



Department of
Job and Family Services

Ted Strickland, Governor
Douglas E. Lumpkin, Director

Family Stability Letter # 91
OFFICE OF FAMILIES & CHILDREN
October 16, 2009

TO: Directors, County Departments of Job and Family Services

FROM: Michael McCreight, Acting Deputy Director
Office of Families and Children

SUBJECT: TANF Subsidized Employment Program

The Office of Families and Children is pleased to announce a new opportunity available to county departments of job and family services to enhance subsidized employment programs to TANF-eligible individuals. The Unemployment Compensation Advisory Council has approved the use of \$10 million from the Special Administrative Fund starting in November 2009 to enhance local TANF subsidized employment programs in Ohio. The Special Administrative Fund is a fund set forth by Ohio Revised Code Section 4141.11 and consists of all interest collected on delinquent contributions to the unemployment compensation fund, all fines and forfeitures collected, and all court costs and interest paid or collected in connection with the repayment of fraudulently obtained benefits.

These dollars will enable county agencies to enhance existing programs or begin new programs that enable low income TANF-eligible Ohioans to gain valuable work experience while earning a paycheck to help meet basic needs. Subsidized employment programs offer the opportunity for people to develop a work history and have a current reference from an employer. Demonstrating success in a workplace environment can significantly increase the likelihood of getting hired in an unsubsidized job for participants with a criminal record or little or no work history. As paid employees, participants pay into the Social Security system and may qualify for the Earned Income Tax Credit, the Child Tax Credit, the new Making Work Pay tax credit and unemployment insurance, leading to increased long-term economic security. Employers hiring TANF-eligible persons may be eligible to receive the federal Work Opportunity Tax Credit (WOTC).

Expenditures from this fund will also enable Ohio to qualify for additional dollars in TANF Emergency Funds under the American Recovery and Reinvestment Act; the amount will depend upon the amount of funds actually expended through September 30, 2010. For all expenditures in subsidized employment that exceed the expenditures in federal fiscal years 2007 or 2008, whichever is lower, the state can qualify for

reimbursement from the TANF Emergency Fund for 80% of the excess expenditures. For participants in the Ohio Works First cash assistance program, activities that fall within the OWF definition of subsidized employment under Rule 5101:1-3-12.2 of the Ohio Administrative Code can count toward the work participation rate, and hours of subsidized employment can be verified at six month intervals instead of monthly.

Details of the Program:

TANF Subsidized Employment Program funds will be made available to county departments of job and family services through their Prevention, Retention and Contingency Programs starting November 2009 through September 30, 2010.

To qualify for the TANF Subsidized Employment Program, county agencies must

- Continue an existing subsidized employment program or develop a new subsidized employment program that will start no later than December 1, 2009;
- Amend its Prevention, Retention and Contingency (PRC) plan to include the subsidized employment program if the program is not included in the plan already;
- Limit eligibility to TANF-eligible individuals (however, not required to be OWF-eligible);
- Follow state and federal TANF and PRC requirements, including Rule 5101:1-3-16 of the Ohio Administrative Code (attached)
- Complete reports regarding outcomes to be developed by the Office of Families and Children; and
- Correctly code expenditures to the proper fiscal codes (the codes are not expected to change but instructions will be forthcoming from ODJFS Office of Fiscal and Monitoring Services)

SEP Activities that Qualify

Subsidized employment programs can encompass a number of activities which center around participants who are engaged in employment and receiving a paycheck.

Activities that qualify for the TANF Subsidized Employment Program include:

- Payments to employers to help cover the cost of wages, fringe benefits and medical benefits (because the TANF Subsidized Employment Program is funded with state funds, it is considered Maintenance of Effort (MOE), and therefore medical benefits may be covered; medical benefits may not be funded with federal TANF dollars)
- Payments to 3rd parties to administer the program;
- Recruitment and development of employers for the program;
- Supervision of the program;

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- Other ancillary services offered to subsidized employment participants including:
 - work-related activities such as uniforms, tools, necessary licenses or certifications;
 - training designed to enhance the skills necessary to succeed in the workplace;
 - case management activities related to the program; and
 - job coaches and mentors.

Distribution of Funds

Notify Office of Families and Children: In order for TANF subsidized employment program funds to be released, each county department of job and family services that is interested in operating a new program or continuing or enhancing an existing program must notify the Office of Families and Children of its intent to use the TANF SEP allocation. CDJFS Directors must send an email to Program-Policy@jfs.ohio.gov by October 28, 2009, to declare their intention. Funds will be distributed using the existing TANF formula to determine each individual participant county's allocation amount. Counties will be notified in early November of the amount each will receive under the program.

Amend PRC Plan: Each participating CDJFS must update and modify its PRC plan to include provisions for utilizing these funds starting no later than December 1, 2009. As with any amendments to the PRC plan, amendments pertaining to TANF SEP must be submitted to the Program-Policy@jfs.ohio.gov mailbox.

Resources

Individual questions about TANF subsidized employment program activities and PRC plans can be emailed to 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/>. For additional information about subsidized employment programs, a number of resources are available, including the Office of Families and Children Work Activity Unit, WACTA@jfs.ohio.gov, and the National Transitional Jobs Network, <http://www.transitionaljobs.net>.

Questions

For further information about the program, please feel free to contact: Matthew Cunningham either by email at matthew.cunningham@jfs.ohio.gov or phone at 614-644-1296.

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