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WORK EQUITY DEMONSTRATION PROJECT

STATE OF MINNESOTA

DEPARTMENT OF ECONOMIC SECURITY
DEPARTMENT OF PUBLIC WELFARE
CITY OF ST. PAUL

April, 1978

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WORK EQUITY DEMONSTRATION PROJECT

BACKGROUND

The Work Equity Demonstration Project is a work and training program directed toward welfare recipients, supported by a grant from the U.S. Department of Labor. The Work Equity Demonstration Project (WEP) is designed to combine and expand several existing programs and services and to create greater consistency in the work components of Aid to Families with Dependent Children (AFDC), General Assistance (GA), and Food Stamps (FS). The Project emphasizes the development of a participant's employment-related skills and experience by providing individualized services, training, and job opportunities. In order to operate the Project as designed, the Department of Public Welfare submitted to the U.S. Department of Health, Education, and Welfare a request that several AFDC regulations be waived, under the authority of Section 1115 of the Social Security Act. In 1977 the Minnesota Legislature enacted the legislation necessary for Work Equity to operate. Work Equity will be demonstrated in the City of St. Paul and Economic Development Regions 7W, 7E and 6W, St. Cloud, Mora, and Montevideo respectively.

PURPOSE

The primary purpose of the Minnesota Work Equity Project is to assist clients in becoming self-supporting. The Project will provide an opportunity for the agencies and units of government involved to: (1) better understand the nature of the employment needs of recipients (2) assess the relative effectiveness of employment and training programs, including public service jobs, and (3) demonstrate methods of improving the coordination of services to clients. In addition, Work Equity will provide valuable knowledge to the U.S. Departments of Labor, and Health, Education, and Welfare in their current efforts to design "welfare reform" proposals for consideration by the President and the Congress.

OBJECTIVES

The objectives of the Work Equity Project can be summarized as follows:

1. To demonstrate a capacity to serve recipients eligible for AFDC, General Assistance, or Food Stamps effectively and uniformly.
2. To demonstrate a capacity to provide services necessary to meet an individual recipient's particular needs.
3. To demonstrate the viability of a program where recipients, eligible under several assistance programs, will have similar services and opportunities (equity).
4. To demonstrate the capacity to create meaningful public service jobs (CWP's) on a scale sufficient to meet the needs of recipients in a community.
5. To demonstrate a capacity to improve the administrative relationships between state agencies, between state and local governments, and among local governments with the anticipated effect of improved assistance to recipients.

COMPARISON TO EXISTING WELFARE WORK PROGRAMS

The three assistance programs encompassed by Work Equity currently have work components required by federal or state laws. In the counties which participate, Work Equity will replace the existing AFDC and GA work components. The Food Stamp work registration requirement will be supplemented by WEP. In no case will Work Equity impose more restrictive standards or requirements than currently exist in the programs, or remove or withhold available benefits.

AFDC

The AFDC Work Incentive (WIN) Program is mandated by Title IV of the Social Security Act, 45 CFR 224 and 56 CFR 97, and Minnesota Statutes Chapter 256. It

requires that all AFDC recipients participate in WIN as a criterion of eligibility, unless specifically exempted by law. Persons who would have been mandated to participate in WIN, as well as those who volunteer, will now be referred to WEP. The same exemption criteria will apply. WEP is similar to WIN in that all of the services provided in WIN will still be available in WEP. And, in some instances, benefits provided by WEP will surpass those available in WIN. For example, an incentive of \$30 per week will be paid for participants in training-related activities, rather than the \$30 per month currently allowed. However, one of the significant additions is the emphasis in WEP on creating community work projects, making suitable employment opportunities at prevailing wages much more available to registrants. Specific information regarding WEP/WIN variances is provided on page 16.

GENERAL ASSISTANCE

General Assistance is a program funded wholly by state and local funds. The requirement for the General Assistance Work Program (GAWP) is set forth in Minnesota Statutes § 256.D. The amendments provide for the substitution of WEP for this work program. As in AFDC, all GA recipients are required to participate in the work program, unless specifically exempted. Employment in the GAWP is currently assigned only to "work off" the GA grant received. Thus, a person receiving a monthly grant of \$150 might be assigned to work 50 hours at \$3.00 per hour (or at whatever the prevailing wage is for the type of work assigned) and would receive no other compensation for the work done. In WEP, the registrant will receive prevailing hourly wages and benefits for whatever work is performed or, if in a training-related component, an incentive of \$30 per week. Net earned income would be deducted from the grant amount after allowance for work-related expenses; the allowance would be disregarded in computing the grant.

In both AFDC and GA, households of WEP participants will remain eligible for program benefits, such as medical and social services, until such time that the household's income from unsubsidized employment completely meets its needs.

FOOD STAMPS

Food Stamp work registration requirements are established by the Federal Food Stamp Act of 1964. Persons required to register for work are referred by the county welfare department to the Minnesota Job Services. Currently, the registrant would be provided employment services by Job Services and would be referred to suitable job opportunities. Under WEP, a similar referral system will be used; but, in addition, Food Stamp recipients will have access to the full array of services provided by Work Equity.

ELIGIBLE RECIPIENTS

Although the three programs described herein will be incorporated in Work Equity, the exact recipient populations to be served vary somewhat within the regions to be served. Economic Development Region 7W and the City of St. Paul are presently WIN regions; that is, those areas already have an existing WIN program. To provide continuity of services to recipients already enrolled in WIN in those areas, only new mandatory "WIN" registrants will be referred to WEP. The remaining regions (7E and 6W) are presently non-WIN regions; however, WIN authority will be expanded to those areas and WEP will operate there on that authority. In these regions, all AFDC recipients mandated to work registration will be referred to WEP. In addition, AFDC recipients in these areas who are not mandatory may volunteer to participate in WEP. WIN registrants may also transfer to WEP if not currently in an active WIN employability plan, or if the WEP appraisal team so agrees.

All GA registrants and Food Stamp referrals will be incorporated in WEP in the Balance of State areas; that is, Regions 6W, 7E and 7W. (In the City of St. Paul, only AFDC will be affected.) People exempt from work registration in these programs may also voluntarily participate in WEP.

When eligibility for the assistance program has been established, the county financial worker will determine the recipient's work registration status, and referrals will be made as appropriate to the WEP center. Recipients disagreeing with that determination, or contesting any decision affecting his/her eligibility may follow the fair hearing procedures established for each program.

PROJECT ADMINISTRATION

Work Equity will be jointly administered by the Departments of Economic Security and Public Welfare and the City of St. Paul. The primary responsibilities of each are outlined in a subgrant agreement signed by appropriate officials.

The Department of Economic Security will be responsible for relationships with the U.S. Department of Labor and the two CETA Prime Sponsors operating the Work Equity Project. The Department of Public Welfare will be responsible for relationships with the U.S. Department of Health, Education, and Welfare, with the Committee on the Use of Human Subjects in Research, and with county welfare boards.

To assist in the administration of the Project, a management board has been established with representatives of the Balance of State and City of St. Paul CETA Prime Sponsors, Employment Services, Department of Public Welfare, and the Project Coordinator. The management board has established the policies and

procedures necessary for effective implementation.

ADVISORY TASK FORCES

To provide the management board with advice and recommendations in its design and implementation of Work Equity, two advisory task forces have been established by the Department of Economic Security. One of the task forces will be composed of representatives of business, labor and those agencies involved in or affected by Work Equity. The other task force will be composed of recipient group advocates and recipients. Three of the recipients serving must be Work Equity participants.

It is expected that these task forces will meet frequently. All documents, reports or other material relating to Work Equity will be made available to each task force. Further, every effort will be made to ensure that all public or client concerns, perspectives, information, or recommendations are shared with these task forces.

WORK EQUITY PROJECT REGISTRANT FLOW

EMPLOYMENT SERVICES
DETERMINES:

FOOD STAMP
ELIGIBLES

COUNTY WELFARE
DETERMINES:

AFDC
ELIGIBLES

COUNTY WELFARE
DETERMINES:

GA
ELIGIBLES

REGISTRATION
&
ORIENTATION

APPRAISAL &
EMPLOYABILITY
PLAN

- 1) SOCIAL
- 2) OCCUPATIONAL

EMPLOYABILITY
DEVELOPMENT
PLAN

- 1) ORIENTATION
- 2) IN-DEPTH
ASSESSMENT
- 3) SUPPORT
SERVICES
REFERRALS
- 4) CLASSROOM
TRAINING
- 5) REMEDIAL
EDUCATION
- 6) SAU ONLY

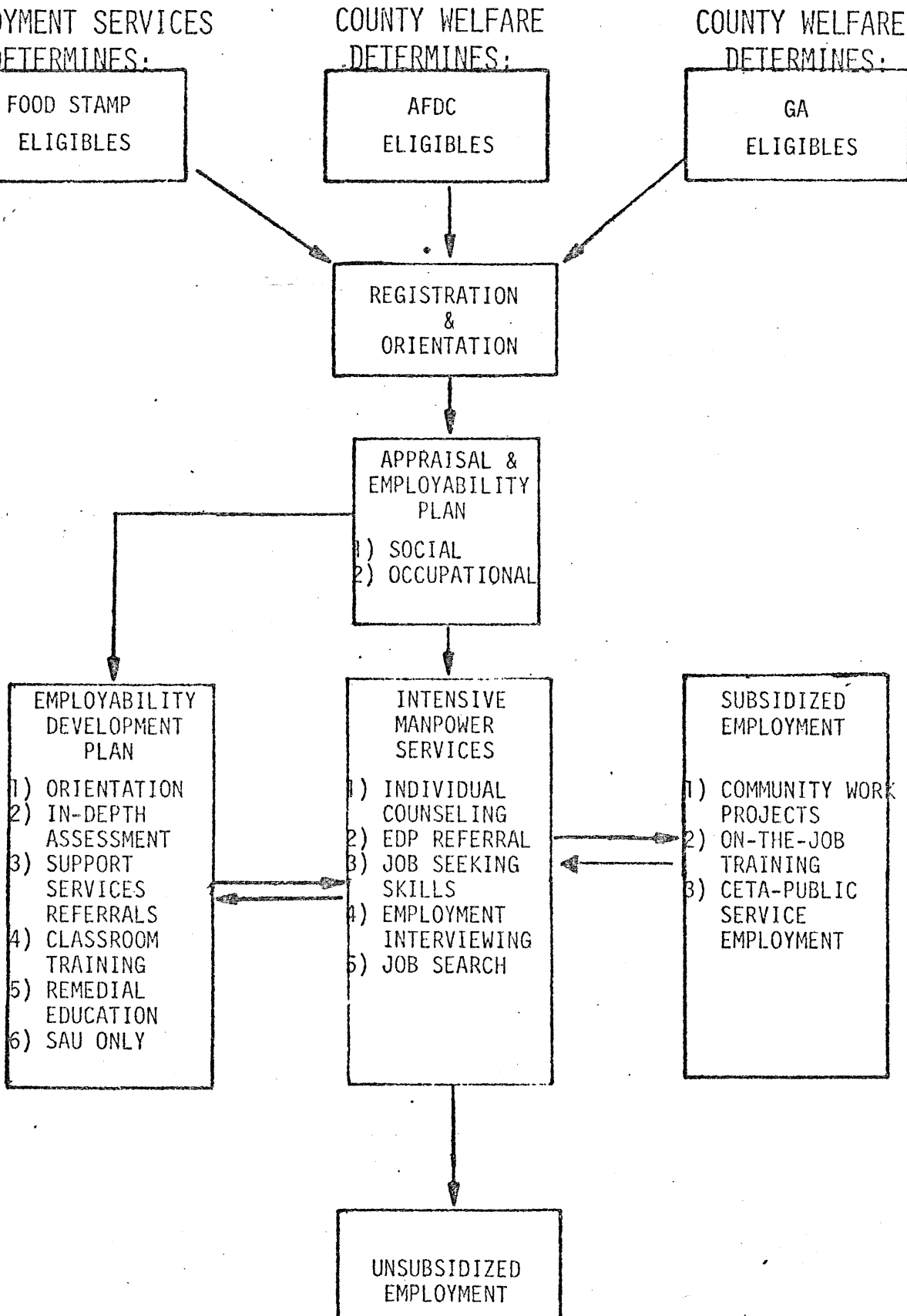
INTENSIVE
MANPOWER
SERVICES

- 1) INDIVIDUAL
COUNSELING
- 2) EDP REFERRAL
- 3) JOB SEEKING
SKILLS
- 4) EMPLOYMENT
INTERVIEWING
- 5) JOB SEARCH

SUBSIDIZED
EMPLOYMENT

- 1) COMMUNITY WORK
PROJECTS
- 2) ON-THE-JOB
TRAINING
- 3) CETA-PUBLIC
SERVICE
EMPLOYMENT

UNSUBSIDIZED
EMPLOYMENT



PROJECT COMPONENTS AND SERVICES

INTAKE AND ORIENTATION

When a recipient is referred to WEP by their county welfare office, s/he will complete the necessary forms with the WEP intake interviewer. During the intake process, the WEP intake interviewer will conduct an orientation to WEP and will explain WEP services, the participant's responsibilities, and WEP's responsibilities to the participant, including protection of confidentiality under Minnesota's Data Privacy Act and participant complaint and fair hearing procedures. The intake interview and orientation will be conducted in such a manner as to make the Project clearly understandable to every participant. Upon completion of the intake and orientation component, the WEP participant will be ready for the appraisal and employability plan (EP) component.

APPRAISAL AND EMPLOYABILITY PLAN

In the appraisal and EP component, the participant, a social worker, counselor and/or placement interviewer will assess the participant's job-readiness and determine social and support services to be provided. Information and analysis of the participant's work history, skills, interests, supportive service needs, current labor market information, and personal employability information will be used to define a job goal with a plan as to how and what will be needed to reach that goal. The participant will then be referred to the appropriate component as defined in the employability plan.

INTENSIVE MANPOWER SERVICES

The intensive manpower service (IMS) component includes a variety of services to participants. For example, many participants may need to learn how to conduct a successful job interview. Some areas to be covered in job-seeking classes

include completion of employment application, review and presentation of personal assets, resume writing, return-call techniques, setting up and practicing interviews, and so on.

Another service is job placement and job development, in which the placement interviewer uses all of his/her talents and resources to set up job interviews for participants. Participants may also be involved in individual or group counseling to resolve barriers to employment. Some of the group activity may be involvement in "job-finding clubs" which will utilize participant support in setting up their own job interviews and sharing of potential job openings, and critiquing each other's telephone job development techniques and interview skills.

EMPLOYABILITY DEVELOPMENT PLANNING

Some people referred to WEP may be found to be "employable" but not job ready. Other registrants already involved in components may have barriers to employment which may need other services to become job-ready. These individuals will be referred to the employability development planning (EDP) component. In EDP, a participant will be oriented to the EDP staff and the process involved in the assessment phase. Assessment may utilize testing, such as aptitude tests, interest inventories, etc. All the information needed to identify barriers to employment will be utilized in determining what services to use in making the participant job-ready. Services available include but are not limited to medical services, relocation services, child care, and other services; i.e., clothing allowances, emergency food, tool and equipment allowance, driver license fees and training. If it is determined that participants need basic or remedial education, appropriate classes or GED preparation training will be arranged. Vocational skill training in demand occupations also will be provided, as appropriate, to enhance participants' employment potential.

Classroom training will not be available for jobs with low retention rates or where the employer has traditionally trained new employees. When a WEP participant has completed her/his EDP program, s/he will be referred back to IMS for job placement activities.

ON-THE-JOB TRAINING

The placement interviewer and/or counselor may also establish an on-the-job training (OJT) project by creating a contract between the WEP sponsor (BOS or St. Paul, CETA) and a public or private employer, to assist the participant in updating, refreshing, or learning new skills. Under the contract, the employer agrees to train the participant according to the terms of the contract; in return, the WEP sponsor will reimburse the employer for up to 50% of wages and related expenses of the employee for the duration of the contract (which may be up to 44 weeks long). The employee receives the same salary and benefits as other employees in similar jobs. The contracts also anticipate that participants so placed will continue in that employment after the training is completed.

COMMUNITY WORK PROJECTS

Participants in need of job experiences prior to placement in unsubsidized employment will be placed in community work projects, which will be subsidized jobs in public or private nonprofit agencies. Each CWP will provide employment which is suitable and geared toward improving the participant's skills, and which is beneficial to the community. It will also provide the participant with an opportunity to develop job retention work habits, appropriate attitudes toward supervisors and co-workers, develop physical capacity and endurance, knowledge of wage structures, and other ancillary skills. While in CWP, participants will be paid prevailing wages for that type of work in that community.

CETA TITLE VI

Other participants may be referred to CETA Title VI Public Service Employment (PSE) jobs. These positions would meet CETA guidelines in terms of salary, hours of work, benefits, services to the participant, and Project management.

PROJECT SCHEDULE

Work Equity is scheduled to become operational in June. Initiation of services under the Work Equity Project is conditional upon promulgation of the required rule by the Department of Public Welfare. Publication of the rule, the first step in the promulgation process, is scheduled for early May. Presently, the target date for startup in Region 7W (St. Cloud) is June 26 but will be conditional upon completion of the 42-60 day process required for rule promulgation. Assuming a June startup in Region 7W, plus approximately 60 days for monitoring and debugging, St. Paul and Regions 6W and 7E will become operational no later than August 28.

PROJECT EVALUATION

Under a contract with the U.S. Department of Labor, Abt Associates Inc. (AAI) will compare the operations and effects of the Work Equity Project with existing welfare work programs in selected comparison sites, selected on the basis of their comparability in terms of client flow, demographic and labor market characteristics. The research design will examine three elements:

1. Process analysis - The process analysis objective is to describe what happens both within WEP and among those parties external to WEP who influence it or are affected by it. The process analysis is subdivided into comparative analysis, which seeks to identify the specific differences in procedures which affect WEP participants and comparison groups; the second analysis ignores comparison and looks at the documentation itself and asks what happens and why. This combined approach identifies the sources of institutional inertia or resistance to change.
2. Impact analysis - The objective of the impact analysis is to assess the effects of WEP on specified groups and institutions, and also consists of two components. The first measures the flow of WEP participants and comparison groups into and out of the various statuses. The second component will try to measure the degree to which WEP participants become more economically self-sufficient over time, as compared to households in the comparison groups.
3. Cost analysis - The cost analysis will provide a basis for comparing costs of WEP to current work programs, and will provide data to policymakers on the Project's cost effectiveness.

The analyses were designed to answer the following policy questions:

Policy Question #1: Is it feasible to create public jobs at or near the minimum wage on a scale sufficient to assure a suitable job to all families with children and possibly for other recipients as well?

Policy Question #2: Can a work/training requirement be administered uniformly across mandatory referrals from several transfer programs?

Policy Question #3: Is the consolidated administrative structure for the Minnesota program an appropriate model for national welfare reform?

Policy Question #4: What is the impact of WEP on participants while they are in the Project?

Policy Question #5: What is the post-program impact on WEP participants?

Policy Question #6: What are the local labor market impacts of WEP?

Policy Question #7: What are the comparative costs of WEP versus straight income-transfer programs?

Policy Question #8: Is WEP politically acceptable?

For a thorough evaluation of Work Equity, it might be desirable for AAI to interview all WEP participants. However, only those individuals who volunteer to participate in the interviews will be contacted by AAI. Recipients will be fully informed about the interviews by county welfare staff at the time referral is made to WEP registration. The interview process will again be explained at the time of registration with WEP. Individuals will be appraised of the voluntary nature of participating in AAI's activities and s/he will not lose any benefits or services if, at any time, s/he chooses not to participate. In addition, the registrant will receive an explanation of the Project, its purpose, the reason for the data collection, and the procedures to be used. A signed

consent form will be obtained from individuals who agree to take part, and referral will then be made to AAI. It is proposed that registrants participating be paid \$5 per interview.

Confidentiality is strictly protected by both the Department of Public Welfare and the Department of Economic Security, in accordance with the Minnesota Data Privacy Act, Minnesota Statutes § 15.162-169 (1976), federal AFDC regulations, 45 CFR 205.50 and rules promulgated by the Department of Public Welfare. All case-specific information received through WEP will be considered private as defined in Minnesota Statutes § 15.162. AAI will have access to any case data not considered confidential under the Data Privacy Act. Any data collected by Abt will be used in summary form only, and all identifying information will be destroyed. All members of AAI obtaining or coming into contact with case-specific information will be required to sign a statement agreeing to fully comply with all applicable federal and state privacy protection provisions.

GENERAL ASSISTANCE AND AFDC RECIPIENTS EXEMPT FROM WEP REGISTRATION:

1. children under 16;
2. children age 16 through 18, and attending school full time;
3. persons who are ill;
4. persons who are incapacitated (AFDC recipients whose WEP exemption is based on incapacity shall be referred to the Division of Vocational Rehabilitation);
5. persons over age 65;
6. persons who live so far away from a WEP unit or placement that more than 2 hours per day (by reasonably available public or private transportation) would be required to travel to and from work or training (exclusive of time necessary for transporting children to or from child care), unless such commuting time is normal to the community;
7. persons whose presence in the home is needed because of the illness or incapacity of another person in the household;
8. AFDC caretaker of a child under age 6 or GA caretaker of a child under age 18 (only one such exemption is allowed per household);

9. the spouse of a WEP or WIN registrant;
10. persons receiving General Assistance or food stamps who are working 30 hours or more per week, at a wage consistent with that paid in the community for similar work);
11. persons who are registered in WIN and are in a suitable employability development plan;
12. persons receiving General Assistance who have been referred to or applied for a work training, work experience, or similar program, if approved by the local agency and if the waiting period for acceptance into the program does not exceed 30 days;
13. persons receiving food stamps who have a work attachment;
14. persons receiving food stamps not required to register for work.

ANTICIPATED ENROLLMENT

The Work Equity Project expects to serve 4,590 individuals in twelve months. Of these, 2,346 will be served by the Balance of State CETA Prime Sponsor and 2,244 will be served by the St. Paul Prime Sponsor as follows:

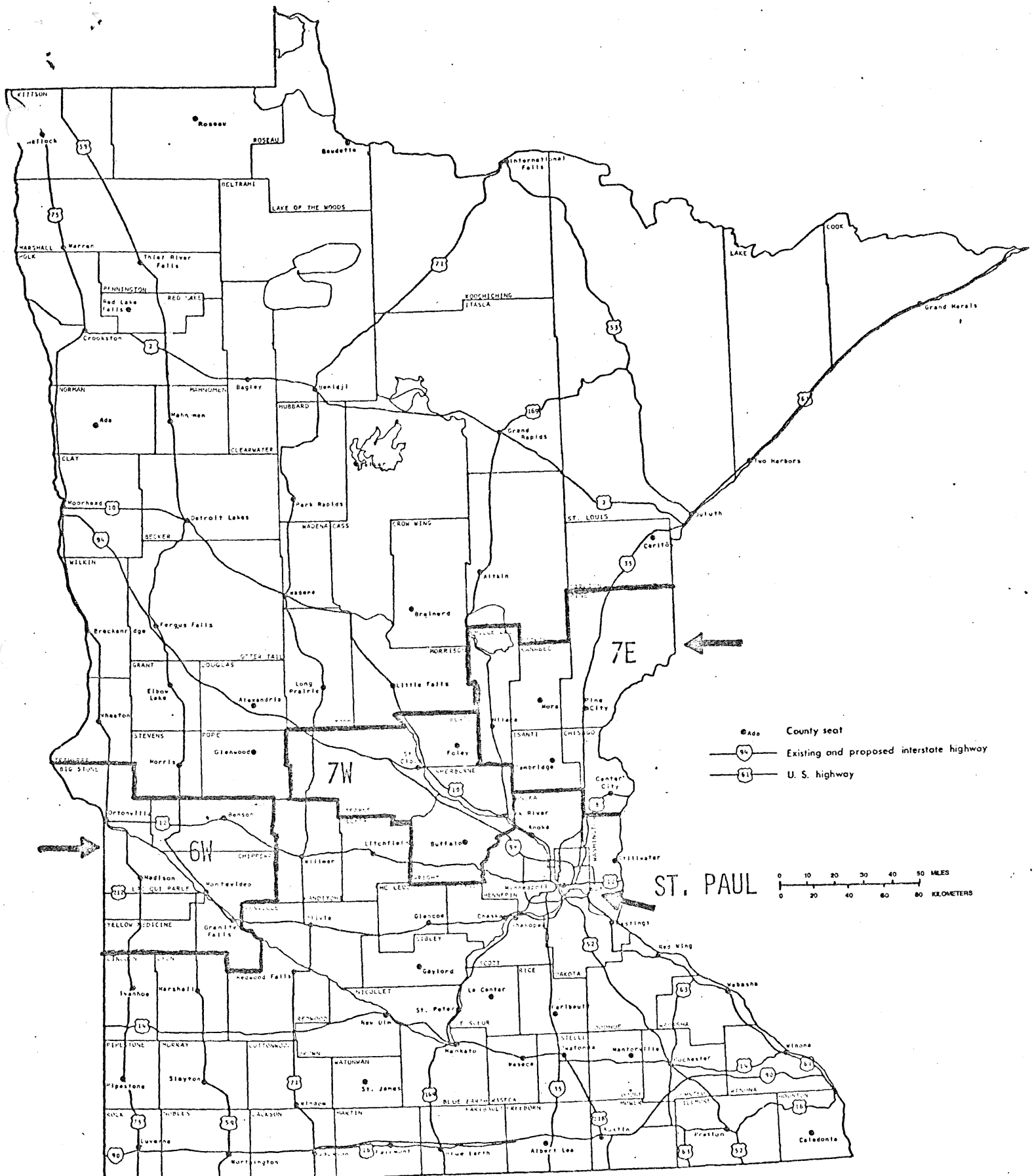
	<u>7W</u>	<u>7E</u>	<u>6W</u>	<u>St. Paul</u>
AFDC	235	532	160	2,244
GA	310	280	113	0
F.S.	588	84	41	0
 TOTAL	 1,133	 896	 314	 2,244

PAYMENTS TO CLIENTS:

WIN/WEP COMPARISON

COMPONENT OR ACTIVITY	WORK INCENTIVE PROGRAM (WIN) (AFDC ONLY)	WORK EQUITY DEMONSTRATION PROJECT (WEP) (AFDC and GA)
Registration Program Orientation Appraisal Employability Planning	AFDC Grant only	GA/AFDC Grant only
Vocational Counseling	Grant only	Grant + \$30/week
Job Seeking Skills Job Finding Club Job Development	Grant only (+\$30/mo. if for limited period of partici- pation in Intensive Manpower Services)	Grant + \$30/week
Job Search In-depth Assessment Orientation to Work Provision of Supportive Services	Grant only	Grant + \$30/week
Vocational & classroom training Remedial education	Grant + \$30/month	Grant + \$30/week
Work Experience	Grant + \$30/month (no affect on AFDC grant since this is con- sidered training, not work)	Not applicable
Community Work Projects (CWP's)	Not applicable	Prevailing Wage ..GA recipients: wage wi- disregard of work-related expenses; then a dollar-for- dollar reduction in grant ..AFDC recipients: wage subject to \$30 + 1/3 disr- gard; then deduction of work-related expenses; th- dollar-for-dollar reduci- in grant.
On-the-Job Training Public Service Employment (PSE) Unsubsidized Employment	Prevailing wage for occupation ..After 100/hrs/mo on job, un- employed father (UF) no longer receives grant. ..Single parent's wage subject to \$30 + 1/3 disregard; then deduction of work-related ex- penses; then dollar-for-dollar reduction in grant.	Prevailing wage for Occup- ..GA recipients: wage wi- disregard of work-related expenses; then dollar-for- dollar reduction in grant ..AFDC recipients: wage subject to \$30 + 1/3 disr- gard; then deduction of work-related expenses; th- dollar-for-dollar reduci- in grant.

AREAS TO BE SERVED BY WORK EQUITY



PREPARED BY THE MINNESOTA STATE PLANNING AGENCY, 1976

BPA BASE MAP #2