



CDSS

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DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

January 25, 2017

ALL COUNTY LETTER (ACL) NO. 17-03

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CALFRESH SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL TRIBAL TANF ADMINISTRATORS
ALL CHILD CARE COORDINATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
KIDS (CALWORKS) PROGRAM: ADDITIONAL CLARIFYING
GUIDANCE FOR THE EXPANDED SUBSIDIZED
EMPLOYMENT (ESE) PROGRAM

REFERENCE: [ASSEMBLY BILL \(AB\) 74](#) (CHAPTER 21, STATUTES OF 2013);
ACL NO. [09-07](#) [11-32](#), [11-58](#), [12-15](#), [12-27](#), [12-29](#), [13-70](#), [13-81](#),
[13-101](#), [14-17](#), AND [14-81](#); ALL COUNTY INFORMATION NOTICE
(ACIN) NO. [1-03-12](#), AND [1-20-09](#); COUNTY FISCAL LETTER
(CFL) [10/11-65](#), [10/11-65E](#), [12/13-33](#), [12/13-33E](#), [13/14-22](#),
[13/14-23](#), [13/14-50](#), [14/15-18](#), [15/16-25](#), [15/16-53](#), AND [16/17-39](#);
MANUAL OF POLICIES AND PROCEDURES (MPP) SECTION
[42-701](#), [42-712](#), [42-716](#), [42-750](#), WELFARE AND INSTITUTIONS
CODE (WIC) SECTION [11322.64](#); CODE OF FEDERAL
REGULATIONS TITLE 45, [PARTS 144](#), [147](#), [150](#), [154](#), AND [156](#)

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by the CDSS

The purpose of this letter is to provide answers to questions that the California Department of Social Services (CDSS) has received from County Welfare Departments (CWDs) about the ESE Program. The ESE Program went into effect on July 1, 2013, in accordance with AB 74 and provides funding for subsidized employment outside of the Single Allocation. The [ACL 13-81](#), released on September 30, 2013, and [ACL 14-81](#), released November 20, 2014, provide guidance for CWDs to implement the ESE

Program. Guidance regarding ESE claiming, base funding amounts, and allocations is provided in [CFL 13/14-22](#) (September 30, 2013), [CFL 13/14-23](#) (September 30, 2013), [CFL 13/14-50](#) (May 15, 2014), [CFL 14/15-18](#) (September 11, 2014), [CFL 15/16-25](#) (October 27, 2015), [CFL 15/16-53](#) (April 15, 2016), and [CFL 16/17-39](#) (December 2, 2016).

The CDSS hopes the information provided in this letter is helpful to CWDs in supporting the operation of their ESE Programs. If you have ESE policy questions, please contact your CDSS Employment Bureau County Consultant at (916) 654-2137 or the ESE Program at ESEProgram@DSS.ca.gov. Please direct your fiscal questions to the Fiscal Systems electronic mailbox at fiscal.systems@dss.ca.gov. For questions regarding ESE data reports, please contact the CDSS Data Systems and Survey Design Bureau at (916) 651-8269.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachment

Questions (Q) and Answers (A):
For the Expanded Subsidized Employment (ESE) Program

Claiming ESE Funds

- 1. Q: Can ESE funds be used to pay for dental services/dentures, eyeglasses, and/or tattoo removal in order to make participants more likely to succeed in the ESE Program and more employable overall?**

A: No. The ESE funds can only be used for costs for the employment placement itself (wage/non-wage costs) and operational costs. Operational costs include administration, job development, and other costs associated with providing the ESE Program, but operational costs do not include supportive services.

Additionally, ESE funds include Temporary Assistance for Needy Families (TANF) funds which cannot be used for medical or health services, other than pre-pregnancy family planning. Dental and vision services (including prescription eyeglasses) cannot be claimed to ESE or TANF because they are types of medical or health services; dental and vision services may be provided by Medi-Cal.

Non-prescription reading glasses, which can be purchased at department and drug stores, and tattoo removal services can be claimed to the Single Allocation as ancillary supportive services. As stated in California Department of Social Services (CDSS) [Manual of Policies and Procedures \(MPP\) Section 42-750.11](#), "Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept or retain employment".

The County Welfare Department (CWD) must develop written policies and procedures for those sections of the California Work Opportunities and Responsibility to Kids (CalWORKs) program in which the county has operational discretion. In addition to the development of written policies and procedures for ancillary expenses, CDSS strongly encourages placing the information on the CWD website to maximize access for all applicants and recipients of the CalWORKs program. Please refer to [All County Information Notice \(ACIN\) I-03-12](#) for more details regarding county optional policies and procedures, particularly the last bullet of the notice's attachment: "Determining when an ancillary expense is necessary for the individual to participate in Welfare-to-Work activities". See [ACIN I-20-09](#) for guidance if the CWD's CalWORKs plan needs to be amended.

- 2. Q: Federal work study funds (Title IV of the Higher Education Act of 1965) cover part of the costs (up to 75 percent) for federal work study placements through colleges. Can ESE funds be used to cover the remaining 25 percent of work study placement costs not paid for by the federal funds?**

A: No. The ESE program was established with the purpose of expanding the number of subsidized employment positions available in the CalWORKs program. The [Welfare and Institutions Code \(WIC\) Section 11322.64](#) provides that ESE funds may only be used to cover costs related to the ESE program. Federal work study placements are funded primarily with federal work study funds and are already available to Welfare-to-Work (WTW) participants. Therefore, utilizing ESE funds to cover the institutional 25 percent share for federal work study does not further the purpose of the ESE program to expand the availability of subsidized employment positions for CalWORKs recipients.

- 3. Q: Can ESE funds be used for CalWORKs work study placements?**

A: Yes. The CWDs may claim expenses to the ESE program for CalWORKs work study placements. As with Single Allocation funds, ESE funds may be used to pay up to 75 percent of the wage costs of CalWORKs work study placements. At least 25 percent of the costs for CalWORKs work study placements must be paid by the employer.

- 4. Q: Can employer costs such as (a) Workers Compensation, (b) background checks, (c) physicals, and (d) uniforms be claimed under the Program Identifier Numbers (PIN) codes for work subsidy (372098, 374098, and 376098)?**

A: The ESE allocation is intended to be used for wage subsidies and operational costs according to [WIC 11322.64 \(a\)\(2\)](#). A description of the Type of Expense (TOE) codes can be found in [County Fiscal Letter \(CFL\) 12/13-33](#) and [CFL 12/13-33E](#) which include uniforms in TOE code 28.

(a) Workers Compensation

- Yes. Workers' compensation can be claimed under the ESE Program because workers' compensation is considered a nonwage cost. Please refer to [CFL 10/11-65](#) and [CFL 10/11-65E](#) regarding the definition of non-wage costs. Program code (PC) 374, PIN 374098 for ESE Non-Admin Fed and PC 378, PIN 378098 for ESE Non-Admin Non-Fed would be used to claim workers' compensation costs for ESE participants.

(b) Background Checks

- Yes. If required for the specific ESE placement, background checks can be claimed under the ESE program. If the county completes the background check, and there is an associated direct cost, such costs should be claimed to ESE Non-Admin Fed PIN 374028 or ESE Non-Admin Non-Fed PIN 378028. If the background check is completed by a contracted agency, this should be claimed under PC 374, PIN 374071 for ESE Non-Administration Federal or PC 378, PIN 378071 ESE Non-Administration Non-Federal.

(c) Physicals

- No. Physicals cannot be claimed under the ESE program because medical expenses are not an allowable use of TANF funds.

(d) Uniforms

- No. Uniforms cannot be claimed under the ESE program, but can be claimed to the CalWORKs Single Allocation as an ancillary supportive service using PIN 633028 WTW General –Work Related Activities and Expenses – Employed and PIN 451028 Non-Federal WTW-Work Related Activities and Expenses –Employed.

Eligibility and Participation in ESE

5. **Q: If a participant does not complete the six-month ESE placement with an employer, are they eligible for another opportunity for a different placement, including two extensions of three months each if the participant qualifies? Also, in the event that a participant loses his/her “permanent” job with an ESE-funded employer sometime after the subsidized period is completed, and the family returns to CalWORKs, can the participant be placed in another subsidized position?**

A: Statute does not direct the CWD to automatically place any WTW clients into a different ESE Program activity if the placement ends prematurely or the client does not obtain unsubsidized employment at the end of an ESE Program placement. As indicated in [WIC Section 11322.64\(d\)](#):

- (1) Participation in subsidized employment pursuant to this section shall be limited to a maximum of six months for each participant.

(2) Notwithstanding paragraph (1), a county may extend participation beyond the six-month limitation described in paragraph (1) for up to an additional three months at a time, to a maximum of no more than 12 total months. Extensions may be granted pursuant to this paragraph if the county determines that the additional time will increase the likelihood of either of the following:

- (A) The participant obtaining unsubsidized employment with the participating employer.
- (B) The participant obtaining specific skills and experiences relevant for unsubsidized employment in a particular field.

However, a placement may end earlier than planned or the placement may not have been the best fit for the participant's skills or the current employment market. Providing a different ESE Program activity may be an effective CWD policy for WTW clients who may benefit from the opportunity to increase job skills and make further progress toward obtaining unsubsidized employment.

Therefore, the statutory language above does not prohibit a subsequent placement of a former ESE Program participant. However, before providing a different ESE Program participation activity for a WTW client, the CWD must determine on a case-by-case basis that another placement would be appropriate. For example, if the ESE Program placement is the sole activity in a client's WTW plan, and the client did not obtain unsubsidized employment at the end of the ESE Program participation, the county will need to determine if an additional subsidized employment activity will be effective.

6. Q: Can youth participate in ESE?

A: Yes. As indicated in [All County Letter \(ACL\) 13-81](#), "All CalWORKs clients required to participate in WTW are eligible for ESE. At CWD option, CWDs may also place exempt volunteers who choose to do this activity in the ESE Program". All youth that are part of the assistance unit may volunteer to participate in WTW to the extent that these activities do not interfere with their school attendance and therefore may be placed through ESE, including in a summer youth program. The following are explanations regarding youths participating in the ESE Program as WTW participants or exempt volunteers:

- Youths who are CalWORKs heads-of-households may participate in ESE as part of their WTW participation requirements or as exempt volunteers.
- Cal-Learn Program youths' major requirement is to enroll and attend full-time in a school program which shall lead to a high school diploma or its equivalent.

- Cal-Learn youths may participate in WTW activities—including subsidized employment funded by the ESE Program—if the activities do not interfere with the youths’ school attendance and progress toward earning a high school diploma or its equivalent.
 - These youths are subject to Cal-Learn Program requirements in lieu of the WTW requirements ([MPP section 42-712.11](#)).
 - These youths may participate in WTW activities as exempt volunteers ([MPP section 42-712.5 and .512](#)).
- Youths who are members (but not heads) of CalWORKs households may also participate in the ESE Program as exempt volunteers.

7. Q: Can Non-Minor Dependents (NMDs) participate in ESE?

A: No. NMDs cannot participate in any WTW activity, including any form of subsidized employment. This is addressed in question 16 of [ACL 12-27](#) which states that NMDs cannot volunteer to participate in WTW activities. “Extended CalWORKs” for NMDs was set up to allow foster youth receiving a CalWORKs payment to be treated the same as foster youth receiving foster care payments. NMDs are foster youth age 18-21 (adults) who do not have an eligible child and are therefore not eligible for “regular” CalWORKs.

ESE Program Administrative Requirements

8. Q: Do CWDs need to submit revised ESE Plans (form WTW 39) for fiscal year 2014-15 or 2015-16?

A: At this time, the CDSS is not requiring counties to submit revised ESE Plans. The CDSS will continue to review its policy about ESE Plans and will notify CWDs of any changes in the future. In the meantime, if the CWD’s contact for the ESE Program changes, please notify the CDSS at ESEProgram@dss.ca.gov.

ESE Data Reporting

9. Q: [ACL 14-17](#) has guidelines for reporting data on the ESE Program. Do CWDs need to report ESE participation for the WTW 25 and WTW 25A, too?

A: Yes. The ESE Program data reporting as described in [ACL 14-17](#) includes several data elements in order to track the ongoing status of the ESE Program to provide the following information to the Legislature as required by [WIC 11322.64\(g\)](#):

- The number of CalWORKs recipients that entered subsidized employment.
- The number of CalWORKs recipients who found unsubsidized employment after the subsidy ends.
- The earnings of the program participants before and after the subsidy.
- The impact of this program on the state's work participation rate.

Additionally, the ESE Program data reports provide information to assist in the development of policies and funding allocations.

The ESE Program can fund subsidized employment in the private sector, public sector, and work study as described in [MPP Section 42-701.2\(s\)\(2\) and \(w\)\(5\)](#) as well as [42-716.1\(b\) and \(c\)](#). CWDs need to continue to report all participation in subsidized employment in the private sector, public sector, and work study for the WTW 25 and WTW 25A whether the funding source is the ESE Program, the Single Allocation, or another source.

10. Q: How do CWDs complete the Work Participation Rate (WPR) section of the ESE Program data report ([ACL 14-17](#)) if the ESE Program participant was not in the WPR sample?

A: The CWDs would fill out the section based on if the participant meets WPR and not use WPR sampling to determine whether or not a participant in the ESE Program has met WPR for the ESE Program data reports.

11. In regards to the WPR calculations, are we allowed to use the projection of hours from the Semi-Annual Report (SAR 7) as in regular WPR reporting or are we solely looking at hours worked in the month for the month to calculate the WPR column?

A: Yes, CWDs are allowed to use the projection of hours from the SAR 7, unless they have reason to believe that those hours will not continue.

12. Q: Under the WPR category, are we looking at whether the ESE participant individually is meeting WPR or if the participant's household is meeting the WPR? Can participation hours from other county approved WTW activities be included along with ESE participation hours in determining if the ESE participant met federal WPR requirements for the report month, or are we limited to only the hours worked in ESE in determining WPR for ESE data reporting purposes? Are we looking at ESE participants only that are meeting WPR through the ESE program activity only or other concurrent activity also?

A: For meeting WPR purposes, it is the participant's household that is evaluated under federal WPR guidelines. The CWD determines whether or not the participant met WPR based on the hours of participation in the ESE Program and any other federally allowable activities the participant may be assigned to. As long as the concurrent activity is allowed under federal WPR guidelines, it can be included along with ESE participation hours in order to determine if the participant and/or household is meeting WPR. The CWDs are not limited to only the hours worked in ESE in determining WPR for ESE data reporting purposes.

13.Q: In regards to the ESE report, when a participant goes off aid due to ESE income but does not exit ESE because they are still in the initial six months what should we enter for the "Met WPR" category?

A: The CWDs would enter "no" since they are not on assistance and therefore have no effect on WPR.