

# INFORMATION NOTICE

## WORKFORCE SERVICES

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Expiration Date: 5/27/12

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: YOUTH EMPLOYMENT OPPORTUNITIES UNDER TANF EMERGENCY  
CONTINGENCY FUND

The purpose of this Information Notice is to inform Local Workforce Investment Boards (LWIB) of the opportunity to combine resources with Temporary Assistance for Needy Families (TANF) agencies to create and expand subsidized employment for low-income youth during the summer of 2010.

On January 19, 2010, the U.S. Department of Labor (DOL) and the U.S. Department of Health and Human Services (HHS) issued a joint letter, referenced as an attachment in the Training and Employment Notice [\(TEN\) 24-09](#), encouraging the partnership of LWIBs and TANF agencies to promote subsidized employment opportunities allowable under the American Recovery and Reinvestment Act's (ARRA) TANF Emergency Contingency funding. As follow up to this letter, the DOL and HHS sponsored, in collaboration with several other agencies, the Webinar, [Creating Subsidized Employment and Summer Jobs for Youth using TANF ARRA Dollars](#), in order to provide states details regarding the TANF Emergency Contingency Funds (ECF), how the ECF apply to summer youth programs, and examples of how states are currently using TANF ECF to create summer jobs for youth.

The Employment Development Department and the California Department of Social Services encourage LWIBs and local TANF organizations to partner resources to develop or expand summer youth employment programs. Further information regarding TANF ECF can be found in Attachment 1, Subsidized Employment for Low Income Californians, and Attachment 2, Extending the TANF Emergency Fund Creates Jobs Now.

If you have any questions, please contact your [Regional Advisor](#) at (916) 654-7799.

/S/ MICHAEL EVASHENK, Chief  
Workforce Services Division

Attachments

*EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice). TTY users, please call the California Relay Service at 711.*



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ATTACHMENT 1

## Subsidized Employment for Low Income Californians Fact Sheet

The California Department of Social Services (CDSS) has been aggressive in efforts to bring Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds (ECF) into California. A segment of the funding is made available to provide subsidized employment opportunities to qualified low-income Californians to help combat high unemployment. California expects to draw down as much as \$200 million for subsidized employment assistance.

### Current Situation

- At this time, approximately 50 counties are offering, or will be offering, subsidized employment programs with TANF ECF funding. It is anticipated that tens of thousands of individuals will be able to take advantage of these employment opportunities.
- The federal government reimburses 80 percent of county expenditures for subsidized employment.
- Counties have been working with other county departments, the United Way, Chambers of Commerce, and others to market the program and expand subsidized employment opportunities for CalWORKs and other low-income families. Employees are placed within these organizations or in participating businesses and agencies to attain work experience.

### Who is Eligible for Subsidized Employment?

In addition to welfare to work program (CalWORKs) families, certain families who are not receiving CalWORKs may also qualify. To qualify, a family must have an annual income of less than 200 percent of the federal poverty level which translates into less than \$44,100 a year for a family of 4. In addition, families must meet certain criteria:

1. A family with a minor child
2. A non-custodial parent not residing with the minor child
3. A woman in her third trimester of pregnancy
4. A family in which a minor child has been temporarily absent (removed from the home due to abuse or neglect for less than 12 months) and parent(s) is participating in family reunification services.



# Job Creation

Updated March 25, 2010

## Extending the TANF Emergency Fund Creates Jobs Now

Elizabeth Lower-Basch

The American Recovery and Reinvestment Act of 2009 (ARRA) created a new Emergency Fund under the Temporary Assistance for Needy Families (TANF) block grant, which provides 80 percent reimbursement for increases in TANF-related expenditures in three specified areas, including subsidized employment. States have used these funds to support a range of subsidized jobs programs, including transitional jobs, summer jobs programs for youth in low-income families and supported work models for individuals with disabilities in low-income families. These programs are not limited to workers in families receiving cash assistance under TANF.

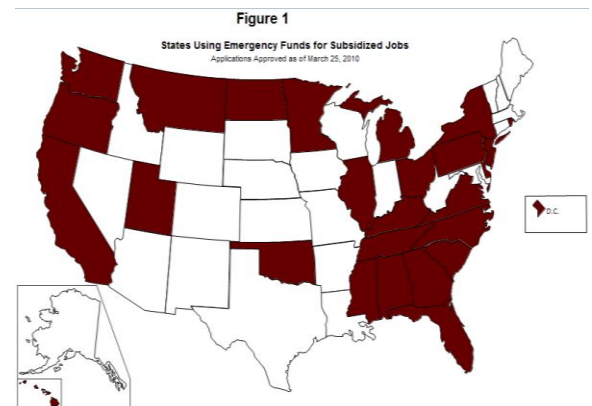
The TANF Emergency Fund is currently scheduled to expire on September 30, 2010. Given tremendous pressures on state and local budgets, subsidized jobs programs are unlikely to be continued unless the Emergency Fund is extended. Los Angeles, which operates one of the largest programs in the country (see box) has said that it will not enroll new participants after May 31, 2010, unless the Fund is extended. Other states have concluded that it is not worth the effort to develop a subsidized jobs program that will need to be shut down in a few months, but would develop such a program if the Fund were extended. States are now making decisions regarding their 2010-2011 budgets. On March 24, the House of Representatives passed a one-year extension of the TANF Emergency Fund, and provided \$2.5 billion for the Fund in FY 2011. Each state would be able to receive a maximum of 30% of its TANF block grant in FY 2011. **The Senate should act soon to guarantee that the Emergency Fund will continue to be available for another year.**

## Emergency Fund supports subsidized jobs in 26 states and DC; additional states likely to take advantage of an extension.

As of March 25, 2010, HHS reports that 26 states plus the District of Columbia have had Emergency Fund applications approved that included subsidized employment, for a total of \$299 million.\* Most of the costs claimed are for wages, making this a highly efficient form of job creation. These states, and others, have plans to create **at least 120,000 jobs** by September using the Emergency Funds.\*

Use of the TANF Emergency Fund got off to a slow start but is picking up speed. A number of factors contributed to delays in states applying for funds:

- Many state legislatures recessed shortly after enactment of the Recovery Act.



- The form for states to apply for these funds was not available from HHS until July.
- Given state budgets, there was much concern about the 20 percent state match required. Only in the past few months, after HHS confirmed that the employer costs of supervision and training could be counted as an in-kind contribution, have many states realized that they could use this fund.

If Congress extends the Emergency Fund, it is highly likely that additional states would apply for these funds to provide subsidized jobs. Many states are now interested in this option, but have concluded that they simply lack the time to get programs operational before the September 30, 2010 deadline. With the funding extended, they would likely start job creation activities immediately.

In addition, State legislatures are now making decisions for their 2010-2011 budget years. If Congress waits until September to extend the Emergency Fund, many states will have already made budget cuts that will be hard to undo.

Congress provided \$5 billion for the Emergency Fund in the ARRA, of which states have drawn down \$1.89 billion. We expect the drawdown to increase significantly, and much of the funding to be used by the end of FY 2010. Each state was limited to receiving 50 percent of its annual block grant over federal fiscal years 2009 and 2010. Some states are likely to exhaust their allocations; the Senate should follow the House's lead, increasing the overall pot and allowing each state to receive additional money from the Emergency Fund during FY 2011, as the President's budget proposed.

\* Data available from HHS at:

<http://www.acf.hhs.gov/programs/ofa/tanf/apprTANFemerfund.html>  
More information available at: [www.clasp.org/TANFEmergencyFund](http://www.clasp.org/TANFEmergencyFund)

♦ This number is based on data collected from 19 states that have been approved for funding to operate a subsidized employment program or are planning to implement one in the near future. Data was collected by CLASP, CBPP, and NTJN between 1/28 and 2/16.

### Subsidized Jobs in Los Angeles

Los Angeles, CA has widely publicized the goal of creating 10,000 new jobs through a range of initiatives. The Transitional Subsidized Employment (TSE) program, funded by the TANF Emergency Fund, is a key part of this goal, with 5,144 participants enrolled as of March 11, 2010.

The TSE program provides up to 12 months of subsidized employment at a \$10 per hour wage rate with non-profit and public agencies and 6 months with private entities (with the possibility of an additional six months of on-the-job training). The TANF Emergency Fund pays the full cost of wages; employers' costs of supervising and training participants are treated as in-kind donations to the state and are counted as the 20 percent non-federal match. Typical subsidized jobs are clerical, administrative and maintenance positions.

The South Bay Workforce Investment Board serves as the employer of record, and contracts with one-stop centers to place participants. There is a formal agreement with the employer that includes non-displacement and other provisions. One-stop centers receive a base payment and a bonus for placement in unsubsidized jobs.

TANF recipients make up the vast majority of program participants, with some low-income non-custodial parents also participating. Because all placements must be completed by September 30, 2010, Los Angeles does not plan to place participants in new jobs after May 31, 2010.

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For more information, contact Elizabeth Lower-Basch, 202 906-8013 or [elowerbasch@clasp.org](mailto:elowerbasch@clasp.org).