



FFY 2013 TANF MOE CLAIM JUSTIFICATION

Department	Department of Human Services
Program Name	Volunteer Hours
Line Item	Not applicable
TANF Goal	<p>TANF Goal 1: Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives</p> <p>TANF Goal 2: End the dependence of needy parents on government benefits by promoting job preparation, work and marriage</p> <p>TANF Goal 3: Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.</p>
Funding Source	<input type="checkbox"/> TANF <input checked="" type="checkbox"/> TANF MOE
Expenditures Claimed	\$1,344,738.32

Program Description

The Michigan Department of Human Services (DHS) conducts and tracks volunteer activities that support the DHS population, including TANF-eligible families. The volunteer program activities are identified and tracked by purpose (outcome) of the activity. Only volunteer activities reasonably calculated to serve a TANF goal will be claimed as TANF MOE.

Goal Justification

The following Michigan DHS volunteer activities are tracked:

Activity Categories in drop down list	Examples or clarifications of Activities
Child Care	Children's corner in lobby, child care during meetings
Clerical/Unit aide	Filing, checking phone messages, shredding, helps clients fill out applications, etc. Also work directly for CRC or to support CR unit projects, recording donations, sending thank you letters

Activity Categories in drop down list	Examples or clarifications of Activities
Clothing	Running a clothes closet, arranging for a client to receive clothing from a collaborative partner, providing layette sets, using donations to purchase clothing for new foster children
Community Resource Access	Preparing resource files or information for staff or clients, working with 211
Education Related	Tutors, putting on a training or seminar, providing books, backpacks
Employment Related	Services to remove barriers for clients to get employment
Fund Raising	Events, projects, sales, mailings
Furniture/Appliances/Household goods	Arranging for a client to receive furniture, appliances, dishes, linens, etc.
Grants	Writing a grant, monitoring/administering grant funds
Holiday Related	Foster child Xmas party, Holiday baskets of food or gifts, Easter food, Halloween costumes, gift wrapping
Housing Services	Arrearages, deposits from donations or grants, helping locate housing, repair of homes, painting homes, cleaning up yards, etc.
Maintenance of DHS building or state cars	Cleaning, changing light bulbs, painting, washing state cars, etc.
Media/publicity/outreach	Sending out media release, being interviewed for a newspaper article, participating in a radio interview, sending out newsletter or mass mailing
Medical /Health Related	Help pay for appointments, medications, help find provider who accepts Medicaid, pay for medical equipment, collect and distribute used medical equipment, immunization outreach
Mentor/Companionship	Mentors, Big Brothers, friendly visitors to seniors, foster homes, phone reassurance, pen pals, parent aides
Nutrition/hunger/food	Run a food pantry, work on a collaborative to start a soup kitchen, used donated funds to provide lunch for a child being transported or snacks for foster care visitations, arranging for a client to receive food from a collaborative partner
Other	Miscellaneous activities of CRC or volunteers
Personal Care items/Cleaning supplies/Laundry	Providing care kits to new foster children or adults, running an in-house emergency closet for these items, arranging for a client to receive these items from a collaborative partner, helping a client get laundry done
Social Enrichment	Help pay for prom dress, camp, sports fees, put on event for fun for kids, etc.
Supervision/Training	Of volunteers/staff/donors
Transportation, Children services related	To foster care visits, foster kids to doctor appointments, etc.
Transportation, General	Helping clients get to non-medical non children's services related appointments.
Transportation, Medical	Medical trips, whether Medicaid related or not, regardless of method of transport, i.e. volunteer driver, provide bus passes, gas money, etc.

This following table indicates all reported volunteer activity categories, along with an indication of which rows have been deemed TANF-eligible because the services being conducted would fulfill a TANF goal:

Activity Categories	TANF Goal
Child Care	GOAL 1: Children's corner in lobby, child care during meetings
Clerical/Unit aide	ADMIN: Filing, checking phone messages, shredding, helps clients fill out applications, etc. Also work directly for CRC or to support CR unit



Activity Categories	TANF Goal
	projects, recording donations, sending thank you letters,
Clothing	NO CLAIM
Community Resource Access	ADMIN: Preparing resource files or information for staff or clients, working with 211
Education Related	GOAL 3: Tutors, putting on a training or seminar, providing books, backpacks
Employment Related	GOAL 2: Services to remove barriers for clients to get employment
Fund Raising	NO CLAIM
Furniture/Appliances/Household goods	GOAL 1: Arranging for a client to receive furniture, appliances, dishes, linens, etc.
Grants	NO CLAIM
Holiday Related	GOAL 1: Foster child Xmas party, Holiday baskets of food or gifts, Easter food, Halloween costumes, gift wrapping
Housing Services	GOAL 1: Arrearages, deposits from donations or grants, helping locate housing, repair of homes, painting homes, cleaning up yards, etc
Maintenance of DHS building or state cars	NO CLAIM
Media/publicity/outreach	ADMIN: Sending out media release, being interviewed for a newspaper article, participating in a radio interview, sending out newsletter or mass mailing
Medical /Health Related	NO CLAIM
Mentor/Companionship	GOAL 3: Mentors, Big Brothers, friendly visitors to seniors, foster homes, phone reassurance, pen pals, parent aides
Nutrition/hunger/food	GOAL 1: Run a food pantry, work on a collaborative to start a soup kitchen, used donated funds to provide lunch for a child being transported or snacks for foster care visitations, arranging for a client to receive food from a collaborative partner
Other	NO CLAIM
Personal Care items/Cleaning supplies/Laundry	GOAL 1: Providing care kits to new foster children or adults, running an in-house emergency closet for these items, arranging for a client to receive these items from a collaborative partner, helping a client get laundry done
Social Enrichment	NO CLAIM
Supervision/Training	NO CLAIM
Transportation, Children services related	NO CLAIM
Transportation, General	NO CLAIM
Transportation, Medical	NO CLAIM

The rationale for each category to be claimed is discussed below:

GOAL 1: Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.

- Child Care
- Furniture/Appliances/Household goods
- Holiday-Related
- Housing Services
- Nutrition/hunger/food
- Personal Care items/Cleaning supplies/Laundry

Several of the activities supported by DHS, such as food pantries and other short-term assistance programs, provide support for families so that children can remain in their own home. These programs focus on providing citizens with services to assist them with meeting basic needs in the short term, such as stabilizing living situations and accessing food, household goods, and clothing.

GOAL 2: End the dependence of needy parents on government benefits by promoting job preparation, work and marriage.

- Employment Related

Employment-related activities meet the requirements of TANF goal 2 by helping to address and remove barriers to employment for needy parents.

GOAL 3: Prevent and Reduce the incidence of out-of-wedlock pregnancies.

- Education Related
- Mentor/Companionship

The activities listed above serve TANF Goal 3 because of their direct contact with youth and young children. In the April 14, 2005 Program Instruction (TANF-ACF-PI-2005-1), which clarifies the use of TANF funds for educational purposes, the Administration for Children and Families (ACF) clearly states that early education programs, including pre-kindergarten, fulfill TANF Goal 3:

If, under State law, the educational activity is not part of the free public education system, then Federal TANF funds may be used for pre-school, school readiness or early childhood education programs.¹

ACF also spoke to the use of TANF funding to support after school programs, and other positive activities for youth, in the TANF Funding Guide:

Potential activities that would be reasonably calculated to accomplish this purpose include abstinence programs, visiting nurse services, and programs and services for youth such as counseling, teen pregnancy prevention campaigns, and after-school programs that provide supervision when school is not in session. A State may also fund a media campaign for the general population on abstinence or preventing out-of-wedlock childbearing.

All of the DHS volunteer hours claimed under Goal 3 is consistent with this language because they promote positive activities for youth.

ADMINISTRATIVE CLAIM

- Clerical/Unit Aide
- Community Resource Access
- Media/publicity/outreach

¹ ACF TANF Program Instruction, TANF-ACF-PI-2005-01, April 14, 2005. Available at <http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2005/pi2005-1.htm>

A TANF administrative claim will be made for the Clerical/Unit Aide, Community Resource Access and Media/Publicity/Outreach services provided through DHS volunteer hours. Pursuant to federal regulations, administrative costs means costs necessary for the proper administration of the TANF program or separate State programs.

For purposes of claiming these hours as administrative, the Community Resource Access and Media/Publicity/Outreach activity hours should be considered costs related to public relations (subsection (2)(vii) below). The Clerical/Unit Aide activity hours should be considered costs related to staff performance of administrative and coordination functions (subsection (2)(i) below). Allowable administrative costs are defined in 45 CFR 263.0 (emphasis added):

- (2) It includes costs for general administration and coordination of these programs, including contract costs and all indirect (or overhead) costs. Examples of administrative costs include:
- (i) **Salaries and benefits of staff performing administrative and coordination functions;**
 - (ii) Activities related to eligibility determinations;
 - (iii) Preparation of program plans, budgets, and schedules;
 - (iv) Monitoring of programs and projects;
 - (v) Fraud and abuse units;
 - (vi) Procurement activities;
 - (vii) **Public relations;**
 - (viii) Services related to accounting, litigation, audits, management of property, payroll, and personnel;
 - (ix) Costs for the goods and services required for administration of the program such as the costs for supplies, equipment, travel, postage, utilities, and rental of office space and maintenance of office space, provided that such costs are not excluded as a direct administrative cost for providing program services under paragraph (b)(1) of this section;
 - (x) Travel costs incurred for official business and not excluded as a direct administrative cost for providing program services under paragraph (b)(1) of this section;
 - (xi) Management information systems not related to the tracking and monitoring of TANF requirements (e.g., for a personnel and payroll system for State staff); and
 - (xii) Preparing reports and other documents.

Federal regulations specifically allow administrative costs to be claimed as TANF MOE, per 45 CFR 263.2 (emphasis added):

- (a) Expenditures of State funds in TANF or separate State programs may count if they are made for the following types of benefits or services:
- (1) Cash assistance, including the State's share of the assigned child support collection that is distributed to the family, and disregarded in determining eligibility for, and amount of the TANF assistance payment;
 - (2) Child care assistance (see §263.3);
 - (3) Education activities designed to increase self-sufficiency, job training, and work (see §263.4);
 - (4) Any other use of funds allowable under section 404(a)(1) of the Act including:
 - (i) Nonmedical treatment services for alcohol and drug abuse and some medical treatment services (provided that the State has not commingled its MOE funds

with Federal TANF funds to pay for the services), if consistent with the goals at §260.20 of this chapter; and

(ii) Pro-family activities that are consistent with the goals at §§260.20(c) or (d) of this chapter, but do not constitute “assistance” as defined in §260.31(a) of this chapter; and

(5)(i) Administrative costs for activities listed in paragraphs (a)(1) through (a)(4) of this section, not to exceed 15 percent of the total amount of countable expenditures for the fiscal year.

Based on the above referenced federal regulations and guidance, community referral services that help connect Michigan residents with services that are potentially TANF-eligible would be an allowable administrative claim component, as would media/publicity/outreach in support of TANF-related services. Likewise, the administrative value of clerical help is allowable. According to OMB Circular A-87-Cost Principles for State, Local, and Indian Tribal Governments, administrative costs must be “reasonable and necessary.” Providing information to the DHS population about the availability of TANF-eligible services and administering those services are a necessary function of the TANF program.

Reasonable Calculation

The Temporary Assistance for Needy Families (TANF) program was designed to provide states with broad flexibility to design their programs and spend federal and state dollars as they see fit, provided those expenditures fit within the federal laws and regulations. Unlike other federal programs, a “reasonableness” test is often applied to the TANF program, which allows flexibility. This “reasonableness” test applies to the TANF program in two ways:

- Programs funded with TANF dollars are claimed as TANF-Maintenance of Effort (MOE) must be “reasonably calculated” to meet one of the four TANF purposes. 45 CFR 263.11(a)(1)
- Reasonable calculations can be developed to estimate the amount of program expenditures that are claimable as TANF or TANF-MOE. 45 CFR 265.7(b)(5)

The specific regulatory language for the second point states, “Where estimates are necessary (e.g., some types of assistance may require cost estimates), the State uses reasonable methods to develop these estimates.” The Administration for Children and Families further comments on this allowance in both the *Proposed Rule* issued on November 20, 1997, and the *Final Rule* issued April 12, 1999:

Also in paragraph (b), the proposed definition of “a complete and accurate report” includes the statement that “where estimates are necessary, the state uses reasonable methods to develop these estimates.” We plan to review each State’s methods and procedures for developing these estimates through on-site verifications or technical assistance visits.

-- *Proposed Rule*, Page 62176

In the compliance supplement, we will suggest auditing procedures that include reviews of all the MOE reports and an examination of the issue such as ... were the methodologies the State used to estimate the portion of program expenditures going to eligible families sound.

-- *Final Rule*, Page 17827

While the language from the *Proposed Rule*, as well as the language found at 45 CFR 265.7(b) (5) speaks specifically about the requirements for reporting disaggregated data (i.e. data on families receiving TANF assistance), the language from the *Final Rule* broadens the use of estimates to all MOE claims, such as the DHS volunteer hours included in this claim. In this claim, the data has been disaggregated into volunteer activities and hours, the narrowest category reasonable given the data collection methods in use by Michigan DHS.

Maintenance of Effort (MOE) Eligibility Requirements

TANF MOE must be expenditures with respect to “eligible families,” per the eligibility requirements defined at 45 CFR §263.2(b). The federal regulation language from this section of the CFR is:

(b) With the exception of paragraph (a)(4)(ii) of this section, the benefits or services listed under paragraph (a) of this section count only if they have been provided to or on behalf of eligible families. An “eligible family” as defined by the state must:

- (1) Be comprised of citizens or non-citizens who:
 - (i) Are eligible for TANF assistance;
 - (ii) Would be eligible for TANF assistance, but for the time limit on the receipt of federally funded assistance; or
 - (iii) Are lawfully present in the United States and would be eligible for assistance, but for the application of title IV of PRWORA;
- (2) Include a child living with a custodial parent or other adult caretaker relative (or consist of a pregnant individual); and
- (3) Be financially eligible according to the appropriate income and resource (when applicable) standards established by the State and contained in its TANF plan.

These requirements constitute a three-pronged eligibility test for families served by MOE expenditures: citizenship, child in the home, and income. Claimed program expenditures are reasonably calculated so that only funds expended on eligible families are reported as MOE.

Source Documents

The following documents support this claim:

- FFY13 volunteer hour/activity counts from Michigan DHS
- Michigan DHS Volunteer Tracking/Reporting Manual
- 2013 Michigan DHS population counts

Claim Procedure and Estimation Methodology

Because only the hours attributable to activities that meet a TANF goal are claimable, the documentation for this claim started by analyzing the volume and categories of activity hours reported by Michigan DHS for FFY 2013. The following claiming methodology was used in this analysis:

Step 1: Calculate the percentage of the total reported activities related to TANF-eligible activities.

This following table indicates all volunteer activity categories and the number of activities reported per category for FFY13, as well as the percentage of the total activities represented by each category.

Activity Categories	Claim Status	# of Activities Reported	% of Total Activities
Child Care	Yes	16	0.39%
Clerical/Unit aide	Yes	277	6.78%
Clothing	No	172	4.21%
Community Resource Access	Yes	361	8.83%
Education related	Yes	114	2.79%
Employment Related	Yes	119	2.91%
Fund Raising	No	173	4.23%
Furniture/Appliances/Household goods	Yes	122	2.99%
Grants	No	34	0.83%
Holiday Related	Yes	157	3.84%
Housing Services	Yes	126	3.08%
Maintenance of DHS building or state cars	No	71	1.74%
Media/publicity/outreach	Yes	119	2.91%
Medical /Health Related	No	138	3.38%
Mentor/Companionship	Yes	48	1.17%
Nutrition/hunger/food	Yes	256	6.26%
Other	No	197	4.82%
Personal Care items/Cleaning supplies/Laundry	Yes	192	4.70%
Social Enrichment	No	214	5.24%
Supervision/Training	No	75	1.84%
Transportation, Children services related	No	204	4.99%
Transportation, General	No	290	7.10%
Transportation, Medical	No	203	4.97%
TOTAL REPORTED		4,087	100%

Step 2: Multiply the total dollar value of claimable volunteer activities reported by DHS by the percentage of activities reported for each category to determine the dollar value of volunteer time for each category.

The total dollar value of volunteer activities reported by DHS was \$7,391,489.04, which represents a value of \$22.14 per hour for the 333,852 hours of volunteer work performed conducting the 4,087 volunteer activities.

A substantial amount of literature that calculates volunteer hourly rates throughout the country was reviewed in advance of preparing this report; Michigan’s volunteer hourly rate is \$22.14.² This rate is based on a standard developed by the Independent Sector and supported by the Points of Light Foundation.

Activity Categories	Claim	% of Total Activities	\$ Value
Child Care	Yes	0.39%	\$ 28,936.59
Clerical/Unit aide	Yes	6.78%	\$ 500,964.64
Community Resource Access	Yes	8.83%	\$ 652,881.71
Education related	Yes	2.79%	\$ 206,173.17
Employment Related	Yes	2.91%	\$ 215,215.85
Furniture/Appliances/Household goods	Yes	2.99%	\$ 220,641.46
Holiday Related	Yes	3.84%	\$ 283,940.24
Housing Services	Yes	3.08%	\$ 227,875.61
Media/publicity/outreach	Yes	2.91%	\$ 215,215.85
Mentor/Companionship	Yes	1.17%	\$ 86,809.76
Nutrition/hunger/food	Yes	6.26%	\$ 462,985.37
Personal Care items/Cleaning supplies/Laundry	Yes	4.70%	\$ 347,239.03
Total			\$3,448,879.28

Step 3: Identify the statistics needed to reasonably calculate the percentage of volunteer hours spent in service of TANF-eligible families per the three-pronged eligibility requirement described above

Sub-step 1: Determine the percentage of persons served who are DHS-engaged; this population meets both the income and citizenship requirements for TANF MOE spending.

All DHS volunteer activity hours must serve DHS clients, all of whom are served by programs with income eligibility standards at least as conservative as the 200% Federal Poverty Limit in the Michigan TANF State Plan. Volunteer activities may also serve additional persons. DHS was able to provide a percentage, based on field experience, that describes what portion of the people served by the volunteer activities were DHS clients. That percentage was 80% for FFY 2013.³ These persons, by definition of being served by DHS, meet both the income and citizenship eligibility requirements for TANF MOE spending.

The one exception to this is the “child care activity.” Because this service is only provided in DHS offices, all clients served are DHS-involved. Therefore, the DHS-engaged statistic was not applied.

² http://www.independentsector.org/volunteer_time#state (2012).

³ Telephone conversation with DHS’ Mike Peach, November 12, 2013.

Sub-step 2: Determine the number of individuals who have children living in the home or consist of a pregnant individual.

DHS was able to provide information about the populations served by each of its six programs: the Food Assistance Program, State Disability Assistance, Medicaid, the Family Independence Program (FIP, the state TANF program), Child Care, and Foster Care. For each of these programs, DHS provided a breakdown between adults, out of home kids, and in-home (or “TANF-eligible”) kids.

The percentage of TANF-eligible kids in each program’s population was assigned or calculated. For FIP, a percentage of 100% was assigned because all program participants are known to be TANF-eligible, including adults. For Child Care, the percentage of the total kids population who are TANF-eligible kids was assigned because all clients involved in that program necessarily have kids in the household, and the only necessary exclusion would be the percentage of children served living out of their own home. For all other programs, the number of TANF-eligible kids was divided by the total population served by the program. These percentages were then multiplied against each program’s total population to produce a weighted statistic, which was summed and divided by the total population served across all programs to yield a weighted cross-program statistic. Please see the claim calculation workbook for details.

Sub-Step 3: Determine the percentage of kids served by DHS who live in the home and are therefore TANF-eligible.

The total number of TANF-eligible kids for each of DHS’ programs was summed and divided by the total number of kids served to calculate a statistic for volunteer hours serving children.

Again, the exception to this is the “child care activity.” It is highly unlikely that foster parents would come into DHS offices and use this service, so 100% of those served are reasonably calculated to have kids living in their own home.

Sub-Step 4: Identify the approved CAP administration percentage for TANF.

This percentage was provided by DHS based on its approved cost allocation plan.

Step 4: Multiply the value of the volunteer hours in TANF-related categories from Step 2 by the appropriate percentages in Step 3. Sum those values to arrive at the final claim amount.

Please see the claim calculation workbook for details. Not all statistics are applicable for each activity type. Administrative activities’ values are multiplied by the CAP TANF administration rate only. The final product of this calculation was \$1,344,738.32, the amount of the claim.

Programmatic Considerations

1. Does this program meet the definition of TANF assistance? Yes No



2. Is this program subject to a citizenship test? Yes No
Programs funded with federal dollars are subject to the test if they meet the definition of a “federal public benefit.” TANF MOE funds may be expended on individuals who are U.S. citizens, non-citizens legally residing in the United States, and qualified aliens.
3. Was this program authorized under the state’s Aid to Families with Dependent Children (AFDC)?
 Yes No
Programs authorized under AFDC include those operated under the state’s Emergency Assistance Plan, the JOBS program and other Title IV-F plans.
4. Is this program subject to the “new spending test”? Yes No
Programs claimed as TANF-MOE that were funded in FY 1995 – and were not authorized under the State’s Emergency Assistance Plan, the JOBS program and other Title IV-F plans – are subject to this test. Programs authorized under prior law are not subject to this test. ⁴

The DHS Volunteer Hours program as currently operated by the central DHS office was established 12 years ago and is not subject to the new spending test.

Required Data Points

The table below provides data required for the ACF-204 Report for expenditures claimed as TANF MOE; not all statistics are relevant for this TANF claim.

Total State Expenditures	\$7,381,489.04
Total State Expenditures Claimed as TANF, TANF MOE or Contingency Fund	\$1,344,738.32
Work Requirement	Not applicable to non-assistance programs
Annual eligible families served	Not collected
Eligibility Criteria	Calculated to meet TANF MOE eligibility criteria
Authorized under AFDC	No
1995 Expenditures	Not applicable.
Eligible Families Certification	Not applicable because the claim is for the non-assistance activities.

⁴ http://www.acf.hhs.gov/programs/ofa/recovery/tanf-faq.htm#_%20id=