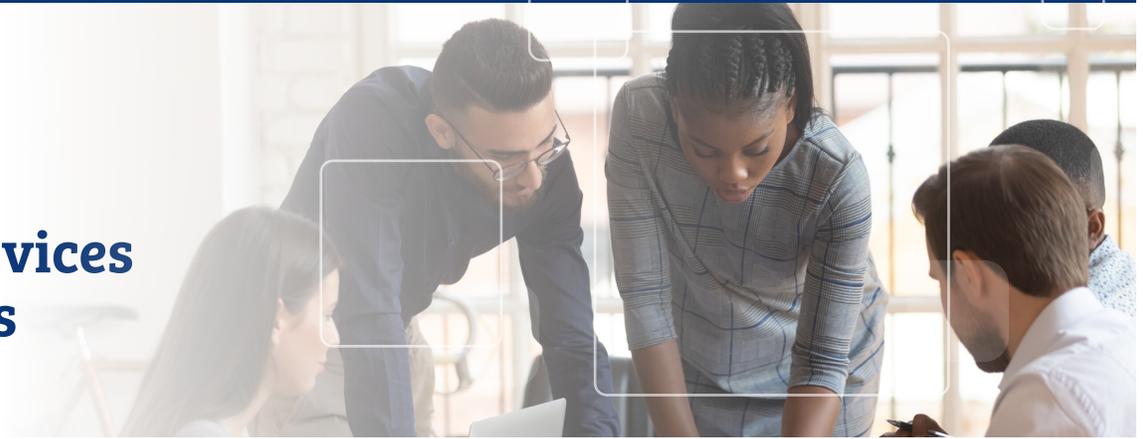


# Subsidized Employment Program Services and Supports



Does your organization need assistance in planning, operating, and evaluating subsidized employment programs? PCG can help.

## Subsidized Employment Defined

Subsidized employment is the use of public funds to support all or part of an employee's wages and benefits. Placement in a subsidized position is generally intended to provide the experience and skills needed to support future unsubsidized work. Placements must also be consistent with Fair Labor Standards Act (FLSA) requirements.

## How Does it Work?

Typically, the employer (or temporary agency) hires the program participant and pays them their full wage using the employer's own funds, then invoices the agency administering the program (or a third party) for a predetermined percentage of the wage and benefits. This percentage can vary depending on the funding source, funding availability, target population, and other factors.

## Subsidized employment programs offer multiple benefits:



**For individuals with limited work experience or other barriers to employment**—to gain skills and earn a wage.



**For employers**—grow their businesses and identify candidates for long-term unsubsidized employment.



**For Human/Social Service Agencies**—to maximize revenues, promote skill-building, and provide opportunities for paid work.

## How are Subsidized Employment Programs Funded?

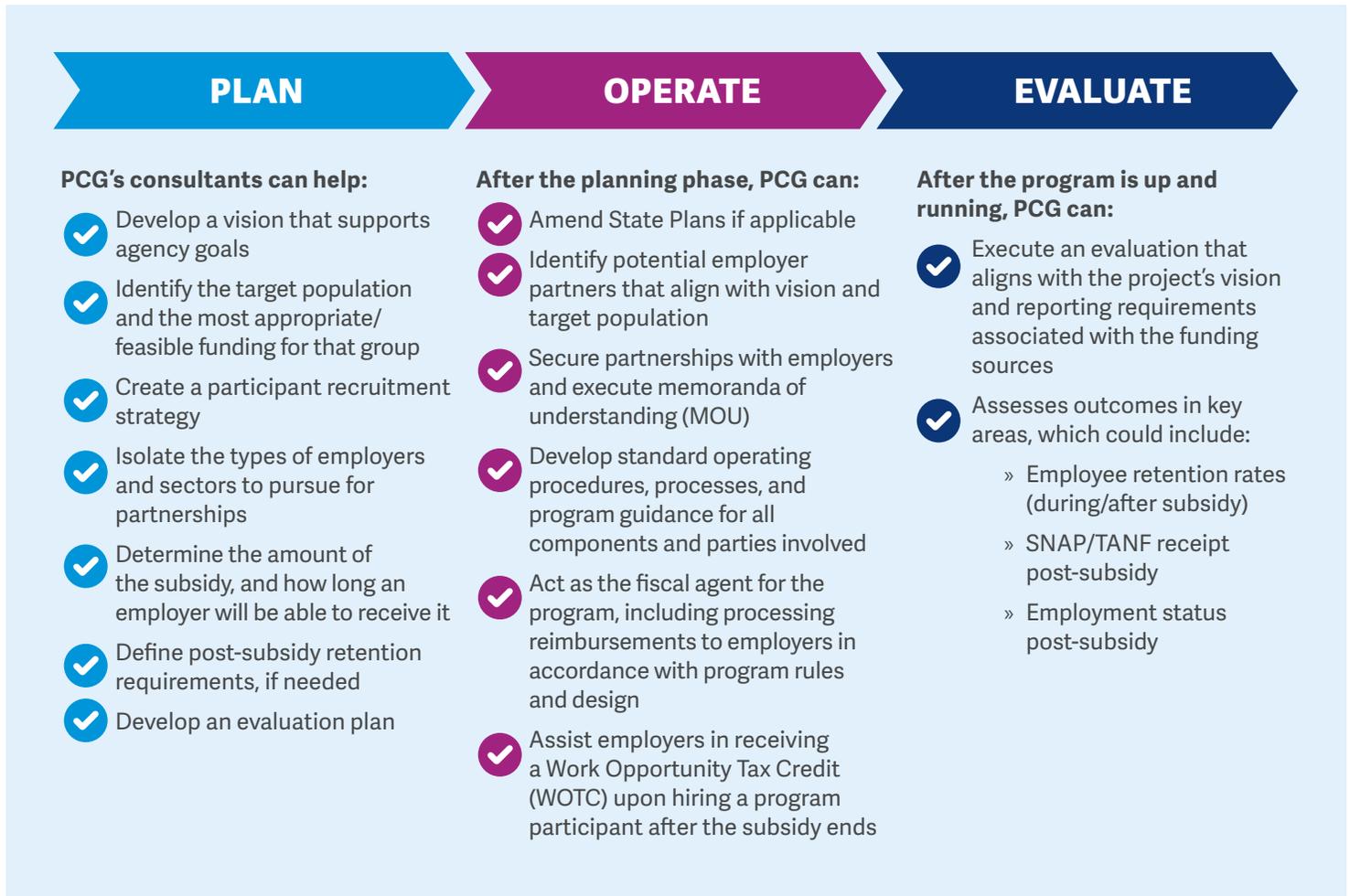
**Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) funds may be used, and expenditures must align with the requirements for each program.**

- ✓ TANF funds have been used extensively to support subsidized employment, particularly in response to the Great Recession in 2009.
- ✓ A provision to allow reimbursement of wages using SNAP E&T<sup>1</sup> funds was included in the Agriculture Improvement Act (commonly known as the Farm Bill) signed in 2018. E&T regulations cap reimbursement at 50 percent of allowable expenditures (E&T 100 percent funds may also be used for subsidized employment, but these are limited and generally could not sustain a large program).

<sup>1</sup> This is a pending rule change, proposed in March 2020, to the Farm Bill from the Food and Nutrition Service of the United States Department of Agriculture; it will be effective following final approval.

## How Can PCG Help?

Public Consulting Group (PCG) can help agencies that administer public assistance programs plan, operate, and evaluate subsidized employment programs.



Subsidized employment may be an effective tool to promote economic mobility for a variety of groups, including but not limited to:

- » TANF or SNAP participants with limited work histories
- » Non-custodial parents with children receiving TANF
- » Youth aging out of foster care

**To learn more about how PCG can assist with subsidized employment offerings, contact us today:**

 (800) 210-6113  [info@pcgus.com](mailto:info@pcgus.com)

 [www.publicconsultinggroup.com](http://www.publicconsultinggroup.com)