

Florida Back to Work

Summary Statement:

The *Florida Back to Work* program can provide up to \$200 million in federal funding for jobs for Floridians who receive, or are eligible to receive, Temporary Assistance for Needy Families (TANF), and can create nearly 25,500 jobs based on a \$12 per hour salary. The program will provide up to a 95 percent reimbursement to Florida's businesses to cover the costs of employee wages and benefits. All available jobs listed under *the Florida Back to Work* program will be posted on the Employ Florida Marketplace – employflorida.com. The initial *Florida Back to Work* grants will be awarded on February 1, 2010.

First Round Funding Requests – Summary: (as of January 25, 2010)

Total # of projects:	Over 900
Total # of jobs through program:	Over 10,300
Total TANF dollars:	Over \$190 million (max \$200 million)
Total cash from employers:	Over \$10 million
Total "in kind" toward project:	Over \$38 million
Total combined value of projects:	Over \$241 million

Background:

- There is a federal Emergency Contingency Fund (\$5 billion nationally) under the Temporary Assistance for Needy Families (TANF) Program that allows states to earn 80% of every dollar spent on increased expenditures in any of the following three areas:
 - cash assistance
 - non-recurring short-term benefits
 - subsidized employment
- New federal guidance allows the state to count the employer cost of training and supervising employees in subsidized employment slots at an amount that will allow the state to cover most of the 20% in project costs that HHS will not reimburse. This allows local governments and other employers to participate with a minimum amount of cash contribution to help support the subsidized employment project.
- Florida potentially could earn approximately \$281 million (one-half the amount of the state's annual TANF Block Grant Allotment). Florida has currently earned \$23 million so far, based on increased cash assistance expenditures. The Department of Children and Families (DCF) estimates DCF may earn up to \$70 million for increased cash assistance expenditures. Some of the remaining \$200 plus/minus million available also could be earned by increased expenditures for non-recurring short-term benefits for cash assistance recipients.

- This TANF funding source is a one-time, non-recurring funding opportunity. The state can only draw down from the Emergency Contingency Fund based on the amount of increased expenditures in these three areas through September 30, 2010.
- The initial subsidized employment project was developed by the Citrus Levy Marion Regional Workforce Development Board in consultation with Workforce Florida Inc. and AWI for a DCF Call Center.

What is Subsidized Employment?

- Subsidized employment is the use of TANF funds to pay for all or a portion of the costs of employee wages, benefits, supervision and training for eligible participants. The reimbursement will cover all benefit costs including required FICA, FUTA, and workers compensation costs. It will also reimburse other associated costs including the cost of the on-site supervision and training and Regional Workforce Board costs to develop, manage, and monitor the program.

General Federal Guidelines:

- All of the employee wage costs for individuals in a subsidized employment project can be paid with the TANF funds earned by this program. The TANF program also will pay for most of the cost of employee benefits and RWB costs associated with the project. The employer will need to contribute funding in an amount equal to the project's costs not paid for with TANF funds earned. That amount is equal to 20% of any non-wage costs of the project. These costs include the cost of any participant benefits, the employer's share of payroll taxes, any third-party processing agent costs, and the costs for the Regional Workforce Board associated with the development, management and oversight of the project.
- Units of general government (both state and local), private not-for-profit and private for-profit employers are eligible to sponsor a subsidized employment project.
- Both public and private sector employers will need to commit, in writing, to contribute the necessary amount of funding for project costs not paid for with the earned TANF funds and also commit to provide adequate supervision and training for the subsidized employees.
- A subsidized employment slot cannot be created when an individual is in layoff status from the same or substantially equivalent job, or when the employer has terminated an individual from employment or caused a voluntary reduction in its workforce in order to fill the vacancy with a subsidized worker.
- Employers who provide a subsidized job can be the employer of record or a third party such as a Professional Employer Organization (PEO) can be the employer of record for the individuals hired.

Who is Eligible to Benefit From a Subsidized Employment Position:

- Individuals who are either currently receiving cash assistance, or are in the process of applying for cash assistance and have been tentatively approved for that assistance, or

have a family income at or below 200% of the federal poverty level and have a child under the age of 18 are eligible for a subsidized employment position.

- Many current recipients of Unemployment Compensation (UC) benefits have current incomes less than 200% of the federal poverty level and, if they have a minor child at home, will qualify for this program. Determination of the income level is based on the applicant's prior 30 days' income.

What are the Benefits to Participating Employers

- State and local governments can directly benefit from receiving help with employee costs during this time when state and local tax revenues have dramatically decreased.
- Private sector employers who need to expand and increase their workforce as the economy begins to rebound can benefit from help with employee costs at a time when it is challenging to obtain the financial resources needed to hire additional workers.
- Employers who wish to participate will need to complete a project application that details the number and type of subsidized positions requested and the job skill sets of the positions, the wage and benefit cost by position, and a written commitment to provide a funding contribution equal to that amount not reimbursed by TANF.

General Program Guidelines:

- Funding from the TANF contingency fund for subsidized employment projects will end September 30, 2010 so no subsidized position could extend beyond that date.
- RWBs will determine participant eligibility for the program and participating employers will make the final hiring decision based on the skill requirements of the subsidized job. Nothing in these guidelines prevents employers from following their established personnel policies and procedures to terminate the employment of any participant placed into a subsidized position.
- Participating employers will be required to post any subsidized job opening in Employ Florida Marketplace (EFM) at www.employflorida.com.
- Employers will pay the wage and benefit costs and be reimbursed by the program for those payments.
- The wage/salary level should be based on that paid by the employer for comparable positions doing comparable work for that employer.
- Employers interested in sponsoring a subsidized employment project must complete an employer information sheet and complete a budget that details the project costs.
- The Legislative Budget Commission has approved an initial \$20 million in budget authority for the Agency for Workforce Innovation to support the subsidized employment initiative. The budget has been put into a reserve and the agency will request budget

from that reserve to support approved subsidized employment projects as they are submitted.

- Participating public and private not-for-profit employers will not be required to retain employees at the end of the subsidy period although they will be strongly encouraged to do so. The expectation for private for-profit employers is that the subsidized position is an anticipated permanent job and that the employer intends to retain employees whose job performance is satisfactory. The intent of the program is to help businesses in their efforts to recover and expand and not to subsidize an employer's existing workforce.

General Q&A:

- **What is the total funding amount?**

The *Florida Back to Work* program can provide up to \$200 million in additional one-time, non-recurring federal funding for jobs for Florida's neediest citizens.

- **Who is eligible?**

Parents with a child younger than 18 living at home whose family income is less than 200% of federal poverty level in the last 30 days are eligible; this will include many Floridians who are receiving unemployment compensation benefits and anyone currently receiving TANF cash assistance.

- **How long does the program last?**

Funding for the program is available until September 30, 2010, which is the end of the federal fiscal year.

- **How many jobs will the *Florida Back to Work* program create?**

The *Florida Back to Work* program can create up to 25,478 direct and indirect jobs based on an average hourly wage of \$12. This equates to \$18,720 in salary for the nine months of the program, based on \$200 million and assuming participants work 40 hours a week. (Although the program lasts for nine months, the rate of pay would be equivalent to \$24,960 per year.)

- **What is the benefit to employers?**

The *Florida Back to Work* program will provide up to a 95 percent reimbursement to cover the costs of employee wages and benefits. Employers will need to contribute the in-kind cost of the employee supervision and training and a cash contribution to cover the remaining 5 percent cost.

- **Are all employers eligible?**

Public, private for-profit businesses and not-for-profit entities can participate.

- **Who is operating *Florida Back to Work*?**

The *Florida Back to Work* program is a partnership between AWI, WFI and DCF and will be administered through the state's 24 Regional Workforce Boards.

- **How can I find out about job listings?**

Participating employers will post job openings on the Employ Florida Marketplace – employflorida.com.

- **When will the jobs be available?**

The initial round of proposals will be due from the RWBs on January 15, 2010

The initial *Florida Back to Work* grants will be awarded on February 1, 2010