



Department of  
Job and Family Services

Ted Strickland, Governor  
Douglas E. Lumpkin, Director

**Family Assistance Letter # 93**  
**OFFICE OF FAMILIES AND CHILDREN**  
**April 23, 2010**

**TO:** Directors, County Departments of Job and Family Services

**FROM:** Michael McCreight, Deputy Chief of Staff  
Office of Families and Children

**SUBJECT: TANF SUBSIDIZED SUMMER EMPLOYMENT PROGRAM FOR YOUTH**

On April 22, 2010, the Office of Families and Children received approval for additional funds from the American Recovery and Reinvestment Act (ARRA) Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund. With these funds the Office is establishing a new opportunity for county departments of job and family services to establish or enhance a TANF Subsidized Summer Employment Program for Youth.

These dollars will enable county agencies to enhance existing programs or begin new programs that enable low income TANF-eligible Ohio youth to gain valuable work experience while earning a paycheck to help meet basic needs. Summer employment programs offer the opportunity for youth to develop a work history and have a current reference from an employer.

**DETAILS OF THE PROGRAM**

To qualify for this program county agencies must:

- Continue an existing youth employment program or develop a new youth employment program that will start no later than June 1, 2010;
- Amend its Prevention, Retention and Contingency (PRC) plan to include the TANF Summer Subsidized Employment Program for Youth if the program is not included in the plan already;
- Follow state and federal TANF and PRC requirements, including Rule 5101:1-3-16 of the Ohio Administrative Code;

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- Complete reports regarding outcomes to be developed by the Office of Families and Children; and
- Correctly code expenditures to the proper fiscal codes (codes and instructions will be forthcoming from ODJFS, Office of Fiscal and Monitoring Services).

## **LENGTH OF OPERATION**

Because the TANF Emergency Contingency Fund expires September 30, 2010, this program will operate for three months, June 1 through August 31, 2010. The program will contain only a thirty day liquidation period to pay off all final invoices and charge all expenses toward the allocation. County agencies must complete this activity by September 30, 2010.

## **COUNTY PRC PLAN**

Counties must amend their PRC plan to be able to use these funds if the program is not included in the plan already. The PRC plan shall include a description of activities and services that are to be provided. In their PRC plans, county agencies must establish the eligibility requirements for the participants. In defining eligibility criteria, a county's PRC plan must identify the income standard and any other criteria or limitation(s) the county specifies. As with any amendments to the PRC plan, amendments pertaining to TANF Summer Subsidized Employment Program for Youth must be submitted to the [Program-Policy@jfs.ohio.gov](mailto:Program-Policy@jfs.ohio.gov) mailbox.

**TANF Purpose-** TANF Subsidized Summer Employment Program for Youth meets the first two purposes of TANF:

1. To provide assistance to needy families so that the children may be cared for in their homes or the homes of relatives;
2. To end dependence of needy parents on governmental benefits by promoting job preparation, work and marriage.

**Eligibility-** A summer employment program funded through PRC shall only serve persons from a TANF-eligible family. The types of persons that may be served are:

- Youth ages 14-17, as long as the youth is a minor child in a needy family and is in school (youth may be 18 if they are a full time student in a secondary school) ;
- Youth ages 18-24, as long as they are in a needy family that also has a minor child; or
- Youth ages 18-24 that have a minor child and are considered needy.

The youth served may be non-custodial parents as long as they are considered "needy" and have a minor child. "Needy" is not specifically defined by the state or HHS but is recommended to be income at less than 200% of the federal poverty level.

*Minor Child and Families* are defined in Federal and State regulations. *Minor child* means an individual who: (1) Has not attained 18 years of age; or (2) Has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training). *Families* are defined by federal regulation and state law as follows: a minor child who resides with a parent, specified relative, legal guardian or legal custodian (a child may be temporarily absent from the home provided certain requirements are met); a pregnant individual with no other children; or a non-custodial parent who lives in the state, but does not reside with his/her minor child(ren).

## **ALLOWABLE COSTS**

The TANF Subsidized Summer Employment Program for Youth is different than the Workforce Investment Act summer youth employment program. Federal TANF regulations set forth what is allowable for TANF programs, and ARRA sets forth requirements related to the TANF Emergency Contingency Fund. Because this allocation is from the TANF Emergency Contingency Fund, it is focused on "wage subsidies." As a result, the state must follow the federal regulations and guidance regarding what are considered "wage subsidies."

Allowable costs under this program include:

- Payments to employers for wages (at no higher than state minimum wage) and fringe benefits (excluding health benefits);
- Payments to third parties to operate the program;
- Recruitment and development of employers for the program;
- Other ancillary services which are offered by the employer to the subsidized employment participants including:
  - Work related items such as uniforms, tools, licenses or certifications;
  - Case management activities related to the program; and
  - Job coaches and mentors.
- Worker compensation expenses;
- FICA.

The cost of health insurance or health benefits may not be charged to this allocation.

## **ADMINISTRATIVE COSTS**

The TANF Subsidized Summer Employment Program for Youth funding does not include TANF administration. Federal regulations define what is considered TANF administration and it is also set forth in rule 5101:9-6-08.8 of the Ohio Administrative Code.

The following activities and/or expenses are considered TANF administration and cannot be charged to this allocation:

- Salaries and benefits of staff performing administrative and coordination functions;
- Costs associated with eligibility determination activities;
- Preparation of program plans, budgets, reports and schedules, and the monitoring of program and projects;
- Fraud and abuse units;
- Services related to accounting, litigation, audits, management property, payroll, personnel, procurement, and public relations;
- Costs of goods and services and travel costs required for official business and the administration of the program unless excluded under rule 5101:9-6-08.8; and,
- Management information systems not related to the tracking and monitoring of the program.

Costs considered to be TANF administration may be charged to county TANF Administration allocations pursuant to rule 5101:9-6-08.8 of the Ohio Administrative Code.

### **DIRECT SUPERVISION AND TRAINING OF PARTICIPANTS**

The TANF Emergency Contingency Fund requires that a state provides twenty percent (20%) of expenditures out of its regular TANF or maintenance of effort funds to receive stimulus dollars. However, HHS has issued guidance that allows states to claim as the 20% match the employers' costs associated with the direct training and supervision of the participants. In order to calculate those costs, HHS approved a formula whereby the state may use as the costs an amount equal to twenty five percent of the wages paid to the participants. Ohio is using this formula to claim the costs as the 20% match.

However, to claim the costs as the 20% match, the state must ensure that the funds used by the employer to pay supervision and training are not being claimed as a match for another federal program, or that they are not using other federal funds to pay for the supervision and training, since the state may not match federal TANF funds with other federal funds. We cannot waive this requirement because of the 20% match requirement; we do not have other funds for the 20% match.

To be able to collect the data to meet the match requirement, it is important that all agreements between the county agency and employers contain language that allows the state to capture the costs associated with training and supervision. All agreements must include the following paragraph:

The grantee/vendor will ensure that the funds used by the employer to pay supervision and training of summer youth participants are not being claimed as a match for another federal program, or are not federal funds from another program. Grantee/vendor agrees to provide information and data concerning the program as determined by the \_\_\_\_\_ County Department of Job and Family Services . The information shall be provided monthly to the \_\_\_\_\_ County Department of

Job and Family Services so that the \_\_\_\_\_ County Department of Job and Family Services may meet reporting requirements and so that the state of Ohio may claim training and supervision costs of the employer to help meet the TANF maintenance of effort requirements.

If a county agency chooses to pay or assist in paying for direct training and supervision of participants, it has two options:

- use funds that are not from another federal program or already being used as a match to receive federal funds; or
- use their own PRC funds to pay for training and supervision costs (this must be included in the PRC plan).

The county agency will have to inform our office that they are using other funds for direct supervision and training through the monthly reporting process.

### **THIRD PARTY CONTRACTING**

A county agency may contract out to a third party provider. In the contract, a county agency may pay for the third party's costs to administer or operate the program so long as those costs do not include the items considered as TANF administrative costs pursuant to rule 5101:9-6-08.8. Procurement rules apply to this allocation. Contact the Bureau of County Finance and Technical Assistance for specific questions regarding procurement and contracting.

### **MONITORING AND REPORTING TOOL**

A new reporting tool is being developed to capture the data necessary for this program. The report form will be issued in a subsequent letter. The report will be due on the 30th day of the month after the reporting month. The first report will be due July 30, 2010. The monthly reports are to be sent to [Program-Policy@jfs.ohio.gov](mailto:Program-Policy@jfs.ohio.gov). All documentation will be kept in case files at the county agency. There are no requirements to enter documentation into CRIS-E. TANF Subsidized Summer Employment Program for Youth contracts, applications, eligibility determinations, expenditures, invoices, etc. shall be retained for auditing purposes.

### **ADDITIONAL REQUIREMENTS**

Last summer, ODJFS provided a Summer Youth Employment program using Workforce Investment Act (WIA) funding that contained job and work type placement exemptions. Those exemptions were specific to the WIA funding available and do not apply to this program. However, please be aware that all child labor laws and regulations do apply. An overview of child labor requirements can be referenced at <http://www.dol.gov/dol/topic/youthlabor/>.

## RESOURCES

Individual questions about TANF Subsidized Summer Employment Program for Youth activities and PRC plans can be emailed to [Program-Policy@jfs.ohio.gov](mailto:Program-Policy@jfs.ohio.gov). Information about state and federal requirements for the PRC program can be found in the PRC Reference Guide, at <http://jfs.ohio.gov/owf/prc/>.

A video conference is scheduled for interested counties on May 21, 2010 at 9:00 a.m. A formal announcement and agenda will be issued next week.

For further information about the TANF Summer Subsidized Employment Program for Youth, please feel free to contact Matthew Cunningham either by email at [matthew.cunningham@jfs.ohio.gov](mailto:matthew.cunningham@jfs.ohio.gov) or phone at 614-644-1296 .

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