



U.S. Department of Health and Human Services
ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Family Assistance

Improving Employment Outcomes for Individuals while Meeting Local Employer Needs

Thursday, September 27, 2012 ❖ 1:00 – 2:30 p.m. Eastern Time

Welcome! The session will begin momentarily.

Please Dial **1-877-668-4493** and enter the Access Code: **663 354 747** to join the Audio portion of the Webinar.

Presenters:

- ◆ **Cindy Redcross**, MDRC ◆
- ◆ **James Whelley**, City and County of San Francisco Human Services Agency ◆
- ◆ **Paulette Bushers**, Oklahoma Department of Human Services ◆
- ◆ **Xochitl Esparza**, Oregon Department of Human Services ◆

James Butler, Moderator, Office of Family Assistance,
Administration for Children and Families

Damon Waters, Facilitator, ICF International



U.S. Department of Health and Human Services

ADMINISTRATION FOR
CHILDREN & FAMILIES

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Webinar Learning Objectives:

1. Provide an overview of different types of subsidized employment programs that can work in different settings and with different types of employers.
2. Discuss the varied funding streams utilized.
3. Discuss strategies for matching subsidized employment opportunities to local labor markets and employer needs.
4. Outline practical strategies used by peer agencies for creating targeted subsidized employment programs.



Subsidized employment and transitional jobs: What we know from research

Improving employment outcomes for individuals while
meeting local employer needs

September 27, 2012

Presentation by: Cindy Redcross

Presentation outline

- Background on subsidized employment
- Implementation lessons (TANF EF, research)
- Program evidence
- Lessons



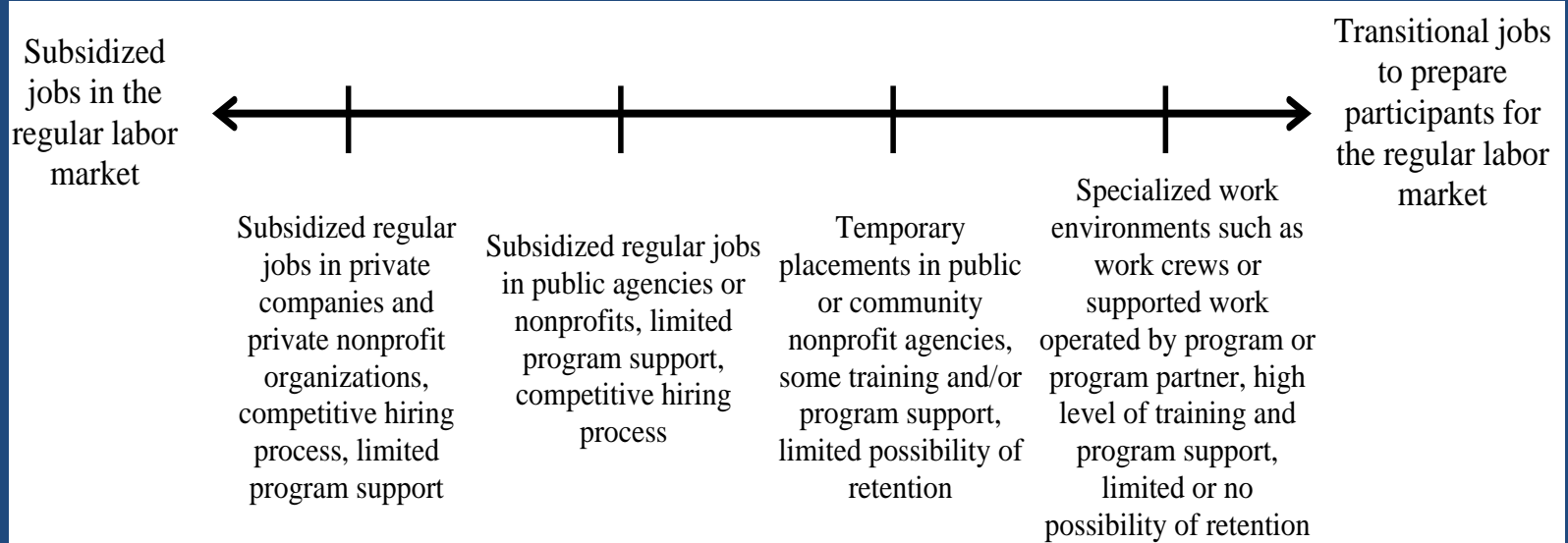
Subsidized employment

- Programs that use public funds to create or support jobs for people who can't otherwise find work
- Many approaches, including:
 - Community service employment
 - Public service employment
 - Paid work experience
 - Supported work
 - Transitional jobs
 - On-the-job training

Subsidized employment: Many areas of variation

- Goals
 - Provide work-based income support (counter-cyclical)
 - Improve long-term labor market outcomes
 - Improve communities
- Targeting
 - Broad focus on unemployed workers
 - Narrow focus on the “hard to employ”
- Program structure
 - Location of subsidized jobs
 - Structure of subsidies
 - Employer of record
 - Possibility of “rollover”
- Ancillary supports
 - Ranges from intensive to non-existent

Spectrum of Types of Subsidized Employment Programs



Program and subsidy structure

- Subsidized private sector employment
 - Most often reimburse employer for wages (flat payment, proportion of wage, or declining reimbursement)
 - Some provide on-the-job training
- Scattered site transitional job
 - Job placement with nonprofit organizations or government agencies
 - Participants remain on payroll of agency that runs the TJ program
- In-house transitional job
 - Jobs directly for program such as a social enterprise (e.g. Goodwill Industries)
 - Work crew model

Two contrasting examples

- Center for Employment Opportunities
 - NYC-based TJ program for ex-offenders
 - Gov't agencies contract for CEO work crews; supervisors work for CEO
 - Extensive supports, case management, job development/placement, fatherhood, etc.
- Pennsylvania Way to Work (TANF EF)
 - Statewide; targeted parents below 235% FPL
 - Reimbursed employers 100% up to \$13/hour
 - More than 25,000 placements



Implementation

- Recruiting employers
 - Job development
 - Media campaigns and marketing events
 - Marketing by participants
 - Staffing agencies
 - Partnerships with commerce departments
- Managing payroll and reimbursing employers
 - Centralize reimbursement
 - Third party vendor for payment processing

Implementation (cont.)

- Moving participants to unsubsidized employment
 - Actively help with job search
 - Step down wage subsidy
 - Retention bonuses
 - Employer commitment
- Opportunities for skill development
 - Combining work and education
 - Training and job advancement
- Matching participants skills to employers' needs
 - Understand employers needs and match qualifications
- Different tracks based on job readiness
 - Job readiness first
 - Highly supported subsidized job

Subsidized employment:

Research evidence

- Need to understand a program's goals before evaluating it
 - A program that does not focus on building long-term employability should not be judged on that outcome
- A number of random assignment studies of subsidized employment programs since 1970s
- Tested programs that aimed to improve long-term employment outcomes



Subsidized employment: Research evidence (cont.)

- Supported work (1970s-80s)
 - Large early employment gains driven by subsidized jobs
 - Sustained gains for welfare recipients, but not for ex-offenders, youth, or ex-addicts
- On-the-job-training (1980s)
 - Sustained earnings gains in several studies
 - Programs were mostly small, selective

Transitional jobs: Research evidence

- Very large short-term increases in employment for hard-to-employ groups
 - Programs served many people who would not otherwise have been working
- Not much evidence of post-program increases in employment or earnings
- Some positive impacts on other key outcomes (e.g., recidivism, TANF receipt)
- Recurring issues: targeting, transitions
- Some evidence that programs work better for more disadvantaged, higher risk, and in bad economy

Lessons

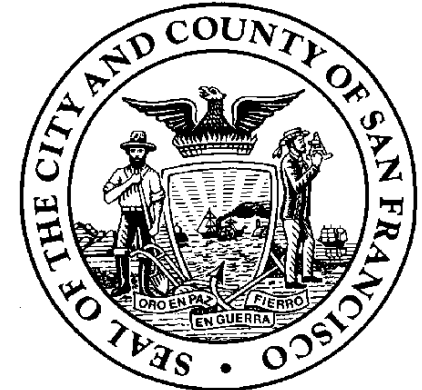
- Strong partnerships
 - Buy-in from political leaders and/or state advocates
 - Building strong linkages between programs and systems (child support, CJ, TANF)
- Figure out who to target with scarce subsidized employment resources
- Benefits extend beyond income gains
 - Improved relationship with employers
 - Assistance to struggling small businesses and non-profits
 - Improved relationship with workforce and other agencies

San Francisco County Workforce Development Division

Improving Employment Outcomes ... Webinar

San Francisco JobsNOW Program

September 27, 2012



SF has always had a small subsidized employment program as part of TANF (CalWORKs) WtW:

- **50 slot Transitional Employment program operated by a outside contractor**
- **30 slot Public Service Trainee (PST) program operated internally**
- **Both programs focused on TANF participants**

With the availability of ECF stimulus funds, HSA decided to greatly expand existing programs and to add a new private sector component.

- **That became JobsNOW 1 (JN1)**
- **Initially, the plan was to create 1,000 subsidized employment opportunities**
- **Ultimately, over 4,300 subsidized jobs were created under JN1**
- **During JobsNOW1, HSA subsidized 100% of the wages**
- **The ECF JobsNOW1 program was so successful, HSA kept the program design, albeit at a reduced funding level, and continues to operate program as JobNOW4**
- **Since local money was included, single adults receiving public assistance under our Personal Assisted Employment Services (PAES) were also included in the subsequent JobsNOW programs**

Program was designed with 3 “tiers” so any job seeker, regardless of their employment background, skills, or experience, could participate in the program.

Tier 1: Low Market Connection

- **little or no work experience**
- **worked less than 6 out of last 18 months**
- **may have demonstrated an ability to get, but not keep a job**
- **not connected to the labor market on a consistent basis – lots of short-term jobs**

Tier 1 clients directed to the Community Jobs Program (CJP)

Tier 2: Medium Market Connection

- **worked more than 6 out of last 18 months**
- **had at least 1 job longer than 3 months**
- **presents a positive work attitude**
- **worked in part-time job market, or full time in an entry-level job**

Tier 2 clients directed to the Public Service Trainee (PST) program.

Tier 3: High Market Connection

- **held full-time employment in 6 of the last 12 months**
- **work history of successfully holding a full-time job for a minimum of 12 continuous months**
- **has marketable skills in an in-demand occupation**
- **presents positive work attitude and motivation to work**

Tier 3 clients directed to the Wage Subsidy, private sector program.

Community Jobs Program:

- **More traditional TE jobs**
- **25 hours of paid work in non-profit agencies**
- **Participants were paid \$11.03/hr – the SF MCO**
- **Job duration: 6 months**
- **Program currently contracted out to two community providers – Young Community Developers and Arriba Juntos.**
- **CBO's function as employer of record and issue paychecks**

- **Contractors were responsible for developing and placing participants in the non-profit work sites**
- **An additional 7 hours a week of classroom time was included to meet California hourly participation requirements**
- **Classroom time was paid under JN1, unpaid under JN2 and JN3**
- **Classroom activities included job readiness and job skill instruction; ESL for the LEPs**
- **Contractors were responsible for placement outcomes and/or transitioning clients to jobs in a higher tier**

Total Enrollments:

- **JN1 – 1,016**
- **JN2 – 224**
- **JN3 – 162**
- **JN4 – 160 planned**

Public Service Trainee:

- **Public sector employment with HSA and other SF City Agencies**
- **Participants worked 40 hours a week under JN1; 32 hours a week under JN2 and 3**
- **Participants are temp City employees**
- **HSA provided the personnel and payroll functions for all City agencies**
- **Participants are currently paid \$12.98 an hour**
- **Work assignments are for 6 months**

Administration:

- **Under JN1, HSA paid 100% of the wages and fringe benefits.**
- **Under JN2, HSA and host agency split cost 50/50**
- **Under JN3 and 4: HSA pays 100% of wages**

Enrollments:

- **Under JN1, 31 participating agencies hired 825 individuals**
- **JN2 – HSA, RPD, and MTA participated, hiring 191 individuals**
- **JN3 – HSA, RPD, and DPW participated, hiring 412 individuals**
- **JN4 – 550 planned**

Wage Subsidy:

- **Jobs are with private for profit or private non-profit employers**
- **Program was operated by HSA/WDD Business Account Representatives (BARs) who are staff hired solely to provide services to the local business community; they do not carry a client caseload**
- **BARs became the Single Point of Contact (SPOC) for any business who wanted information or wanted to participate in the program**
- **BARs marketed the program, walked businesses through the application process, negotiated job postings, scheduled employers to attend our job seeker recruitments, or pre-screened candidates for those that couldn't attend a recruitment**

Reimbursements:

- **Participants are regular employees of the business**
- **Wages, work hours, job duties set by employer**
- **HSA reimburses employer for qualified wages paid**
- **Under JN1, HSA reimbursed 100% of wages, employer responsible for fringe benefits**
- **Under JN2, HSA reimbursed the first \$5,000 of wages paid**
- **Under JN3 and JN4, HSA reimburses wages at a rate of up to \$1,000 a month, not to exceed \$5,000 total reimbursement**

Business Outreach:

- **Mayor issuing press releases and press conferences**
- **Mayor meeting with local business partners**
- **BARs attending SF Chamber of Commerce events and neighborhood Merchant Association meetings**
- **Partnering with the SF Office of Small Business and the SF Office of Economic Development**
- **Connected with Small Business California, which became an employer and marketed program through repeated email blasts to a 5,000 + business email list**
- **Direct mail, cold calling, walking through neighborhood commercial corridors**
- **Participants were given vouchers to market themselves to businesses**

Business Application Process:

- **Businesses directed to call a 1-877 number, staffed by a live person during business hours**
- **Assigned to a BAR who walked them through the application process**
- **HSA created a “business-friendly” 2 page application**
- **Applications reviewed by Deputy Director of Workforce and Director of Contracts**
- **Final approval with Executive Director**

Wage Subsidy Hiring Process:

- **Approved employers post job openings with BARs**
- **BARs email blast orders to WDD and CalWORKs staff**
- **WDD Job Club staff pre-screen seekers for available openings, using a rating sheet, job skills testing results and job seeker interest**
- **Employers come to a weekly employer recruitment session to interview job candidates**
- **Employers make selections**

Fiscal Process:

- **Employers submit monthly invoices to their assigned BAR, with payroll documentation**
- **BARS reviews for accuracy and completeness**
- **If correct, forwards to HSA Fiscal for payment**

Outcomes and Employer satisfaction:

- **JN1 – 2,141 placements**
- **JN2 – 189 placements (9 month program)**
- **JN3 planned for 120 Wage Subsidy placements – 304 actual**

- **JN2 had 73 returning employers and 93 new**
- **JN1 and JN2 had a 45% retention rate**

SFHSA has continued to fund the JobsNOW program from a variety of funding sources, that include:

- **CalWORKs Single Allocation**
- **California AB 98 money**
- **Work orders from other City departments**
- **Local County General Fund**
- **Other grants (i.e. MDRC)**

- **Tiered approach works best – meets the needs of caseload, and allows clients to have job options without “burning” private sector employers**
- **Staff who work with businesses must be selected with different skill sets in mind. HSA has changed minimum qualifications for this classification to include private sector marketing, sales, recruitment agency experience as desirable**
- **Most clients learn both hard and soft skills better on the job, than in a classroom**
- **If resources are available, allowing clients to move between tiers is the best program design**

OKDHS Subsidized Employment Program



WE ALL WIN!

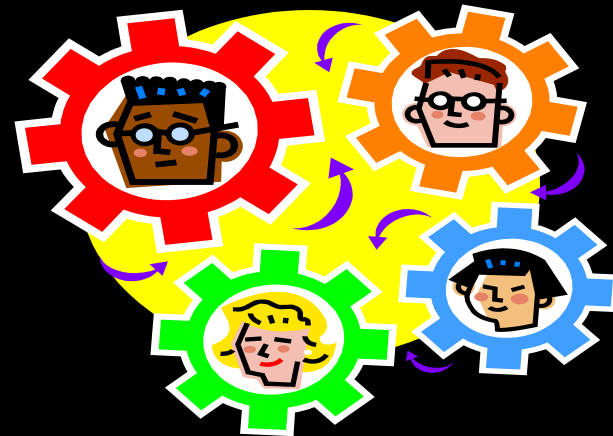
What is the OKDHS Subsidized Employment Program?

A four-month wage subsidy that will:

- Assist Oklahoma employers in growing their businesses;
- Assist Oklahomans move back into the workforce; and at the same time -
- Reduce the amount of taxpayer dollars being spent on food, medical, child care and other benefits in Oklahoma.

Who Is Eligible to Participate?

Any employer in the State of Oklahoma that is willing to hire a full-time position at the required set rate.



Program Requirements

- Employees must be a NEW HIRE.
- Employees must have a child receiving Family Support Services Program benefits. (TANF, SNAP, SoonerCare, Child Care, etc.)
- Employees must meet low income definition of less than 185% of the Federal Poverty Rate .
- Employer must agree to pay employee a min. \$10/ hr.
- Employer must agree to hire employee Full-Time (35hrs+) per week.

How Does The Program Work?

Four-Month Subsidy:

Month 1:

OKDHS reimburses the employer 100% of the employee's wages up to \$12/hr and for up to 40 hours per week.



How Does the Program Work?

Months 2, 3, and 4:

OKDHS reimburses the employer 50% of the employee's wages up to \$12/hr and for up to 40 hours per week.





EMPLOYER BONUS

The Employer receives a **bonus** equal to 100% of the unsubsidized portion of wages at the end of the four month subsidized period!



Employer Responsibilities

- The employer is expected to continue the subsidized employee's employment after the subsidized employment period if his/her work has been satisfactory.



OKDHS Responsibilities

- Forward employer's monthly invoice to OKDHS Finance Division for reimbursement.
- Remain available to the employer & subsidized employee for follow up, support services, and dispute resolution, if needed.

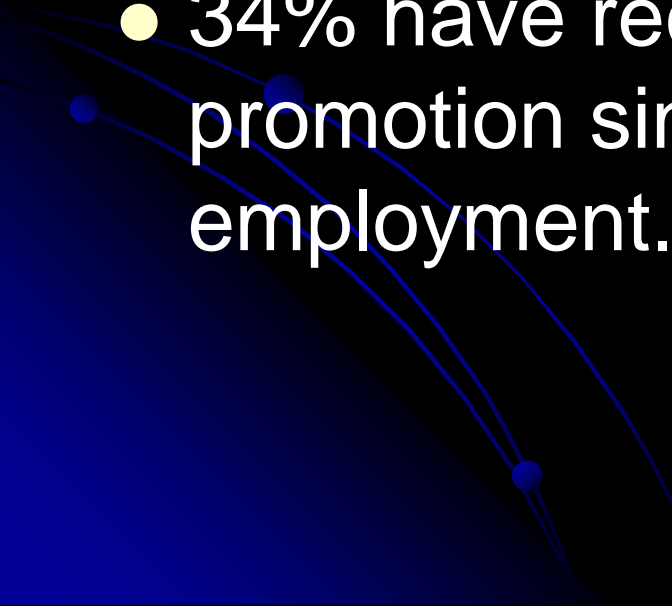


OKDHS Responsibilities (Cont.)

- Notify employer immediately of termination of the agreement when appropriate funding for the program has been eliminated or substantially reduced.



OKDHS Outcomes 12-18 Months post-OKDHS SEP

- 54% remain employed with their initial SEP employer.
 - 27% remain employed, but are now employed with another employer.
 - 34% have received a pay raise or a promotion since beginning their employment.
- 

OKDHS SEP Outcomes cont.

- Since August 2009, over 1,100 Oklahoman's have been moved back into the workforce.
- As of March 2011, 81% remain employed in a livable wage position.
- Positive employer feedback from most employers due to minimal paperwork, ease of reimbursement process, and the opportunity to increase profits while expanding their business.

How did this help Oklahoma?

- **Employers** were able to hire much needed employees at little or no cost.
- **Employees** were moved back into the workforce.
- **Oklahoma's** Unemployment expenses for this group of employees was zero

WE ALL WIN!



Temporary Assistance for Needy Families (TANF) Job Opportunity and Basic Skills (JOBS) Program

Improving Employment Outcomes for Individuals while Meeting Local Employer Needs Webinar Presentation - September 27, 2012

Xochitl Esparza, TANF Program Manager, Oregon Department of Human Services



Job Opportunity and Basic Skills (JOBS) Program

JOBS Program short summary

- Job Opportunity and Basic Skills (JOBS) – Oregon’s statewide employment and training program for families receiving TANF.
- Funds contracted services, including subsidized employment and support services such as child care to help families on TANF participate.
- Currently includes limited service array due to funding challenges.
- Services are prioritized based on job readiness. People who are most job ready are referred to WorkSource Oregon for job search.
- Contracted services for participants who are near job ready include:
 - Supported/Sheltered work
 - Work experience
 - JOBS Plus** (subsidized employment)

JOBS Plus – Subsidized Employment Program

JOBS Plus – Passed into State law in 1993 as a six county pilot and expanded statewide in 1995.

How it works:

- TANF JOBS plus participants are placed in positions at private business, not-for-profit organizations, or public agencies.
- The employer determines the worker's salary, which must be at least the State's minimum wage.
- Employers are reimbursed at Oregon's minimum wage, plus employer wage taxes and worker's compensation costs for a placement of 6 months.
- The funds to reimburse employers come from funds that would have gone towards an individual's TANF and SNAP benefits.

JOBS Plus – Subsidized Employment Program

Participant benefits:

- ✓ Participants gain a real work history for 6 months.
- ✓ Participants receive a paycheck from their employer instead of a TANF grant or Supplemental Nutrition Assistance Program (SNAP).
- ✓ If the JOBS Plus wages are less than the amount of public assistance benefits the participant would have received, the difference is paid by DHS as a cash supplement.
- ✓ JOBS Plus participants retain their medical coverage.
- ✓ If the State is collecting child support for them, the entire amount is given to the participant, instead of being retained by the State.
- ✓ JOBS Plus participants are likely eligible for the Earned Income Tax Credit.
- ✓ Participants receive child care while in JOBS Plus.

JOBs Plus – Subsidized Employment Program

Other benefits: Individual Education Account (IEA)

- ✓ After the JOBs Plus participant has been at work for 30 days, the employer begins paying \$1 per hour into the worker's Individual Education Account (IEA).
- ✓ After completing the JOBs Plus employment agreement, and after the participant subsequently works at least 30 days of unsubsidized employment, participants and their families can begin using the IEA funds for continued education and training.
- ✓ The Oregon Student Assistance Commission administers the IEA accounts.

JOBs Plus – Subsidized Employment Program

JOBs Plus employers

- Many types of employers participate in JOBs Plus. Currently, 85% are private employers (50% for profit; 35% non-profit). 15% are public government employers.
- Employers pay JOBs Plus employees directly. The department reimburses employers (centrally) at Oregon's minimum wage (currently \$8.80 and will increase to \$8.98 in 2013). Employers also are reimbursed for employer wage taxes and worker's compensation costs.
- If an employer chooses to pay a salary above the reimbursement level, as many do, they are responsible for the amount above the reimbursement level.
- Employers must provide each JOBs Plus participant with an on-site mentor to acquaint the worker with all facets of the job and to help provide guidance about performance, if needed.
- JOBs Plus employees must not displace any existing employees and cannot make up more than 10 percent of the staff.

JOBS Plus – Subsidized Employment Program

JOBS Plus Funding

- Employer reimbursements are funded with a combination of TANF Maintenance of Effort and Supplemental Nutrition Assistance (SNAP).
- Child care for JOBS Plus participants is funded with Child Care Development Block Grant money.
- Job development services are funded through the JOBS Program contracts.

JOBs Plus – Subsidized Employment Program

State-level coordination and efforts:

- State and regional collaborations for local strategic plans and development of sector strategies (such as health care and manufacturing)
- Regional economic forecast reports and presentations regarding job growth and industries
- Regularly-scheduled statewide meetings with contracted partners to develop strategies

Strong Local-level coordination efforts between the local contracted entity and the department managers, line staff, and participants.

JOBs Plus – Subsidized Employment Program

JOBs contracted partner strategies

Workforce partner organizations serve as major interface between work site supply and demand and collaborate with multiple workforce, training, and business organizations to ensure business needs of the community are being met by being able to find qualified workers. Strategies include:

- Work closely with the Oregon Employment Department (OED) to identify labor market trends specific to the local region and provide full labor market analysis related to occupations and industries in the area.
- Maintain an updated inventory database of all employers who have provided work opportunities to TANF participants. The active list includes employers who hire in manufacturing, service work, healthcare, and administrative/office positions.

JOBS Plus – Subsidized Employment Program

JOBS contracted partner strategies...

- Use Labor Market Information for Oregon and surrounding border states as a source of information for hiring needs and trends.
- Build on relationships with local businesses that can provide different levels and types of work, from supported/sheltered work and volunteer work experience to subsidized employment and unsubsidized job placement services.
- Survey potential and existing employers about the skills they look for in participants.
- Train contractor-coordinated Job Club and supported work participants on employer expectations regarding both hard and soft skills.
- Refer participants successful in work experience to a JOBS Plus opportunity.
- Make cold phone calls to introduce workforce services and participant pool.

JOBS Plus – Subsidized Employment Program

JOBS contracted partner strategies...

- Invite employers in community to talk to participants about their companies so they can connect with a potential pool of employees interested in gaining experience from their industry, and sometimes conduct on-site interviews.
- Network with businesses, industry associations, advisory boards, chambers of commerce, Society of Human Resource Managers (SHRM), and other business community stakeholders to identify local business needs.
- Leverage resources to provide access to services provided by other workforce program partners, such as vocational training, computer education, career and job fairs, recruiting events, program marketing with business community, employer training and recruitment, etc.

JOBS Plus – Subsidized Employment Program

JOBS Plus Outcomes

- Historically over 60% of JOBS Plus participants were subsequently employed in an unsubsidized job.
- Currently approximately 35% of JOBS Plus participants are subsequently employed, likely due to the slow economic recovery.
- 80% of JOBS Plus participants are off TANF one year after participating in JOBS Plus.

JOBs Plus – Subsidized Employment Program

Contact Information:

Xochitl Esparza, Oregon TANF Program Manager

Oregon Department of Human Services

Phone: (503) 945-6122

Xochitl.Esparza@state.or.us



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Questions?