

## TEXAS WORKFORCE COMMISSION LETTER

<b>ID/No:</b>	WD 14-10, Change 1
<b>Date:</b>	July 15, 2010
<b>Keyword:</b>	Financial Reporting; SNAP E&T; TANF/Choices; TWIST
<b>Effective:</b>	Immediately

**To:** Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers



**From:** Laurence M. Jones, Director, Workforce Development Division

**Subject:** **Temporary Assistance for Needy Families Subsidized Employment Initiatives—*Update***

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### **PURPOSE:**

To provide Local Workforce Development Boards (Boards) with information and guidance on the Temporary Assistance for Needy Families (TANF) Subsidized Employment Initiatives (TSE), specifically:

- expenditure reporting;
- eligibility;
- worksite agreements; and
- The Workforce Information System of Texas (TWIST).

### **This update provides Boards with:**

- **information on documenting and verifying low-income eligibility; and**
- **additional guidance on eligibility, worksite agreement provisions, and TWIST data entry.**

### **CHANGES TO WD LETTER 14-10:**

New information in this WD Letter is indicated by **bold** typeface, which indicates new or clarifying language.

### **BACKGROUND:**

The Texas Workforce Commission (Commission) approved \$5.5 million in TANF funds to support subsidized employment for TANF-eligible customers.

TSE supports the following:

- Subsidized employment opportunities for adult TANF recipients and other low-income parents. Subsidized employment helps participants gain valuable

skills, and can significantly increase the likelihood of securing an unsubsidized job.

- Subsidized employment activities for youth provided during nonschool hours. Worksites are developed specifically for youth to provide suitable training in a hands-on learning environment.

WD Letter 56-09, issued November 30, 2009, and entitled “Temporary Assistance for Needy Families Subsidized Employment Initiatives,” notified Boards of the opportunity to apply for these funds, setting forth the requirements for plan submittal. The Commission received 21 TSE plans totaling more than \$5.4 million in requested TANF funds.

**PROCEDURES:**

**Expenditure Reporting**

Boards must be aware that their TSE contracts end January 31, 2011.

NLF

Because TSE funds expended by September 2010 qualify for ARRA/TANF drawdown, it is recommended that Boards expedite the provision of TSE services.

LF

Boards must report all TSE expenditures in the Cash Draw and Expenditure Reporting (CDER) system as outlined in Boards’ TSE contracts.

NLF

Boards must be aware that expenditures reported in the following cost categories are *administrative and operating costs* for purposes of TSE contracts and will be used in calculating the 20 percent expenditure limitation:

NLF

- 100–Administration (Direct Recipient only)
- 101–Administration (One-Stop Operator only)
- 708–Program Management & Support (Direct Recipients only)
- 709–Subrecipient Operating Costs (Non–One-Stop Operator)
- 612–Core/Intensive Services (see note)

*Note:* For purposes of TSE contracts, allowable use of the 612–Core/Intensive Services cost category is limited to charges for staff and operating costs associated with providing subsidized employment.

Except as noted for 612–Core/Intensive Services, the cost categories have the meanings provided in WD Letter 26-08, issued November 5, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Non-Allocated Funds to Local Workforce Development Boards and Other Texas Workforce Commission Grantees” and subsequent issuances.

Boards must report monthly expenditures for total wages—i.e., gross wages—paid to adults and youth using supplemental cost categories in CDER.

NLF

Expenditure Limitations

To maximize services and activities provided to participating employers and job seekers, Boards must ensure that administrative and operating costs for TSE projects do not exceed 20 percent.

NLF

Deobligation and Reallocation of Funds

Boards must be aware that under the TSE grant, the Commission will:

NLF

- conduct ongoing reviews to monitor expenditures; and
- deobligate and reallocate funds previously obligated at its sole discretion when warranted.

**Eligibility**

Boards must be aware of the following TSE eligibility provisions:

NLF

Recent guidance from the U.S. Department of Labor (DOL) and the U.S. Department of Health and Human Services (HHS) Administration for Children and Families has extended the definition of eligible youth to include ages 14–24. Boards must be aware that only youth who are between 14 and 24 years of age and are defined as low income are eligible to participate in TSE activities.

Low-income youth are defined as youth whose families are receiving any of the following means-tested benefits:

- Household receives TANF benefits;
- Household receives Supplemental Nutrition Assistance Program (SNAP) benefits;
- Youth receives Children’s Health Insurance Program (CHIP) benefits;
- Youth receives Medicaid benefits;
- Household receives subsidized child care through the Child Care and Development Fund;
- Household is eligible for or receives subsidized public housing assistance;
- Household participates in the U.S. Department of Agriculture Food and Nutrition Services’ Women, Infants, and Children (WIC) program;
- Youth receives free or reduced-cost school lunch;
- Youth is eligible for, or enrolled in, Workforce Investment Act youth services; or
- Youth whose family income is 200 percent of or below HHS’s Poverty Guidelines or DOL’s Lower Living Standard Income Level.

**Boards may establish more restrictive standards for determining low-income status. For example, if the local school district does not assess family income to determine eligibility for free or reduced school lunch, the Board may choose not to allow receipt of free or reduced school lunch as a criterion for low-income qualification.**

LF

**Additionally, Boards must ensure that youth are members of, and reside in, households with family members.**

NLF

**A youth is considered to reside with family members if the youth is:**

- a member of, and resides in, a household with a parent, legal guardian, or adult relative\*, where the household consists of two or more persons related by blood, marriage, or decree of court, who are living in a single residence;
- a pregnant or parenting youth age 16–24;
- a noncustodial parent\*\* age 16–24; or
- married and living in a household with his or her spouse.

**\*Adult relative includes:**

- father or mother, including the “step” relationship;
- grandfather or grandmother, including “step” relationship, extended to the degree of “great-great-great”;
- brother or sister, including “step” relationship;
- uncle or aunt, extended to degree of “great-great”;
- niece or nephew, extended to degree of “great-great”; and
- first cousin, extended to degree of once removed.

**\*\*A noncustodial parent is a parent who does not have physical and/or legal custody of his or her child by court order.**

Boards also must be aware that SNAP General Population recipients must have children to be eligible for TSE services. A low-income parent is defined as:

- a parent with a minor child whose family income is 200 percent of or below HHS’s Poverty Guidelines or DOL’s Lower Living Standard Income Level;
- a noncustodial parent; or
- a SNAP recipient with a dependent child or children in the household.

NLF

Boards must ensure that documentation of eligibility is maintained in case files.

NLF

**Boards may use self-attestation to document whether a youth is residing in a household with a parent, legal guardian, or adult relative.**

LF

**If self-attestation is used, Boards must ensure that a self-attestation document:**

NLF

- is completed, signed by all parties, and maintained for documentation purposes; and
- contains an accompanying signature of a parent, legal guardian, or adult relative for youth under the age of 18.

**Boards must be aware of the following:**

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- Youth not currently living in a household due to temporary or voluntary residence elsewhere (e.g., attending school or college)—who can be claimed as a dependent on the income taxes of a parent, legal guardian,

or adult relative—can be considered as residing in a household for the purposes of TSE eligibility.

- In lieu of income tax returns, self-attestation can be used to document that the youth is claimed as a dependent of the parent, legal guardian, or adult relative.

**Attachment 1 provides information on documenting and verifying low-income eligibility.**

### **Worksite Agreements**

Boards must be aware of the following:

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- Only private-sector employers can provide subsidized employment for adult TSE participants.
- Both public- and private-sector employers can provide subsidized employment for youth TSE participants.

Boards must ensure that contractual worksite agreements are established with an employing entity before assigning participants to subsidized employment with that employer.

NLF

Boards may develop their own worksite agreements.

LF

Boards must ensure that worksite agreements include the following provisions:

NLF

- Subsidized employment placements will prepare participants for and move them into unsubsidized employment.
- Subsidized employment placements are allotted to employers that expect to retain the participants as regular unsubsidized employees once the subsidized placement has ended, unless successful completion of the placement is expected to result in unsubsidized employment with a different employer.
- Federal funds will not be used to pay individuals supervising subsidized employees at a worksite.

**Boards must ensure that the worksite agreement clearly sets forth the following:**

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- Title of position
- Tasks to be performed
- Expected work hours
- Location of assignment
- Supervisor's name

**Boards must ensure that employing entities are made aware that—while worksite placements are temporary in nature and created to assist participants in learning good work habits and skills—the central intent of subsidized employment placements is to lead to self-sufficiency—i.e., ongoing and stable unsubsidized employment.**

NLF

**Because a worksite is not required to offer the participant a specific job pending completion of the subsidized placement, it is recommended that Boards provide the participant with ongoing career counseling during the subsidy period to ensure that the participant is able to transition into unsubsidized employment upon completion of the subsidy.**

LF

Boards must ensure that wages paid to subsidized employees under TSE worksite agreements are:

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- equal to at least federal or state minimum wage, whichever is higher;
- the same wages and benefits as those received by unsubsidized employees with similar skills, experience, and positions; and
- paid directly to the employer, and through the employer to the TSE participant.

Boards must ensure that records are maintained for reporting purposes.

NLF

### **The Workforce Information System of Texas**

Boards must ensure that the following TWIST codes are used for TSE services:

NLF

- Fund codes with sub-fund codes 46 and 47:
  - *Fund 1–One Stop* (unless individual is a TANF applicant or Choices participant)
  - *Fund 89–Choices*
  - *Fund 90–TANF Applicant*
- **For participants who are not TANF applicants or TANF recipients, open an *ES Program Detail*.**
- Sub-fund codes:
  - *46–TANF Subsidized Employment*
  - *47–TANF Youth Subsidized Employment*

Boards must ensure that the following service-tracking items are completed in TWIST:

NLF

- TSE activities entered under *42–Subsidized Employment* service **or** *43–Subsidized Employment for One Stop*;
- All fields under the *Service Information* tab; and
- All fields under the *Referral Detail* tab.

Boards must ensure that required information, including documentation, daily time tracking, and verification for Choices and SNAP Employment & Training participants served under TSE projects are entered into TWIST.

NLF

### **INQUIRIES:**

Direct inquiries regarding this WD Letter to [wfpolicy.clarifications@twc.state.tx.us](mailto:wfpolicy.clarifications@twc.state.tx.us).

**ATTACHMENTS:**

Attachment 1: Documenting and Verifying Low-Income Eligibility for the Temporary Assistance for Needy Families Subsidized Employment Initiatives

**RESCISSIONS:**

WD Letter 14-10

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**REFERENCE:**

U.S. Department of Health and Human Services, Administration for Children and Families, Temporary Assistance for Needy Families Final Rule, 45 C.F.R., Part 261, et al.  
State of Texas State Plan for Temporary Assistance for Needy Families  
WD Letter 26-08, issued November 5, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Non-Allocated Funds to Local Workforce Development Boards and Other Texas Workforce Commission Grantees”  
WD Letter 56-09, issued November 30, 2009, and entitled “Temporary Assistance for Needy Families Subsidized Employment Initiatives”  
WD Letter 16-10, Change 1, issued June 10, 2010, and entitled “American Recovery and Reinvestment Act of 2009/Temporary Assistance for Needy Families: Subsidized Summer Youth Employment Program—*Update*”  
WD Letter 25-10, Change 1, issued July 9, 2010, and entitled “American Recovery and Reinvestment Act of 2009/Temporary Assistance for Needy Families: Subsidized Summer Youth Employment Program Implementation Guide—*Update*”

**FLEXIBILITY RATINGS:**

**No Local Flexibility (NLF):** This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF):** This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”