



## TANF 706-2 Pathways Services

**Supersedes:** TANF 706-2 12/1/21

**Reference:** ARM 37.78.806

**Overview:** TANF Pathways services assist clients who want to pursue educational goals including; vocational and post-secondary education, employment skills, training and/or financial literacy. Services are focused on clients with few, if any, barriers to stability. Services are available at the contractor's discretion within their budget and may not be available in all TANF regions.

Clients are eligible for services for up to 30-days after completion of a training or educational placement, i.e., SEP, STP, education pays, financial literacy, etc. to assist in transitioning the client into employment or other self-sufficiency path.

### **PATHWAYS SUBSIDIZED EMPLOYMENT PLACEMENTS (SEP):**

This activity is only available to clients participating in Pathways services. Subsidized Employment Placements (SEP) are available at the contractor's discretion within their budget. Placements are in public or private sector jobs, and TANF or other public funds provide subsidies to employers to offset some or all their expenses (wages and cost of maintaining the job). Subsidies cannot reimburse overtime.

These placements should lead to steady, ongoing employment or provide sufficient training for the client to gain steady, ongoing employment.

Other SEP requirements include:

- **EMPLOYMENT CONTRACT:**

A written employment contract, between the employer, client, and contractor, must accompany every placement.

The employment contract must include the:

1. Required number of training hours for the client to reach an agreed upon skill level;
2. Specific skills and knowledge client will gain during training; and

3. Subsidy rate and schedule.

- PLACEMENT LIMITATIONS:

Placements cannot exceed 8 hours per day/40 hours per week unless a written request is approved by central office.

- PLACEMENT REQUIREMENTS:

Placements must meet or exceed the prevailing wage, hour, and employment condition standards for employees/trainees in similar jobs.

The contractor/subcontractor or employer must act as the employer of record.

The contractor must meet with the work site Supervisor in person monthly and with the client on a bi-monthly basis. Client contact must be in person.

- INAPPROPRIATE PLACEMENTS:

The following placements are not appropriate:

1. With any employer in violation of local, state or federal labor laws;
2. Within the contractor's agency;
3. Within the client's current employer (without prior Department approval);
4. For occupations:
  - a. With high labor turnover;
  - b. Dependent on tips and/or commission without a base wage; or
  - c. With high numbers of experienced/able workers presently unemployed in the local job market.
5. In an entry level job where no prior experience is required;
6. In a job where the client already possesses the skills required for employment in the position;
7. Out of state placements;
8. Placements with abnormal labor conditions (e.g., strike, lockout, or similar conditions) at the business or its affiliates; or
9. For client's self-employment: start-up or with an existing business.

For additional placement requirements see TANF 707-1

**PATHWAYS SPECIALIZED TRAINING PLACEMENTS:**

Specialized Training Placements (STP) are available at the contractor's discretion within their budget. Training must provide the TANF client with a marketable skill and/or certificate (that the client does not

already have) that leads to employment in the local job market at a wage sufficient to support their family.

Individual or group specialized training, pre-apprenticeship, apprenticeship, or internship methods can be used to provide job specific skills.

Training costs:

1. Can cover out of town, out of state or online training
2. Can include travel costs, meals and lodging
3. Cannot exceed \$5,000 per client per state fiscal year
4. Cannot include costs associated with extracurricular activities or entertainment

Other Conditions:

1. Not have an associate or bachelor's degree, or current certificate in a field in which they've already received a certificate.

TANF cash clients must use the Vocational Education/Specialized Training or Job Skills Training category in CHIMES.

Non- Cash clients must use the Education Non-TANF Cash category in CHIMES.

### **PATHWAYS NON-CASH EDUCATION PAYS:**

Pathways Non-Cash Education Pays is only available to clients participating in Pathways services. The Education Pays program allows Pathways non-cash clients to pursue educational training while receiving incentives for completing educational goals. Pathways non-cash clients must meet all financial and non-financial criteria including being a member of the assistance unit. Pathways non-cash clients cannot receive both Education Pays and TANF cash in the same month. Pathways non-cash clients are not subject to the 60-month time limitations.

Allowable incentive rates are UP TO:

1. \$300 per month for meeting monthly educational goals;
2. \$200 for completion of a certificate program or associate degree; and
3. \$300 for completion of a bachelor's degree.

Pathways non-cash clients may pursue educational training while receiving incentives for completing educational goals under the Education Pays program.

### **FINANCIAL LITERACY**

Financial /Literacy activities are available at the contractor’s discretion within their budget. Financial literacy is the education and understanding of knowing how money is made, spent, and saved, as well as the skills and ability to use financial resources to make decisions. These decisions include how to generate, invest, spend, and save money. Budgeting needs to be discussed with the client at every meeting, this includes, but is not limited to the initial assessment meeting, any time a change of income is reported, at the 90-day review, and when a supportive service is requested. A budget discussion must be documented in person notes.

Pathways non-cash clients must use the Financial Literacy Non-TANF Cash category in CHIMES.

TANF Cash clients would negotiate activities under Job Search/Job Readiness – Financial Literacy category in CHIMES.

### **MATCHED SAVINGS and INDIVIDUAL DEVELOPMENT ACCOUNTS**

Pathways clients may be offered a Matched Savings Program or an Individual Development Account (IDA) that aligns with their Bridge goals and pathway. Matched Savings Programs or IDAs are available at the contractor’s discretion within their budget.

Matched Savings Programs and IDAs can only be received once in a 12-consecutive month period and only when not also available in the community.

Matched Savings programs are intended to allow the client to meet an educational or employment goal, or to purchase something needed to help them address a barrier.

IDAs are also intended to allow a client to meet an educational goal but can also be used to purchase a first home and for business capitalization. IDAs must follow federal regulation and restrictions.

The client’s goals must align with the TANF goal “to end dependence of needy parents on governmental benefits by promoting job preparation, work and marriage.”

#### **ACCOUNT RESTRICTIONS:**

Federal or State funds from one program may not be used to satisfy the matching requirement of another Federal or State program.

Matched Savings programs and IDAs cannot be used in the place of Pell Grants, scholarships and grants or used for living expenses. They also cannot be rolled into Roth IRAs, 529 plans or to purchase Certificates of Deposit (CDs).

Matched Savings and IDA funds cannot be used for:

1. reoccurring basic ongoing needs, such as food, clothing, shelter, utilities, household goods, personal care items and general incidental expenses; or

2. medical expenses;
3. extracurricular activities; or
4. entertainment.

#### PARTICIPATION AGREEMENT:

A participation agreement must be in place for each IDA or matched savings account. The agreement must include:

1. Savings goals that both client and contractor agree on;
2. Stated, and agreed to account objective (what asset will be purchased);
3. The client's goals regarding deposit amounts and frequency as well as timeframe to meet their savings goal;
4. Specific information stating when the client can access the account (e.g., after savings goal is met, etc.);
5. Detailed information explaining when and how funds are returned to the client should they fail to complete the IDA or Matched Savings program;
6. The specific match rate that will be applied to the account.

#### MATCHED SAVINGS and IDA FUNDING:

The match rate is set by the contractor and can be any rate up to the maximum match rate of 3:1.

Clients must save their own earned, unsubsidized income, during program enrollment.

Purchases cannot exceed \$5,000.

#### TYPE OF FINANCIAL ACCOUNT:

Funds must be deposited into a FDIC insured savings account in the client's name.

Contractors must monitor all IDA and Matched Savings accounts.

#### DISTRIBUTION OF FUNDS:

Matching funds only become available after the client has met their savings goal.

The contractor must meet with the client at least ten (10) days prior to funds distribution to:

1. verify client address;
2. obtain vendor information;
3. discuss distribution amount and ensure the client agrees; and
4. inform the client what date funds will be sent to the vendor.

Direct payment (vendor check) is the preferred method to purchase assets.

**WITHDRAWAL:**

Clients may withdraw from the program before their goal is met. The request must be in writing, either from the client or by the contractor documenting the request. If a client withdraws, matching funds are not available to them.

**Effective Date:** September 1, 2023