



U.S. Department of Health and Human Services

ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

Office of Family Assistance

## ***Maximizing Multiple Funding Streams to Improve Employment Outcomes***

**Wednesday, November 28, 2012 ❖ 1:00 – 2:30 p.m. Eastern Time**

**Welcome! The session will begin momentarily.**

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### **Presenters:**

- ◆ **Dan Bloom**, MDRC◆
- ◆ **James Butler**, Office of Family Assistance◆
- ◆ **Alice Frechette Johns**, Connecticut Department of Labor◆
- ◆ **Maria Mojica**, Hartford Foundation for Public Giving◆
- ◆ **Meredith Threatt**, Dayton, Ohio Human Relations Council◆
- ◆ **Damon Waters**, ICF International◆



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# **Overview and Introduction:**

## **James Butler**

*Federal Project Officer  
Office of Family Assistance*



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**Damon Waters**

*Technical Specialist*

*ICF International*



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# **Dan Bloom**

*Director, Health and Barriers  
to Employment Policy Area  
MDRC*



# Subsidized employment and transitional jobs: What we know from research

Maximizing Multiple Funding Streams to Improve  
Employment Outcomes

November 28, 2012

Presentation by: Dan Bloom

# Presentation outline

- Background on subsidized employment
- The ARRA experience
- Evaluation evidence
- Current research
- 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

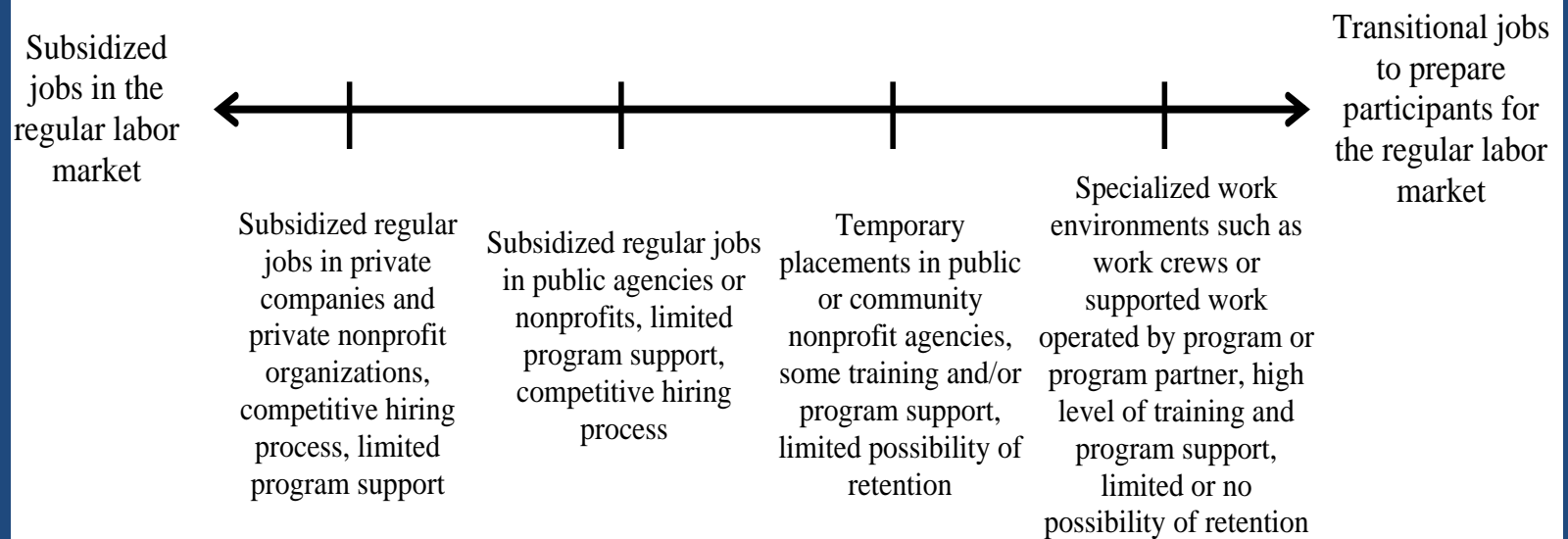




# Subsidized employment: Many areas of variation

- 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

# The ARRA experience

- Almost all states ran subsidized employment programs using TANF Emergency Contingency Fund
  - \$1.3 billion drawn down for this purpose
- Programs ramped up very quickly and most ended or scaled back quickly when Fund expired in 2010
- About 250,000 placements nationwide
  - Half were youth in summer jobs
- Over half of placements were in CA, PA, IL, TX
  - 14 states had at least 5,000 placements



# The ARRA experience (cont.)

- Most states did not explicitly target the “hard to employ” or TANF recipients; targeted low-income, unemployed parents
- Most placements were in private sector
  - Contrast to earlier counter-cyclical programs
- Emphasis on transition to unsubsidized employment varied
  - Generally not a major focus
  - Some states used step-down subsidies

# 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(cont.)

- 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.

# Why no long-term employment gains?

- No way to know for sure, but some hypotheses:
  - Programs targeted the wrong people
  - TJ experience did not make participants substantially more employable
  - Programs did not focus enough on the transition to unsubsidized employment
  - Resistance to hiring certain groups is so strong that TJ didn't change perceptions

# Current research

- Two projects testing the next generation of subsidized employment programs
  - DOL Enhanced Transitional Jobs Demonstration
    - Testing 7 programs for ex-offenders and noncustodial parents
  - HHS Subsidized and Transitional Employment Demonstration
    - Testing up to 7 programs for a range of populations (TANF recipients, youth, etc.)

# Lessons

- Need to be clear about program goals
  - Is goal to create jobs for the unemployed, promote long-term employment, or both?
  - Goals will shape targeting and program design
  - Don't simply assume that work experience will make people more employable
- Scarce subsidized employment resources should be targeted where they can make the most difference
  - Target individuals who can't find jobs on their own
  - Target employers who will use subsidies to increase net number of jobs
- Pay attention to “systems” issues



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# **Alice Frechette Johns**

*Program Manager, Jobs First Employment  
Services, Connecticut Department of Labor*

# Connecticut Department of Labor



## Jobs First Employment Services Supporting Subsidized Employment

November 28, 2012



# Jobs First



Connecticut Department of Social Services (DSS) is the state's designated TANF agency

- Responsible for administration of the Jobs First program which includes:
  - TANF cash assistance
  - Child care assistance
  - Employment services

# Jobs First Employment Services



Connecticut Department of Labor (DOL) is also responsible for Jobs First Employment Services (JFES), the provision of employment-related services to non-exempt recipients of TANF cash assistance (approx 8,000 monthly caseload). Program includes:

- Employment assessments
- Employment plan development
- Case management
- Job search assistance
- Occupational skills training
- Basic education
- Subsidized employment
- Employment support services
- Interagency case management/database system

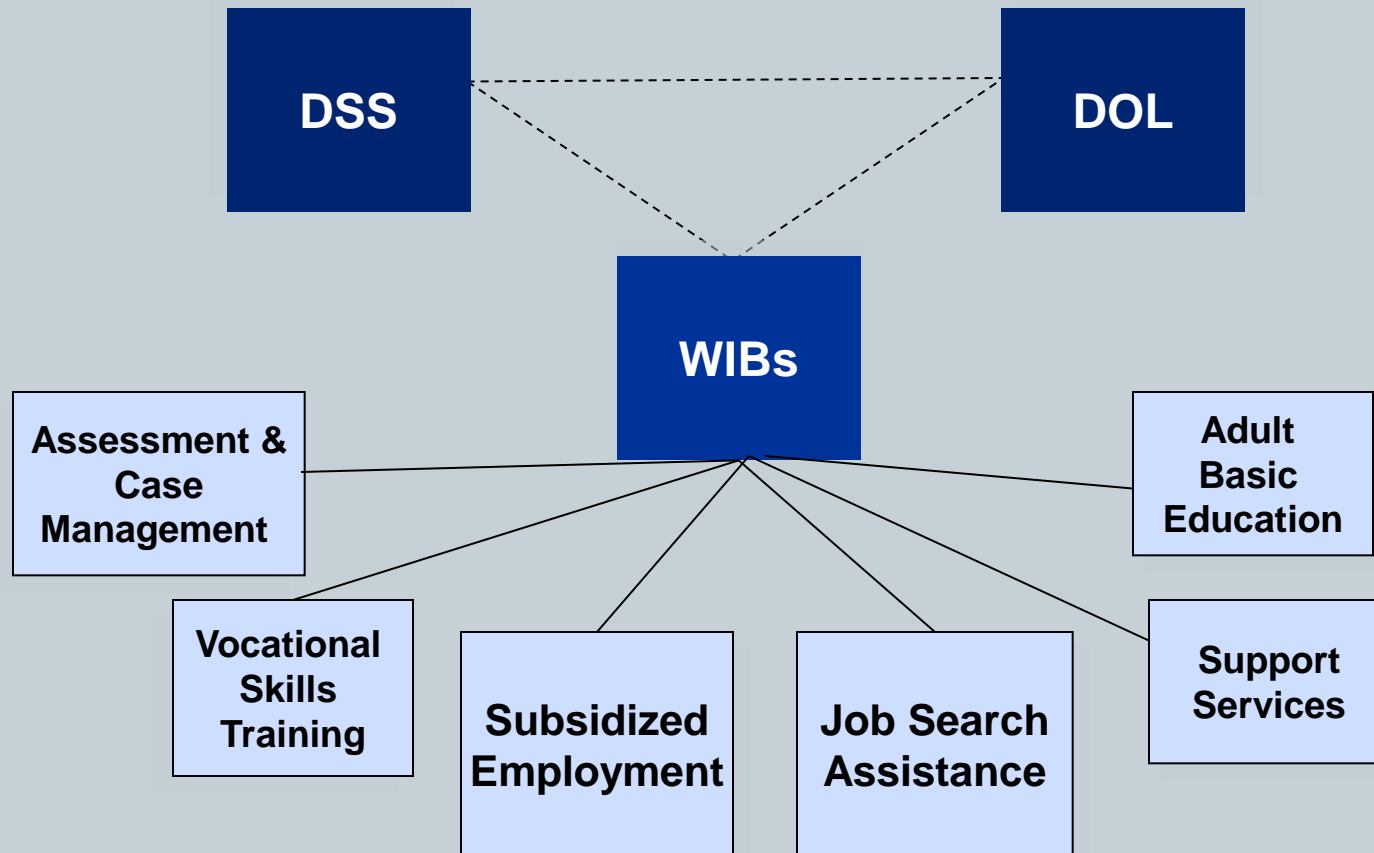


# Jobs First Employment Services



- DOL provides these employment services in partnership with the DSS and regional Workforce Investment Boards (WIBs)
- By contracting with the WIBs, DOL and its partners leverage Workforce Investment system resources for JFES customers
  - Workforce Investment Act (WIA)
  - WIB state funded programs
  - Grant funded services

# Interagency Collaboration



# Program Integration



- JFES are provided through the *CTWorks* One-Stop Centers
- *CTWorks* One-Stop Centers' business system is an interagency case management/database system for the purpose of administering JFES
- *CTWorks* One-Stop Centers' business system integrates the JFES program with other One-Stop programs (WIA and Wagner Peyser funded)

# Jobs First Subsidized Employment



## **Funding Opportunities**

### **State JFES Appropriation to DOL**

- DOL contracts with regional WIBs
- WIBs assess the needs of the JFES population in their region and the needs of local labor market to determine level of service within appropriations
- For Program Year 2012-13, WIBs planned for 316 subsidized employment opportunities with JFES state appropriations

# Subsidized Employment



## **Funding Opportunities**

### **State Bond Funds for Economic Development**

#### **STEP UP Program**

- Approved by Connecticut's General Assembly and signed into law by Governor Malloy in October 2011 as a part of the state's Jobs Bill
- Purpose - to promote job creation and worker opportunity for Connecticut's small businesses and unemployed workers during this time of high unemployment (CT's unemp rate as of Oct 2012 = 9%)

# Subsidized Employment



## **STEP UP Programs**

STEP UP Programs offers employer incentives to hire new employees and create jobs three ways:

1. *Wage Subsidy Program* – 5 million dollars per year for two years
2. *Small Manufacturer Training Grant Program* – 5 million dollars per year for two years
3. *Unemployed Armed Forces Member Subsidized Training and Employment Program* for eligible employers of any size who hire an unemployed veteran (added in June 2012).

# Subsidized Employment



## **STEP UP Programs**

### **Eligibility**

- **Worker:**
  - Unemployed prior to hire
  - Resident of municipality with unemployment rate equal or higher than state rate as of 9/1/11 (8.6%) or resident in a town of 80,000 or more
  - Adjusted family income equal or less than 250% of federal poverty level
- **Employer:**
  - Business or manufacturer with no more than 100 full-time workers (no size limit for Unemployed Armed Forces Members Subsidized Training and Employment Program)

# Subsidized Employment



## **STEP UP Programs**

### **Status to Date**

- 844 unemployed job seekers have been provided with jobs
- 330 small business owners have received incentives to help expand



# Subsidized Employment



## **Leveraging State Bond-Funded STEP UP Programs**

- STEP UP administered by DOL and the state's five Workforce Investment Boards (WIBs)
- WIBs also administer local JFES
- WIB's contractors ensure that JFES program customers are screened for STEP UP eligibility
- State Program Year 2012-13, WIBs estimate that 35 JFES customers will participate in the STEP UP Program

# Subsidized Employment



## **Funding Opportunities**

## **Leveraging Other One-Stop Resources**

### **Connecticut's Youth Employment Program (CYEP)**

- State funds appropriated to DOL
- Local WIBs combine funding from municipalities
- Provides subsidized employment opportunities for low income and disabled youth ages 14 through 21
- DOL contracts with the regional WIBs to administer locally
- WIBs ensure JFES customers who meet the age criteria are considered for placement in CT Youth Employment Program

# Jobs First Employment Services



## Contact Information:

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# **Maria Mojica**

*Vice President for Programs  
Hartford Foundation for Public Giving*



# Public Private Partnerships

**Building Relationships  
Leveraging Resources**

**Maria Mojica  
Vice President for Programs**

**November 28, 2012**

# Mission of the Hartford Foundation

As Greater Hartford's community-wide charitable endowment, the Hartford Foundation for Public Giving is permanently committed to improving the quality of life for residents throughout the region.

To achieve this goal, we:

- [Provide financial and other support](#) that enables people and institutions to serve the community effectively
- [Promote informed charitable giving](#) in order to expand the region's philanthropic resources
- Participate actively in efforts to [identify important community needs](#) and opportunities, as well as the means to address them.

# Guiding Principles for Grantmaking

- Broad-based grantmaking
- Substantial long-term community benefit
- Strengthening families and neighborhoods
- Strengthening the capacity of the nonprofit sector
- Increased diversity and outreach
- Cooperative efforts between private and public sectors
- Sustained and interrelated grantmaking
- Strategic grantmaking: *Accelerate Success*

# Hartford Foundation Grantmaking 2011

- Number of grants 1,634
- Total grant dollars \$28,783,788
- Types of grants:
  - Regular and Capital
  - Initiatives and Special Projects
  - Transitional Operating Support
  - Nonprofit Support Program
  - Summer Program
  - Grants from Restricted Funds



# Public Private Partnerships

- Workforce Investment Board – funding retention specialist; facilitate private donor support
- Regional Adult Literacy Partnership
- Workforce Solution Board of Metro Hartford
- TANF/ARRA 2010

# Seizing an Opportunity to Help Families

**Quick action and collaboration brought \$30 million in aid and 6,650 jobs to needy CT families during the recession**

- Through Federal Temporary Assistance to Needy Families Emergency Contingency Fund (TANF-ECF) - part of federal stimulus package of 2010 (ARRA)
- Supported 95 programs at 67 nonprofit organizations
- Funding used for non-recurrent short-term benefits, subsidized employment and basic assistance
- Total philanthropic funding raised in Connecticut - \$614,713
- Hartford Foundation awarded \$371,625

“CT government, philanthropy and nonprofit advocates went to work in a public/private partnership that produced an initiative that was unique among all the states.”

Nancy Roberts  
President, CT Council for Philanthropy

# Why Did it Work?

- Foundations and United Ways couldn't pass up an opportunity to leverage funding 4:1 to help needy families
- Didn't let tight deadline deter us
- Deep commitment of three partners: private funders, public sector, nonprofit sector (23 foundations and United Ways, \_\_\_ state agencies, multiple business, 95 nonprofits and municipalities)
- Coordinating role of CT Council for Philanthropy

# TIPS: Partnership and Leverage

## Achieving Shared Goals

- Bring partnership and leverage opportunities to foundation if consistent with their priorities and areas of interest – don't wait for RFP
- Do your home work - know all you can about a foundation
- Some foundations do not fund public agencies directly – others do through a collaborative/partnership relationship
- Foundations can be early investor, but needs to see thoughtful planning for sustainability
- Foundations will join partnerships where there is depth and breadth to the shared problem and solutions

# Contact Information

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# **Meredith Threatt**

*Section 3 Coordinator*

*Dayton, Ohio Human Relations Council*



# Employment Opportunities & Section 3

November 28, 2012  
Meredith L. Threatt  
City of Dayton, Ohio



# What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 to **ensure** that **employment and other economic opportunities** generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, **be directed to low- and very low income persons**, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

# When Does Section 3 Apply?

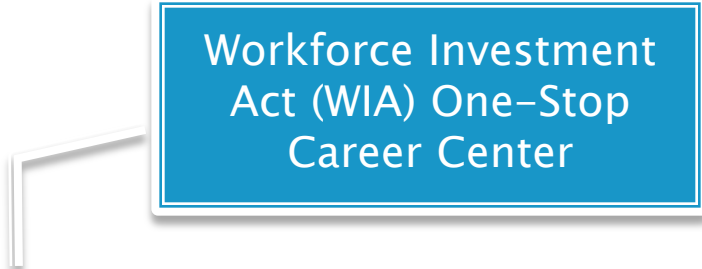
1. Construction projects funded using even \$0.01 of HUD funds when the project expenditure is greater than \$100,000
2. Section 3 also applies to grant recipients of \$200,000+ from housing & community development programs
3. Public Housing Authorities (PHAs) regardless of size or # of units are required to comply with Section 3 (Exception: PHAs that only receive or administer tenant-based Housing Choice [Section 8] Vouchers & do not utilize other financial assistance. Although exempt, compliance with Section 3 is encouraged.)

# Housing & Community Development Grant Programs

- Community Development Block Grant (CDBG)
- HOME Investment Partnership
- Neighborhood Stabilization Program Grants (NSP 1, 2 & 3)
- Economic Development Initiative (EDI)/Brownfield Economic Development Initiative Grants
- Housing Opportunities for Persons with AIDS (HOPWA)
- Homeless Assistance Grants (ESG)
- University Partnership Grants
- Economic Stimulus Funds (including CDBG-R and CFP Supplemental)
- 202/811 Grants
- Lead Hazard Control Grants

# City of Dayton & Section 3

- Publicly Bid Process
  - Certify Section 3 Businesses
  - Certify Section 3 Residents
  - Monitor Contract Compliance
  - Partnership w/ Montgomery County Job Center & Greater Dayton Premier Management to link employers w/ eligible Section 3 employees
- Subrecipient Agreements
  - Grants to Non-Profit Agencies
  - Co-Manage Some Projects
  - Monitor Agreement Compliance



Workforce Investment  
Act (WIA) One-Stop  
Career Center

# Subrecipient Agreements

- St. Mary Development Corp — Construction / Demolition / Remodel
- East End Community Services — Construction / Demolition / Remodel
- St. Vincent Hotel — Operations
- Samaritan Homeless Clinic — Dental Equipment
- YWCA of Dayton — Plumbing
- Citywide Development Corp — Construction / Demolition / Remodel
- Homestart, Inc — Operations
- Habitat for Humanity — Construction / Demolition / Remodel
- Tawawa Comm Develop Corp — Construction / Demolition / Remodel

# Success Stories

- Deconstructed 183 abandoned houses
- Built 29 residential houses that were made available for lease/ownership to low & very-low income residents of the region
- Renovated 8 homes
- Purchased/renovated 1 historic home
- Rehabbed 25 low-income apartment units
- Managed 527 low-income senior apartments
- Began construction of green roof on senior apartment complex which will save residents \$250/year in utility costs
- Assisted 1,683 homeowners with foreclosure prevention services
- Provided 77 families w/ emergency & permanent supportive housing
- Trained 150 workers to get 300+ professional construction trade certifications
- Provided 11,693 medical and dental visits to 2,540 uninsured, homeless patients at no cost

# Finding Local Partners

To find local recipient agencies, contact your local HUD office.

The office nearest you can be found at:  
[www.hud.gov/localoffices](http://www.hud.gov/localoffices)



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# Questions?





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