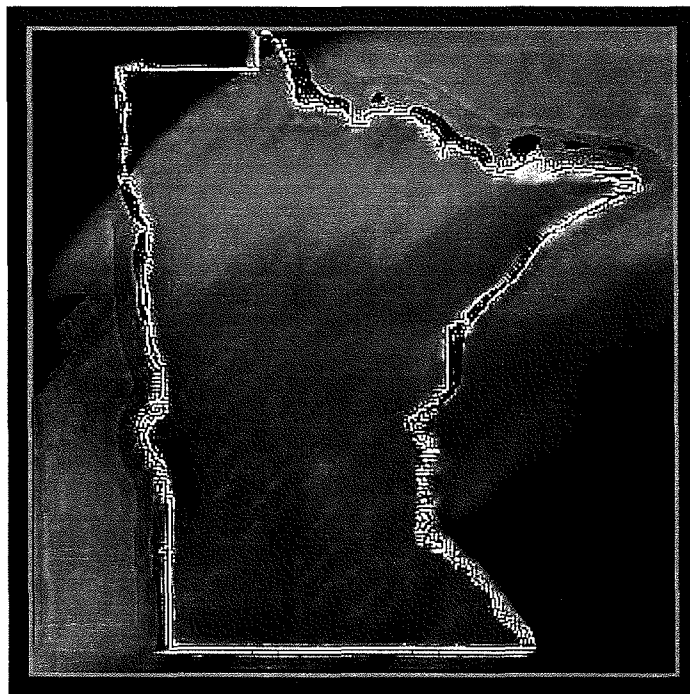


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Report to the Legislature 2002 / 2003

Minnesota **Welfare to Work Program**



Prepared By
Minnesota Department of Economic Security
Workforce Services Branch
Office of Employment Transition
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2002 / 2003 Legislative Report

Minnesota Welfare to Work Program

Statement of Purpose

The 2001 Minnesota Legislature appropriated \$5,000,000 for fiscal year 2002 and \$5,000,000 for fiscal year 2003 from the federal TANF reserve to be used for welfare to work programs administered by the Commissioner of the Minnesota Department of Economic Security (MDES). This funding made it possible to continue providing welfare to work services in many areas of the state where federal funds were depleted.

The legislature also required that a report be submitted to the Chair of the House Jobs and Economic Development Committee and the Senate Health and Human Services Finance Committee describing the use and effectiveness of state and federal funds appropriated for welfare to work programs. The following report is in response to that mandate.

Program Description and Goals

In order to clearly and accurately report on the use and effectiveness of the 2002/03 state allocation, it must be viewed in the context of the larger federal Welfare-to-Work (WtW) Program which it was intended to supplement.

Since the passage of welfare reform legislation in 1995, the term “welfare to work” has become a somewhat generic term used for any program intended to move public assistance recipients from the welfare rolls to unsubsidized employment. In actuality, WtW is a stand-alone grant program funded since January, 1998 by the U.S. Department of Labor (DOL). It is not part of the Temporary Assistance for Needy Families (TANF) block grant but is an employment and training program designed to be closely coordinated with TANF (called MFIP in Minnesota).

Through WtW, the U.S. Department of Labor provided grants to states and communities for the intended purpose of serving people with the most significant barriers to employment. To ensure that this population was targeted, DOL issued strong mandates on who could participate in the program. The 1999 Reauthorization legislation rescinded the program’s restrictive initial eligibility requirements, allowing states to enroll a broader range of participants. These changes became effective October 1, 2000.

WtW funds are targeted so that 70 percent of the total funds are spent on long-term (30 months or more) TANF recipients or non-custodial parents of minors who receive public assistance. Up to 30 percent of the grant funds may be spent on individuals with characteristics associated with long-term welfare dependency such as teen pregnancy, limited English proficiency, high school dropout, offender/felon background, domestic violence victim or drug/alcohol dependency.

While closely coordinated, the WtW program differs from MFIP in that it:

- ✦ Focuses not only on job placement, but also on job retention and wage progression,
- ✦ Serves a broader base of participants including non-custodial parents, former foster children and custodial parents below the poverty level,
- ✦ Emphasizes serving long-term public assistance recipients,
- ✦ Extends services beyond job placement to encourage employment stability,
- ✦ Promotes innovative practices, creative pilot projects and thinking “outside the box” in order to serve participants who may have been previously considered unemployable.

Services

While the WtW philosophy stresses “work-first”, it offers participants with multiple barriers to employment a variety of activities and services aimed at helping them obtain and retain permanent unsubsidized employment. Based upon each client’s individual needs and barriers, they may include:

- | | |
|---|----------------------------|
| ↓ Short term vocational training | ↓ GED training |
| ↓ English as a second language (ESL) | ↓ Job readiness activities |
| ↓ Adult basic education/remedial training | ↓ Job search |
| ↓ Workplace literacy | ↓ Job retention services |
| ↓ High school completion | ↓ Post placement services |

Activities such as work experience, wage subsidy, grant diversion and on-the-job training, which provide temporary employment opportunities, are viewed as interim steps to help participants gain the work experience, skills and resources necessary to transition to permanent employment. Stand-alone training is limited to six months; training that is combined with work is not time limited.

Support services may include child care, temporary housing, work clothes, transportation and mentoring designed to help participants transition to employment.

Eighty-five per cent of Minnesota’s WtW funding was directly allocated to the 16 local workforce councils around the state. The councils were given maximum flexibility to design programs and services to meet the individual needs and economic structure of their area. Workforce Investment Boards (WIBs) work closely with other self sufficiency programs and agencies to maximize local funding and services.

Some Workforce Service Areas (WSA’s) chose to integrate Welfare-to-Work funds with MFIP funds to promote job retention services, extend support services and enhance case management services. Others emphasized work experience, internships and on-the-job training to meet the needs of participants with minimal skills or work histories. Still others collaborated with a variety of agencies to address specific barriers to employment such as homelessness, mental health and substance abuse issues, literacy, and mental and physical disabilities.

Because the WtW program focuses on participants with the greatest barriers, it is expected that they will continue to receive services after they become employed. Services are intended to continue until job retention is no longer an issue.

Funding

There have been three funding sources for Minnesota's Welfare-to-Work programs. They are as follows:

- ✚ The **Federal WtW** allocation was awarded in two separate grants, as follows:

<u>Federal Fiscal Year 1998</u>	<u>Federal Fiscal Year 1999</u>
<u>Time Frame</u> – 4/1/98 to 3/9/03	<u>Time Frame</u> – 7/1/99 to 6/30/04
<u>Amount</u> – \$14,503,409	<u>Amount</u> – \$13,537,096

- ✚ In order to receive federal WtW funds, states were required to provide a qualified matching dollar for every two federal dollars spent. Minnesota met the match requirement in several different ways. The Legislature appropriated \$5,000,000 in general funds for SFY 2000 (**WM**). Additional matching funds came from a partnership with the Minnesota Housing Finance Agency, county funds and funds from the McKnight Foundation which were given to local WSAs to carry out welfare reform initiatives. Overall, Minnesota exceeded its match requirements.

<u>State Fiscal Year 2000</u>
<u>Time Frame</u> – 7/1/99 to 6/30/01
<u>Amount</u> – \$5,000,000

- ✚ The 2001 state legislature allocated additional funds to augment fiscally depleted WtW programs. The funding source for this allocation (**WT**) was the **TANF Reserve grant**. As such, different eligibility standards and reporting guidelines were required but existing services and goals were retained within program limits. The **WT** allocation was awarded in two parts, as follows:

<u>State Fiscal Year 2002</u>	<u>State Fiscal Year 2003</u>
<u>Time Frame</u> – 7/1/01 to 6/30/02	<u>Time Frame</u> – 7/1/02 to 6/30/03
<u>Amount</u> – \$5,000,000	<u>Amount</u> – \$5,000,000

WT funds were one-time appropriations and were not added to the base-level funding for the 2003-2004 biennium.

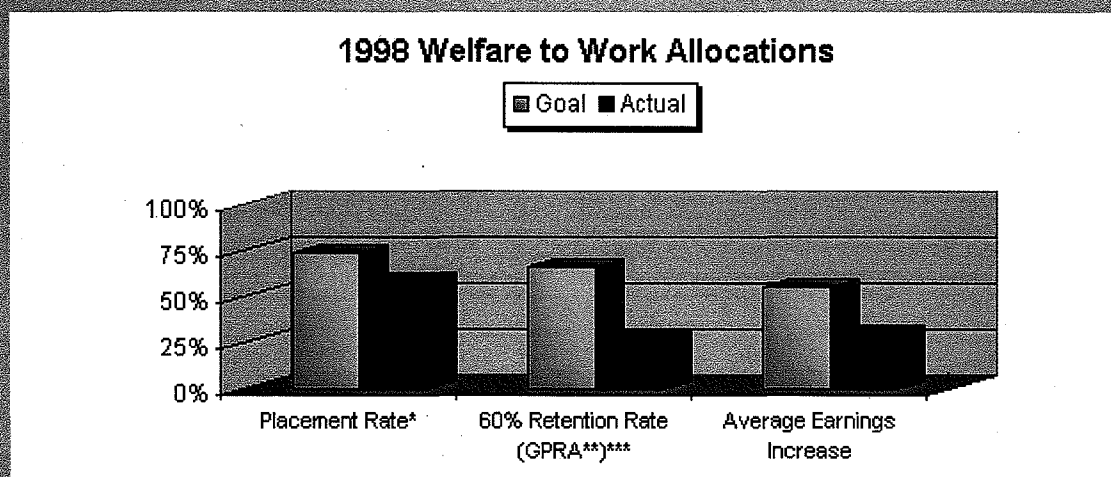
Participants Served

Participant Demographics

Categories	Welfare to Work (WtW / WM) 4/1/98 - 12/31/02		Welfare to Work - TANF (WT) 7/1/01 - 12/31/02	
	Total	%	Total	%
Total Participants	9,786	100%	3,605**	100%
Gender				
Female	8,166	83%	2,972	82%
Male	1,620	17%	633	18%
Age				
Under Age 18	17	0.17%	2	0.06%
Age 18 to 21	1,213	12%	438	12%
Age 22 to 39	6,850	70%	2,601	72%
Age 40 to 54	1,602	16%	542	15%
Age 55 +	104	1%	22	0.61%
Race / Ethnicity*				
African American	2,812	29%	1,173	32%
Asian	614	6%	183	5%
Pacific Islander	41	0.43%	10	0.28%
Native American	720	7%	233	6%
White	5,426	56%	2,035	56%
Hispanic (Ethnicity)	640	7%	194	5%
Disability				
Disabled	1,521	16%	512	14%
Education				
Less than High School	4,733	48%	1,398	39%
High School Graduate	3,705	38%	1,485	41%
Post High School	1,141	12%	516	14%
College Graduate	207	2%	206	6%
Number of Dependents under 18				
1 Dependent	3,098	32%	1,273	35%
2 to 4 Dependents	5,122	52%	1,980	55%
5+ Dependents	806	8%	323	9%
Family Status				
Single Parent Family	7,025	72%	2,562	71%
Two Parent Family	2,481	25%	1,013	28%
* More than one race may be indicated at time of enrollment.				
** May be co-enrolled in WtW.				

Outcomes

Welfare To Work 1998 Allocation Data



Placement Rate*

Goal

Actual

74%

59%

60% Retention Rate (GPRA)*****

66%

28%

Average Earnings Increase

55%

30%

**Placement rate is the percent of people employed at enrollment or placed in unsubsidized employment who are still working six months later.*

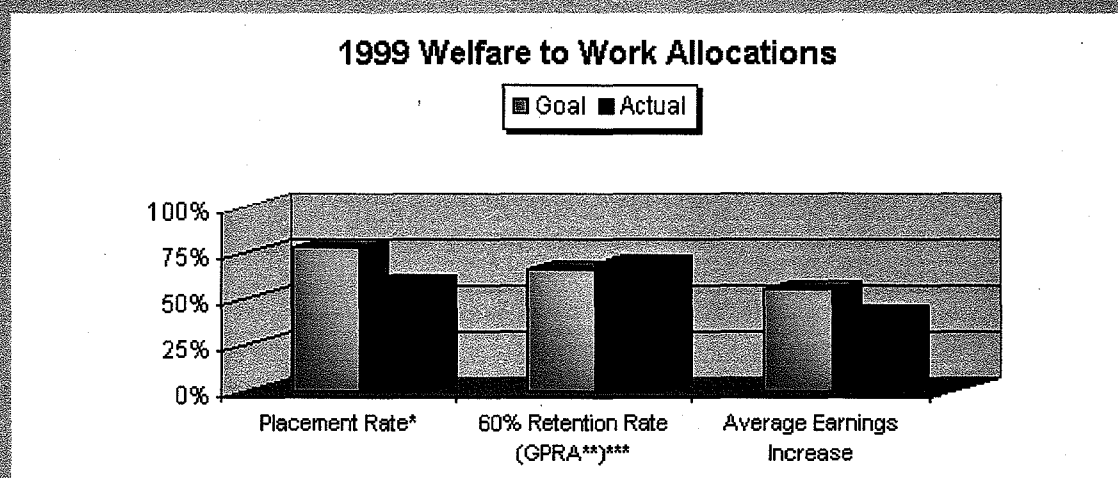
*** (GPRA) refers to the Government Performance and Results Act. Under the Act, federal departments and their agencies are to develop multiyear strategic plans, annual performance plans, and annual performance reports.*

****Retention calculated as percent of people employed at entry or placed in unsubsidized employment who are still working six months later, calculated using employed at entry and placement data from three quarters ago (through March 30, 2002).*

NOTE - Minnesota established relatively high goals in it's initial WtW plan. The resulting performance rates were generally lower than anticipated.

Outcomes

Welfare To Work 1999 Allocation Data



	Goal	Actual
Placement Rate*	78%	59%
60% Retention Rate (GPRA**)***	66%	70%
Average Earnings Increase	55%	42%

*Placement rate is the percent of people employed at enrollment or placed in unsubsidized employment who are still working six months later.

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NOTE - Minnesota established relatively high goals in it's initial WtW plan. The resulting performance rates were generally lower than anticipated.

Outcomes

Welfare To Work

1998 & 1999 Combined Outcome Data

	Welfare to Work (WtW / WM) 4/1/98 - 12/31/02	Welfare to Work - TANF (WT) 7/1/01 - 12/31/02
Enrolled Participants	9,786	3,605**
Termed Participants*	8,470	1,404
Participants Placed at Termination	3,040	515
Percentage Employed at Term	36%	37%
Average Wage at Placement	\$8.51	\$9.17
Average Hours at Placement	36	35
<p><i>*Termed Participants refers to those individuals who no longer receive any services under this title.</i></p> <p><i>**May be co-enrolled in WtW.</i></p>		

State Initiatives

In addition to the services delivered at the local level, the Department of Labor authorized the use of up to 15% of each state's Federal WtW budget for the development of special employment related pilot projects. The Minnesota Department of Economic Security's initiatives included:

Interagency Child Support Information Agreement

The MDES – Office of Employment Transition collaborated with the Minnesota Department of Human Services – Office of Child Support to establish an interagency agreement allowing the release of certain non-custodial parent data. With this information, WSAs can identify and contact WtW eligible non-custodial parents (NCPs), who are in arrears on child support payments. The NCPs are offered employment related services to help them find work and provide support for their MFIP eligible children. Through 12/31/02, a total of 337 non-custodial parents have been enrolled in WtW; 107 (31.7%) have entered unsubsidized employment at an average wage of \$9.21 per hour.

Job Counselor Training

Over the past five years, MDES, in collaboration with the Minnesota Department of Human Services (DHS) has developed and delivered statewide training to over 1,500 WtW and MFIP employment counselors in the following areas:

Learning Disabilities

- ✦ Contracted with Learning Disabilities Association to compile an up-to-date information manual, *Employment Success for Adults with Learning Disabilities*, to help job counselors better understand and recognize characteristics of learning disabilities (LD). 500 copies of the manual were distributed for use by service providers, statewide. The manual received nationwide recognition due to an article written about it in the *St. Paul Pioneer Press*.
- ✦ Introduced a learning disability pre-screening tool developed by Dr. Melinda Giovengo, Senior Policy Planner for the City of Seattle that is now used by MFIP and WtW providers statewide. Since 1999, Dr. Giovengo, who has conducted over five years of research and program evaluation on the relationship between welfare reform and learning disabilities for the state of Washington, facilitated 12 six hour training sessions on learning disabilities and the use and scoring of the pre-screening tool by Minnesota employment counselors.

Substance Abuse

- ✦ With over 30 years of professional experience in the design and delivery of training related to alcohol and other drug issues, Karen Edens, facilitated over 15 one and two day training sessions focused on identifying and responding to substance abuse issues as they relate to employment. Several sessions were designed for employment counselors working with participants of American Indian heritage and culture.

Job Retention and Serving the Hard-To-Employ

- ✦ Larry Robbin, nationally recognized trainer in the areas of employment and workforce development, presented seminars in 2000 and 2001 to over 700 employment counselors and financial workers. His topics were, *The Radar Approach to Job Retention*; teaching counselors how to shift retention efforts from post-hiring crisis to pre-employment problem prevention and *How to be Successful with the Hard-to-Employ*; a practical approach to identifying issues that make people hard-to-employ and effectively dealing with them.

Voice Mail Project

In January 2000, MDES collaborated with Twin Cities Community Voice Mail (TCCVM) to establish a rural voice mail system. The service was made available to WtW and MFIP participants without phones in 14 greater Minnesota communities, giving them the ability to communicate with prospective employers and program staff through a toll-free number. By September, 2000 the number of sites increased to 60; including 27 WorkForce Centers and 33 social service agencies.

To date, 550 people have completed using the TCCVM services, with the following results:

- ◆ The service was used an average of 108 days.
- ◆ 411 were parents of 677 dependent children.
- ◆ 56% of the families were MFIP / WtW participants.
- ◆ 24% were homeless.
- ◆ 12% were victims of domestic abuse.
- ◆ 7% had disabilities.
- ◆ 48% found work.

The Mentor Program

The WtW *Mentor Program* operated in the inner city areas of St. Paul and Minneapolis from April 1999 to June 2002. It was designed to provide one-on-one intensive services to program participants with multiple barriers to employment; among them learning

disabilities, depression, anxiety disorders, post-traumatic stress syndrome, chemical dependency issues, abusive relationships, generational poverty and limited English skills. Most of them were in MFIP sanction status at the time of enrollment.

The diverse staff, comprised of six mentors, spoke over nine different languages and represented a variety of experiential, training and cultural backgrounds. Working closely with MFIP and Rehabilitation Services counselors, the mentors provided advocacy, support services and role modeling for clients who may, otherwise, "fall through the cracks."

The mentor project served 243 participants. Of the 133 termed at the end of the project, over half were employed an average of 36.6 hours/week at \$9.25 per hour.

The "Rehab" Project

The WtW "*Rehab*" Project started 1/1/99 and is expected to end in May 2003. It has proven to be an exemplary model for working with participants with long term, multiple barriers to employment. The project's intensive, employment-focused services were delivered by a team of rehabilitation counselors from the Rehabilitation Services Branch of MDES. The majority of referrals were made by job counselors and mentors. Over 20% of the referrals were in MFIP sanction.

By administering comprehensive up-front assessments and providing professional evaluations, the counselors were able to identify many previously undiagnosed disabilities. The resulting employment plans reflected the individualized services and accommodations necessary to help participants reach their full potential. For some, the goal was unsubsidized employment, for others, it was a combination of SSI and employment as they worked to transition off of public assistance and for still others, it was assistance in obtaining full SSI benefits.

The project counselors also conducted ongoing presentations to Hennepin County MFIP / WtW service providers, helping them increase awareness regarding the needs and issues of persons with disabilities.

The program has served a total of 262 MFIP recipients. Of the 138 closed cases, 106 had employment plans and 55 were successfully rehabilitated (employed). An additional 27 participants are now receiving SSI and 10 are in the application process. The average hourly wage at referral was \$2.33; at rehabilitation, \$8.08. The average weekly work hours at rehabilitation was 32.5.

WtW / MFIP Innovative Practices Newsletter

In response to many requests from the field, MDES created a newsletter designed to be a vehicle for the exchange of information about programs, projects and innovative practices that help welfare recipients attain and retain employment. Now in its 6th edition, the

newsletter has been well received and utilized. It includes ideas on a variety of employment and training related topics and best practices; most submitted by county and provider staff members from around the state. The semi annual newsletter is distributed to hundreds of readers in print and on the MDES web site.

Successful Provider Initiatives

WtW service providers were encouraged to be creative in developing new approaches to meeting the needs of their program participants and employers. The following are examples of three of the many outstanding initiatives that emerged throughout the state:

↓ **THE “READING PARTNER” PROGRAM** **Southeastern MN Workforce Development, Inc.**

Responding to the area’s need for employees in health care related jobs and the equally serious need for employment by program participants with limited English proficiency, Southeastern MN Workforce Development Inc. developed the highly successful Reading Partner Program.

Using a voice recognition software developed by IBM which includes seven customized content “clusters”, participants were served in three different ways. First, to help English as a Second Language (ESL) students improve their language skills in a flexible open language lab setting. Second, to provide a 12 week Functional Literacy class designed to help students practice key occupational language skills. Third, to provide learning modules to be used in combination with Certified Nursing Assistant (CNA) training to prepare for the for the CNA examination.

The program was aimed at enhancing the students’ learning experience, reducing computer anxiety, and increasing self-esteem, confidence and employability. In recognition of its Reading Partner Program, Workforce Development Inc received an excellence award from the National Association of Counties (NACo).

↓ **INTENSIVE CASE MANAGEMENT / JOB RETENTION FOCUS** **Central Minnesota Jobs & Training Services**

Central Minnesota Jobs & Training Services (CMJTS) structured their successful “stand alone” WtW program around the concepts that a targeted, intense-contact approach would help hard-to-employ participants succeed and that keeping a job is as important as getting a job.

Employment counselors work closely with participants to help them identify realistic goals and provide them with the tools and support they need to reach them. Individualized employment plans are structured around each person’s interests, aptitudes, strengths and barriers.

Workplace training in real-life work sites is stressed, giving individuals with limited work experience a chance to become exposed to the world of work before entering into full-time competitive employment. Activities such as OJT, paid work experience, volunteer and part time employment are utilized to give participants an opportunity to learn necessary job skills and "soft" skills. Sites are selected that offered the best chance for success.

The goals of to job retention and progression are introduced as soon as participants enter the program and continue to be emphasized in ways such as:

- ◆ Having Job Retention Specialists facilitate job clubs and stress topics related to job retention and progression.
- ◆ Celebrating "graduation" to job retention when participants become employed and go off MFIP.
- ◆ Making frequent contact with participants during the transition phase which can be up to a year if needed.
- ◆ Working closely with the community and employers to build strong relationships.
- ◆ Providing employer assistance if problems arise.

To date, CMJTS has served 192 WtW and 42 WT participants. Of the 129 WtW terminations, 64 (49.6%) were placed in unsubsidized employment at an average wage of \$9.21 for an average of 35.3 hours per week. Of the 104 participants receiving retention services, 50 have entered full time employment and gone off public assistance; others continue to receive retention services as they maintain employment.

✦ **THE SENTENCING TO SERVICE HOMES PROJECT Minneapolis Employment and Training Program**

In 2000, as a Welfare to Work initiative, the City of Minneapolis Employment and Training Department joined Hennepin County Community Corrections in expanding its Sentencing to Service (STS) program to include the Homes Program. The program was based on the STS concept that offenders can compensate victims and give something back to the community rather than just serving time. The project is a highly collaborative effort between public/private agencies.

Candidates for STS-Homes are rigorously screened and constantly supervised as they progress through a three phase program of classroom and on-the-job training. During the first four weeks, journeymen carpenters from the Lakes and Plains Regional Council of Carpenters train participants in basic carpentry and construction skills. These skills are expanded upon during the next six months as participants work on projects such as Habitat for Humanity, building or renovating homes for low income

families. During the final phase, participants earn \$460 per week working on supervised construction crews. After child support is deducted, the remaining wages are put in an escrow account earning 5% interest. This money is available to them upon completion of their sentences, easing their transition back into society. Upon graduation, the Minneapolis Building and Construction Trades Council enrolls them in union apprenticeships making them eligible for union jobs at local construction companies that pay up to \$15 per hour.

In the past year, the STS Homes Program has participated in the construction of approximately 20 homes. There are currently four crews with 26 offenders working in various phases of training. Another 10 are in the job placement phase of training. Since its start, only six of the 120 participants have returned to prison.

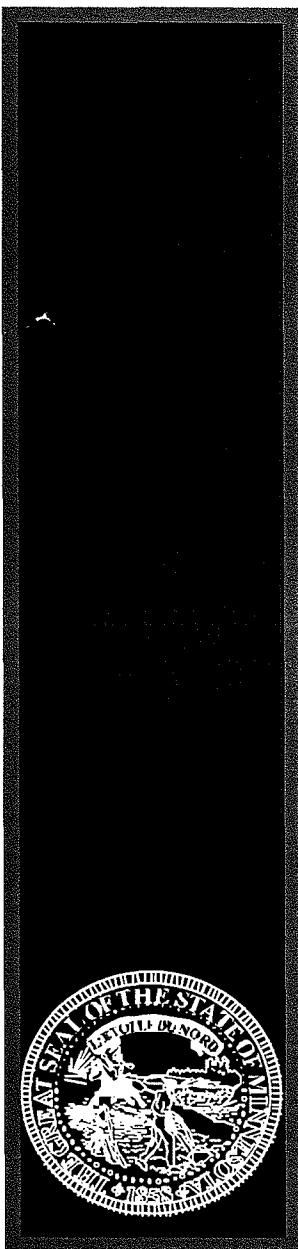
Summary

The federal Welfare-to-Work Program was difficult to initiate due in part to its stringent initial eligibility requirements and the 1998 start time which conflicted with the timing of the TANF roll-out. Once those hurdles were overcome, the program began to accelerate.

Minnesota's Welfare-to-Work programs have helped over 9,000 of their "hardest to serve" participants overcome barriers that previously limited their employment potential. The WtW programs have enhanced the MFIP program with additional resources and have provided opportunities to learn from the innovative service strategies applied throughout the state. Lessons learned in serving WtW participants include:

- ◆ One size does not fit all; a variety of services and resources are needed to effectively serve this diverse population.
- ◆ More time and funding is required to work successfully with multi-barriered participants.
- ◆ The value of up-front screening and assessment.
- ◆ The effectiveness of work experience, supported work programs, and OJT activities for people with limited work history and skills.
- ◆ The importance of job retention and job progression service components in promoting employment stability.
- ◆ Full time unsubsidized employment may be an unattainable goal for every participant. Working toward reaching full potential and providing other viable alternatives may be more realistic goals for certain participants.

The WtW program has demonstrated that even the people with multiple barriers to employment can be successful if the funding, time, energy and services are available to address them.



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