FRAN MUELLER  
Deputy Director  
Administration Division

Attachment

**Attachment**

**TANF ECF SE - Non-Base Year Claiming Codes Available After September 30, 2010**

Counties will utilize the below non-base year codes to claim SE expenditures that are incurred on or before September 30, 2010, but paid in the December 2010 quarter for ECF reimbursement:

PC	873	Sub Emp ECF/County - Non-Admin
PIN	873028	Work-Related Activities and Expenses
PIN	873032	Contracted Service
PIN	873098	Wage Subsidies

PC	875	Sub Emp ECF/Single - Non-Admin
PIN	875028	Work-Related Activities and Expenses
PIN	875032	Contracted Service
PIN	875098	Wage Subsidies

PC	877	Non-Fed Sub Emp ECF/Sing-NonAdmn
PIN	877028	Work-Related Activities and Expenses
PIN	877032	Contracted Service
PIN	877098	Wage Subsidies

PC	879	Sub Emp ECF/Fraud Inc - Non-Admin
PIN	879028	Work-Related Activities and Expenses
PIN	879032	Contracted Service
PIN	879098	Wage Subsidies

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*Note: For more information regarding the above PCs and PINs, please see CFL 09/10-32 dated October 26, 2009*