

Center for Law and Social Policy
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OPERATOR: Good afternoon, ladies and gentlemen, and welcome to today's presentation. For the duration of the conference call, your lines will be on a listen-only mode. If you should require assistance throughout today's conference, please press star zero to reach a live operator.

At this time, it is my pleasure to turn the floor over to Allegra Baider.

ALLEGRA BAIDER, SENIOR POLICY ANALYST, CLASP: Good afternoon, everyone. Thanks so much for joining us today for the third conference call in the CLASP conference call series on the implementation of the American Recovery and Reinvestment Act. My name is Allegra Baider, and I am a senior policy analyst at CLASP. I'm happy to be moderating today's call, *Making the Employment Connection: New Opportunities to Develop Transitional Jobs Programs*, which is being cosponsored by the National Transitional Jobs Network.

Today, I'm joined by three great panelists. We have Amy Rynell, who is the director of the Heartland Alliance Mid-America Institute on Poverty and director of the National Transitional Jobs Network, which is a coalition of transitional jobs programs, policy organizations and sponsoring organizations. We also have David Hansell, who's the commissioner of the New York State Office of Temporary and Disability Assistance, which is the state agency charged with oversight of support programs and economic assistance for low-income New Yorkers. Finally, we have Elizabeth Lower-Basch, who is a Senior Policy Analyst with the workforce team here at CLASP. Elizabeth focuses on welfare policy, job quality and supports for low-income working families.

So to start out our call, we're going to hear from Amy Rynell about Transitional Jobs programs design. Then we're going to hear from David Hansell about Transitional Jobs pilots in New York, and finally, we're going to hear from Elizabeth Lower-Basch, who's going to tell us about the opportunities to develop or expand Transitional Jobs programs using funding from the new Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund, which was authorized by the American Recovery and Reinvestment Act.

At the end, we're going to have time for questions from the audience for all of the speakers. If you would like to ask a question of the speakers, please e-mail your question to audioconference@clasp.org.

So without further ado, I'd like to turn the call over to our first speaker, Amy Rynell.

Amy?

AMY RYNELL, DIRECTOR, HEARTLAND ALLIANCE MID-AMERICA
INSTITUTE ON POVERTY & DIRECTOR, NATIONAL TRANSITIONAL JOBS
NETWORK: Thank you, Allegra. We're honored to participate in today's call on this important issue facing our communities in terms of our helping our hardest-to-employ job seekers succeed in work.

Transitional Jobs is a proven workforce solution to help states meet TANF requirements while at the same time providing hard-to-employ TANF parents with experiential on-the-job development to learn how to succeed in work. Transitional Jobs is a workforce strategy designed to overcome employment obstacles by using a few different techniques, the core of which is a time-limited wage-paying job that combines real work, skill development and supportive services with the goal explicitly to transition participants into the labor market. There's also a goal that these participants do not displace workers in the for-profit and nonprofit sectors.

In terms of our history, Transitional Jobs have been evolving for decades with roots in some programs from the 1970s [such as] the public service employment CETA programs, and the National Supported Work Demonstration. We learned a lot of lessons [from these programs] about providing Transitional Jobs. In the 90s, there was a resurgence of piloting through the Welfare to Work Program, and in this most recent decade, we've seen a lot of expansion into serving people who are being released from prison and a lot of research showing its effectiveness at reducing reliance on welfare and other public assistance as well as significant reductions in recidivism for people who are coming out of prison.

In short, the program design usually has orientation and assessment, job readiness and life skills classes, case management support, the Transitional Job itself, which is the real work experience, and then the transition into an unsubsidized job placement, retention in that placement, and very concrete linkages throughout to education and training so that people can gain very tangible skills to move up in the labor market.

So at its core, the Transitional Jobs Program goal is to provide real work experience supported with wages. Transitional Jobs are time limited. They range in length, typically from about three to nine months. The subsidized job is usually in a nonprofit, but it can also be in a for-profit or government setting. Programs have people working anywhere from 20 to 35 hours per week, depending on the other services and training available that can be paired with Transitional Jobs. The wages that are paid are usually a state or federal minimum wage or a local living wage. They're designed in a way so that these new workers have weekly job performance reviews and assessments so that there's real time feedback, and transitions and changes can be made at the job site. And there is case management and other service support to help the new workers succeed in the job.

These programs take many different formats. The most common ones with people who are long-term welfare recipients are what we would call a scattered site model, where people are placed in transitional jobs with a couple of workers, one or two workers per site. There are also a growing number of work crew programs, where you have a crew of

five to seven people working on a project. That's more typical within the maintenance arena, janitorial, parks and community renewal projects. And then in the homeless arena, we see a lot of transitional jobs programs that are social enterprises, where participants are working as an employee creating a product or service, generating earnings.

I'll just talk for a minute about one of the leaders in the field, which is the State of Washington. They're actually on the call and can help us answer some of the questions you may have about how a state can launch a statewide Transitional Jobs program. We have Diane Klontz, who's the managing director of their program, as well as David Hoadley.

The Community Jobs program in Washington began in 1997 coming out of the governor's office. It's currently administered by the Department of Community, Trade and Economic Development. They have contracts with about 17 sites and 19 subcontractors across the state and are serving an average of 2,400 TANF recipients per year, and actually expect to serve more in this current year in this current economic climate.

So the goal is to move people from welfare into a career track. The outcomes of the Washington State program have been very favorable in terms of participants moving into subsidized work. They're earning around \$9 an hour as they move out of the Transitional Job. Some studies of the program in Washington State have showed that the average income of the Community Job's participants increased 60 percent during their first couple of years in the workforce and that their income was 148 percent higher than their pre-Transitional Jobs income. So really important successes across the State of Washington. There are other states that have statewide programs, including Georgia, and Illinois has made a number of different investments into Transitional Jobs as has Pennsylvania.

On the website of the National Transitional Jobs Network, we've posted a number of resources to help states start up TANF TJ programs, and we can refer you to some of those resources later. They were built off of a lot of what Washington State has done as a pioneer in the field, including RFPs, assessments, scoring guides if you're reviewing proposals, and other things. Those can be found at www.transitionaljobs.net.

I think I'll stop there and take any questions that you might have, Allegra.

BAIDER: OK, great. Thanks, Amy. So the first question I have is about the cost. What do these programs cost and what are some of the returns?

RYNELL: The program costs range. They're about \$6,000 to \$10,000 per participant in most big programs. These costs include; wages, the staff costs at the sites as well as case management, job readiness training, placement/retention services, supportive services, and then any incentive payments built into the programs. We see incentives being given both to participants as a job retention tool as well as to the Transitional Job work site mentors, who are participating in the weekly evaluations and the mentoring of the person in the Transitional Job.

In terms of the return on investment, one of the most important ones is that people who have never worked or who have very little work experience become gainfully and successfully employed. They decrease their reliance on public assistance and increase their family's stability. Many studies across the country have shown those outcomes very strongly. There's a new study done in New York that estimated that for public assistance recipients in New York, a \$17 million investment in Transitional Jobs would result in a state and local cost savings of \$60 million. So tremendous savings evidenced there.

In addition, I'll just mention that Transitional Jobs programs are also stimulative in that they provide much needed earned income and put it into the hands of people who are low-income and who spend almost all of their income in a quick manner in their communities. So it's a good way of getting money out into communities, especially at a time like this.

BAIDER: So we have a real range of folks who are listening on the call today. We have some program administrators and we also have advocates. I wanted to ask you, Amy, do you have any advice for the individuals who are on this call today and are interested in starting up a Transitional Jobs program or expanding an existing program? How should they go about moving forward?

RYNELL: One of the things we did in preparation for today's call and to respond to the opportunities within the Recovery Act was to develop a toolkit for states that can be used by state administering agencies or advocates that really lays out a lot of the tools you need to get a program up and running. Our website is essentially a technical assistance portal, so I think that's one resource that we've put out there for people.

We've seen Transitional Jobs expand in states in different ways. A number of states have task forces that are specifically working on getting state policy in place to get these programs up and running. Many states already have Transitional Jobs providers with a proven track record, and I think looking to those providers with expertise (and we'd be happy to hook states up with them) about what's been working in local economies can be a great way to make sure that these programs are very relevant in helping people prepare for jobs that are in growing sectors of the local economy.

BAIDER: OK, great. Thanks, Amy. Now, I would like to turn it over to David Hansell, who is going to speak to us about some of the exciting developments in New York, and at the end of the call we can come back with questions for Amy.

DAVID HANSELL, COMMISSIONER, NEW YORK STATE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE: Yes, thank you, Allegra, and thank you very much for inviting us to participate in the call today.

The first thing I want to do is to acknowledge Barbara Guinn and John Haley of my staff who are on the call. They are really the experts on Transitional Employment. They're

the architects of our new program, and I'm sure I'll be deferring to them later in the call to help answer questions from the listeners.

In New York we believe very strongly that we need a broad range of program strategies to help people move from welfare to work because we have a broad and very diverse set of clients, and so we're happy that we've just recently added Transitional Employment to the mix of services that we're able to offer to our clients. What I'd like to do first is talk a little about the genesis of our Transitional Employment program in New York State, and partly it parallels my personal evolution. I moved from New York City to New York State a couple of years ago. We in New York are a state-supervised, locally-administered program. So our social services, TANF Program, and our Welfare to Work programs, are actually administered at the county level and the New York City level.

New York City for a number of years has had a Transitional Employment program called the Parks Opportunity Program. This began in the late 1990s at a time when states were all, I think, struggling with the new challenges of TANF, meeting time limits, meeting work requirements, and trying to identify a range of settings for people in which they could be employed and meet participation rates. New York City at that time launched a program in which TANF clients could participate in Transitional Employment in the New York City Department of Parks and Recreation. Through this program, the Parks Program, which continues to exist today, participants participate in 40 hours a week of Transitional Employment that includes four days a week on the job and one day a week which is reserved for other activities, either job search or from a range of education and training activities. Participants receive intensive on-the-job skills training through the program in one of five areas; security, custodial services, clerical services, handyman/fixit services or horticulture.

Training also includes classroom workshops to support the on-the-job component of the program, and that could include – again, depending on which area they're being trained in – it could include computer literacy, graffiti removal, plant identification, test control, basic electrical/plumbing skills, floor care, or sheetrock installation. They also, during their one day a week of education training programs, can participate as appropriate in adult basic education, English as a second language or GED preparation.

This Park Opportunities Program is a very large program. On average, about 2,500 individuals are engaged in the program, and it has been, since its initiation, an extremely popular program in New York City. In fact there have always been more individuals who qualify for the program and are interested in participating than we've been able to enroll, and it has shown extremely good outcomes.

So as a result of that history, when I become commissioner here at OTDA at the state level and realized that we did not have a Transitional Employment program, we looked at an opportunity to create a model. What we did have in New York State was a very successful wage subsidy program, which placed several thousand people a year into employment with employers by subsidizing their wages. We had a number of contracts across the state for that program, and a few months ago, or late last year, as those

contracts were ending, as we were thinking about the renewal of the program and the issuance of a new request for proposals, we felt it was an opportune time to add a Transitional Employment model to our existing wage subsidy model.

So we looked at the Parks Program in New York City. We also looked at what we had read about in terms of the successes of other programs throughout the country, and based on that we designed a Transitional Employment model that we put out to bid late last year, and we have now just begun programs with 23 organizations across New York State, of which seven will now operate Transitional Employment programs exclusively.

Let me say a little bit about the differences between our traditional wage subsidy model, which my guess is more states are familiar with, and our new Transitional Employment model. First of all, the Transitional Employment model is designed to serve a more targeted population. To qualify for it participants must have one of the following employment barriers; either they have been on public assistance for an extended time; they do not have a high school diploma or a GED; they have a history of alcohol or substance abuse issues; they possess physical or mental impairments that diminish their ability to work or their employability; they're ex-offenders; they have limited English reading or writing skills; or they have other barriers that have limited their work history in the past. So this is not for those who can find employment through conventional means, these programs are for people who have particular barriers to employment.

Second, through this program, there's very significant site development. This is not just employers bringing people into jobs that already exist. The agencies we contract with are expected to develop job sites either within their own organization (which could be a nonprofit) or with other nonprofit public or private employers, and then the contract agency or the site agency can employ participants during the Transitional Employment period. The job has to provide an average of 30 hours a week of employment over a 30-day period and pay at least a minimum wage.

In addition, there are a number of service components in the Transitional Employment program that don't exist in the wage subsidy program, and as you'll hear, they really parallel what Amy described earlier as the components of good model programs around the country. Our Transitional Employment programs must provide orientation and assessment to the program to familiarize people with the experience that they're going to have, and they must provide life skills and job readiness training, which is significant. At least in general, life skills and job readiness training is a seven to ten-day period (sometimes longer than that) to make sure that participants are prepared to address the other life issues and potential stressors that may arise as they go into a job, such as childcare issues, family issues, housing issues and so on.

The Transitional Employment program must provide support services to help people address issues as they move through their employment period, and it must provide post employment services. It must help individuals find a job, it must track and monitor their experience and their performance while they're on the job, provide an evaluation of their job skills, their job knowledge and their abilities. Once they move off the job into

unsubsidized employment through a transition plan that has to be developed by the contractor, they are responsible for coordinating the receipt of transitional benefits for the participant as they leave, and they're responsible for developing linkages with work-based education and training providers to make sure that Transitional Employment participants continue to have access to training to improve their job performance, and hopefully to promote their advancement up the career ladder.

Finally, there's a difference in the reimbursement structure between our wage subsidy program and our Transitional Job programs. The Transitional Job program – both of the programs, actually, are 50 percent performance based and 50 percent reimbursement based. That is, 50 percent of the contract value goes to the actual payment of the wage subsidy for the participant, through the employer or through the contract agency. The remaining 50 percent is earned by the contractor based on a milestone formula that looks at the duration of the participant's tenure in employment. There is a milestone in all the programs of achieving 30 days of employment in the Transitional Employment program because we're employing people who have more barriers. We also have milestones for 60 and 90 days in subsidized employment. There is then a milestone for transition to unsubsidized employment and milestones for 90 and 120-day retention in unsubsidized employment. So a significant part of the value of the contract has to do with actually achieving results for the participant, both in keeping them on and keeping them through the subsidized period and then transitioning them to unsubsidized employment.

As I said, these programs have just started. The contracts that we've entered into began as of January 1 of this year, so we don't yet have any outcome data on them, but we will be monitoring them very closely, and we're really excited about launching this new effort, and we think it's really going to provide a very significant new option for us in helping a large number of our clients move effectively into the workforce and up the career ladder.

Thank you.

BAIDER: Great. Thank you so much, David. And the work that's happening in New York is so exciting, and it's one of the reasons why we wanted to highlight it on this call today.

My first question is about wages. Both you and Amy talked about a key component of the Transitional Jobs model being wages, and so I wanted to ask you what do you think are the benefits of wages for program participants?

HANSELL: That I think is one of the things that we learned from the Parks Opportunity Program in New York City. We know that there's a lot of value for participants in both just being on a work site, the so-called soft skills that people get from just being in an employment sector, reporting to work, dealing with colleagues and a boss and so on, as well as the skills they develop. But there is a very important psychological factor in terms of getting a paycheck rather than a welfare check. There's just no question, and you can see it by the response that participants in New York City had to being employed

by the Parks Department rather than being assigned to a work experience program. The experience of actually receiving a paycheck, feeling like they were actually working the way other people do, psychologically was a much more powerful experience for them, a much more powerful motivator for them in continuing to do work and to be diligent about their work than receiving a welfare check and being given a work assignment. So we thought it was a very significant motivator and incentive for people to do well and to continue to do well in the workforce.

BAIDER: Great, and can you talk a little bit about how long the Transitional Jobs placements are, or does that vary depending on the program and the program model?

HANSELL: It does to some degree, but it is typically six months. Six months is the general amount of time. There may be cases in which, because of the individual's barriers or the issues that are being addressed to enable them to move to unsubsidized employment, it may take longer than that. But our standard tenure for participant of the program is 6 months.

BAIDER: And do you anticipate any changes to that in the midst of this down economy, or do you think that that will remain the standard?

HANSELL: I think that will be the standard. As I say, we are just launching this venture, so we will certainly learn from the experience that we have, and if we need to make modifications, if it appears to us that longer or shorter periods of employment would make the program more effective, we'll obviously make modifications as we need to.

BAIDER: Great, and do you have any advice for state TANF administrators who are on the call and are thinking about starting Transitional Jobs programs?

HANSELL: I would say we launched this program. We have had, historically, a \$4 million allocation of our TANF funding, which had supported the wage subsidy program. We are now using it to support the combination of wage subsidy and transitional employment programs, as I mentioned. But we benefited tremendously from the experience in other states. There's a great deal of literature out there, which we perused. We also spoke to people in other states who administered programs. So we had the advantage of really building on the experience of others and benefiting from that, and so I would encourage those who are interested to do the same. We would be more than happy to share the benefits of our experience, as we develop more rigorous outcome data we'll be happy to provide that as well. But we would be more than happy to talk with individuals in other states about how we developed our program and make it possible for them to use any of the information that we've developed.

BAIDER: Great. Thank you so much, and we here at CLASP are always happy to facilitate that in any way we can. So just before we turn it over to Elizabeth, I had one last question for you David, which is do you have any plans at this time to expand

Transitional Jobs in New York State, and how are you thinking about the future of Transitional Jobs in your state at this time?

HANSELL: Well, that's a very timely question. We are in the final stages of our state budget process. Our state fiscal year begins on April 1, so we have about two weeks to go, and we are certainly looking closely at our governor's office and our state legislature is looking closely at the new TANF Emergency Contingency Fund Provisions in the economic stimulus package to see what opportunities they might provide for us to expand the programs. I will be able to tell you in a couple of weeks exactly what decisions ultimately get made by the legislature, but I can tell you it's something that's under active discussion, and we certainly see tremendous opportunities for potential expansion through this new funding stream.

BAIDER: Great. Well, thank you, and I couldn't think of a more perfect time to turn it over to my colleague, Elizabeth Lower-Basch, who's going to talk about some of these new opportunities for funding Transitional Jobs through the TANF Emergency Contingency Fund.

So Elizabeth, can you talk to us about these opportunities?

ELIZABETH LOWER-BASCH, SENIOR POLICY ANALYST, CLASP: Sure, and that really was the perfect transition.

The Recovery Act does have this new provision, the TANF Emergency Contingency Fund, that really represents a great opportunity for states to use it to fund or expand Transitional Jobs programs. Under this provision, states can receive 80 percent federal funding for spending increases in certain categories of TANF-related expenditures. The three categories are basic assistance, nonrecurrent short-term benefits, and subsidized employment. Transitional jobs programs count as subsidized employment, so if the state develops or expands a TJ program, this means it can get 80 percent federal reimbursement for the increase in costs. This is true whether the TJ program serves families receiving TANF cash benefits or other low-income families. Each state can receive a maximum of 50 percent of their annual block grants from either this new Emergency Contingency Fund or the older regular contingency fund over the two years that the program will exist.

One of the questions that we've been getting a lot is what costs of a TJ program can be claimed. Is it just the wages, or the entire cost of the program, including recruiting employers, supervising participants, etc. The short answer is that we don't really know yet because HHS has not yet issued guidance on exactly what costs can be claimed for reimbursement. But the longer answer is that it seems likely that HHS will rely on the definition of work subsidies from what's called the ACF-196 Spending Report which is the form that states fill in to report their spending. And that definition includes payments to employers or third parties to help cover the cost of employee wages, benefits, supervision or training. So it's definitely promising, but it's not 100 percent clear yet what the implications of this definition are for costs like slot development or, as in New

York's case, the performance payments after the fact, or for barrier removal activities such as substance abuse treatment, which may be part of some TJ programs. So this is something to look for when HHS issues its guidance on this program.

The other thing that people seem a bit confused by is what kind of spending can count. Spending has to be either funds from TANF or state funds that are claimed towards what's called the maintenance of effort, or MOE requirement. We're big on acronyms in the TANF Program. Briefly, the MOE requirement means that states have to continue to spend either 80 or 75 percent of what they were spending before welfare reform on programs that meet the purposes of TANF. So the program looks at spending for federal fiscal years 2009 and 2010. So that covers from October 1st, 2008 last fall going forward through September 30th, 2010. And the spending for each quarter is compared to the comparable quarter in either fiscal year 2007 or 2008, whichever one is lower, so there's some flexibility there. Unfortunately, because there's a big lag in the spending data that's available through HHS, you can't go to the HHS Web site to look up what the 2007 or 2008 levels were, but your state should know it and be able to get at that data.

The increase in spending can include funds received from the regular TANF Contingency Fund, which states can access based on meeting certain economic triggers and also on their MOE spending. Without getting into a lot of details about that contingency fund, the main point is that if a state is drawing down funds from it, as New York happens to be, if the state chose to reinvest those funds in one of the areas that is countable towards the Emergency Contingency Fund, it can then receive an amount equal to 80 percent of that increase from the Emergency Contingency Fund, and that's a nice opportunity for states because it's an exception to the usual rule that you can't use funds that come from the Federal Government to draw down more federal funds. In this case you can.

What if the state has a Transitional Jobs program that isn't funded with TANF and the state spending on the program hasn't been claimed towards the MOE requirement in the past? Well, if the state's going to expand the program, it might make sense to claim the program towards MOE now, because as long as it's totally outside of TANF, not claimed to its MOE, the state doesn't get credit for the expansion. But I should note that HHS does have the authority to adjust the base year spending to make it comparable to the current spending. So let's say a state's spending \$50 million a year on a TJ program, this is a big program, I guess – and expands it to a \$100 million, the state would only get credit for the extra \$50 million. HHS is supposed to adjust the funding reports to make sure that the states don't get credit by playing games with their funding sources.

So I know I went through it fast, but that I think identifies the main opportunities.

BAIDER: Great. So how soon will states be able to start receiving funds under this program, and when will HHS issue some of the guidance?

LOWER-BASCH: OK, I know that New York is not the only state that's anxiously waiting to hear from HHS, on the details of this. The Recovery Act does direct the HHS to implement this provision, quote, "as quickly as reasonably possible pursuant to

appropriate guidance for states.” On HHS’ recovery Website, www.hhs.gov/recovery, they do say that they’ve now received OMB approval for their Emergency Contingency Fund spending plan. So that’s a first big hurdle that is overcome. I don’t have any inside information on exactly when the guidance will be released, but I do know HHS staff are working hard on it, and they’re hoping to get it out in the next few weeks. Of course part of the problem is that HHS has very few political appointees in place so far, so hopefully that’s not slowing things down too much.

So as I said, the first quarter that states can receive Emergency Contingency Funds for is the first quarter of federal fiscal year of 2009, which was last October 1 through December 31st. So as soon as the guidance comes out, states should be able to start applying for funds for the first two quarters of the year running through the end of this month. The bigger question is whether HHS will allow states to ask for Emergency Contingency Funds based on an estimate of how much they expect to spend during a forthcoming quarter, like the end of this year, rather than wait until after it ends to assess how much they did spend. The statute does appear to give HHS authority to provide funds on the basis of such estimates, and obviously that would be a big help for states facing big budget deficits that maybe can’t afford to advance the money and wait for HHS to reimburse them.

BAIDER: Great. Thanks, Elizabeth. Can you talk a little bit about how this provision interacts with the work participation rate requirements under TANF?

LOWER-BASCH: Sure. That’s a great question. It’s a little complicated. I’ll try to break it down.

First, for those who may be on the call who aren’t as familiar with TANF; under TANF, states are required to engage 50 percent of the families who are receiving assistance in a specified list of countable activities. There’s a list of 12 things they can count. There’s also a separate higher rate, 90 percent for two-parent families. Those are what is referred to in the TANF world as the work participation rate requirements.

So the first thing to note is that these [participation] rate requirements apply to individuals who are in families that are receiving TANF, quote, “assistance.” Assistance has a very technical meaning within the TANF world, and the regulations are clear that wage subsidies are not assistance. So work requirements do not apply to individuals who are receiving wage subsidies as part of a Transitional Jobs program, unless they are also receiving a residual cash assistance payment, and whether that occurs in a specific state depends on both the wages earned and the hours worked, and also how the state treats earned income. Some states disregard more of it than others when they calculate benefits.

So for the families who are receiving an assistance payment and thus are in this work participation rate, the subsidized work component of Transitional Jobs program counts as, quote, “subsidized employment,” which is one of those 12 activities that can count towards the rate. It’s a core activity, and it can count towards all hours of a TANF

recipient's required hours of participation. In addition, what the TANF regulations say is other components of a Transitional Jobs program, such as the classroom training or barrier removal activity, can be counted as subsidized employment if all hours of the activity are paid (not if they're only getting paid for the hours of work). So again, this depends on how a state has structured its program. Either way, Transitional Jobs can be a good way for states to meet the TANF participation rate requirements, especially now, when unsubsidized jobs are harder and harder to find.

BAIDER: Great. Elizabeth, thank you so much for all of that information. It's really helpful. These provisions are so complicated. So where can folks on the phone who are listening go to get more information about the new Emergency Contingency Fund and some of the opportunities available through TANF?

LOWER-BASCH: OK, well, on the CLASP website, we've got two papers up. There's one that you and I wrote together that specifically looks at Transitional Jobs and the new Emergency Contingency Fund, and then there's one that's just question-and-answers about the Emergency Contingency Fund. We will also try to get information out as soon as we can when we learn more from HHS; www.acs.hhs.gov is the HHS website, and there's not much there yet, but definitely keep an eye on it.

BAIDER: OK, great. Elizabeth, thank you so much, and thanks to David and Amy. We have a lot of questions coming in from the audience, so now I'm just going to open it up to all of the panelists, and also get to some of the questions that are specifically for individual panelists. The first question we have is actually for David Hansell. How has your team recruited employers to be part of the transitional jobs program? And has there been any difficulty recruiting employers in the current economy, the current economic situation?

HANSELL: Well, let me say a couple of things and then see if Barbara and John would like to supplement. In the Transitional Employment program, we actually are not doing the recruitment directly. We are looking to the contractors at the local level to do that, and because the program is so new, we don't have a lot of experience yet, although Barbara and John may have a better sense than I do of what's happening. I will say in our wage subsidy program, which has been operating for a number of years, we have been successful – but of course this was prior to the most recent downturn of the economy – we successfully recruited enough employers to place on average about 3,000 people in the wage subsidy program on an annual basis. But Barbara, John, do we have any more current information about the Transitional Employment program?

JOHN HALEY, NEW YORK STATE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE: Not so much. Again, we don't recruit the employers ourselves. We contract with community-based organizations at the local level, and they're responsible for the recruitment of employers and all of the other program activities. But just speaking from our wage subsidy programs, the recruitment of employers has not been a problem. It's not the difficulty. Employers like the subsidy, they like the services that our community-based organizations provide as far as the case management services and the

follow-up services that they provide to our participants. So it hasn't been an issue to date.

HANSELL: And let me just add to that. I think one of the reasons why I think the Transitional Employment program may be more attractive to employers than the wage subsidy program, as I said earlier, is the expectation is that employers will retain individuals in an unsubsidized basis once their subsidy period is over. That may be a more difficult commitment for employers to make these days. In the Transitional Employment program, there isn't necessarily the same expectation.

BAIDER: OK, great. This next question I'd like to ask to Amy, and then David if you have any comments, feel free to jump. So the question is, would it be appropriate for nonprofits in especially large metro areas to form coalitions to work on getting a Transitional Jobs program established in an area?

RYNELL: We've seen this happen across the country. There have been taskforces and coalitions formed in places as diverse as Massachusetts to the Dakotas to Ohio. So we've seen that model be particularly effective at coming up with a very strategic plan around who are the populations in most need in an area, where are the gaps in the workforce system, and integrating Transitional Jobs into a broader plan around both workforce development and human services. Coalitions are well positioned to help keep your eye on the ball, and the coalitions have also helped keep transitional jobs in front of state legislators and administrators to continue to build political support for investments into these programs. So from our perspective, having both expertise on the ground at the provider level, and having advocacy capacity to mobilize and plan, can help keep these programs strong in the eyes of the administrators of the programs and help them fight for their budgets each year for funding for these programs.

HANSELL: I guess the only thing I would add to that is one of the challenges that we have in New York State, and this is certainly not unique among other states, is we have to design program models that work both in very dense urban parts of New York City and very rural parts of Upstate New York. So it may well be the case that there are New York City neighborhoods where it is easy to identify a cohort of individuals who would be appropriate to be participants in a program like this, whereas in parts of upstate New York it would not be, and it might behoove organizations to look to for coalitions just to build a critical mass to support a program.

BAIDER: OK, great. I have another question now, which I guess I can ask to all of the panelists on the call. Are there existing industries that have proven more successful as employer partners in the development of Transitional Jobs, and within our changing economy, are there industries that you anticipate being strong partners for a Transitional Jobs model?

HANSELL: Well, this is David. I'll start out, and also, certainly, again, see if Barbara or John would like to chime in. The program we have the most experience with here, which is the program I mentioned, is obviously in a governmental setting, and that's actually

been very successful and something to look at. I think, again, in an economy in which private sector placements may be more and more difficult, nonprofits may also be a good place to look. As I said, we don't have enough experience with our new program to really indicate where the more successful industry placements have been. I will say on a parallel basis to this, we are launching a career pathways program in New York in which we're designing sectoral training strategies which are based on where we think there will be labor market growth, and we're certainly looking at green jobs in that area, we're looking at healthcare, where there continues to be growth, and we're looking at service industries and service sectors where there seems to be continued growth.

RYNELL: It's along the lines of picking up on the sectors, we've seen a lot of success in transitional jobs in the healthcare arena. There are so many different types of jobs within healthcare that can be very good learning opportunities for Transitional Jobs participants. Also along the continuum of janitorial, maintenance, property management all the way up through construction trades, there are different jobs that are very amenable to training opportunities for people entering the workforce for the first time. Throughout many nonprofits, we've seen clerical job opportunities as well as maintenance opportunities, and then the growing opportunities in the green arena, we're investigating ways to create ramps from Transitional Jobs into higher-skilled green jobs, so we're looking for opportunities around the country to help pilot and learn from those types of ventures.

BAIDER: Great. Now there's a question that I'll direct to David, and then also if the Washington State folks are on the phone, maybe you can speak to this, as well. So while transitional jobs participants are in the Transitional Jobs program, is their TANF clock ticking?

HANSELL: I'm going to defer to Barbara and John on that.

BARBARA GUINN, NEW YORK STATE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE: Sure. The way it's worked in New York is that the only time the quote, "clock would tick" would be if the case is still receiving an assistance payment. So it really depends upon the wage that's provided and the number of hours the individual's working, which obviously also has an implication for the work participation rates. So if they're not receiving an assistance payment because the earnings are so high that they're not – all their income is coming through employment as a non-assistance payment, then their clock would not tick.

BAIDER: OK, great. Diane, is there anything that you wanted to add to that?

DIANE KLONTZ, MANAGER, WASHINGTON STATE DEPARTMENT OF COMMUNITY TRADE AND ECONOMIC DEVELOPMENT, WORKFIRST COMMUNITY JOBS AND SUPPORTED WORK PROGRAMS: Yes, this is Diane Klontz from Washington State, and here we actually have a 60-month time limit, and while they are in our Transitional Jobs program, their clock is ticking. So it does count towards that 60 months.

BAIDER: OK, great, this next question I'd like to direct towards Amy. What is the cost of the program overall? I know you spoke about this a little bit in your initial remarks, but just a follow-up question, and can you speak to the cost for each of the key components?

RYNELL: The way the program is structured in different places results in having different costs. So some of the work crew models are a little cheaper to operate and some are more expensive to operate. We did put up on our website a grid that you can use, and it's an Excel file where you can estimate what a program's going to cost, and in the bucket of cost, about half of the costs end up being wages, and half of the costs end up being the support services, the staffing and the other things that go into making the program succeed. So there's roughly a 50/50 split there of costs. But anyway, we created this grid, where you can plug in the wage you're going to pay versus the length of time of the Transitional Job.

So the cost varies based on those two factors alone. So decisions have to be made at the state level about how long they will make the TJ opportunity available to participants, as well as what the wages are going to be. That's posted on our website at: www.transitionaljobs.net. You can factor in a bunch of different things as you play around with that.

BAIDER: That sounds like a really helpful tool. Before we move on, I just wanted to see if David or Diane had anything that they wanted to add to that in terms of program costs.

HANSELL: I think we just have sort of averages as to what we anticipate per participant in our program.

HALEY: Well, the average cost of a participant in our program is about \$6,200. So that would include the wages paid to the employer plus the milestone payments paid to our contractor. So on an average, it's \$6,200.

BAIDER: Great, and Diane, do you have that figure for Washington State?

KLONTZ: Yes, actually, our program is a 6-month program, like you mentioned. The average time on payroll is about 4-1/2 months, and currently we're averaging about \$4,900 per person, and that includes the payment points to the contractors, support services and the wages.

BAIDER: OK, great. Thank you. And now, Elizabeth, we have a question for you. Can training for someone in a Transitional Job be funded with the contingency funding?

LOWER-BASCH: OK, it's a little complicated because this is two different questions. There's what spending can be counted towards the receiving funds from the Emergency Contingency Fund, and then there's after the state gets the money back as reimbursements, what can it do with the money? And taking the second part first, once

the money comes back in from the federal government, pretty much anything that's allowable as a TANF activity is allowable with these funds. The only exception is that they can't be transferred to the childcare or social services block grants. But the question is then – the first question is does training that's part of a Transitional Jobs program count towards the increase in spending that's required in order to receive funds, and the answer is we think so as long as it's part of the subsidized job in a meaningful sense, but this is something that we may need a little more clarification from HHS on. I hope that answers the question.

BAIDER: Great. Thank you. And now I have a great question but a difficult question that I'll open up to all of the panelists to comment on. The question is doesn't the current labor market suggest the need for a program that is not just transitional; that is, a subsidized job would be provided for as long as needed to anyone who, due to the lack of available jobs and/or the ongoing presence of substantial work barriers, cannot secure full-time year-round employment? So anyone who has any thoughts about that on the panel, feel free to jump in.

LOWER-BASCH: Well, I'll just note that – without saying what states ought to be doing, but just looking at what's allowable under the Emergency Contingency Fund, that it does not need to be a time-limited job. It can be ongoing, obviously for the few years that the Emergency Contingency Funds exists.

RYNELL: There are programs around the country that have been able to build into their funding the flexibility around both the local labor market conditions as well as the needs of the participant. There are some people that are going to take longer to transition into the workforce by virtue of all the things that they're dealing with in their life. So we have seen that flexibility evolve. I think what we've seen in terms of state policies is an open-door approach by some of the administrators to say if you're going to exceed the time set by this program and the scope of work, let us know, and we'll see what we can do about it. So we've seen a lot of openness around this now, and we'll see how it evolves.

HANSELL: I guess what I would add to that is certainly one of the barriers to entry can be a tight job market in which there aren't many openings, and that may require some adjustments to the amount of time that people participate in the Transitional Job program. But I don't know that fiscal realities would permit us to do indefinite subsidies, and also I would say our experience has been – and again, we're certainly not through this economic downturn by any means – our experience so far has been we're continuing to place clients in jobs. There continue to be openings, and so we're focusing this program really on getting people who have barriers to employment over those barriers so that they can enter and succeed in the job market rather than continuing them indefinitely in a subsidized position or certainly on public assistance.

BAIDER: OK, great. We have another question. What do transitional jobs programs provide in the way of counseling for participants with a work history of recidivism? I

would just broaden that question to say, in general, what kind of support services do these programs provide? I open that up to David or to Diane or to Amy.

HANSELL: Well, I mentioned at the outset, and maybe John can provide more detail on this, that we do require as one of our program components a life skills and job readiness part, which includes both what it would require to be successful on a job in terms of attendance and dress and wardrobe and interacting with colleagues and so on, and addressing the other challenges that a job creates for people's lives around childcare and housing and family issues and so on. John, can you elaborate at all on those components of the program?

HALEY: No, I think I agree. I think they are more successful speaking just from the wage subsidy providers, those that have a real good case management component. Those who have developed good relationships with the clients and with the employers tend to be our most successful programs, and I think it's the key, it's the follow-up services, it's those types of services that are really needed, and again, our contractors who do that well tend to be the more successful programs.

RYNELL: This is Amy. In terms of employment case management, we know that programs do a few different things, and this was mentioned earlier. One of the things is job readiness classes. They take different shapes across the country. Sometimes it's once a week, sometimes it's at the beginning of the class – the beginning of the Transitional Job, sometimes it's at the end, but they address a lot of the traditional job preparedness issues that people face.

In terms of corrections and having a criminal record, one of the things that Transitional Jobs does is both open an employer's eyes to hiring someone with a criminal record because they're not taking on the liability of it. The Transitional Job employer is the nonprofit, and so employers have been a lot more open to taking what they see as a perceived risk on that hire for that transition period. Our experience has been that once the transition is over, the employers have been really satisfied with the workers and have started changing their policies around hiring people with criminal records. So it's been a hopeful experience.

The other thing that Transitional Jobs do is give people a work history and a record of employment, and successful employment, as well as a reference. So people who have a criminal record can say, I just worked for the last year or the last six months for this group, and here's my reference. And they can get a better foot in the door than they had when they just came out of prison.

BAIDER: OK, great. Thank you so much. We still have a couple of questions, and maybe we'll forward those on to the speakers after the call. But we're getting close to 2:00, when we needed to finish. So I just wanted to take this opportunity to thank David, Amy and Elizabeth for taking the time to speak with us today, and thanks so much to all of you who are listening on this call. CLASP will make available resources that we've

discussed on the call today and we will also answer any questions that you have and can connect you with the speakers for additional information.

Before we go, I just wanted to let everybody know on the call that next Wednesday, March 25th, CLASP will be hosting the final call in our CLASP conference call series on the Recovery Act implementation, *Making the Connection: New Opportunities to Serve Older Youth*. And that will be at 1:00 p.m. Eastern.

So thanks so much to our speakers, and thanks to all of you listeners for being on the call today. We hope that you can tune in for next week's call as well.

Goodbye.

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