



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
Administration for Children and Families

Maximizing ARRA Funding in the TANF Program



Region II
New York, NY

Region III
Philadelphia, PA

February 4 – 5, 2010
New York, NY

Day One
Thursday, February 4, 2010

I. BACKGROUND

In February 2009, Congress approved and President Obama signed the American Recovery and Reinvestment Act of 2009 which included the TANF Emergency Contingency Fund (ECF). The ECF appropriated up to \$5 billion for the provision of the Temporary Assistance for Needy Families (TANF) program. The total amount that a state can receive in contingency funds over the course of FY 2009 and FY 2010 is capped at 50 percent of one year's annual TANF block grant amount to each state. The ECF was developed to reimburse states for up to 80 percent of increased spending for providing:

- non-recurrent, short-term payments (e.g. four months of rental assistance for homeless families, security deposit and first month's rent, utility assistance);
- basic assistance (cash grants to low-income families); and
- subsidized employment.

The Department of Health and Human Services, Administration for Children and Families (ACF) issued guidance that provided clarification about exactly what types of expenditures were covered under each category and what the procedures are for states to claim reimbursement for these increased costs. To assist States in implementing innovative initiatives to respond to rising caseloads and/or rising expenditures, ACF Regions II and III coordinated a strategy forum for States to share experiences and work together to determine next steps.

II. WELCOME AND OPENING REMARKS

Greetings were extended from conference hosts Eileen Friedman and Joanne Krudys, Temporary Assistance for Needy Families (TANF) Program Managers for Region III and Region II respectively.

Welcome and opening remarks were presented by Regional Administrators Joyce Thomas Region II and David Lett Region III.

Joyce Thomas welcomed participants on behalf of Region II and stated that the 2-day sessions would provide the opportunity to think about how States can take advantage of available funding for their programs and gain assistance for the preparation of funding applications. Ms. Thomas thanked the event planners and colleagues from the Department of Labor and Community Action Agencies.

David Lett, Regional Administrator, Region III, OFA, ACF, highlighted the importance of reaching out to States and using TANF ECF monies. Mr. Lett acknowledged that States are doing more with less today and are working very hard to recruit and establish new partners. He noted that the 2-day session will provide an opportunity for States to learn from each other about approaches and opportunities to gain traction in their respective programs.

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Continuing The Dialogue**

Damon Waters, Senior Associate, ICF International, was introduced as the facilitator. He began the session with self introductions by all meeting participants. The introductions were followed by an exercise where all participants were canvassed to list specific question they had regarding TANF ARRA funding.

The following questions were presented by participants:

1. Can the income from subsidized employment be disregarded for the recipient with regard to Medicaid and the Supplemental Nutrition Assistance Program (SNAP)?
2. What are the reporting requirements for third parties when applying for American Recovery and Reinvestment Act of 2009 (ARRA) funding?
3. What is the Memorandum of Understanding/Memorandum of Agreement (MOU/MOA) requirements for third parties when using ACF 196?
4. When is ACF 196 due? Is it possible to line-up due dates with individual reporting requirements?
5. What should States do when applying for Q4 of 2010, since it falls after September 2010?
6. Has there been any consideration regarding giving States partial awards while applications are being reviewed?
7. If a State enters into a contract with a non-profit agency, are there reporting requirements on the contractor/subcontractor or only on the State?
8. What are acceptable non-recurring short term benefit expenditures that have been deemed allowable under the ARRA?
9. How is our stimulus amount calculated?
10. How expansive is the definition of subsidized employment? Does it include training that may be needed? What if training is not provided by the employer?
11. Can we do enrichment activities with summer youth employment programs?
12. Can we get more detailed information about the approved short-term, non-recurrent activities?
13. What are the Office of the Inspector General's (OIG)'s plans to audit the TANF Emergency Contingency Fund (ECF)?
14. Is the spend-out of current ECF extended in the President's budget to September 30, 2011, or will monies be returned and a new ECF replace it with a new cap?
15. Will unspent funds be available for other States to access?
16. What is the distinction between "match" and "reimbursement" in ECF regulations?
17. If agencies collaborate around ARRA activities, what are some best practices to improve and use to ensure better outcomes?
18. How responsive is TANF when comparing SNAP and TANF, and what can be done to make it more responsive?

III. TANF AND THE TANF EMERGENCY CONTINGENCY FUND

Presentation By: Mark Greenberg, Administration for Children and Families, Deputy Assistant Secretary for Policy

Damon Waters introduced Mark Greenberg, Deputy Assistant Secretary for Policy, Administration for Children and Families, as the next speaker. Mr. Greenberg provided responses to a few of the questions posed by participants at the beginning of the meeting, including the following.

Question: Has there been any consideration regarding giving States partial awards while applications are being reviewed?

Answer: Yes

Question: Will unspent funds be available for other States to access?

Answer: No. There is no discretion in the statute for this. Every State qualifies for a maximum amount.

Mr. Greenberg delivered a PowerPoint presentation entitled "TANF and the TANF Emergency Contingency Fund," which began with historical data on the following groups:

- **Employment rates of mothers with children under the age 18, 1988 – 2008**

This was a comparison of single vs. married mothers. For the first 10 years, the employment rate among married mothers was consistently higher than that of single mothers. Single mothers experienced a dramatic increase in employment between 1994 and 2000. By 1998 they surpassed the employment rate of married mothers and remained in that position until the end of the study period. However, both employment rates were on an upward trend until 2000 and then began to slowly decline.

- **U.S. Poverty and Child Poverty Rates, 1959 - 2008**

Secretary Greenberg presented a graph that showed the child poverty rate is consistently higher than the overall US poverty rate. A comparison of the two graphs demonstrates that during periods where employment among mothers increased, the child poverty rate for the same period has decreased.

The data shows that employment and poverty are inextricably linked and it is within this context that Congress enacted the Emergency Fund.

- **TANF in the 2011 Budget Proposal**

Mr. Greenberg's presentation included a preview of the 2011 proposed budget. Major points relating to TANF are listed as follows:

- **One year extension of supplemental grants**

- **Emergency Fund continuation and modifications**

Provisions

1. \$2.5 billion for FY 2011, state eligible for up to 50 percent of SFAG
2. 80 percent funding for
 - Basic assistance

- Nonrecurring short term benefits
 - Work-related expenditures
- 3. 100 percent funding for subsidized jobs
- 4. Additional base year --- state can elect among 2007, 2008, 2009

- **Regular Contingency Fund extended for 5 years, with one-fifth available in 2011**

- **Fatherhood, Marriage, and Families Innovation Fund**
 - 1. \$500 million for 3 year grants to states
 - 2. Half for comprehensive fatherhood initiatives, including ones with marriage components
 - 3. Half for demonstrations geared toward improving child outcomes by addressing custodial parents with serious barriers to self-sufficiency and highly disadvantaged families, including child-only families

- **Child Support and Child Care**
 - 1. One year extension of state authority to use federal incentive payments as match
 - 2. \$1.6 billion in new child care funding, half mandatory and half discretionary

IV. STATE PRESENTATIONS

During this session, all Region II and Region III State Administrators provided an update on the current status of their ARRA funding, posed policy and process questions, and shared plans for future ARRA applications.

Highlights of the status updates are provided below.

Washington, DC

- The Mayor's Office created an ARRA team, who was involved in looking for ways to use contingency and other ARRA dollars to generate new opportunities. They held weekly calls and worked closely with State agencies to identify the areas of spending on low income families that qualified for contingency reimbursement. They developed an analysis of the number of clients served that met the definition of low-income. Analysis was conducted based on census tract and tax information to determine who qualified for services and programs.
- Their challenge was the creation of new opportunities for the District and non-profits to draw down funds.

New York

- The State plans to draw down the full amount of combined contingency and emergency funds.
- Two applications have been approved.
- The subsidized employment program has been ramped up. However, with no extension on current money, challenges remain.
- The program has experienced some resistance from employers due to current economic conditions.

Virgin Islands

- The Virgin Islands intends to apply for funding for subsidized employment programs.
- Employees have been placed in non-profit organizations and there are plans to place people in the hotel industry.
- They are now in a discussion with the Department of Labor regarding the formation of a partnership to help in reinvesting in subsidized employment.
- Their plans include using funds to increase staffing as a result of case load increases.
- One obstacle is that their internal controls need fine tuning.
- How are other States collaborating and consolidating funding from the ARRA across agencies?
- What reports have to be completed after we receive ARRA funds?
- Can energy assistance benefits given to TANF families be used as a non-recurring benefit? Does it qualify for a non-recurring short-term benefit?

Delaware

- The State is intent on drawing down/spending all funds.
- The State has partnered with the Housing Authority and plans to spend \$5 million over the next several months.
- There are three efforts underway in subsidized employment. The program is offering subsidized employment slots for new employers coming into the State. Employers must be willing to hire subsidized employees fulltime after subsidized employment ends.

Maryland

- The State has been aggressive in applying for ARRA funding and going after contingency funding. The State started applying for contingency funding in the autumn of 2008.
- ARRA funds are used for the subsidized employment program.
- Maryland discovered the need for better partnerships with workforce professionals and has entered into agreements with the State's Labor Department for the subsidized employment program.
- With ARRA funds, the State has continued emergency assistance programs for needy families.
- Working with private employers, the State has used TANF funds to underwrite programs for TANF participants to become certified weatherization experts. An employee's pay is subsidized for a 3-month period. Once certified, the worker no longer needs to be in a subsidized program to obtain employment due to the skills obtained and the availability of green jobs. Maryland is using the workforce system to fund training programs for weatherization jobs. Green jobs are viewed by the State as a growth industry and an opportunity for long-term employment. The State intends to continue this program.
- Due to budget constraints and day-to-day demands, the State decided to fill 100 positions which are grant-funded. These are fulltime State positions which are made available to people coming off of family assistance, non-custodial parents of TANF participants, TANF participants, and children in foster care who are transitioning out of the system. These positions are categorized as family investment aids and provide an entry into case manager positions. To date, 87 positions have been filled.
- One obstacle is that States need help in reaching out to the State's budget managers to clarify that ARRA funding is based on a reimbursement structure, not a match program.
- ACF should assist States in educating all the various advocacy groups as well as organizations like the National Governors Association (NGA), National Coalition of State

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Legislators (NCSL), Center for Law and Social Policy (CLASP), and the Center for Budget and Policy Priorities (CBPP).

- Additionally, States need additional assistance from ACF to make it clear to legislatures that the TANF Emergency Contingency Fund (ECF) is not a match, but a reimbursement.

New Jersey

- There are a number of reviews that are required for program ideas before applying for funds at the Federal level.
- ARRA funds have been received for homeless assistance programs, programs for short-term non-recurring assistance, and subsidized employment programs. The Emergency Assistance program provides assistance for such items such as utility bills, security deposits, and moving expenses.
- The subsidized employment effort has been pulled together as a result of collaborative efforts between the Health and Human Services and Labor Departments. A 100 percent subsidized employment program was implemented. One challenge is that there is a consistent need to educate the State's budget office about what can and cannot be done with ARRA funds. The budget office typically wants to make sure that unavailable State funds are not being obligated.

West Virginia

- West Virginia is working with the workforce system to create subsidized employment programs and to expand existing job readiness grants.
- West Virginia intends to create more adult basic education classes and provide them in places where the neediest people are located.
- Other efforts mentioned included increasing on-time stimulus payments for West Virginia Works Families, paying for energy expenses, payments for housing costs, and a one-time school clothing allowance. West Virginia indicated that the Regional Office has been very helpful in providing guidance for the preparation of ARRA applications.
- One challenge is that the process needs to be sped up.
- At the end of the quarter this year, how do we apply for ARRA funding? Do we wait until the end of the quarter or use estimates?

Virginia

- No new programs have been created. Block grant dollars are currently overspent. The surplus will be used at the end of this fiscal year.
- Virginia has applied for and VA has received three-fourths of their funding for basic assistance and for short-term non-recurring programs.
- A small subsidized employment program is in place. Virginia has found it difficult to work with this type of program. Employers view the subsidized employment program as difficult. The State is now trying to go to third parties to develop different programs that tie in with the subsidized employment program and enable the additional draw down of funds.

Pennsylvania

- The State of Pennsylvania has applied for \$43 million, and has received \$24 million. An energy assistance program has been initiated and through one-time grants has served over 35,000 people who would not have had heat otherwise.

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- Other initiatives include a homeowner's eviction assistance program, expansion of the subsidized employment program, and a parenting program.
- The State did see a slight increase in caseloads between January 2008 and December 2009, and anticipates an increase in caseloads with people coming off of unemployment.
- The extension is needed. The State would be in a better position to use a lot more of its money if the extension is authorized.
- A challenge for Pennsylvania is that in order to spend money, appropriation authority from the State is required.

Puerto Rico

- Puerto Rico has not applied for ARRA funding for TANF as of yet, but has plans to do so in the next few weeks.
- Funds are to be used for subsidized employment initiatives and Puerto Rico will be working with third parties to provide training, job readiness skills, and other services as needed.

Following the State presentations, the meeting facilitator posed the following questions to all participants.

1. *Are there any recommendations from partner States that could help others in working with community based organizations or any other third parties?*

Responses:

- More guidance is needed about contracting and subcontracting.
- There is a perception out there about a 20 percent match. The community needs to be informed that this is not a match program. There is a lot of confusion. A distinction needs to be made between match and reimbursement.

2. *What additional help are States likely to request to ensure success?*

Responses:

- The biggest issue is next year. We are not going to be able to fund all of these efforts.
- How will States be able to keep this going? Other needs include technical assistance, more money, and ideas for leveraging with partners.
- More discussion is needed with ACF to make sure the application from Puerto Rico is correct.
- Increased education is needed, for the budget/accounting staff at the State level, to understand ARRA programs and implementation.
- Technical assistance around third party requests, contracts, reporting requirements, and subcontractors is needed.

V. CLOSING REMARKS

At the conclusion of the day's session, the facilitator indicated that during the February 5 session, the following policy questions would be further addressed.

1. Can the income from subsidized employment be disregarded for the recipient with regard to Medicaid and SNAP?
2. What are the reporting requirements for third parties when applying for ARRA funding?
3. What are the MOU/MOE requirements for third parties when using ACF 196?
4. When is ACF 196 due? Is it possible to line-up due dates with individual reporting requirements?
5. What should States do when applying for Q4 of 2010, since it falls after September 2010?
6. Has there been any consideration regarding giving States partial awards while applications are being reviewed?
7. If a State enters into a contract with a non-profit agency, are there reporting requirements on the contractor/subcontractor or only on the State?
8. What are acceptable non-recurring short term benefit expenditures that have been deemed allowable under ARRA?

Day Two Friday, February 5, 2010

Due to inclement weather Day Two of the meeting was ended shortly before the lunch hour. Although the questions were submitted to Central Office, the responses were not made available during the session and were to be sent out via the Regional Offices. If there is additional information needed, please refer to Frequently Asked Questions provided by the Office of Family Assistance located at <http://www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm>.

APPENDICES

Maximizing ARRA Funding in the TANF Program

– Continuing the Dialogue –

Region II | New York, NY

Region III | Philadelphia, PA

Agenda

February 4, 2010: Day 1

- 10:00 A.M. - 10:30 A.M. Welcome and Opening Remarks**
- Facilitator:**
Kent Peterson, Managing Partner, Peterson & Associates
- Greetings:**
Joyce Thomas, ACF Regional Administrator, Region II, New York
David Lett, ACF Regional Administrator, Region III, Philadelphia
- 10:30 A.M. - 11:00 A.M. Presentation**
- Mark Greenberg*, ACF Deputy Assistant Secretary for Policy
- 11:00 A.M. - 11:15 A.M. Break**
- 11:15 A.M. - 12:30 P.M. State Presentations**
- During this session, all Region II and Region III States will provide an update on the current status of their ARRA funding, pose policy and process questions and share plans for future ARRA applications.
- 12:30 P.M. - 1:30 P.M. Lunch**
- 1:30 P.M. - 4:00 P.M. State Presentations, continued**
- 4:00 P.M. - 4:30 P.M. Day 1 Closing Remarks**
- Mark Greenberg*, ACF Deputy Assistant Secretary for Policy

February 5, 2010: Day 2

8:30 A.M. - 9:00 A.M.

Day 1 Feedback

Facilitator:

Kent Peterson, Managing Partner, Peterson & Associates

9:00 A.M. - 9:30 A.M.

Presentation

David Hansell, ACF Principal Deputy Assistant Secretary

9:30 A.M. - 10:30 A.M.

Panel Discussion—Working in Collaboration With Others

Representatives from Department of Labor, Food and Nutrition Service, and State Community Action Associations will share information about their ARRA funds and discuss ideas for future ARRA collaborations.

Moderator:

David Hansell, ACF Principal Deputy Assistant Secretary

Panelists:

Richard Chavez, Chief, Division of Workforce Investment, Region I – Boston, U.S. Department of Labor/Employment and Training Administration

Denise Harlow, CEO, New York State Community Action Association

Dan Leppo, Director of Grants Management, Community Action Association of Pennsylvania

James Harmon, Regional Director, Supplemental Nutrition Assistance Program, Special Nutrition Programs, Mid-Atlantic Region, Food and Nutrition Service

10:30 A.M. - 10:45 A.M.

Break

10:45 A.M. - 12:00 P.M.

Panel Discussion—Subsidized Employment

Technical assistance experts and representatives from States will discuss the numerous aspects of successful implementation of a subsidized employment program. This panel discussion will be followed by a roundtable discussion of selected questions as a basis for guidance on the implementation of new, or expansion of current programs.

Moderator:

Mark Greenberg, ACF Deputy Assistant Secretary for Policy

Panelists:

Russell Sykes, Deputy Commissioner, Center for Employment and Economic Supports, New York State Office of Temporary and Disability Assistance

Eva Greenwalt, WorkFirst Program Manager, Washington State

Sam Tutelman, Director, Employment Services Department, Alameda County Social Services, CA

Michael DeLaRosa, Deputy Director, San Bernardino County Transitional Assistance Department, San Bernardino, CA

12:30 P.M. - 1:30 P.M.

Lunch

1:30 P.M. - 3:00 P.M.

Round Table Discussion—Subsidized Employment

Moderators:

Amy Rynell, Director, National Transitional Jobs Network, Heartland Alliance

Melissa Young, Associate Director, National Transitional Jobs Network, Heartland Alliance

3:00 P.M. - 3:30 P.M.

Wrap Up and Next Steps

Was there anything in the discussion that you would have changed or added? _____

	Not Very Useful		Very Useful		
	1	2	3	4	5
Session 3: Panel Discussion on Subsidized Employment					

What do you think was valuable/helpful about this panel discussion? _____

Was there anything in the discussion that you would have changed or added? _____

2. Please indicate how much you agree or disagree with the following aspects of the meeting, using the following scale:

1 = Strongly Disagree 3 = Neither Agree nor Disagree 5 = Strongly Agree
2 = Disagree 4 = Agree

- a. The meeting met my expectations.
1 2 3 4 5
- b. There were ample opportunities during the sessions for me to learn from my peers/colleagues.
1 2 3 4 5
- c. Attending this meeting was a good use of my time.
1 2 3 4 5
- d. I learned useful information that I can apply to my work by attending this meeting.
1 2 3 4 5

II. Assessment of Meeting Logistics

1. Please indicate your level of satisfaction with the following aspects of the meeting.

	Very Dissatisfied		Very Satisfied		
	1	2	3	4	5
Meeting Location	1	2	3	4	5
Hotel Accommodations	1	2	3	4	5
Registration	1	2	3	4	5
Meeting Rooms	1	2	3	4	5
Travel and/or Lodging Arrangements	1	2	3	4	5
Resources and Technology (e.g., audiovisual, etc.)	1	2	3	4	5
Meeting Materials	1	2	3	4	5

III. Open-Ended Questions

What was most valuable about the meeting? _____

What was least valuable about the meeting? _____

What suggestions do you have to improve future TANF Program meetings? _____

Thank you for your comments and participation.