

# **Jobs Now: San Francisco's Subsidized Employment Program**

**Region IX TANF Administrators meeting**

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August 14, 2012**

# Background

- Initiated with ARRA TANF ECF Funds
  - Employed 4,000 San Franciscans between summer 2009 and September 2010
  - Federal dollars allowed for flexible program design
  - Influenced the agency's perspective about subsidized employment for the TANF population
- Current program is smaller, but preserves same framework and incorporates lessons learned
- Subsidized employment has become the centerpiece of San Francisco's Welfare to Work program

# Jobs Now today

| Component                            | # slots for CalWORKs clients | # slots for non-CalWORKs clients |
|--------------------------------------|------------------------------|----------------------------------|
| Tier 1: Transitional work experience | 135                          | 10                               |
| Transitional jobs program            |                              |                                  |
| ESL Work Experience                  |                              |                                  |
| Child care internship program        |                              |                                  |
| Tier 2: Public Service Trainee       | 70                           | 205                              |
| Tier 3: Wage subsidy                 | 100                          | 20                               |
| Youth employment                     | 250                          | 8                                |
| Total                                | 555                          | 243                              |

# Tier 1 Positions

- For clients with little or no work experience
- Program design:
  - 25 - 32 hrs in a highly supervised work experience
  - 7 - 10 hrs in the classroom learning soft skills, basic employment skills, GED prep (unpaid; was paid during ARRA)
  - Contracted non-profit organizations develop work sites, conduct job matching, support work sites, provide participant training and case management and act as employer of record
  - Wage rate: \$11.03/hr
- ESL Work Experience program emphasizes vocational English
- Child care internship program combines ECE coursework with subsidized job placement in child care/after-school programs

# Tier 2 Positions

- For clients with demonstrated soft skills; may have had part-time jobs
- Program Design:
  - 32 hrs/week at wage rate of \$12.39/hr
  - Competitive job placement process
  - Client is a temporary city employee
  - These are trainee positions; no displacement of existing workers
- Close coordination with host agencies is key
  - Host agencies sign MOU agreeing to provide on-the-job training and supervision and cover workers comp costs
  - Communication between host site supervisor and client's assigned employment specialist is critical
  - Participation from multiple agencies allows for better job matching

# Tier 3 Positions

- For clients with relatively strong work experience, including recent employment
- Employment with for-profit & non-profit employers
  - Employers hire participants of their choosing referred by HSA or self-referred (vouchers)
  - Clients paid prevailing wage rate for job
- \$5,000 subsidy over 5 months for each client hired
  - Employers invoice HSA on monthly basis
  - Employers sign MOU agreeing to make a good faith effort to retain client after subsidy ends

# Subsidized Employment for Youth

- For youth (age 14 to 18) in CalWORKs families
- County-contracted non-profit enrolls youth, runs trainings, develops work sites at other non-profits, matches youth to work sites and provides case management
- 20 hours/week at minimum wage
- 2 weeks of paid pre-employment training

# Program Costs

- 6-Month Transitional Work Experience
  - \$13,000 per client (\$9K wages + \$4K contractor admin)
- 6-Month Public Sector Trainee Program
  - \$11,000 per client for wages and fringe; admin provided in-kind
- Work Subsidy Program
  - \$5,000 subsidy per eligible hire

# Funding Sources

|                            | CalWORKs positions | Non-CalWORKs positions |
|----------------------------|--------------------|------------------------|
| CalWORKs Single Allocation | 81%                | 0%                     |
| AB98 (state funding)       | 19%                | 0%                     |
| County General Fund        | 0%                 | 100%                   |
| Total Annual Budget        | \$6,400,000        | \$5,000,000            |

# Critical Component: Partnerships

- Employers
- Non-Profit Organizations
- Public Sector Agencies

# Employer Partnerships

- Under ARRA, mayoral leadership in outreach to business community was key
  - Partnered with Chamber of Commerce, Small Business Commission to reach employers
  - Media campaign and City Hall event
- Business Account Representatives (BARs) provide one-to-one outreach & recruitment
  - Provide single point of contact for employers
  - Outreach efforts focused on specific employment sectors
  - Last fiscal year, contacted over 1,700 businesses
  - Expand reach through small business associations, merchant groups, professional networks, etc.
- Employers have become partners
  - Peer referrals
  - Advocacy

# Community Non-Profit Partnerships

- Contracted directly by HSA to administer the transitional work experience programs.
  - Provide job development, job matching, participant engagement, training and work site support
- Serve as work sites for transitional work experience program participants.
- Hire Wage Subsidy Program participants.
  - 38% of placements under ARRA program were in the non-profit sector

# Public Sector Partnerships

- Under ARRA there was high demand for the Public Sector Trainee (PST) program; over 30 public agencies participated
- Most PSTs are now placed within the Human Services Agency, but original PST program success led to spin-offs
  - Clean Streets/Clean Parks Program administered by HSA in partnership with Dept of Public Works and Parks Dept, funded by Mayor's Office
  - Dept of Labor grant to fund subsidized employment partnership with Child Support Services, Adult Probation and Office of Economic and Workforce Development

# Outcomes

- Increased labor force participation and earnings for CalWORKs clients
  - 47% of wage subsidy clients retained for some period by employer after subsidy ended
  - Based on a sample, 47% of CW participants left aid due to income; clients who income off are no longer in WPR
- Staff, employers and clients themselves learned that CalWORKs clients are employable
  - 23% of participants were exempt, non-compliant or sanctioned prior to getting a subsidized job
- High employer satisfaction reported in survey
  - 82% were satisfied with JN employees
  - 72% said program helped their business increase sales

# Lessons Learned

- Work is a powerful tool, getting started is the hardest part
  - Create a variety of options for range of work readiness
  - Development of rapid attachment to work program ⇒ 89% completion rate
- Make program simple, attractive for employers
  - \$2,500 up-front subsidy proved insufficient, \$5,000 over 5 months improved participation
  - Employer choice of which participant to hire
  - Short, easy to use forms
  - Single point of contact at the administering agency
  - Single phone number for employers and clients to access information