September 30, 2013

ALL COUNTY LETTER NO. 13-81

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CALFRESH SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL TRIBAL TANF ADMINISTRATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) EXPANDED SUBSIDIZED EMPLOYMENT PROGRAM IMPLEMENTATION GUIDELINES

REFERENCE: ASSEMBLY BILL (AB) 74, CHAPTER 21, STATUTES OF 2013; WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS 11322.63 AND 11322.64

The purpose of this All County Letter (ACL) is to inform County Welfare Departments (CWDs) of the guidelines to implement the CalWORKs Welfare-to-Work (WTW) Expanded Subsidized Employment (ESE) Program resulting from the passage of AB 74. CDSS is encouraged by the expansion of subsidized employment program opportunities in California and the benefits of the ESE Program for CalWORKs clients. The ESE Program is one part of Early Engagement strategies being implemented as a result of the passage of AB 74. Other Early Engagement strategies include robust appraisal and family stabilization, which will be discussed in separate, upcoming ACLs. AB 74 amends WIC Section 11322.63 and adds WIC Section 11322.64 to implement the ESE Program starting on July 1, 2013.

Funding

The California Department of Social Services (CDSS) will work with the County Welfare Directors Association of California (CWDA) in order to develop an allocation...
methodology to distribute ESE funding for CWDs. Please refer to County Fiscal Letter (CFL) 13/14-23 for additional information. In addition to wage and non-wage costs for the job placements, ESE funds may be used to cover all operational costs of the ESE Program, including the cost of overseeing the program, developing work sites, and providing training to participants. Although CWDs will have flexibility to utilize these funds as described above, CDSS will also work with CWDA to determine the proportion of ESE funding that may be used for operational costs.

Funds allocated for ESE shall be in addition to, and independent of, the CWDs’ Single Allocation and cannot be used by CWDs to fund or supplement the AB 98 Subsidized Employment Program (AB 98 Program) as described in WIC Section 11322.63 and the CDSS Manual of Policies and Procedures Section 42-716.8. CWDs may, at their discretion, supplement ESE with Single Allocation funds.

**Base Funding Requirement**

CWDs that accept funding for ESE for CalWORKs clients, in accordance with WIC Section 11322.64 or the annual budget act, may have a Base Funding Requirement. The purpose of this requirement is to expand subsidized employment to increase its availability rather than supplanting current subsidized employment efforts. The ESE Program is initially estimated to increase subsidized employment for the CalWORKs Program by approximately 8,250 monthly placements by the end of state fiscal year 2013-14. The Base Funding Requirement will be discussed in a CFL to be released in the near future.

**ESE Eligibility and Time Limits**

All CalWORKs clients required to participate in WTW are eligible for ESE. At CWD option, CWDs may also place exempt volunteers who choose to do this activity in the ESE Program. Each participant in ESE is limited to a maximum of one six-month placement unless the CWD determines that the participant meets the requirements for an extension. Placements may be extended no more than twice in three-month increments for up to a total of 12 months (including the original six months). The CWD shall only grant an extension if the additional time will increase the likelihood of either of the following:

1. The participant obtaining unsubsidized employment with the participating employer.
2. The participant obtaining specific skills and experiences relevant for unsubsidized employment for a particular field.

After making the extension eligibility determination, the case worker shall document which criterion was met and the basis for that finding in the participant’s case file. Individuals may continue in the ESE Program until the end of their placements if the family becomes ineligible for CalWORKs due to the ESE income.
Returning to CalWORKs Aid

A family that applies for CalWORKs after leaving aid due to ESE income shall be considered current recipients for the purposes of CalWORKs eligibility income and work requirements if the family is eligible within three calendar months of the ESE placement ending. Being considered current recipients means that the CWD shall apply the recipient earned income disregard rather than the applicant $90 income disregard, and that the 100-hour work rule shall also not apply. However, if the family applies for CalWORKs after this three-month period has passed, they shall be considered applicants for the purposes of CalWORKs eligibility requirements.

CWD ESE Plans

Each CWD participating in the ESE Program shall submit a written plan to CDSS describing how the CWD intends to use the ESE funds. A “Subsidized Employment Toolkit” with strategies for CWDs is included in this ACL (see Attachment I). CWDs must submit their plans no later than 30 days after implementation of their programs. CWDs that have already implemented an ESE Program must submit their plans no later than 30 days after the date of this ACL. CWDs shall submit their plans electronically to CDSS at ESEProgram@dss.ca.gov using form WTW 39 (AB 74 CWD ESE Plan), which can be accessed at the following link: http://www.cdss.ca.gov/cdssweb/PG169.htm. A sample of the form is included as the final attachment of this ACL. These plans must be authorized by the CWD’s director or the director’s designee by filling out the ESE signature page (see Attachment II). The completed signature page will need to be scanned and emailed with the plan. Each plan will be posted on the CDSS website, but the signature pages will not be posted.

The CDSS Employment Bureau will review CWD submittals and contact the CWD with any questions; however, CWD ESE plans are not subject to approval by CDSS. CDSS may request subsequent submittals of AB 74 ESE Plans depending on the needs of the ESE Program.

Camera Ready Copies

For camera-ready copies in English, contact the California Department of Social Services (CDSS) Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access you may obtain these forms from the CDSS webpage at http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm.

ESE Data Reporting

No later than April 1, 2015, CDSS is required to submit at least the following information regarding the ESE Program to the Legislature:

The number of CalWORKs recipients who entered subsidized employment.
The number of CalWORKs recipients who found unsubsidized employment after the subsidy ends.
The earnings of the program participants before and after the subsidy.
The impact of this program on the state’s work participation rate.

CWDs should begin tracking this information as soon as their ESE Programs start. CDSS will review the status of counties’ ESE Programs periodically in order to gauge the success of expanding subsidized employment to increase placements. CDSS will provide instructions regarding data reporting for the ESE Program in an upcoming ACL.

Partnerships and Best Practices

CDSS encourages CWDs to establish and/or enhance subsidized employment programs by working with community colleges, adult education providers, workforce investment boards, and other partners in order to maximize the success of the ESE Program. CWDs—particularly those with established subsidized employment programs—are encouraged to submit best and promising subsidized employment practices to the CDSS WTW Best Practices webpage in order to provide expertise for other CWDs. The WTW Best Practices webpage is located on the CDSS internet website at the following link: http://www.cdss.ca.gov/calworks/PG1933.htm.

If you have questions or need additional information regarding this ACL, contact your CalWORKs Employment Bureau county consultant or call the Employment Bureau at (916) 654-2137.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachments
SUBSIDIZED EMPLOYMENT TOOLKIT

This section contains possible strategies for designing a new subsidized employment program or enhancing an existing one. This section also contains links to websites, reports, and articles with information and suggestions about subsidized employment and job development.

Partnering

Contract with the local workforce investment board (WIB) to operate the County Welfare Department’s (CWD) subsidized employment program(s) in order to access established resources. WIBs may offer some or all of the following:

- Existing job search and employer recruitment services.
- A network of “one-stop” employment centers located throughout the county (for easier client access).
- Existing relationships with employers.
- Job Developer(s) on staff.
- Serve as employer of record to have one point of contact for CWD and site employers for payroll, benefits, workers’ compensation, etc.
- Develop and maintain memoranda of understanding with site employers.

Multi-level Programs

Multiple types or levels of subsidized employment to serve participants with different needs and with various work backgrounds.

- Placements for clients who need basic, “soft” skills to become employable.
- Placements for clients who need training to develop specific work skills.
- Placements intended to transition clients to unsubsidized employment, often with the subsidized employer.

Marketing

Vary marketing of the programs to employers depending on the goal or expectation for the placement.

- The top reason that non-profit employers participate in subsidized employment programs is to help people who are having financial or other difficulties.
- The top reason that for-profit employers participate in subsidized employment programs is for reduced-cost or free labor.

Barriers

Continue (or initiate) barrier removal activities for participants while they are in subsidized employment.

- Barrier removal may be particularly crucial for participants in placements where they are not expected to be hired at the end of the subsidy.
Barrier removal may be more effectively coordinated if the participants are in their Welfare-to-Work 24-month time clock period.

**Job Development**

Job developers can increase the likelihood of participants' success if job developers are also job coaches and counselors.
- Job developers can support conflict resolution and soft skills development.
- Job coaching and counseling may be especially effective for clients with little or no work history.

Keep participants connected to job search services during their placements, particularly if there is no expectation the employer will retain participants after the subsidy ends.
- Participants can look for permanent, unsubsidized employment work while they are in subsidized employment.
- Participants can be prepared to look for unsubsidized employment as soon as the subsidized employment placement ends.

Award bonuses to job developers and/or employers whose participants stay in their job for the length of the subsidy.

**Post-Subsidy Employment**

Requiring a wage that is above the minimum may be advantageous or disadvantageous.
- A higher wage can be helpful to the participant while they are in the subsidized employment.
- A higher wage may be an impediment to the employer hiring the participant when the subsidy ends.
  - Once the subsidy ends, the employer may not be able to afford to keep the participant employed.

Some research shows that the longer participants stay in their subsidized jobs, the more likely the employer is to hire them permanently.
- CWDs are encouraged to take advantage of the specific extensions beyond six months allowed by ESE and AB 98.

If the site employer is expected to hire the participant after the subsidy ends, then it may be helpful for the site employer to also be the employer of record.
- Employer places the participant on their payroll from the beginning of the placement.
- The greater the commitment the employer has to the participant, the more likely they are to make sure the participant is successful.
- ACL 12-15 contains more information about employers of record.
Require employers to contribute to the wage and non-wage costs for subsidized employment participants.

- Employers that pay more of the employment costs are more likely to consider participants to be their own employees and more likely to hire when the subsidy ends.
- Reduce the amount of the subsidy paid to the site employer over the duration of the placement to make the employer increase its commitment to the participant’s employment before the subsidy ends.

Employers that receive subsidies that cover all of the employment costs are less likely to hire the participants when the subsidy ends.

Research shows for-profit employers are more likely than non-profit employers to hire subsidized employment participants once the subsidy ends.

Additional Strategies: Links and Summaries


Although this is on ACF’s Head Start website, this article contains suggestions about job development. Scroll approximately one-third of the way down the page to reach the relevant information.


This report discusses the findings of a 10-year study of seven different employment programs' strategies to help hard-to-employ populations.


This report includes strategies for subsidized employment (beginning on page 9), and information about partnering with WIBs for subsidized employment (beginning on page 16).


This website contains questions and answers about employment topics. The question from Oklahoma City is about job development strategies and can be
located by scrolling about a third of the way down the page. There are several
responses from around the country to the question.


Comprehensive overview of Temporary Assistance for Needy Families Emergency Contingency Fund Subsidized Employment Programs in Los Angeles and San Francisco Counties, as well as the states of Wisconsin, Mississippi, and Florida.

http://transitionaljobs.wordpress.com/2010/11/24/21/

This article contains recommendations for job developers working with hard-to-employ populations.


This report was funded by the United States Department of Health and Human Services and contains information about job development and marketing. Although the report begins with a discussion of workers who need rehabilitation services, the information is presented in a way that applies to job developers and job development in general.
Assembly Bill (AB) 74
County Welfare Department (CWD)
Expanded Subsidized Employment (ESE) Plan
AUTHORIZATION SIGNATURE

CWD Full Name: _____________________________________________________________

The following fields are to be completed by the CWD Director or the Director’s Designee:

Printed Name: _______________________________________________________________

Title: ______________________________________________________________________

Signature: __________________________________________________________________

Date Signed: __________________________________________________________________

Note: Please scan this completed page and email to CDSS at ESEProgram@dss.ca.gov with the completed ESE plan.
REFERENCES


ACF HS work success strategies.html


http://transitionaljobs.wordpress.com/2010/11/24/21/


Please describe how your! CWD plans to utilize funds allocated for the ESE Program and include responses to the following 10 categories. There is an 11th text box to enter other information about your ESE Program if needed. The text boxes will accept up to 1,000 characters of text. If additional space is needed you may also submit attachments to accommodate the additional information. You may also attach CWD materials that address each of the areas below if the materials can be converted to pdf format for posting to the CDSS website (i.e., not scanned copies).

1. What are your ESE Program goal(s) for the participants: basic employability skills, training for a specific field, obtaining unsubsidized employment, other?

2. What types of employers and industries will you place your participants in: private, public, non-profit, for-profit, retail, manual labor, data entry, health services, etc.?

3. What types of partnerships will you develop for your ESE Program: workforce investment boards, employers, community colleges, payroll services, other?

4. What strategies will you use to link clients with employers?
5. Will your CWD use job developers? If yes, will they be CWD staff or contracted? What will their roles and responsibilities be: employer relations, job coaching, unsubsidized job search, conflict resolution, etc.?

6. What is your CWD’s criteria for clients to participate: pre-requisites for entry, targeted population(s) to be served, etc.?

7. What entity (or entities) will serve as employer(s) of record: CWD, workforce investment board, placement agency, private employers, etc.?

8. What strategies does your CWD have to transition participants to unsubsidized employment?

9. Will your CWD supplement ESE subsidies with Single Allocation funds? If yes, how?

10. What will be the average hourly wages and number of hours per week for placements?

11. Please include any other components of your ESE Program not covered above:

Please fill out this form electronically and submit to ESEProgram@dss.ca.gov.

Note: CWDs must submit their plans no later than 30 days after implementation of their ESE Programs. CDSS may request subsequent submittals of AB 74 CWD ESE Plans from CWDs depending on the needs of the program.