

TANF ARRA INFORMATION AND FAQ's

The American Recovery and Reinvestment Act (ARRA) of 2009 established the TANF Emergency Fund, which provides resources to States to support families in need of short-term emergency assistance or employment. States can access emergency contingency funds based on increase expenditures in three categories: basic assistance, non-recurrent short-term spending, and subsidized employment.

Under the TANF ARRA program, States may receive 80 percent federal reimbursement for any increased spending on short-term non-recurrent benefits and subsidized employment (transitional jobs) programs over a specified base year.

Claiming ARRA Funds:

- ARRA funds can be requested to meet the needs of qualifying families
 - TANF eligible individuals/families with minor children
 - TANF eligible individuals/families with income below 200% FPL
 - In some cases, non-custodial parents connected to a TANF family
- States must use a base year of either 2007 or 2008 against which to compare current/new spending
- ARRA funds must be requested by September 30, 2010
- ARRA funds must be expended by September 30, 2010
- States and third party funders must enter into an MOU to provide the State permission to claim spending as MOE and to indicate the way the funds will be redistributed to serve more families

CATEGORIES: There are two categories of funding that agencies and organizations are able to partner with the State on to receive reimbursement, and that are eligible for the Federal match.

- Short-term non-recurrent benefits
- Subsidized Employment/Transitional Jobs

For each category, the State must have an increase in spending compared to the corresponding quarter in the relevant base year for the expenditure category.

DEFINITIONS:

Base year: The law sets the base year as either 2007 or 2008, whichever has the lower assistance caseload (for the basic assistance category) or lower expenditures (for the subsidized employment and non-recurrent short-term benefits categories). The base year for a state could be different for different expenditure categories.

MOE (Maintenance of Effort): Spending the State is required to contribute for the purpose of providing services for TANF-eligible families, aimed at increasing family self-sufficiency through job preparation, work, and marriage. MOE can include spending of third-party agencies.

Short-term, non-recurrent benefit: Benefit designed to deal with a specific crisis situation or episode of need that is not intended to meet recurrent or ongoing needs, and will not extend beyond four months for an individual. **Note that these benefits include those provided directly to a family and those paid to others on behalf of the family, such as a payment to a landlord.

Subsidized employment: Activities that are usually categorized as “Work Subsidies/Transitional Jobs” that involve payments to employers or third parties to supplement the cost of employee wages, benefits, supervision, and training.

Third Party agency: Any local government agency, for-profit or nonprofit agency, foundation engaging in leveraging the TANF ARRA funds for Illinois.

Q: What amount can be claimed for federal reimbursement?

A: The State can claim 80% reimbursement for the overall increase in TANF MOE spending over the identified base year period in any of the three Emergency Contingency Fund categories. Only increased spending within an Emergency Contingency Fund category is eligible for federal reimbursement.

Q: How much reimbursement can my agency apply for?

A: You may claim reimbursement for increased spending retroactive to October 1, 2008 in the Emergency Contingency Fund categories. You may also claim reimbursement for planned upcoming spending increases, but you must submit a comprehensive proposal, including a detailed budget and base year spending (FFY07 and FFY08). The State can submit a request for reimbursement up to one month before the start of the calendar quarter.

Q: How much reimbursement can my organization request?

A: The Emergency Contingency Fund will provide 80% reimbursement on any increased spending in each of the two categories that involve third-party agencies (short-term non-recurrent benefits or subsidized employment) on TANF eligible families (families with a minor child under 200% of the federal poverty level).

Q: What is the application deadline?

A: We encourage you to submit a proposal as soon as possible.

Q: Can I apply for federal reimbursement (on behalf of my agency) directly to the federal government?

A: No. As the TANF agency, DHS is the only entity able to submit programs for reimbursement.

Q: So there's an 80% reimbursement...what about the other 20%? Where does that come from?

A: The 20% is required to claim the 80% reimbursement from the federal government. The 20% can be non-federal spending, including third party spending, state spending, local municipal spending, or foundation spending. **EACH ORGANIZATION IS REQUIRED TO IDENTIFY THEIR OWN 20% CONTRIBUTION.**

Q: Can we count in-kind contributions toward our 20%?

A: Yes, in-kind contributions can be directed toward the 20%.

Q: Can we count employer supervision and training as in-kind contributions for the subsidized employment program?

A: Yes, up to 25% of the employees wages can be counted toward the 20% match.

Q: Can local government spending be used as the 20% match?

A: Yes, as long as the funding did not originate from a federal source or is not used to meet federal matching requirements.

Q: Are we able to request 80% reimbursement for money that our organization has already spent on eligible programs?

A: Yes, provided your organization grants the State permission to identify that money as part of the MOE. Your organization will be required to enter into an agreement with the Illinois Department of Human Services allowing the agency to claim the funds previously expended as part of the State's MOE. Any retroactive claiming will garner 80% of the total increase in what has already been spent.

Q: What kind of programs qualify for federal reimbursement?

A: Organizations are able to submit proposals that fit within the criteria of short-term non-recurrent benefits, or for subsidized employment and Transitional Jobs programs. See above definitions.

Q: Is there a deadline for receiving and spending these funds from the Emergency Contingency Fund?

A: Yes. The deadline for spending these dollars is September 30, 2010. Money must be spent by this date.

Q: What information do I need to provide the State?

A: You will need to provide documentation of any eligible spending in the particular category you are intending to submit to claim the federal match. This expenditure documentation will be required for Federal fiscal years 2007 and 2008 to establish the base year.

Q: What do you mean by eligible spending?

A: Any programs/projects utilizing this funding must use it only for TANF families, which include families and individuals receiving TANF cash assistance, AND families with minor children at or below 200% of the federal poverty level. Funds must be spent to provide services that fit within the two categories (short-term non-recurrent and subsidized employment). Individuals must be legally present to be eligible for services using these funds.

Q: What is this base year that you speak of?

A: The base year will be either Federal fiscal year 2007 or Federal fiscal year 2008 (October-September). The year chosen as the base year will be determined by identifying which year had lower spending in each particular category (short-term non-recurrent benefits or subsidized employment) after ALL programs in the category have been totaled.

Q: Will the base year be the same for every category?

A: Not necessarily. Based on expenditure information submitted by each participating entity (State, third-party agency), the Federal government will determine the level of spending and will select the most favorable base year for each category.

Q: Is the base year the same for everyone, or will it be determined on an agency-by-agency basis?

A: The State must have a single base year for an Emergency Contingency Fund category so that the determined base year will be the same for any agency participating in this process.

Q: Our agency has experienced drastic cuts in our budget, and we have actually experienced a decrease in spending; how are we eligible?

A: Only increases in spending in each of the categories are eligible for federal reimbursement.

Q: What actual services are eligible?

A: Services that fit within the short-term non-recurrent benefit category can include: hunger relief; rental assistance; mortgage assistance; utility assistance; and back-to-school assistance. Services that fit within the subsidized employment category can include traditional transitional jobs programs.

Q: Can medical services qualify?

A: Possibly. Medical service can be provided for families not covered by Medicaid or other insurance. They must fit within the defined parameters of the short-term non-recurrent benefit.

Q: Can dental services qualify?

A: Possibly. They must fit within the defined parameters of the short-term non-recurrent benefit.

Q: How do I submit a proposal?

A: Please complete the Program Description and Funding Request Form, and return to Caronina.Grimble@Illinois.gov. Be sure to include base year data, and to attach a budget.

Q: We serve individuals/families whose children aren't living with them, and who are otherwise TANF eligible; can we use these funds to serve these non-custodial parents?

A: Yes.

Q: Our agency has a current contract with DHS, and have not been paid in a timely fashion; what is the timeline for payment with these funds?

A: The TANF ARRA ECF is a federal funding source, and as such is administered along a separate pipeline from State GRF payments. We anticipate payments to be paid in a timely manner.

Q: Are short-term substance abuse treatment programs eligible?

A: Yes, funds from the Emergency Contingency Fund can be used to assist individuals in need of mental health and substance use treatment services consistent with TANF rules on providing benefits and services to individual members of needy or eligible families.

Q: Is this available to non-profit as well as for-profit organizations?

A: As long as the service is allowable, and serves the TANF eligible population outlined above.

Q: What if we end up spending less than we thought we would? Are we still responsible for the level of spending we presented in our proposal?

A: No, and you will receive reimbursement based on the amount you spend.