



# Opportunities for Summer Jobs for Youth through the American Recovery and Reinvestment Act of 2009 (ARRA) Webinar



March 24, 2010  
1:00 pm – 3:00 pm EDT

## Welcome

### **Operator, Premiere Global**

Good day and welcome to the Opportunities for Summer Jobs for Youth through the American Recovery and Reinvestment Act of 2009 conference call. Today's conference is being recorded.

At this time, I would like to turn the conference over to Miss Kara Barclay for logistics. Please go ahead.

### **Kara Barclay, WebEx Operator**

Thank you. Hello and welcome to today's presentation, Opportunities for Summer Jobs for Youth through the American Recovery and Reinvestment Act of 2009. And my name is Kara Barclay and I'll be in the background assisting with any technical questions on the WebEx site.

To eliminate background noise, all phone lines will be muted for the duration of this event. If you experience technical difficulties joining the WebEx session, please dial 1-866-229-3239 for assistance. If you need assistance while on the WebEx session, please use the Q&A panel.

You can ask questions at any time during the event using the Q&A panel, which will be located either at the lower right-hand side of your screen, or, when we are in the full-screen mode, can be accessed by clicking the button with the question mark icon on the floating toolbar at the lower right-hand side of your screen. You'll just type your question into the dialog box, and hit the "send" button. Please address your questions to all panelists to ensure that they are seen.

This event will be recorded.

We now invite you to sit back, relax, and enjoy today's presentation. It is my pleasure to introduce your host for today, Gary Allen of Region VII.

Gary, you now have the floor.

## Opening Remarks

**Gary Allen, Regional TANF Program Manager, Region VII, Office of Family Assistance,  
Administration for Children and Families, Department of Health and Human Services**



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Good afternoon. On behalf of myself and my counterpart in Chicago, Steve Krasner, welcome to this Webinar on summer youth employment programs. To paraphrase an old saying, I think we would all agree that we do, indeed, live in interesting times. There's a lot ((inaudible)) and a lot of people need help. But if we come together through initiatives like the summer youth employment program, we really do have an unprecedented opportunity to help people, especially low-income young people. So, again, welcome.

To give a national perspective, we're, indeed, fortunate to have with us David Hansell and Gerri Fiala. Mr. Hansell is the principle deputy assistant secretary with the Administration for Children and Families, and Ms. Fiala is the deputy assistant secretary for the Department of Labor with the Employment and Training Administration.

We'll hear first from David Hansell.

**David Hansell, Principal Deputy Assistant Secretary, Administration for Children and Families,  
Department of Health and Human Services**

Thank you, Gary. Good afternoon everyone or depending on your time zone, good morning. I want to start by thanking all of you for taking the time out of your very busy workdays for what we think is a very important Webinar.

In all, we've invited ten Midwest states to participate, and we're delighted that so many of you have taken up our invitation. I also want to thank our colleagues from the Department of Labor's Employment and Training Administration for co-sponsoring this Webinar.

This is just one of many collaborative efforts between ACF and ETA on behalf of the families that both of our agencies are trying to serve, and our ETA colleagues have been wonderful partners. To the regional and headquarters staff of both agencies, I say thank you. Together we hope to mirror the cooperation that many states have already demonstrated, and to promote increased coordination across our interrelated programs.

One of the fundamental purposes of TANF is the promotion of job preparation and employment in order to enhance families' economic success. The TANF Emergency Fund has proved to be an invaluable resource toward that end, and we're delighted that more and more states are taking advantage of the fund to create subsidized employment programs. Together with ETA's summer youth employment programs themselves, we can combine our resources to create and expand job opportunities for low-income youth.

Two months ago, the respective assistant secretaries of our two agencies, Carmen Nazario from ACF, and Jane Oates from ETA, issued a joint letter describing the benefits of subsidized employment for young people, and encouraging workforce and human services agencies to work together to implement programs reaching as many needy, young people this summer as possible. As the summer approaches, it is now even more urgent that we begin our work together in this effort.



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While we're hopeful that Congress will extend the TANF Emergency Fund for another year, provide additional resources, and will provide new funding targeted for summer jobs, we strongly encourage states to take advantage of the resources available to them now, when program planning is underway. Later in this Webinar we'll hear about a local community that has already begun its own cooperative summer jobs effort.

If you aren't already working across programs, across your human services and workforce agencies on this project, I urge you to do so. If you have started, but have run into obstacles, we will try to give you information that may help you to overcome them. If you're ready to go, I urge you to share your experience with your colleagues.

This Webinar will provide you with general information to help you with your program. We, in our two agencies, stand ready to assist you however we can. But the calendar is closing our window of opportunity. Our youth, and their families, are looking to all of us for help. Please don't delay.

It is now my genuine pleasure to introduce a colleague who, as I indicated earlier, has been a wonderful partner in this and many other collaborative initiatives with us, ETA Deputy Assistant Secretary Gerri Fiala.

**Gerri Fiala, Deputy Assistant Secretary, Employment and Training Administration, Department of Labor**

Thanks, David.

We are absolutely thrilled to be partnering on this collaborative effort, as well as others. What we are most grateful for is an opportunity to help the individuals that the – both agencies care very much about, low-income families, and low-income young people. And we want to stand with you in an offer to ensure that people's questions are answered about this important summer initiative in terms of planning and implementation, because time is short.

This population is absolutely a critical population if we want to ensure sort of the first steps, introduction to work, and earning necessary income to help themselves as young individuals, but also their families. And to, frankly, build a resume that people will value, both instructors and employers. So we are very, very pleased to be here today. And I'm very pleased that our regions are part of this, and we'll move forward with them.

I wanted to mention that it is extraordinarily important, because we are really looking at employment rates now that are – of youth – not unemployment rates, employment rates of youth that are at just post-World War II levels. It's very low. There aren't a lot of opportunities for many young people, particularly low-income people, to get that first job, and be introduced to the workforce, and then also to connect what they are learning, and need to continue to learn in school, to employment.



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And it also provides, as David mentioned, an opportunity for the young people to be enrolled in TANF and co-enrolled in the Workforce Investment Act, so that the Workforce Investment Act can provide benefits of wrap-around support services, skill training services, and other relevant services, while individuals are participating in subsidized employment opportunities. So we're thrilled to be here.

And with that, I will end. And we have staff here, and we'll answer any questions you have now, and in the future, through various means that they'll let you know about. Thanks very much for the opportunity.

### Subsidized Employment: Summer Youth Employment Program

**Gary Allen, Regional TANF Program Manager, Region VII, Office of Family Assistance,  
Administration for Children and Families, Department of Health and Human Services**

Thank you, David, and thank you, Gerri.

I think everyone can see that what we're talking about today is definitely a national priority. Since we could be moving to a new level of TANF workforce collaboration in some states, we'll now provide some quick background on TANF and ETA programs, with an emphasis on subsidized employment and youth jobs programs. We'll begin with TANF.

The TANF program has been in existence since August 22nd, 1996. As you see in our mission statement, TANF is a federal/state partnership that provides assistance and work opportunities to needy families through state-run welfare programs.

Our TANF funds can be extended for one of four program purposes. The first is to provide assistance so that children can remain in their homes. The second is to help families and their economic dependents through work, training, and marriage. The third is to prevent and reduce the incidence of out-of-wedlock pregnancies. And the fourth is to encourage the formation and maintenance of two-parent families.

The TANF Emergency Fund, which was created by ARRA, authorized \$5 billion for fiscal years 2009 and 2010 to help state TANF agencies deal more effectively with the effects of the economic downturn, and, specifically, with increases in three categories. The first is assistance caseloads, and the accompanying basic assistance expenditures. The second is for increases in non-recurrent short-term benefits. These are benefits that help families with a specific episode of need lasting up to 4 months. These include a wide range of services, including car repair, work uniforms, school clothes, and so forth. The third category is subsidized employment, and that will be our focus today.

The basic way the Emergency Fund works is that states can receive an 80% reimbursement for an increase in one or more qualified expenditures recorded in fiscal year 2009 or 2010, compared to a corresponding quarter in fiscal year 2007 or 2008, the base year. And each state can qualify for up to 50% of its TANF block grant, what we call the state family assistance grant, up to the \$5 billion cap.



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Here are the TANF block grants for the Region V states, along with their Emergency Fund allotments. And here we see the TANF grants and Emergency Fund allocations – allocations for the Region VII states. TANF Emergency Fund expenditures must generally be for either needy families with children, or for pregnant women. However, services aren't limited to TANF recipients.

Jurisdictions can designate different income levels for different services, for example, a multiple of the poverty level. Expenditures can also be made for non-custodial parents, or, in some circumstances, young adults who aren't themselves parents or minor children.

For TANF and Emergency Fund purposes, subsidized employment means payments to employers to help cover employee costs. Work subsidies – it's important to note that subsidized jobs can either be in the public or private sectors. In the area of subsidized employment, states have a good deal of flexibility in how they organize and arrange things.

When we refer here to transitional employment, we mean subsidized work that helps prepare an individual for the transition to unsubsidized employment, what we normally think of as work. This can, of course, involve a wide range of activities, from barrier removal, to rehabilitation-type services for disabled workers, to just becoming accustomed to showing up for work on a regular basis and interacting successfully in the workplace.

It's also important to note that subsidized employment isn't an all-or-nothing arrangement. Jurisdictions can choose to subsidize all or part of a subsidized employee's wage costs. And again, low-income doesn't necessarily have to mean the receipt of TANF.

As I had mentioned earlier, individuals participating in subsidized employment sometimes need special help to move into a job, or to stay employed. Services such as substance abuse and mental health treatment and rehabilitation activities can be counted as part of subsidized employment if they're an integrated part of the employment, in other words, if the person is paid while receiving those services. Again, all these types of activities can be part of the transitional employment model that we mentioned before.

We would normally expect that subsidized employment would be of a relatively limited duration, but there are no set requirements. It's determined on a case-by-case basis, and, again, illustrates the flexibility that states have in working with employers to meet both the employer's requirements and each participant's special needs.

Fringe benefits for a subsidized employee can be covered by TANF within certain limitations. The primary limitation being that federal TANF funds cannot be used to pay for health insurance. Also, planning activities necessary to implement a new procedure or program feature are permissible per the administrative cost regulations.

Now we're looking at something which is very important for TANF Emergency Fund purposes. As you'll recall, the Emergency Fund reimburses 80% of the increase in qualified expenditures. That other 20% can



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come from a number of sources, federal TANF funds, State Maintenance of Effort, or MOE, third-party expenditures that are counted as MOE.

And in the case of subsidized employment, employer costs for supervising and training a subsidized employee can count as a state MOE expenditure, as well as for the Emergency Fund. However, an employer's unreimbursed wages don't count. As we noted earlier, wage subsidy can be for all or part of an employee's wage costs; those unsubsidized wages don't count.

To help encourage employer participation, and to make documentation easier and less burdensome, states can assume that supervision and training costs are up to 25% of an employee's wage cost. In such a case, no additional documentation is needed. If the state wants to claim more than 25%, a justification would then be required. Now we should just note that any time third-party expenditures are counted as MOE, a memorandum of agreement is required.

Here's an example of how assumed employer supervision and training costs would work. In this example, the subsidized employee is paid \$10 per hour, 25% of that, of course, would be \$2.50. Since that amount doesn't exceed 25%, the state could assume the employer's supervision and training costs are that amount with any additional documentation. The 80% Emergency Fund reimbursement would then be based on the \$12.50 total, the \$10 plus the 2.50, so the 80% reimbursement would be \$10.

Two of the primary challenges TANF agencies face in implementing a subsidized employment program are locating employers and creating a workable infrastructure. This, of course, is where partnership with workforce can really help. And again, if we work together, the opportunities to help people and change some lives can truly be priceless.

And now we'll go to Lori Harris in Chicago for the ETA background and perspective.

### ACF TANF Emergency Fund Presents an Opportunity for Youth Served in the Public Workforce System

#### **Lori Harris, Youth and Target Populations Lead, Region V, Employment and Training Administration, Department of Labor**

Good afternoon, colleagues. As we move from the ACF content to the ETA content, we offer this slide in transition. What were listed as ACF challenges on the previous slide are actually clear opportunities to serve low-income youth in the public workforce system. We will specifically address both of these bullet points later in the Webinar.

The ETA mission and vision are notated on this slide. Although I won't read it in its entirety, hopefully you have the handouts, and will be able to absorb this at a later time. Keep in mind that the next few – next few slides contain some pretty basic and structural information about the Workforce Investment System, and



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the Employment and Training Administration. This information is largely for the HHS ACF audience, so I ask the DOL audience to bear with me, as you already know this stuff.

Employment and Training Administration, or ETA, actually administers the Workforce Investment Act of 1998 and Wagner-Peyser funds. Workforce Investment and Wagner-Peyser funds can be used to provide training and employment services, including career guidance, skill assessments, case management, supportive services, basic skills and literacy training, and occupational training, as well as specific WIA youth services, including work experience, leadership development activities, and mentoring.

So a little of WIA 101. States are the grantees, and WIA funds are distributed to the states through formula allocations. For ETA, our Region V is a combination of the Chicago and Kansas City regions. We serve all ten states. These states, through local Workforce Investment Boards, often referred to as LWIBs or WIBs, deliver services in their local areas through the One-Stop Career Service Center system.

There are three separate funding streams for WIA; adults, dislocated workers, and youth. Let's just focus on the youth program for now. The Workforce Investment Act mandates the eligibility criteria. For youth, there are three standards that must be met and clearly documented. Individuals must be between the ages of 14 and 21, be low income, and have at least one significant barrier.

Low income is defined based on the poverty level, or 70% of the lower living standard income level, or the individual can be the recipient of cash payments under a federal, state, or local income-based public assistance program. As for the significant barrier, a youth must have at least one barrier from a list of six. That list of six is on your slide for reference.

Unlike ACF, states cannot determine eligibility. Eligibility cannot be waived or revised, as it is mandated by the Act. One of the key provisions of WIA is that year-round, comprehensive services must be provided to youth.

Each local area is required to offer each of ten program elements, typically through a set of service provider organizations, to its eligible youth. Which program elements are prescribed to eligible participants is based on need, and determined through a series of set – of assessments. It is important to note that summer employment and work experiences are actually two of those ten elements.

So President Obama signed the American Recovery and Reinvestment Act into law on February 17th, 2009. This legislation loaded \$1.2 billion additional youth funds into the system. These funds are in addition to the regular WIA youth funds that are allocated for comprehensive year-round services, as we discussed on the previous slide.

As a sidebar, you will notice ARRA WIA youth and regular WIA youth in quotes on this slide. It is important to have a terminology discussion before we move forward. ARRA WIA funds, programs, and goals will be discussed alongside regular WIA funds, programs, and goals. It is important to understand this distinction.



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ARRA is basically an overlay on WIA. Allowable activities and regulations for ARRA and WIA are essentially the same, with a few exceptions. Two of those exceptions, for the purpose of this training. One, ARRA expanded WIA youth eligibility to include ages 22 through 24. And two, a work-readiness gain was approved as the single measure of performance for summer employment programs that met certain program criteria.

ARRA WIA funds are alive through June 2011. This is the same lifespan for regular WIA PY'08 funds. ETA issues guidance to our system via a series of numbered Training and Employment Guidance Letters, or Training and Employment Notices, affectionately known to us as TENS, T.E.G.L.s, or TEGLS. TEGL 14-08 was released on March 18th, 2009, and serves as the principle guidance, along with the Act, for ARRA provisions.

In TEGL 14-08, states were advised to spend both pots of money concurrently. They were encouraged to create summer employment programs for youth, referred to as summer youth employment programs or SYEPs in this presentation, and they were encouraged to spend the majority of their ARRA WIA youth allocation during the summer of 2009. For the most part, states did just that.

Nationwide – the nationwide expenditure rate is about at 68.5%. For Region V, that rate is about 73.5%. Region V states range from a low expenditure rate of 50.7% to our highest state at 87.3. Clearly, there is still some WIA ARRA money remaining in our system, as is there remaining regular WIA money. But, for the most part, states recognize the need to leverage new funding sources if they are to recreate the same level, scope, and magnitude of last summer's successful youth employment programs.

So for SYEP implementation, states and locals quickly engineered summer youth employment programs that included a work experience component. Quickly is the key word here, as quickly is necessary now. The law was passed on February 17th. The feds had approximately 30 days to issue money to the states, by March 17th. The states had 30 days to ensure that their locals had their allocations, by April 17th.

All of this was just prior to the defined summer program period, which was May 1 through September 30th. States quickly issued guidance to their local areas, and, with only a few exceptions, the local areas had the control to design a program that would work well for them, that would work within their local area.

LWIBs designed a variety of summer programs. Although program design varied widely, each included age-appropriate work-readiness training, and a pre/post assessment methodology to measure improvement in work-readiness competencies. Some LWIBs decided, or opted, to use existing providers, and a few elected to procure new or additional providers under an abbreviated procurement process made available – or made allowable, excuse me, under TEGL 14-08.

LWIBs engaged employers in the process very early, gaining their commitment, determining their roles for training or supervision, and establishing probable worksites that would allow for meaningful work experiences. In some cases, LWIBs had MOUs and worksite agreements in place before youth were fully





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enrolled. We will talk about the extraordinary buy-in that we had from private, public, and non-profit employers a little later.

Summer youth employment characteristics. Program design varied, but typically lasted 6 to 8 weeks. Programs were often longer for older and out-of-school youth. Hours typically varied from 20 to 30 hours per week, and you won't be surprised to learn that most youth that this period was not long enough, nor were their weekly hours sufficient. The subsidized wages were paid directly to the participating youth at the federal minimum wage rate or higher.

Again, the work-readiness training was a significant program component, and we saw several models of delivering that training. Some local areas opted to deliver work-readiness training for 2 full weeks before the work experience began. Others offered work-readiness training on one day of – out of a five-day work week. Others still offered work-readiness training a couple of hours for each day. Those variations typically related to the age of the youth participants, or the environment of the work experience.

The work experiences were required to be meaningful. LWIBs made efforts to place participating youth in youth experience – in work experiences in industries which aligned with their career interests, whenever possible.

So why is the workforce system all puffed up with pride, and quick to label the summer employment initiative a success? Because more than 360,000 youth were served with ARRA nationwide. Some areas reported they were able to serve three times more youth than is the norm. Because 300,000 participated in an employment program, and earned much-needed income, many of whom assisted their – with their family's basic needs. Those 300,000 youth learned work-readiness skills, engaged in career exploration activities, and, ultimately, became more prepared for the world of work.

In Region V, more than 66,000 participated in the summer youth employment program, and as of October 9th, we learned – of '09, we learned that the minimum – that a minimum of 3,000 of those youth secured unsubsidized employment following their summer experiences. ETA understood how critically important this ARRA funded summer youth program would be, so preparation activities, as well as monitoring and evaluation activities, were high priority.

An Occasional Paper, the result of one of the national evaluations, was recently released. We encourage you all to explore, "Reinvesting in America's Youth; Lessons from the 2009 Summer Youth Employment Initiative," in greater detail for the summer youth process, its challenges, and its accomplishments. Information about accessing this report was released in Training and Employment Notice 33-09, and is noted on this slide.

So fast-forward a bit to January, when the joint letter was released. I won't spend much time here, because it has already been sufficiently addressed by our leadership. Suffice it to say that this communication was the catalyst that urged workforce and human services agencies to identify and explore areas of



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collaboration, urged the creation and expansion of subsidized summer employment programs for low-income youth, and urged us to establish and revisit partnerships.

As already noted, state and local agencies across the country have existing partnerships for adult and dislocated worker programs, and some have used TANF funds to support subsidized employment for youth in previous summers. This joint letter clarified that while WIA summer youth employment funding under ARRA was nearly expended, significant TANF Emergency Funds remained, and that TANF agencies could choose to commit some of those funds to subsidize employment programs for low-income youth.

Next slide. On the left side of this slide, we are basically revisiting the two challenges set forth by ACF. We're coming back to this to make clear the point that ETA seems to be the perfect solution; the yin for your yang, a win-win situation. ETA has the established infrastructure, and ACF has the additional funding through TANF, to support significant subsidized employment programs for youth before those funds expire on September 30th.

Let's address the broader infrastructure that's in place first. ETA has extensive experience helping individuals gain and retain employment. Relationships with employers are established and constantly managed. Local communities have studied and communicated labor market information, and have established systems to identify and train for high-growth industries. These are assets, when charged with the task of quickly creating a subsidized employment program.

As related to the creation of subsidized employment programs for youth, through a SYEP, additional infrastructure assets include the fact that youth service provider contracts are already in place, and hundreds of thousands of low-income TANF-eligible youth are already enrolled in WIA, and poised for summer 2010. Similarly, due to the success of summer '09, large numbers of employers are already engaged, and templates for worksite agreements are already established.

Due to last summer's success, it is fair to assume that additional employment opportunities, and at new and varied worksites, will be made available by our committed employer partners. Employers were overwhelmingly positive about the summer experience. They felt that the experience of mentoring a new employee was well worth the effort, and almost unanimously agreed that they would participate again, if given the opportunity.

Finally, administrative systems are already in place, including systems for monitoring, and data collection and tracking. Although we experienced a few bumps with payroll issues last summer, implementing a few tweaks is quite a bit easier than starting from scratch.

So how do these – or might these partnerships look between WIA and TANF agencies? There are many variables and possible partnership models. It is not possible to capture each one of those variables during today's session.



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In several states, as you know TANF and WIA services are administered by the same agency. These – by the same agencies. The WIA and TANF agencies have a rich history of blending funds for adult and dislocated worker programs, but as specifically related to this funding opportunity, three basic models are emerging. One, a subsidized employment program for youth funded by TANF only. This can occur with or without WIA co-enrollment. Two, a subsidized employment program for youth funded by TANF and regular WIA dollars, with a co-enrollment in regular WIA. Three, a subsidized program for youth funded by TANF and ARRA WIA youth dollars, with co-enrollment in ARRA WIA youth.

In a few moments, we will hear, in great detail, about the subsidized employment program from Los Angeles County. Before that, we wanted to talk a little bit about the progress that Region V states – state workforce agencies are making toward developing working partnerships and applying for ARRA TANF Emergency Funds. One of our states reports significant funds, and an established relationship with TANF, but because they already have significant funds for a summer program, they may not be pursuing additional funding with TANF.

Two of our states have acknowledged that they're still on square one; they're intrigued by the possibility, and hoping to learn more in this session. At least five Region V states have started some level of partnership building, whereby TANF and WIA agencies are in consultation about this opportunity. Although several states are exploring, Illinois has actually applied, and been approved, for ARRA TANF Emergency Funds.

As one example, I want to share some of the key elements of the Illinois partnership from the workforce perspective. Initially, they stab – they established a workgroup early in the process to – for research and strategic planning. This early workgroup was made up of primarily workforce – of workforce staff, but they strategically included individuals on their team with prior HHS and ACF experience. This helped them to understand the language and policies of TANF, and how they might blend with WIA.

At this time, Illinois plans to include blended funds for youth, adult and dislocated worker activities. They plan to use blended funds for – specifically TANF funds – to operate a 2010 summer youth employment program just like their program for 2009. Their program is planned to be identical in design, but reduced in scope. Illinois served approximately 17,000 youth last year, but are initially starting with a plan to serve 6,000, and they hope to expand those roles.

Illinois plans to blend all three funding sources for maximum program flexibility. What services and programs are provided, and to whom, will be dependent on eligibility, available funding, and allowable activities. Participants will be co-enrolled as appropriate, but that will be a local decision.

The state workforce agency is already communicating with their local areas. They're sharing data on TANF eligibles, and starting discussions on possible MIS changes to accommodate the data challenges. Statewide, there are several Webinars planned for the state of Illinois.



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To address some of the program reporting and policy considerations, I will turn the presentation over to Evan Rosenberg, unit chief of the policy and performance unit in our D.C. office of the Division of Youth Services. Evan will also join us for the Q&A session. Evan?

**Evan Rosenberg, Unit Chief, Youth Policy and Performance Unit, Employment and Training Administration, Department of Labor**

Thanks, Lori. Hi, everyone. I'm just going to quickly cover one slide as it relates to policy considerations for WIA. As Lori talked about, we're seeing a couple different models emerge in terms of how TANF and WIA funds are blended. And it's important for our workforce system to remember that it really depends on which funding source you're using from WIA, in terms of what program and reporting requirements come into play.

For example, if WIA youth Recovery Act funds only are used in partnership with TANF funds, then the rules and guidance from TEGs 14-08 and 24-08 apply. For example, under the Recovery Act funds the age range for youth is up to 24 years old, so if you were using just Recovery Act youth funds in partnership with the TANF funds, then you could use the Recovery Act youth funds to fund participants up to age 24. Whereas, if you're just coupling the regular WIA youth funds with TANF funds, then the regular WIA youth rules and requirements for reporting and policy apply. So, for example, with the age, it would only be up to 21 years old.

And then for places like Illinois, where, as Lori talked about, where they're blending all three funding streams, just keep in mind that the rules follow the money. So that for the funds that you're using from the Recovery Act you know you could – for Recovery Act youth under WIA you can use the rules and requirements under TEGs 14-08 and 24-08, but if you're using the regular funds then the regular rules apply. So make sure to keep that in mind when you're making decisions on who to enroll, and what money to spend on what youth participants, and so forth.

And I can answer any questions related to that when we get to the Q&A session. So with that, I'll turn it back over to the region.

**Steven Krasner, Regional TANF Program Manager, Region V, Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services**

Thank you, Lori and Evan, for providing all of us with much valuable background information on the Workforce Investment Act system, WIA ARRA provisions, and the new ARRA partnership between the Illinois Department of Human Services and the Illinois Department of Commerce and Economic Opportunity, which will encompass both a summer youth employment program and employment opportunities for the adult population.

We'd like to turn our attention now to two of our colleagues on the West Coast, who will provide us with a real-life example of an existing TANF WIA partnership. We are privileged to have Luther Evans, who's the



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division chief of the greater avenues for independence division of the Los Angeles County Department of Public Social Services, and Cid Spikes, who is the youth program manager of the South Bay Workforce Investment Board. They are going to speak to you on their partnership, which actually precedes the ARRA funding, which is the main focus of today's Webinar.

So, Luther and Cid, please go ahead.

### Los Angeles County's TANF Emergency Fund Subsidized Employment Program

**Luther Evans, Division Chief, Greater Avenues for Independence Division, Los Angeles County  
Department of Public Social Services**

OK. Great. Thank you very much.

I think our first slide in talks a little bit about ARRA, and what we've been doing in L.A. County. Specifically, we've been focused on the TANF side of the house, and so we wanted to talk a little bit about that. So I won't deal much on the very first slide, which just talks about how the Emergency Fund can be used. The only thing that we'll point out is that we've spent the majority of our focus on the subsidized employment piece here locally.

So the first thing I wanted to do was maybe just give a little bit of the landscape of L.A. County, just so you get a sense of the way things are set up here. There are 88 incorporated cities in the county of L.A., and there are about 112,000 TANF or CalWORKs adults in L.A. County. So we've got 24 eligibility offices that do TANF eligibility, and then we've got another seven Welfare-to-Work offices located throughout the county, regionally, that essentially handle the Welfare-to-Work piece of it.

Then we've got seven different Workforce Investment Boards throughout the county, with 40-some odd WorkSource Centers. So you know in the past years we've had a small-scale subsidized employment program, since about 2003, that we've operated with one of our LWIBs, which is the South Bay Workforce Investment Board, I think since about 2003. So what we – given the opportunity that was available with ARRA, and the 80% reimbursement you know we kind of took the initiative to try to make the most of the money that's available to give services to the TANF population.

So within L.A. County it was a pretty big deal. We – our county board took this on wholeheartedly, and adopted an initiative to use the ARRA funds to place 10,000 folks in a subsidized employment by September of 2010, when the funds were slated to run out. Now that 10,000 target was based on a combination of using the EF for TANF, as well as the summer youth placements.

And I think back in either January or February, countywide, we had exceeded that goal with the combined summer youth totals from last year, as well the TANF side. So you know clearly on the summer youth side that's more during the summer months, but for the TANF piece right now we're, I think, at about 5,600 individuals who have been enrolled in the program.



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So one of the things that happened real early on in this, to try to get the entire county on board with this, was that our county WIB convened a Webinar with all seven of the Workforce Investment Boards, and they all participated. And in that Webinar they encouraged every WorkSource Center, or every WIB, to have all of their WorkSource Centers sign up to be contractors under this, and to actively participate.

And that worked great. I think every WIB throughout the county has WorkSource Centers actively participating in this. And those individual WorkSource Centers subcontract with the South Bay Workforce Investment Board, and they're our primary conduit for funneling the TANF participants to them to be placed into the different worksites.

Also, the other thing that I think is significant for L.A. County is our county chief executive office created a workgroup that was comprised of the TANF agency, the county WIB, the South Bay WIB, and some other local organizations, as well as other county departments, to actively take on, and oversee, the rollout and continued implementation of the 10,000 jobs initiative.

So with that, I wanted to talk a little bit about the existing infrastructure that we have in the county. And I'm going to ask Jan Vogel and Cid Spikes from the South Bay Workforce Investment Board to talk a little bit about that.

### **Jan Vogel, Los Angeles County Department of Public Social Services**

Yes, thank you, Luther.

The existing infrastructure, what we, again, what Luther stated, is that we're using the existing WIBs and we're using the existing One-Stops in there, and that's why we were able to get the program going and started quickly. And in fact, we're over 5,900 individuals enrolled as of today. So we'll be up over 6,000 by the end of the week.

In the existing TANF subsidized employment program, we act as the employer of record, and we handle all the payroll, and the – pay for the workers compensation. Originally, before this program started, we had 14 WorkSource Centers in place, countywide, to handle the smaller program. Now we have 34 WorkSource Centers in place, plus six service providers. And originally we had 350 individuals served, before that particular budget was curtailed.

But what it enabled us to do was have an infrastructure already in place, and contracts already in place, to build upon, So we ramped up the program somewhat in May or June of last year, but the amendment was effective July 1. And we had in place already, from the existing program, a fiscal tracking system, but we sort of fine-tuned it.

And what we needed to do, and what we did do, was try to market the program and expand it as rapidly as possible, because the program prior to this year, albeit it was small, it was limited – the worksites were



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limited to governmental and non-profit agencies. Well, starting with this – with these new ARRA stimulus funds, TANF stimulus funds, we were able to use private sector worksites.

So what we did is we contacted all the workforce boards and asked – and asked them to, through their One-Stops, to reach out to the employers. We also worked with United Way, Center for Non-Profit Management, Los Angeles Economic Development Corporation. And we put a number of radio announcements on the airwaves. We put information on buses.

And we've done Webinars, we have Webinars, or we had Webinars once a week for any business that was interested in participating to learn all about it. And we did also workshops in every supervisorial district throughout L.A. County. And of course, on our Web site – we have a new Web site that established – that we established just for this program. And individuals can go to that and download the agreements that are necessary.

We, as I said before, we expanded it. It says 32 centers, but actually 34 WorkSource Centers, and six additional providers, as well as several of the county regions that are participating, similar to One-Stop Centers, in enrolling people directly. We have South Bay as the employer of record, and worksite as employer of record.

When it comes to on-the-job training if the individuals – well there's two primary designs. There's the work experience and the on-the-job training. Well what almost all the employers prefer is for the participant to be put on work experience. But if it's a private employer, a private for-profit employer, we limit the participation to 6 months. If it's not, then they're able to participate for 12 months.

But following the 6 months on private for-profit employer, then it would be followed by an on-the-job training-type agreement where the employer would be the employer of record, but 100% of the wages could be reimbursed to the employer up to – up to \$10 an hour. It says currently 5,800 enrolled; actually we have over 5,900 enrolled as of today. And again, Luther mentioned the 10,000 jobs initiative.

And then I think I take this, go back to Luther now, right?

**Luther Evans, Division Chief, Greater Avenues for Independence Division, Los Angeles County  
Department of Public Social Services**

Yes. So just a little bit about the basic design on the TANF side that we've been using for this. Our primary source for generating referrals for this has been our job club, our job search apparatus. That's majority – that's where the majority of our TANF recipients go through as kind of their first entry into the program.

So for the folks that are unsuccessful in getting unsubsidized employment in job club, the vast majority of those folks are referred to an assessment, and then, after assessment, assigned to subsidized employment. We also use our job developers to use their existing connections with local employers, as



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well as their connections with the local WIBs, and their job development apparatus, to funnel individuals that they come across that seem like they're good candidates for subsidized employment.

As Jan mentioned, the worksites are public entities, they're private non-profits. And then for this new initiative, we've actually done a lot of outreach to private for-profits. And the number of private for-profits participating in the program has increased, and we've had really good, positive feedback with that.

We pay a flat \$10 an hour. We're – I think one of the previous slides mentioned that South Bay is the employer of record, and that's the vast majority of individuals fall into that category. And they all earn 10 bucks an hour. On the OJT side, it's also up to \$10 an hour, so somebody can be paid by the employer more than 10 bucks, but the max we'll pay is up to \$10 an hour.

In general, the assignments can be for up to 12 months in duration, or through September of 2010. Right now our target to stop enrolling new people into the program is at the end of May. That will give each individual like a minimum of 4 months in the program. And the limit on the hours that they can work in a given week, it's 40 hours a week. But you know in general, the Welfare-to-Work requirement here in California is 32 hours for a single family, and 35 hours for a two-parent family. So – but they are allowed to go above that.

You know the other thing that we had to do a little bit of scrambling on early on in the process had to do with how we were going to cover the 20%, given the tough fiscal times. So there was a notice released by ACF, I think in '04, that talked about how third-party contributions can be used. So what we did was we looked at that, and using that as a guide, we decided to use – to do our 20% match as an in-kind contribution. And it's essentially based on the salary and benefit cost of the individual at the worksite that'll be providing supervision to the subsidized employee.

So you know working with the TANF agency, and we at DPSS in South Bay, got together, and we came up with a one-page in-kind form that we use to capture the supervision cost. And it's pretty straightforward. It's an Excel spreadsheet where the worksite can put in the salary and – monthly salary and monthly benefit costs for their supervisor, and the number of hours worked, and the number of employees supervised. And as long as that is enough to meet the 20% contribution, they're allowed to go ahead, having met their contribution, without having to come out-of-pocket for a hard dollar contribution.

The other thing that I'll mention is that as we went on in the program, we expanded the program to go beyond TANF, and broadened it to some other populations. When the state budget here in California was finally passed, one of the things that was included was an – something that allowed the broadening of the folks covered under the needy families definition. So with that, we took the opportunity to try to expand the scope of the people that could be included in subsidized employment.

Our primary focus was still, and still remains, TANF recipients, but we try to broaden the population a bit. So we expanded to general assistance participants; essentially those are county-funded welfare for essentially single adults. So we specifically targeted those who were non-custodial parents of a – of a child





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that's on CalWORKs or Medicare. We also tried to target parents who were below 200% of the federal poverty level that were living in a domestic violence shelter or a homeless shelter, as well as parents who met that same criteria that were being served by our children's services or child protective services.

We also did a little bit of targeting towards, we call it layoff aversion, but essentially it was for businesses that were facing a closure, or businesses facing a mass layoff. Where we did some – as part of the outreach, we pitched to them that, hey, if your business is in – on the rocks, and might go out of business, or you're looking at having mass layoffs, and we define mass layoffs as 50 or more, we can subsidize your employees who meet this needy families definition up to the 10 bucks an hour.

So just a little bit more on the expanded populations. You know we modified the contracts with the WorkSource Centers to include the populations. Jan mentioned earlier that we worked with the LAEDC, Los Angeles Economic Development Corporation, and they have kind of a natural connection with some of the businesses, so we tried to leverage that to have them market the outreach to businesses. We also took advantage of the WIBs' existing rapid reemployment teams to market the outreach to the employers. And then we did some outreach to the local domestic violence and homeless shelters, and the child welfare agency.

So I think that's kind of the overview for what we've been doing on the TANF side. I mean, in general what we've, I think, picked up from this is that the political will has been critical. So I think one of the reasons we were able to make things work so quickly, and so well, is that locally there was a lot of incentive and initiative to do this. Also, the infrastructure that we had we were able to build on, was, I think, critical in helping things move forward.

Paperwork, which is always a problem for getting you know for government, I think we came up with about as good as we can do with making the paperwork as simple as possible, especially for the worksites, because that turns a lot of employers off. And then, of course, we had to take some risk, because, as we kind of went forward, a lot of this was new. But, by and large, it's worked out.

So given that there was a notice that came out from, I think, ACF and DOL, I think it was back in January, you cited – somebody mentioned it a little bit earlier, we kind of our – the county workgroup that I mentioned earlier, took a look and said, hey you know maybe we should look at expanding the Emergency Fund use to include youth. So sounded like a good idea. So we kind of wanted to take a look and see what was possible.

So we took a, you know, a look at what current California welfare regulations allow. Clearly, CalWORKs teens are a currently eligible population. So we could use our existing program and expand to that population, which we have not done thus far, but we could do that. That's completely within the – clearly within the current California welfare regulations.



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We've got this existing infrastructure with South Bay Workforce Investment Board, and their connection with all the other WIBs, so we can use that. And we've got great working relationship with South Bay, as well as the other WIBs. So we thought we had a lot of the tools to take a crack at this.

Now the things that we looked at that we were a little concerned about; and we wanted to make sure, or, at least you know think about these things up front that might cause some issues for us. The first one was the base year issue. So we took a look at that, and while there was the big summer youth push last year with the WIA ARRA dollars, the last time we did a TANF program, summer employment program, was actually back in '04. So we did not have a summer youth program as part of the TANF program in any of the base years. So with that, we don't believe we have a base year issue.

We're a little concerned about procurement, because normally there's a procurement requirement, but we believe that we're going to get the OK from the state to allow us to use the existing contractors that were already contracted for summer youth. The other thing is we got to make sure that there's enough cash flow. That's one of the – certainly one of the lessons we learned. But there is an existing mechanism to provide advances from the feds to the state to the county, so we think we're OK there.

The other, I think the last major concern was the 20% contribution part. I mentioned the form, so we're planning on using the form. While that will be new to the summer youth piece in particular, we do have some experience using that now in the county as a whole, and then specifically in each of the Workforce Investment Boards. So that's what we're going to move forward with.

We're going to – our plan is to kind of expand our existing contract with South Bay so they can, specifically for summer youth, funnel money to the other – to five of the WIBs, and then for them to use their own existing contracts with their contractors for summer youth. And then we'll have a separate MOU with our county WIB so they can funnel money for summer youth to their existing summer youth contractors. So, I mean, kind of our preliminary estimate, based on what the WIBs were able to do last year for summer youth, we think we can probably serve about 20,000 teens in L.A. County, given the existing infrastructure that we've got with the WIBs.

The other thing that I'll mention is just kind of being critical to the agreement between the TANF agency and the WIA agency, the issue about who's the employer of record. We're probably going to, to the extent possible, utilize what everybody already had in existence. I believe most of the WIBs had their own apparatus for that.

For the referral processes, we've got kind of an existing thing that we can use. We've got to make sure we've got adequate advances to cover cash flow issues for folks. Got to make sure we capture the 20% requirement. On the populations covered in the eligibility determinations, we think that's a critical piece, as well as the documentation requirements and reporting requirements.

So Jan, did you want to talk a little bit about the opportunities that we see on the co-enrollment side?



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**Jan Vogel, Los Angeles County Department of Public Social Services**

I think I'll have Cid Spikes talk about that.

But I just wanted to mention, Luther, that you know because of the partnership we have on the TANF funds, it's only been the past 3 months, but we've sort of replicated that through the General Relief GROW program specifically for older youth. So it's kind of interesting that we've used the existing apparatus, funneling people to the One-Stop Centers throughout L.A. County, to serve youth already. So I just wanted to mention that.

But Cid, you might want to talk about the co-enrollments and the utilization.

**Cid Spikes, Youth Program Manager, South Bay Workforce Investment Board**

Right. There are some decided advantages in linking WIA and TANF. First of all, for most of us in California under ARRA, we've expended the majority of our funding, as we were encouraged to by the state, by running a very large summer program in '09. So our WIB, for example, is about 80% expended, and expect to expend all of our funds by June, which means the opportunity to receive TANF funding for summer jobs is very significant.

The advantage under WIA for any WIB to co-enroll is that there are two target populations we would seek to serve. In-school high school students who are preparing to graduate and enter the workforce or post-secondary education are a significant population for us. And we would certainly co-enroll those TANF participants in both WIA and in WYA.

The second population is a high-risk, high-need population. Under WIA they're called older youth, and they're 18 to 21 years old. Under ARRA they were 18 to 24 years old. This population is a high-risk, high-need population, because many of them lack a high school diploma or GED, have limited work experience, but have significant needs to prepare and enter to the workforce. So, for that reason, we also co-enrolled both populations; the high-risk, high-need, older, out-of-school youth, and the in-school students positioning to graduate.

We are then able – we begin their experience with a summer experience, so they can get exposure to the workforce, build foundation workplace skills, and begin determining an area of career interest. We usually put these students in anywhere from 160 to 200 hours of subsidized work experience in both the public and the private sector. The summer experience ends with us being able, under WIA, to extend services for occupation-specific training, supportive services, and assistance with high school diploma and GED for those who lack it.

It's a very fluid system for us between TANF and WIA, because we have already kind of integrated our forms, our systems, and procedures. So when a participant is enrolling, they don't know if they're enrolling in WIA or TANF, but our forms are kept so that we put both requirements in all of our enrollment forms,



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eligibility forms, and case management forms. All of our staff are trained on both systems, so that we have a database tracking system that tracks for both WIA and TANF.

We do use and maintain existing worksites agree – worksite agreements that also represent the requirements and the needs for both WIA and TANF, so an employer signs a 2-year worksite agreement and youth can be placed from WIA, TANF, or both, under that existing worksite agreement. It really is a great opportunity to leverage our resources, because we're able to pay for staff under both agreements, to use existing facilities, and existing procured contracted service providers, to provide some of the services and supportive services under the ten program elements. So it is a fluid system, it makes sense, and we are certainly hoping for an availability to do that again this summer.

**Luther Evans, Division Chief, Greater Avenues for Independence Division, Los Angeles County  
Department of Public Social Services**

Yes, so the last thing that we would just kind of mention is what our thoughts are on communicating eligibility. So there are about 70,000 CalWORKs teens between the ages of 14 and 19 on CalWORKs TANF cases in L.A. County. There is about another 54,000 teens in the same age category on food stamps. And so that would kind of be our primary target populations.

So our plan is to pull that data off of our computer systems, and create a database for each of the Workforce Investment Boards for all of the – their cities or their zip codes that they cover, and forward that to them, so they can, in turn, use that for mailing outreach to those families. But they can also use that listing as a source to determine eligibility. So, essentially, anybody that's on the listing is determined to be eligible, because they're a TANF recipient or a SNAP food stamp recipient.

And that's it for us. And I think the last slide's got our contact information for questions down the road. Thanks.

**Steven Krasner, Regional TANF Program Manager, Region V, Office of Family Assistance,  
Administration for Children and Families, Department of Health and Human Services**

Thank you, Luther, Jan, and Cid, for what I think was a very helpful presentation for all of our attendees thinking about either beginning a TANF WIA partnership, or strengthening an existing one. We appreciate the fact that you were able to succinctly capture the opportunities and issues involved in developing and maintaining a partnership between our two programs, TANF and WIA. And of course, we appreciate your successful collaborative work on behalf of low-income children, youth, and families.

We're going to transition now to the question and answer portion of our agenda, where we'll be answering both e-mail questions submitted just prior to the Webinar, and questions that have been submitted by participants during the Webinar itself. This is a great opportunity now for folks to keep on submitting questions, and we have our subject matter experts, both program and financial, from the Department of Labor, and from ACF.



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So I'm going to turn it over now to Kara Barclay, who will be leading the Q&A session. Thank you. Kara?

### Question and Answer Session

Kara Barclay, WebEx Operator

Thank you. As a reminder, you can submit questions by using the Q&A panel, which is accessed by using the "question mark" button that's on the floating toolbar on the lower right-hand side of your screen. Once you have the panel open, if you can just type your question into the dialog box and hit the "send" button, to submit your questions to the panelists.

Question Moderator: *Lisa Washington-Thomas, Technical Assistance Branch Chief, Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services*

Administration for Children and Families/Employment and Training Administration Staff Answering Questions:

- *Peter Germanis, Senior Policy Advisor, Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services*
- *Julie Siegel, Senior Family Assistance Program Specialist, Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services*
- *Mark Greenberg, Deputy Assistant Secretary for Policy, Administration for Children and Families, Department of Health and Human Services*
- *Peter Thompson, Director of Grant Policy, Administration for Children and Families, Department of Health and Human Services*
- *Evan Rosenberg, Chief, Division of Youth Policy, Employment and Training Administration, Department of Labor*
- *Sara Hastings, Policy Analyst, Employment and Training Administration, Department of Labor*

Lisa Washington-Thomas: Thank you, Kara.

The first question that we have is all of TANF and MOE requirements continue to apply regarding subsidized employment programs for youth. Must they meet TANF first? Second part of the question is depending on the purpose, states will need to have a definition of child up to age 21 to cover all ages under



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the program. And the final part of the question, does the definition of child have to have a legal basis in state law or administrative rules?

**Peter Germanis:** OK. The answer to that question is that for subsidized youth employment, states can serve the families under purpose one through the age of 24. So that means it's to needy families, and states would have – they have a lot of flexibility in determining what the income limits are for that. They could be the same income limit as the WIA program has, or it could be a completely different income limit.

They – in terms of the legal basis in state law, they can have a definition under state law, but we're not limited – limiting it to that. So, in essence, states can go through age 24 for this program.

**Mark Greenberg:** Sure. And let me add – excuse me – let me add just a little bit on that. This is Mark Greenberg at ACF. So, as Peter indicates, this will probably be more meaningful to the TANF people on the call who are trying to sort out the purpose aspect of this. But, in particular, what we are clarifying here is that under the first purpose of TANF, states can provide help to needy families with children, and we are clarifying that states have discretion in their definition of child.

So that doesn't affect TANF assistance, the basic TANF cash assistance, because for basic TANF cash assistance under the law, states are limited, this has to be provided to a family with a minor child. But for purposes of this broader help, including things like subsidized jobs, states have the discretion in how they define child, and can go up through age 24.

This is a question that many people have wondered about for a long time, and we're bringing some clarity to it. And we certainly hope that this can allow for greater consistency with the work that states are doing in relation to coordinating with WIA, and, more broadly, in work around youth policy. So this is a clarification, and we hope that it will simplify and help in moving forward.

**Lisa Washington-Thomas:** OK. Thank you, Mark.

The next question. For any employment and training program or service, other than subsidized employment, the program would need to meet the non-recurring, short-term benefit criteria to be eligible for reimbursement. Is that true?

**Peter Germanis:** In some of the questions we may need some clarification from you all.

In general, we've said that for subsidized employment you can count the wages, the supervision, but there may be other services that are an integral part of the program, for example, childcare, that might be counted as well.

In some cases, I suppose, there may be other services or activities that subsidized employment participants may need, and if they're not an integral part of the subsidized employment program, then sure, if they meet the definition – the three-part definition of a non-recurrent, short-term benefit, they would –



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could be eligible in that category as well. And that three-part definition is that it's a non-recurring benefit, that it's short-term, 4 months or less, and that it responds to a crisis or episode of need.

And if that's not clear enough, if whoever asked the question wants more clarification, if you could give us maybe a more detailed question, and we'd be happy to respond.

**Julie Siegel:** So Peter, basically the answer is yes?

**Peter Germanis:** Yes.

**Julie Siegel:** Thank you.

**Peter Germanis:** But we're trying to use up the time we have allotted for us here.

**Lisa Washington-Thomas:** OK. Next question that we've received. Can you please clarify or confirm that separate memorandums of agreement are required for each employer of record to count training and supervisory costs as MOE. These would be in addition to any agreement between the TANF and workforce agencies.

**Peter Germanis:** Yes. Although in some cases there may be, for example, two employers. If the transitional employment agency, for example, is paying the wages, but contracting with certain private or non-profit employers to provide subsidized employment opportunities, we think that the MOE would be with the employer who's actually providing the supervision, even though the employer providing the wages may be a different entity.

And also, the employer supervision provision to count as MOE would not apply if the employer is a federal agency, or if the supervisor is paid with state funds that match another federal program.

**Lisa Washington-Thomas:** OK. Thank you, Peter.

What costs of the state's workforce agency may be eligible for reimbursement under the subsidized employment category? The second part of the question. Will workforce agencies need to distinguish administrative costs from other costs during the TANF definition of administrative costs?

**Peter Germanis:** Well, so I was hoping to defer to my colleagues in the – who deal with financial issues. I'd just say, in general, the Emergency Fund didn't change anything in terms of what can count as a TANF or MOE expenditure. We're getting a lot of detailed questions now about how funds can be allocated, what counts and what doesn't, and for that we would suggest that you contact the regional office, the fiscal staff, the policy staff, to raise those questions with them.



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And assuming it's an allowable TANF expenditure, we would then pay 80% of the increase. But you would have to work, I think, with the regional office first to clarify you know what those expenditures are, and how the – they can be allocated. I'm not sure if ...

**Peter Thompson:** Yes. Yes. I would agree with Peter Germanis. And the issue that will come up is the allocation of costs. And I know we have a question following on that issue, and whether an indirect cost would be acceptable. And my immediate answer is it would be. The trouble involved in is determining that indirect cost, and the necessity to go before the division of cost allocation to come up with a reasonable allocation plan, given the time constraints that we're faced with.

**Lisa Washington-Thomas:** Thank you and that was Peter Thompson, Director of Grant Policy at Administration for Children and Families.

Just so that our audience will know, before you speak, would you please introduce yourselves?

OK. The next question. Clarify please that workforce agencies will need to allocate costs that aren't limited to the subsidized employment program. Will the indirect rate be acceptable, and how would this be established?

**Peter Germanis:** This is Peter Germanis. But as Peter Thompson indicated, that would, I think, fall into the same class as the previous question. Contact the regional office and we can work from there.

**Lisa Washington-Thomas:** Thank you, Peter.

How are states handling unemployment insurance?

**Peter Germanis:** Sure. Well the only question we were going to ask is if we felt like we needed a little more clarification on what the question was getting at. How are states handling unemployment insurance in what way? For example, we allow states to pay for – or subsidize the employer costs related to providing unemployment insurance, but we weren't sure if that's what the question was getting at, or if it was getting at something completely different.

**Evan Rosenberg:** The one thing I would add to that – this is Evan from the Department of Labor – from our experience this past summer under Recovery Act summer employment, one big question that came up for us was whether or not to consider the youth in summer employment as “employees” or “trainees.” And it's really a wage and hour determination at the Department of Labor. And what we told our states is to work with their wage and hour division in their region. And we provided the national phone number for the wage and hour division in our TEGL 14-08, which you can easily access.

But it essentially comes down to, are you treated as an employee or a trainee. If you're a trainee, then none of the requirements, like employers paying unemployment insurance, come into play. Whereas, if





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you're an employee, then you would need to comply with all of the rules and regulations as it relates to an employee, such as paying unemployment insurance for your employees.

**Mark Greenberg:** And Evan, this is Mark Greenberg and actually, if I could ask a follow-up question?

**Evan Rosenberg:** Sure.

**Mark Greenberg:** Which is that we actually have got an inquiry about, in a situation where a subsidized job is for a limited period of time, what implication does that have for potential eligibility for unemployment compensation after the job ends?

**Evan Rosenberg:** And again, it'd be the same answer, which is not – unfortunately, not providing a direct answer, but saying it really – are – we consulted a great deal with our legal team in the wage and hour division on this subject, and it really comes down to this determination of, are you an employee or are you a trainee. If you're a trainee, then you would have you know there wouldn't be any ability to access unemployment. Whereas, if you're an employee, it may be different.

And so what they told us is it's on a case-by-case basis, and to contact the wage and hour division to make that determination. Which, I understand, is not the best answer one would like to hear, but, nevertheless, that is the answer from our wage and hour division.

**Peter Germanis:** Evan, this is Peter Germanis. If someone's a trainee, though they may not pay into the unemployment insurance system, they still do get wages, correct? And they – those are subject to social security withholding, and – or could be?

**Evan Rosenberg:** That's interesting. Some of our states have interpreted that differently. I would say most states, yes, that's the case, where even when they are considered trainees, all of the taxes and so forth still apply. But I do know of a couple states where they did not take taxes out of the wages, because of their interpretation of federal and state law. And at the Employment and Training Administration we stay out of the – those types of issues, and leave that to wage and hour, and the folks that handle that type of an issue.

**Lisa Washington-Thomas:** OK. Thank you. Our next question. I guess it's going to our Region V office. Can you identify the funding sources that Illinois used as a match to secure TANF Emergency contingency funds for summer youth employment?

**Steve Krasner:** They haven't provided that to us at this point. We've approved it, but that's on their own, to do that when the time comes. We certainly can find that out.

**Lisa Washington-Thomas:** OK. Thank you, Steve.



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That was Steve Krasner. Another question. If a state expends state dollars for summer youth employment, can those dollars be used to match – used as a match to secure TANF Emergency Funds for summer employment?

**Peter Germanis:** Yes, if those state dollars become maintenance of effort dollars, and are, thus, qualifying state expenditures. Also, to the extent that the state is putting up the match, we might look to see if there were similar expenditures in the base year for determining the increase.

**Julie Siegel:** And assuming that those are not funds that are used to draw down some other federal fund. Yes.

**Mark Greenberg:** Or have been used as a match for another – right.

**Julie Siegel:** Mark is reminding us that there actually is no match under the Emergency Fund. It's simply a reimbursement of 80% of your expenditures, which may come from state dollars, state MOE dollars, or federal TANF dollars, or a combination thereof.

**Peter Germanis:** In fact, when you submit the Emergency Fund form, we don't look at any match, we just look at the total expenditures in a particular category, regardless of whether those are all federal funds, all MOE funds. This is not a matching program like Medicaid, or like the PRIDE or AFDC program was.

**Mark Greenberg:** And – it's Mark Greenberg. And just – and the reason that we're particularly emphasizing this is that a lot of people sometimes refer to this as a match. But especially as states consider the use of their TANF funds, as Peter and Julie Siegel have indicated, a state can be eligible for an ARRA award if there are increased expenditures in one of these categories, based upon increased expenditure of your TANF funds. So the decisions you make about how you use your TANF funds can affect your eligibility for the award, even if there aren't other potential sources of funds available.

**Julie Siegel:** So, Mark, this is Julie. You're saying that a state might redirect, reprioritize expenditures, to leverage some of the Emergency Fund options?

**Mark Greenberg:** Yes. A state could choose to reprioritize existing spending, or in a situation where a state has unspent TANF dollars, the decision to use them for the Emergency Fund now has the potential to draw down the federal ARRA.

**Lisa Washington-Thomas:** Thank you. What is the potential turnaround time between the application for TANF Emergency Funds and the award to the state?

**Peter Germanis:** In general, it'll depend a lot on the state application. If the issues – if it's a straightforward application, and there aren't any complex policy issues to resolve, then, in general, we can review the application within a week or so, and it may take another week or two to go through the clearance process.



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Many of the questions, though, that have been raised in the past are completely new issues and questions, and sometimes they've taken a little longer to resolve, because we have to examine legal issues, potential precedent issues, a range of other things. And it could take longer, but you know if you follow the standard model now that many states have established, it should be pretty quick.

**Lisa Washington-Thomas:** Thank you, Peter.

Here's a clarifying question. Person which – the questioner wants – just wants to clarify that the upper ages of subsidized employment is based on the state definition of child, and is not just unilaterally up to the age of 24?

**Peter Germanis:** Mark promised to correct me if I say something wrong. But it is my understanding that they could go up through the age of 24, and I'm not sure – I don't think they need a state definition of child. You can just go through the age of 24.

**Mark Greenberg:** I think reality is it the State's call.

**Peter Germanis:** Yes, it is the state's determination.

**Mark Greenberg:** It's Mark Greenberg. And I'm not – I'm not correcting Peter, I'm agreeing with Peter, entirely. But just wanting to emphasize that what this flows from is the state's discretion in how it defines child for under purpose one. So the state can choose to define child up through age 24, but needn't do so. That choice is up to the state.

**Lisa Washington-Thomas:** Thank you. Follow-up to the unemployment insurance question. Can a trainee work for a private or non-profit organization? Does it matter? And is a trainee always considered a trainee for the purpose of this program, and, therefore, not subject to UI?

**Evan Rosenberg:** This is Evan again. Just to go back to what I was saying with the trainee versus employee. For the first part of the question, the answer is yes. If you make the determination that someone is a trainee, that doesn't impact the type of employer that they would work for, whether it would be for private for-profit, private non-profit, or anything else.

But for the second part of the question, it's, again, I want to emphasize it's the state's call on whether or not they categorize someone as an employee or a trainee. We're not saying that for the purposes of this program, or for any summer employment program, you should count them as a trainee. We're saying the state should take a look at that, make a determination for their state, and determine whether or not they're going to count those in summer employment as trainees or as employees, and, based on that decision, then follow all applicable wage and hour laws.

**Lisa Washington-Thomas:** OK. Thank you very much, Evan.



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Now we all know that there's no match for Emergency Funds, so please disregard what I'm about to say. Not totally though. Illinois is using both state funds and foundation funds as, in quotation, match, for the subsidized employment program. That came from a participant.

**Peter Germanis:** Yes. This is Peter Germanis. That would be fine, although if it's using the foundation funds, the foundation funds would have to be reported as maintenance of effort expenditures, and we would have to count those. It's hard to answer the question without knowing, in more detail, how the foundation funds are being used, but in general the answer to this is yes.

**Steve Krasner:** This is Steve in Region V. I just wanted to note that the questioner is the state TANF director, the person who made that statement. She's just trying to clarify how the – how they were doing the so-called match.

**Lisa Washington-Thomas:** If you don't remember, there was a previous question that asked how was Illinois using funds to "match" for their Emergency Fund.

**Lisa Washington-Thomas:** Thank you. Responded Illinois is using both state funds and foundation funds.

If you would give us a brief (check), and we're going to put you on pause while we – OK. Can adults engage in public service employment under TANF?

**Peter Germanis:** OK. This is Peter. Yes, if they are need – part of a needy family. Single adults or childless married couples above the age of 24 would not fall into that category. But you know if you meet the other definition of a needy – the state definition of a needy family, then the answer is yes.

**Mark Greenberg:** OK. Sure. And it's Mark Greenberg. And just to add to that, I mean, I don't know if the question was in part wanting to understand some differences between TANF and WIA, in relation to this. But from the TANF – in terms of use of TANF funds, there is no restriction on the ability to provide a subsidized job in public, what might be referred to as public service employment, or, indeed, a subsidized job in the private sector, so long as the other TANF requirements are met.

**Julie Siegel:** And we've put a couple of Q's and A's on our Web site about all of that.

**Lisa Washington-Thomas:** OK. That was our last question. We'll give you a couple of minutes to think of new ones.

We'll – in the meantime, if you – your question was not answered today, please contact your regional offices or send in – send in your questions through them. We had contact information at the beginning of the slides. So this is not your last time to ask questions about the summer youth employment program, TANF, ARRA, or also as we – as a commercial plug, if you're in need of technical assistance, we have a



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peer TA, technical assistance network. The e-mail address is [www.peerta.acs.hhs.gov](http://www.peerta.acs.hhs.gov). You can request technical assistance, similar Webinars, or submit questions for your colleagues to answer, not for the federal government to answer.

I will turn this back over to Kara to close out our Q&A session, and then we'll move on.

**Kara Barclay:** Thank you. This does conclude today's Q&A session. You may proceed.

### Next Steps

**Corey Bulluck, Supervisor, Division of Workforce Investment, Region V, Employment and Training Administration, Department of Labor**

We hope the information shared today will be helpful as you move forward to take advantage of this great opportunity to serve our mutual clients. We realize that many of you are in different phases of the partnership process.

Again for those who have not started the process, we strongly encourage you to quickly begin the collaboration. Remember that the TANF Emergency Funds are awarded via an application process. As you are working through your collaborations, be aware that a link to regional contacts for each agency is on the joint letter of January 19, 2010, mentioned earlier today.

Lastly, for any additional assistance, the next two slide list the contact information for the regional offices. For the TANF agencies, Region V out of Chicago, is Steve Krasner, the TANF program manager. His e-mail is listed there. For Region VII ACF, Gary Allen out of Kansas City, again, the TANF program manager. His e-mail is there as well. For ETA the contacts are Lori Harris, the lead for the youth and target populations team, and myself, Corey Bulluck, a supervisor in the division of workforce investment. Both of our e-mails are there.

For closing remarks, we are fortunate to have two leaders from our respective agencies, Byron Zuidema and Mark Greenberg. I'll turn it over to Byron for our first remarks. We will introduce Mark later. Byron is the regional administrator for Region V, the Employment and Training Administration, Department of Labor.

### Closing Remarks

**Byron Zuidema, Regional Administrator, Region V, Employment and Training Administration, Department of Labor**

Good afternoon. And thank you for the time and attention that you've paid to this important matter this afternoon. Want to briefly just extend my greetings to the colleagues here in the Midwest, and there in Washington, who have been with us talking about this important matter.



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Clearly, economic recovery for our communities is something that we all have as a goal, and clearly it is certainly, while on the way, hopefully not fully arrived, here in the Midwest. And that economic recovery is certainly based on the economic health of each and every one of our families. The opportunities we're talking about here today give us a chance to form a partnership, and to jointly focus on supporting those efforts.

Our One-Stop system, in terms of the Employment and Training Administration, and the partners at the state and local level, is ready and willing to do this, have been doing this, and we welcome the ongoing partnerships with the TANF organizations to do this.

Want to thank you all of you who already have these partnerships going, enjoyed hearing about the L.A. experience. It sounds like a great model. Illinois has discussed it's on its way. And so for our colleagues across the Midwest who may need any other support or ideas, ETA here in Chicago is ready and willing to help you with that. Contact us, and we will be where you need us, when you need us, hopefully, to move this thing along.

With that, I want to turn this back over to Mark Greenberg for his closing comments.

**Mark Greenberg, Deputy Assistant Secretary for Policy, Administration for Children and Families,  
Department of Health and Human Services**

Thank you very much, Byron.

So first of all, we thank all of you who've been participating in the call. We wish to thank our ETA colleagues. As David and Gerri indicated when the telephone – when the Webinar began, this is one of a set of a collaborations between ACF and ETA. We, in addition to this work, we are engaged in a set of work together around the intersections between TANF and WIA. It's ongoing work.

We are very interested, over time, in finding ways to foster better coordination and collaboration, and we want to be proceeding in a very thoughtful way about what are the best ways to make that easier for the people to engage in state and local partnerships. So we do understand that, as evidenced by the call, there are a lot of rules on both sides. We are trying, wherever possible, to identify ways to make this easier.

And so we – it's an ongoing process, we particularly welcome hearing from you about ways in which it isn't easy, and ways in which the federal agencies could be working together more in order to foster collaborative efforts at the state and local level. We – it is helpful to us to hear those specifics. Sometimes there's nothing we can do about it, because it's statutory, or regulatory, and not easy to change, or certainly not easy to change quickly. But where there are possibilities of us finding ways to work together to make it easier, we want to do that, in ways consistent with our respective statutes and their purposes.



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We are also working with ETA in a collaborative way around research. We are doing an ongoing sharing of our research priorities, our research in progress, our planned research, and we want to be thinking about what are the areas in which further research developments and attention can help in the work that you're doing. So, once again, we very much want to hear from you as to what are the kinds of things that would be most helpful, both as you look ahead to this summer, and as you look ahead more broadly towards your future work.

The final thing that I'd want to say is that as you could surely tell both from the joint letter and from the call, and from the other work that we've been doing around it, at ACF we think that the work that states are now doing around subsidized employment is terrifically important. It's important both as a means of addressing the immediate needs of families for employment at a time of great need. It's also potentially important in affecting both how we and you think about the future directions for TANF.

For many years, subsidized employment has existed as an option on paper, and typically there wasn't a lot of experience around it. We are now seeing, particularly out of this last 6 months or so, more use of subsidized employment than in the history of TANF. We know it's happening very quickly. We know it would be better if there was more time for planning as things move forward, but the opportunity to learn from this experience about what works, and what to do better, can be very important for the future.

And then, finally, the particular importance of the work around youth employment and summer youth employment is an area of subsidized employment that we think holds special promise. For all the reasons that we've talked about in the call and previously, The opportunity to connect low-income youth with early work experience in a structure with employers, with support, with learning from that experience, has the potential to have long run implications for their connections to education, employment, successful adulthood. So the opportunities here are tremendous.

I would like to just finally close by thanking the OFA staff who have been working diligently and tirelessly, and the OA staff, who have been working diligently and tirelessly in efforts to answer lots of questions that are coming up very quickly around the country. Keep the questions coming. We do want to be as responsive as possible, and we greatly look forward to continuing to work with you. Thanks.

### Closing

**Kara Barclay, WebEx Operator**

Thank you, ladies and gentlemen. This does conclude today's presentation. And you may now disconnect.

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