



**ECONOMIC DEVELOPMENT &
COMMUNITY AFFAIRS
POLICY COUNCIL**

ACTION PACKET

**Tuesday, October 6, 2009
2:45 pm – 3:30 pm
404 HOB**

LARRY CRETUL
Speaker

DAVE MURZIN
Chair

COUNCIL MEETING REPORT
Economic Development & Community Affairs Policy Council

10/6/2009 2:45:00PM

Location: 404 HOB

Summary: No Bills Considered

Committee meeting was reported out: Tuesday, October 06, 2009 4:43:56PM

COUNCIL MEETING REPORT
Economic Development & Community Affairs Policy Council

10/6/2009 2:45:00PM

Location: 404 HOB

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Dave Murzin (Chair)	X		
Joseph Abruzzo	X		
Gary Aubuchon	X		
Oscar Braynon II	X		
Jennifer Carroll	X		
Chris Dorworth	X		
Eric Eisnaugle	X		
Richard Glorioso	X		
Ed Hooper	X		
Mike Horner	X		
Dorothy Hukill	X		
Rick Kriseman			X
Janet Long	X		
Charles McBurney	X		
Robert Schenck	X		
Geraldine Thompson	X		
Totals:	15	0	1

Committee meeting was reported out: Tuesday, October 06, 2009 4:43:56PM

COUNCIL MEETING REPORT
Economic Development & Community Affairs Policy Council

10/6/2009 2:45:00PM

Location: 404 HOB

Other Business Appearance:

Florida's Employment Outlook
Amy Baker, Coordinator - Information Only
Legislative Office of Economic and Demographic Research
Tallahassee FL

Workforce Efforts
Chris Hart, President - Information Only
Workforce Florida, Inc.

Workforce Efforts
Rusty Skinner, Chief Executive Officer - Information Only
CLM Workforce Connection

Committee meeting was reported out: Tuesday, October 06, 2009 4:43:56PM

Tapping into the TANF Emergency Reserve:

Subsidized Employment Projects

Background:

ARRA provided an "Emergency Reserve" of TANF funds that State's could draw from if their expenditures exceeded those of the base period. Earlier in the calendar year, we explored how workforce could draw down funds from this "reserve" to provide additional TANF funding to workforce which had another year of severe funding reductions in the TANF area.

Subsidized employment is one area where Florida's expenditures during the base period were minimal and the expansion of expenditures in this area would mean that Florida could be reimbursed 80% of those expenditures in excess of base period expenses.

In reviewing various efforts around the Nation, Don Winstead found where Subsidized Employment (SE) was being used in areas such as Kentucky, that were experiencing high unemployment as a vehicle to (1) increase family income through a work experience situation;(2) provide a temporary reduction in the TANF caseload, therefore reducing the increase in TANF cash payments;(3) keep a TANF population that had been "at work" in a work rather than "welfare" status.

In discussions with Rusty Skinner, Workforce Connection, Region 10, which serves Citrus, Levy and Marion Counties, Don suggested that the concept used in Kentucky be looked at as a vehicle to assist in the high unemployment in that region. Based upon that discussion, the following concept was developed.

The Project Concept:

The idea of "SE" is very similar to work experience. Participants are used in work projects by various governmental and non-profit agencies to provide needed services that would otherwise not be accomplished. It is also similar to a program developed under CETA called "public service employment."

To begin, the City of Ocala and Marion County governments were asked if they had projects that they would undertake if they could only pay "20 cents on the dollar for their labor costs." This approach dealt with the first big problem-access to the TANF Emergency Fund. Since the fund only reimbursed the state for 80% of its costs, the other 20% would have to be raised from non-federal sources. The composition of the 20% has been debated. The center of this debate is whether the State will require the 20% to be cash or whether it can be a mixture of cash and "in-kind" costs. In turn, there has been a discussion of what will qualify as "in-kind" costs. The concern relative to the 20% is that the State is

being advanced the funds and relying on in-kind costs to support the advances can put the State at some risk which would require repayment. The following position was adopted regarding the use of in-kind as a portion of the 20%.

- The State will require the first quarter's local share (the 20%) to be cash. But the local agency may collect and document in-kind costs that relate to supervision and training. These costs and the documentation will first be reviewed by local staff to substantiate credibility of costs and appropriateness to the project. These in-kind costs will then be submitted to the state at the beginning of the third months of the quarter (the months of March; June; September and December) and the State will review the costs and submit them to the federal agency for approval. Those in-kind costs will be allowed to compose up to 25% of the local 20% required effort. This means that at least 75% of the 20% local effort must be cash.
- Local workforce boards should charge their staff time associated with these projects to "subsidized employment" on their expenditure reports.

The idea of projects, rather than single position employment allows for associated supervision and other potential in-kind costs to be planned and reported. The advance designation of potential in-kind costs will allow the local workforce board and state agencies to track and document these costs.

The "pay" for those project participants would be the sponsoring agency's entry level pay for a regular position with the agency. By establishing this pay approach, you are ensured that if the project participants are engaged in an activity (project) where the sponsor's regular workforce is also engaged that there are no future claims of unequal compensation. Furthermore, agency staff, in selecting project participants, will be more likely to regard them as "peer workers" and therefore, if a regular position opening occurs, consider hiring them as part of their regular workforce. Regular agency job descriptions will be used to screen referrals for selection by the agency.

Persons employed under SE, will be determined to be employees, and therefore will be removed from the TANF roles as a participant. Employment options include having the local government serve as employer; the local workforce board serve as employer (or their one stop operator); or engaging a staffing firm to serve as employer. The employer will be responsible for the payment of all taxes and social security costs for the participants.

A draft project proposal is included for reference and replication.

The "project participants" can be drawn from two "applicant pools" by the local workforce system. First and obvious is the TANF caseload. However because of language in ARRA, a second group, those within 200% of poverty with a child under age 18 in the household are also eligible. This latter group offers the system to not only work with our TANF caseloads, but also those long term

unemployed in our system. This also means that the projects offer an opportunity to those who, within a short period of time, will be exhausting their UI benefits. While not limited to this group, the 200% criteria also offers a larger skilled applicant source for project staffing.

Those from the 200% pool will not require the type of case management required of an active TANF caseload and can be work managed as you would manage anyone seeking employment from a case record standpoint. An eligibility determination document has been reviewed and approved by both DCF and AWI as a means for documenting the 200%.

NOTE: *The "employment" of our TANF caseload in the projects currently poses several concerns which are being researched. First, it is believed that the payments received in the projects would be considered "wages" and therefore those persons would be terminated from cash benefits and therefore removed from our caseloads because of earnings. The implications of this are two-fold. First is that these jobs are temporary and when they end, unless the economy has turned, many will be returning to TANF. Secondly, this poses a problem in that WFI currently uses "caseload" as a basis for allocating 50% of local TANF funding. If these persons must be removed from caseload because of a federal requirement, consideration must be given to the impact in workforce TANF allocation. If it is not a federal requirement, but in our state plan, it is suggested that cash be stopped, but that they remain active in our caseloads. This will aid in improving participation rate and not require an adjustment of workforce allocation of TANF.*

In order to make the project concept work, DCF and AWI are collaborating to "advance" the 80% needed to pay for the payroll expenses of the projects. By agreeing to advance fund the 80%, it is critical that the workforce board have, in hand, the 20%. Therefore project sponsoring agencies will be required to deposit the one quarter's portion of the 20% commitment with the workforce board in advance of the first quarter of operation/employment.

Participant screening will be accomplished by staff using the following approach:

1. Review the active TANF case load records for those with skills that match the project job descriptions;
2. Screen long term unemployed records for being in the 200% pool
 - a. Screen to determine skill match and if the household includes a child under 18.
 - b. Call in those believed to be eligible in for determination
 - c. While not final, the period used for income determination is being planned to be based upon the most recent month as determined at date of eligibility.
3. Screen total pool (1 and 2) for "best skill match" and refer to agency for selection.

4. It is possible if these are considered employees, that I-9 screening and record keeping will be required.
5. If the agency requires background screening, drug tests, etc, it is anticipated that regular TANF funds can be used for these costs. (DCF is researching)



Subsidized Employment Project Proposal

Worksite/Agency/Business Name: _____			
Address: _____			
_____	_____	_____	_____
City	State	Zip Code	Phone Number
Fax Number: _____			
Type of Agency/Business: _____			
Project Manager & Title: _____			
Manager's Phone Number: _____			

Project Title: _____

Project Description (provide very short narrative that describes the project work to be done):

Project Address/Location:

Budget Detail

- Attach organization job description for each title listed
- Jobs listed are to be subsidized project jobs
- Rate of pay is worksite's normal entry level wage for the position listed

Job Title	No. of Positions	Hourly Rate of Pay	Total Hours Per Position	Total Wage Cost

Grand Totals:				\$
----------------------	--	--	--	----

Budget Summary

	Total Personnel Cost	Worksite Contribution @ 20%	Workforce Subsidy @ 80%
Total Project Wages	\$	\$	\$
Payroll Taxes FICA @ 7.65%	\$	\$	\$
Unemployment Taxes @ .054	\$	\$	\$
Total Costs:	\$	\$	\$

* **Workers Compensation** (Provided by the Agency for Workforce Innovation pursuant to Florida Statute 414.065)

Worksite In-kind Contributions

List line item expenses:	Amount:
Supervision (list supervisor title)	
Benefits	
Project supplies (provide detailed list separately)	
Travel	
Communications	
Other (list)	
Total:	\$

The worksite understands that this description will be made part of a contract and any in-kind costs may be subject to verification. The worksite agrees to maintain records that can be used to verify the in-kind. If an audit fails to support the in-kind records, Workforce Connection will require reimbursement for any costs that are disallowed as a result.

Authorized Worksite Representative:

Print Name and Title

Signature: _____