

POLICY BRIEF

Community Jobs: A ladder out of welfare ***Community Jobs is one of the most innovative and successful welfare-to-work initiatives***

In a time of unprecedented prosperity the ranks of the “working poor” are expanding. In Washington State 23% of families earn less than \$35,000, the bare minimum needed to support one adult with two children.¹ Families must work more hours and multiple jobs to catch up because there aren’t enough of the kinds of jobs that sustain long-term economic independence. Seventy-five percent of Washington jobs pay less than the \$35,000 needed to support families.²

It is in this context that WorkFirst, Washington state’s welfare reform policy, focused on lowering the TANF (Temporary Assistance to Needy Families) caseload by getting individuals to work. Individuals leaving TANF for work often have difficulty keeping a job and don’t have the skills to really make work pay for them as they leave TANF. Community Jobs, a distinct program within WorkFirst, successfully provides opportunities for “hard-to-employ” Washington workers moving off of welfare to step onto a wage ladder and begin to move their families out of poverty.

What is Community Jobs

CJ is the first model program in the nation to provide comprehensive, **paid** work experience plus training opportunities for hard-to-employ TANF recipients. **CJ is based on the premise that individuals want to work.** CJ builds work and life skills as participants work for community, government and tribal organizations. Participants work 20 hours a week to earn a paycheck -- *not a welfare check* – as bus drivers, graphic artists, and teacher aides. Participants also receive one-on-one support and mentoring to resolve barriers to work.

Program participants work in CJ up to nine months. During this time they gain both substantial work experience and learn to balance family and work issues for the long-term. While they’re in CJ participants see an increase in their income well above their previous welfare grants. As workers, along with their wages, participants are eligible for a TANF grant for low-income

¹ A living wage is defined as a wage that allows families to meet their basic needs without resorting to public assistance, ability to deal with emergencies, and plan ahead. *Northwest Job Gap Study, Searching for Work that Pays*, Northwest Policy Center and Northwest Federation of Community Organizations, 1999

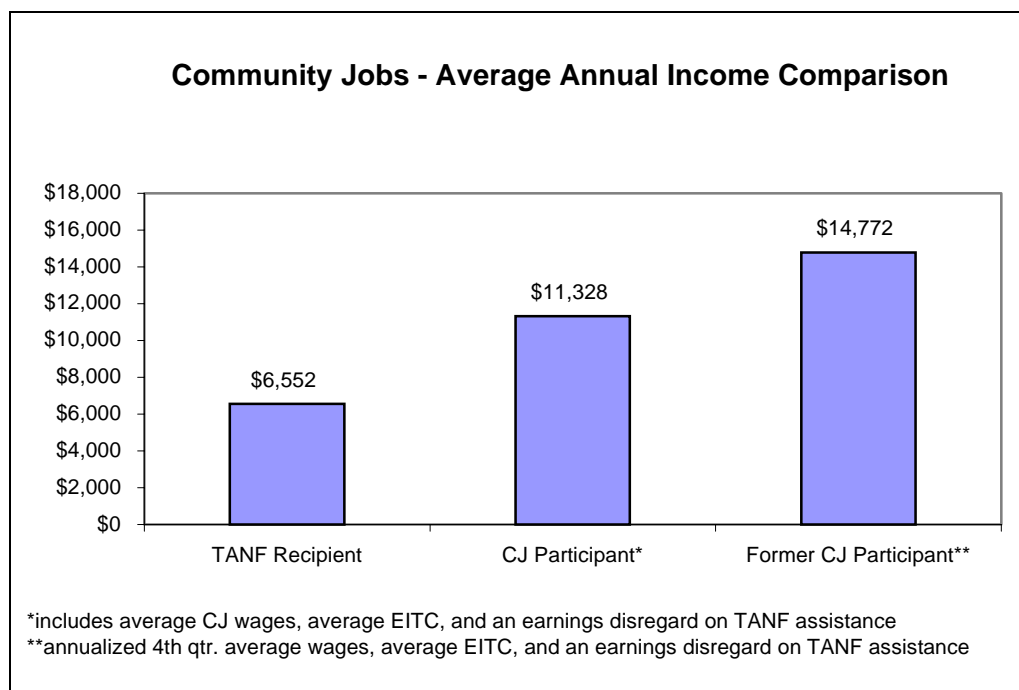
² Ibid

workers and the Earned Income Tax Credit. Through these benefits and their own hard work participants develop a platform for genuine job advancement and quality of life improvements after CJ.

Community Jobs as a Model for Low-Income Worker Advancement

Prior to their involvement in CJ the majority of participants, due to limited education, poor work history and difficult family situations, had no real opportunity to sustain work. Following participation in CJ, the wage data confirm that significant numbers of program participants have worked, continue to work, and move up a wage ladder. The results of the Economic Opportunity Institute assessment demonstrate how Community Jobs works for workers. We can say without hesitation that support, training, and work experience create job advancement opportunities.³

- Two-thirds of participants find employment after leaving Community Jobs.
- For those participants who could have worked a year over half are employed in the 4th quarter after leaving Community Jobs. Participants' income increased while in CJ (73% above TANF), and those employed a year after CJ had more than doubled their pre-CJ income (125%).



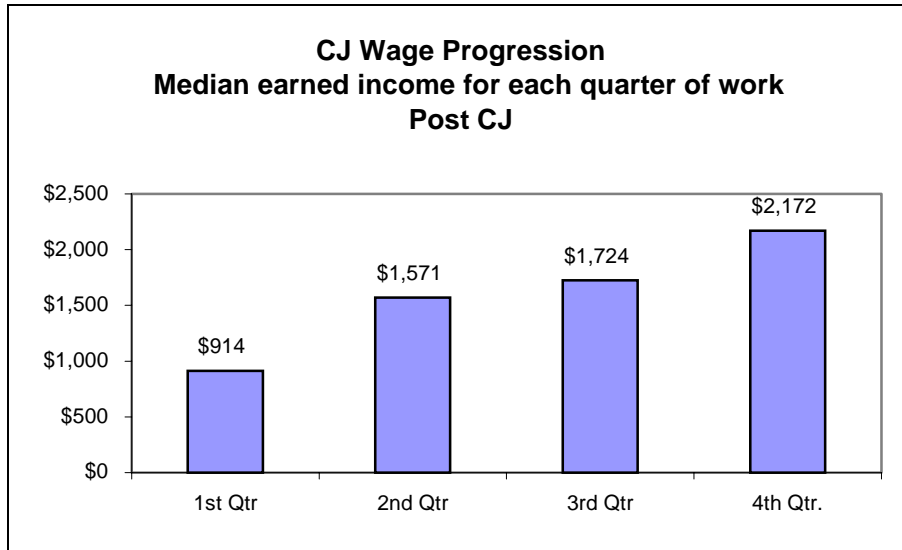
- Overall annual median earned income for participants after CJ is 18% higher than annual median earned income reported for all WorkFirst participants in the WorkFirst Study⁴,

³ Data is from the Community Jobs Outcomes Assessment and Evaluation conducted by EOI and the Northwest Policy Center which compiles unemployment insurance wage data as well as survey and focus group data.

⁴ Weeks, Greg. 2000. "Education and Training". *WorkFirst Study: 3000 Washington Families*. Washington Employment Security Department 1 (3).

even though CJ participants begin with fewer job skills, lower levels of education and greater personal challenges to work.

- Graduates begin to move up an income ladder with earnings increasing in each successive quarter of employment. In fact, median earned income in the 4th quarter is 137% higher than the median earned income in the 1st quarter of employment.



The numbers below show the benefits of CJ participation:⁵

- 97% of CJ participants receive the Advanced Earned Income Tax Credit, a federal tax credit for workers based on income, assets, and family size.
- 93% of CJ participants are co-enrolled in additional training and advancement activities
 - 70% of CJ participants are co-enrolled in Welfare-to-Work, Private Industry Council, chemical dependency, domestic violence, parenting, mental health, tribal programs, life skills, and pregnancy-to-employment programs.
 - 30% of CJ participants (vs. 15% for WorkFirst) are enrolled in community college activities such as vocational education, Families that Work, Adult Basic Education, GED, ESL and Limited English Pathways.
 - CJ, which accounts for 6% of the total WorkFirst caseload, is responsible for 11% of total WorkFirst community college enrollments.
- 67% of individuals referred actually enroll in CJ
- 40% of CJ participants who began CJ with a reduced TANF grant due to lack of participation moved into full WorkFirst participation and received increased income due to CJ.

Program Background

The new era of welfare reform emphasizing the movement from welfare to work began in 1996 with the passage of the federal Personal Responsibility and Work Opportunity Reconciliation

⁵ The CJ Management Information System (MIS) provide these quantitative results, April 2000.

Act (PRWORA). The PRWORA abolished entitlements to public assistance, created Temporary Assistance to Needy Families (TANF)⁶, and gave primary responsibility to the states to develop new methods of encouraging welfare recipients to work.

WorkFirst, Washington state's welfare reform policy, is designed as a partnership between four state agencies: Department of Social and Health Services, Employment Security, Office of Trade and Economic Development, and the State Board of Community and Technical Colleges.

Community Jobs, a WorkFirst program, was conceived in anticipation of welfare reform as a means to support the hardest-to-employ welfare recipients in moving up a career ladder. The Office of Trade and Economic Development (OTED) administers the program. Community Jobs became the first direct service welfare program not to be administered by the Department of Social and Health Services (DSHS). OTED also collaborates with the Economic Opportunity Institute, a nonprofit public policy institute, to continuously monitor and improve the program.

OTED contracts with 17 community-based consortia statewide to provide direct Community Jobs services across the state. Contractors include three tribes and several Workforce Development Councils, Community Action Agencies and other nonprofit community organizations. The consortia work closely with other WorkFirst agencies and particularly DSHS.

DSHS case managers refer eligible TANF recipients to Community Jobs contractors, who then assess individual needs and provide support services while locating an appropriate worksite. CJ program design relies on CJ contractors to provide dedicated continuous support and mentoring of CJ participants as well as regular communication and support to worksite supervisors and DSHS case managers.

An example of a Community Jobs partnership is the Puget Sound school bus driver-training program. This program provides participants training and experience and also meets a critical need in the community for school bus drivers. Participants first receive training for their commercial driver's licenses. They are then placed at a Community Jobs worksite training to be a bus driver. Graduates are qualified to drive buses or vans for school districts, Head Start and other preschool programs, colleges, medical facilities, corporate campuses, and delivery services. *Unsubsidized* wages for these positions range from \$8 to \$15 an hour.

In June 1998 Community Jobs began serving individuals in 12 counties around the state: Pacific, Grays Harbor, Pierce, King, Thurston, Mason, Lewis, Spokane, Okanogan, Pend Oreille, Stevens, and Ferry counties. The program did not meet its target number of 540 participants at the end of its first fiscal year. Several reasons became clear. Regulations were complicated. Participant paychecks were required to be at the minimum wage level. However, payment was also tied to TANF checks and participants were paid as salaried employees. This created difficulty for DSHS case managers in budgeting and computing participants' residual grants and discouraged some participants from working their full hours.⁷ Referrals to CJ contractors slowed.

⁶ TANF replaced Aid to Dependent Families (AFDC) as the means of federal public assistance.

⁷ A residual grant is the TANF check after half of a worker's earnings are discounted in calculating their TANF assistance

Other implementation issues along with an impending increase in the state minimum wage required a program redesign after the first six months of operation.

CJ partners worked collaboratively and quickly resolved these problems.

This redesign in November 1998:

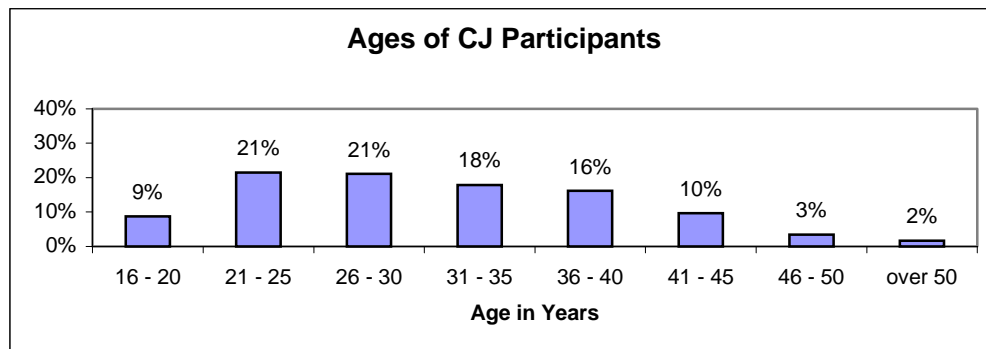
- Increased incentives to work. Participants could earn more by working more hours.
- Created real job expectations and consequences.
- Paid for work with wages set at the new Washington state minimum wage of \$6.50/hour (which will rise in the future because the minimum wage is indexed to inflation).
- Simplified referral procedures for WorkFirst case managers.
- More clearly established Earned Income Tax Credit eligibility for CJ participants.

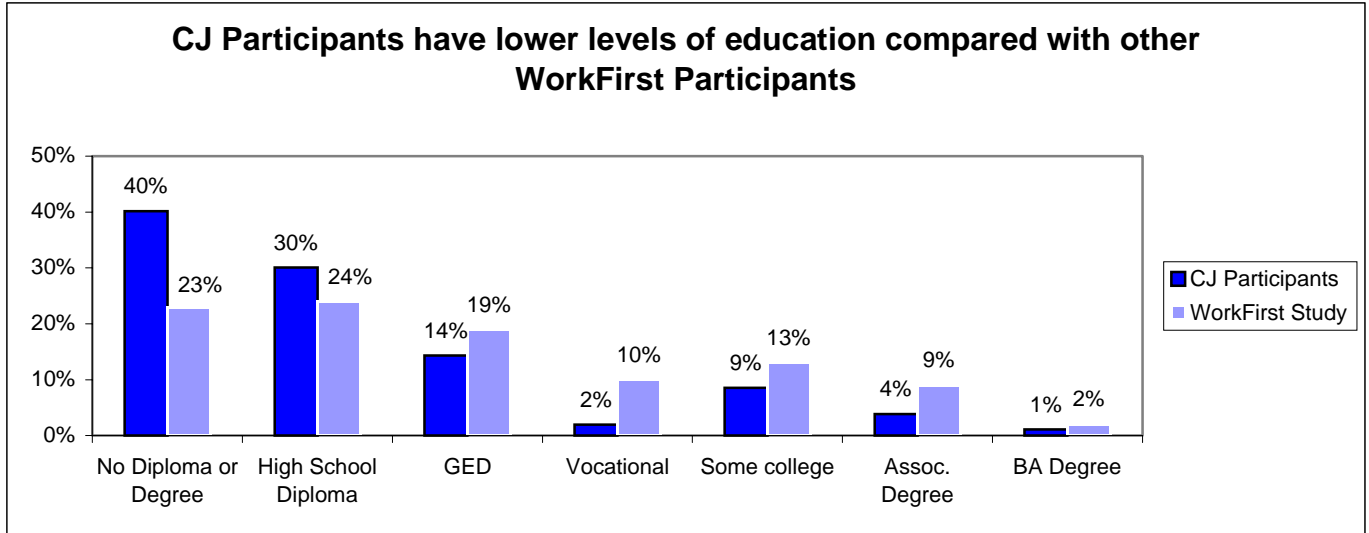
Since the redesign, CJ has grown dramatically and proved to be a successful model. In July 1999 the program began statewide operations. Currently 17 lead organizations and over 150 people provide direct CJ services in all 39 counties of the state.

As of July 31, 2000, the program has served 3,400 individuals. CJ is projected to have served 5,000 individuals by July 2001.

Whom Does Community Jobs Serve?

Community Jobs targets individuals with multiple barriers to employment. The typical CJ participant is a 30-year-old, single mother, caring for two children. The majority of CJ participants have little work experience and only limited education with almost 40% of participants below an 8th grade education. They are simultaneously confronting a host of issues preventing work, including domestic violence, drug abuse, learning disabilities, physical and mental health issues, homelessness, legal issues, debt, lack of transportation, and lack of child care.





The Community Jobs Approach

CJ is about work and workers. It brings welfare recipients into the workforce and provides a package of supports so that workers can overcome barriers and step onto and maintain mobility up a career ladder.

CJ partners help participants find work and training programs suited to their interests and career goals. A higher proportion of CJ participants are enrolled in additional vocational training than other WorkFirst participants. In fact CJ participants make up 11%⁸ of all WorkFirst individuals involved in training although comprising only 6% of the total caseload. CJ prioritizes building skills while providing an opportunity to apply them to work, and vocational training is one of the best mechanisms for earning and keeping higher wage jobs.⁹

The 20 hours of paid work are invaluable jobs directly matched with participant interests. For example, a woman interested in optometry earned a certificate in vision care and began work at the vision clinic at a Group Health Hospital. Other worksites include: community colleges, the Department of Transportation, the City of Hoquiam Parks and Recreation Department, the Wenatchee Valley Literacy Council, nursing homes and school districts.

Contractors contribute distinct organizational and cultural perspectives to CJ service delivery. Contractors are community-based organizations that include community action agencies, Goodwill Industries, and Workforce Development Councils. They are tapped into their communities and linked to other workforce partners. They provide a full continuum of support to Community Jobs participants and they develop realistic gateways into the local labor market. Contractors in most areas are organized as consortia, enabling immediate access to an array of specialized services in the community.

⁸ Calculated by OTED staff.

⁹ Strawn, Julie *Beyond Job Search of Basic Education: Rethinking the Role of Skills in Welfare Reform*. Center for Law and Social Policy, April 1998.

Community Jobs Innovations

Community Jobs is a groundbreaking program.

- ***CJ moves beyond convention and pursues quality through unique partnerships.*** CJ, administered by the Washington State Office of Trade and Economic Development (OTED), operates in a distinctive manner with contractors. While collaborating with state agency partners, OTED contracts with 17 consortia of private non-profit organizations as partners, who create job sites, employ CJ participants, and provide them with intensive case management.
- ***Strong communications networks among partners create feedback loops for continuous improvement.*** Constant availability and access to technical assistance, site visits, an interactive discussion forum web site, quarterly newsletters, regional trainings, and CJ training retreats identify and resolve problems, strengthen teamwork and encourage peer learning among Community Jobs partners.
- ***CJ contracts are performance driven.*** A work and performance pay point contract ties project management payments to meeting participant goals and benchmarks.
- ***CJ emphasizes empowerment for program participants while promoting concrete outcomes.*** CJ uses individual assessments and develops Individual Development Plans (IDP) for each participant working toward achieving career and personal goals.
- ***Standards of quality are established, measured, maintained and reinforced.*** A low case manager-to-participant ratio, linking participants to basic education and vocational training, and distributing and analyzing worksite and participant surveys are program standards designed to promote high quality individualized service for participants.
- ***CJ heightens job advancement opportunities*** for CJ participants by promoting concurrent enrollment in community college classes, the Department of Labor's Welfare-to-Work services, and other training opportunities that support participants' future goals.
- ***CJ relies on local innovation for successful quality outcomes.*** CJ programs are designed to fit their participants and the local communities in which they work. Although customized for each participant and each locality, each CJ program generates problem-solving ingenuity and successful practices that can be shared statewide.

The Role of the Economic Opportunity Institute

The Economic Opportunity Institute (EOI) has collaborated with and, at times, challenged OTED and DSHS over the past two years to design and implement the Community Jobs program. EOI works with OTED and CJ contractors to advocate for and insure the integrity and quality of CJ, to create media, public, and opinion-maker support at local and state levels, and to sustain and enhance funding for CJ.

Our goal is to insure that Community Jobs works for TANF participants as a vehicle to achieve economic self-sufficiency. We continually push to insure that Community Jobs is a work program. Our vision is a Community Jobs program which enables a TANF-qualified individual to:

1. Earn a paycheck for hours of work,

2. Step onto and move up a job ladder to economic self-sufficiency and steady employment, and
3. Begin a structured movement from poverty toward an improved standard of living

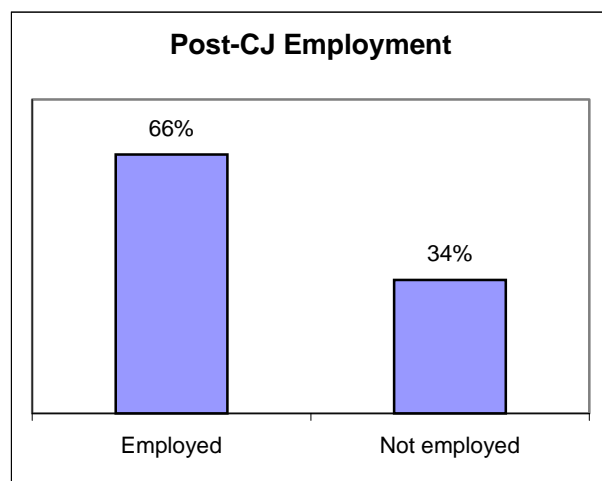
Our efforts in this area include:

- Ensuring that program design reflects CJ mission and goals;
- Participating in regulatory development for Community Jobs;
- Facilitating a partnership network including OTED, EOI, DSHS, and the contractors and their service partners to aid information exchange and effective service delivery practices;
- Developing relationships with other partners, including organized labor, to resolve implementation issues and concerns about job displacement;
- Publishing a quarterly newsletter to inform internal and external networks about the purpose and progress of the program;
- Working with contractor/partners on media outreach to inform the public of Community Jobs’ success and benefit to local communities;
- Working with contractor/partners to develop visible and tangible projects which promote community involvement and showcase CJ benefits for the public;
- Managing a discussion forum web site for OTED and contractors to share information, problem-solve, and answer questions;
- Conducting the first outcomes assessment, primarily of the first twelve counties in the program.

CJ and Outcomes Assessment

EOI and the Northwest Policy Center collaborated on an outcomes assessment of the Community Jobs program to determine the effectiveness of CJ in preparing “hard-to-employ” individuals for work and moving them onto a wage ladder.¹⁰

Sixty-six percent of individuals found employment after leaving Community Jobs and 53% were employed in the fourth quarter after leaving. On average, those employed after CJ more than doubled their income over their pre-CJ income.



Overall, survey and focus group results demonstrate that CJ breaks new ground in helping participants prepare for unsubsidized work.

- Participants and worksite supervisors consistently identified the job experience and skill building provided by worksites as the main benefit of the program.

¹⁰ From this assessment continuous improvement tools will be developed for OTED’s future quality insurance for Community Jobs. Tools will include versions of those used to conduct the assessment such as participant and worksite supervisor surveys along with DSHS case manager, worksite supervisor, and participant focus groups.

- The mentor-like relationship between CJ contractors and participants was also recognized as a valuable CJ component.
- DSHS case managers reported that the paid component of CJ -- **wages** -- provided a great incentive to work
- They also stated that a supportive, structured workplace was necessary for participants to succeed.

Specific survey and focus group findings include:

- Over 90% of participants responded that they would like to continue with this same type of work after CJ, and nearly 90% of participants rated their overall CJ experience positively.
- Over 90% of supervisors agreed that program participants added value to their organization.
- 39% of worksite supervisors identified lack of job readiness skills and participant barriers to work while only 9% identified technical or “hard skills” as their concern about participants.
- 45% of participants reported having a job lined up as they left the program, and 85% of participants reported that their CJ contractor or worksite supervisor had helped them search for a permanent job.

The findings also point to areas where this valuable program can improve. Of the individuals who could have worked a full year only 30% worked consecutive quarters for a year. Evidence exists that people find a job immediately after leaving CJ, and though most return, at some point in time they do experience a break from the labor market. Those that do no work consecutive quarters show lower earned income. Some of these issues could be addressed through increased job readiness training before participants reach the worksite and more intensive assistance in the transition to unsubsidized work.

Challenges to Continued Success

Though Community Jobs has been notably successful in its first two years, two issues may challenge that success in the future. First, the WorkFirst caseload is no longer decreasing. CJ relies on funding freed up by decreasing caseloads, but higher than expected rates of individuals returning to TANF have reduced available funding for many WorkFirst programs. CJ has not achieved the priority in the funding queue which its success merits. Reduced funding has already cut participant slots for CJ for FY 2001 from 3000 to 2000 participants, reducing the number of people who will benefit from this program.

Those remaining on the caseload, after the initial caseload decline, have the most difficult barriers to employment. Certain needed services aren't included in the CJ continuum of support. These weaknesses are apparent in the earnings and job retention rates for the first numbers of individuals exiting the program. Lack of intensive and consistent job readiness training, transition services to unsubsidized employment, and retention services once participants have found unsubsidized permanent employment, particularly threaten the most “hard-to-employ” participants' efforts to extricate themselves from poverty and achieve a permanent place on a career ladder.

Without the right supports in place to help people keep jobs and move more rapidly up an income ladder two situations will occur. First, the TANF caseload will not decrease and funding will continue to be limited. Second, the success of CJ will decline as individuals with the greatest barriers to employment begin to work. Without the necessary support CJ participants' progress after leaving the program will slow. CJ is a costly up-front investment. It has to be if the state is serious about helping people with significant barriers to employment. Training, waged work, services, and wrap-around support add up to more than the typical TANF payment. But, as wage and employment data have shown these new workers, when properly supported, do succeed in the mainstream workforce. Opportunities to provide additional needed services and achieve program goals and individual successes should not be diminished.

The Next Step: The CJ Career Ladder

Options do exist for maintaining and improving program quality and reducing its cost. The state should creatively draw on its own resources and join forces with private sector resources to 1) reduce costs, 2) strengthen career ladder opportunities, and 3) increase the likelihood of permanent economic independence for participants. The forces and resources of WorkFirst and workforce development need to be joined to create real job ladders for workers.

The Job Ladders program developed by Shoreline Community College is a model that integrates WorkFirst and non-TANF workforce development initiatives to create job advancement opportunities for a broad range of low-income workers. Job Ladders works well because it incorporates the job readiness and retention services not currently a part of CJ's continuum of support. Working with 50 private sector employers and six community colleges, Shoreline strengthens its resource base and builds career pathways for participants in the Job Ladders program.

The Job Ladder Partnership Program combines pre-employment training with upgrade training, tuition assistance, child care, and work-study resources to provide a continuum of lifelong learning resources for low-income parents. Of the low income parents and TANF recipients participating in the Job Ladders program, **75%** moved into permanent employment at an average wage above **\$10** an hour. **Eighty percent** of these workers retained their job one year after they began.

Future Work for CJ

EOI will work with state policy-makers to adapt the Job Ladders model to Community Jobs. The Community Jobs Career Ladder will complete the continuum of support necessary for individuals to gain skills and advance in the labor market and will also strengthen links to unsubsidized unemployment. The Community Jobs Career Ladder will include:

- Direct links to industry sectors, pre-employment training, and pre-apprenticeship training;
- A certificate of skills gained through CJ; and
- A CJ guarantee of competency that employers can count on.

CJ contractors will do this through:

- Providing a full continuum of support including retention services;
- Serving as intermediaries for employers and employees;
- Receiving bonuses for placement of workers in higher wage jobs, and distributing wage bonuses to individuals retaining employment; and
- Learning about and receiving technical assistance from Shoreline's Job Ladders program to enhance their local CJ program.

Resources to implement the ladder exist but they must be cultivated and better coordinated. The community colleges have several pre-employment programs available but often must reduce the number of classes offered for lack of enrollment. OTED's Business Outreach and Employer Assistance projects are already engaging employers and leveraging resources to assist them in incorporating new workers into their workforce. Both of these programs could work better together and in a more formalized manner with CJ to strengthen CJ Career Ladders. In addition, private sector resources should be harnessed to invest in qualified workers for industry sectors by developing and sponsoring sector appropriate training and participating in other pre-employment activities.

Building this CJ career ladder involves:

- Identifying appropriate industries;
- Engaging relevant employers;
- Leveraging private resources to fund services and opportunities;
- Identifying or creating training to suit both participant and employer needs; and
- Providing a work experience where participants can apply skills learned in the classroom.

EOI will begin work on the CJ career ladder by:

1. Developing policy guidance for career ladders and focusing on key industry sectors, employer activities, and educational opportunities;
2. Working with OTED to establish more formal links with community colleges, industry leaders, unions, and private funding sources; and
3. Working with CJ contractors to create career ladders by providing technical assistance for mapping community resources and serving as intermediary resources for employers.

Developing a genuine career ladder for Community Jobs participants enables us to build continuums of support, open doors to job advancement, and offer low-income workers opportunities for greater economic security.