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Subsidized Employment and TANF-WIA Partnerships

ETA Region 2 Conference

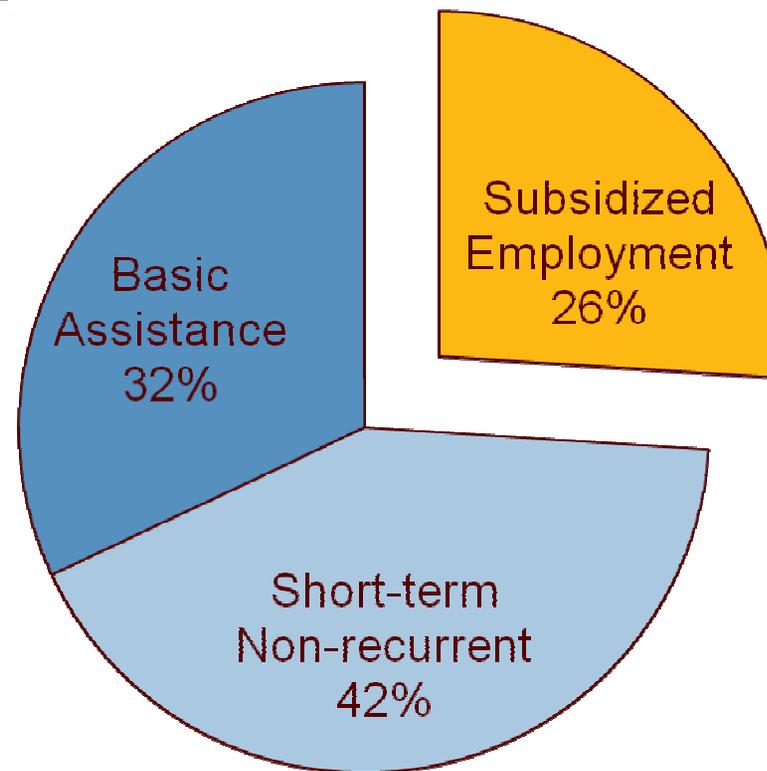
September 12, 2011

The TANF Emergency Fund

- States could receive 80 percent of increases in spending in one or more of three areas:
 - Assistance
 - Non-recurrent, short-term benefits
 - Subsidized employment
- Each state could receive up to 50% of block grant over two years.
- Total pool of \$5 billion.
- Expired on September 30, 2010

States Drew Down \$1.3 Billion for Subsidized Jobs

Allocation of Expenditures



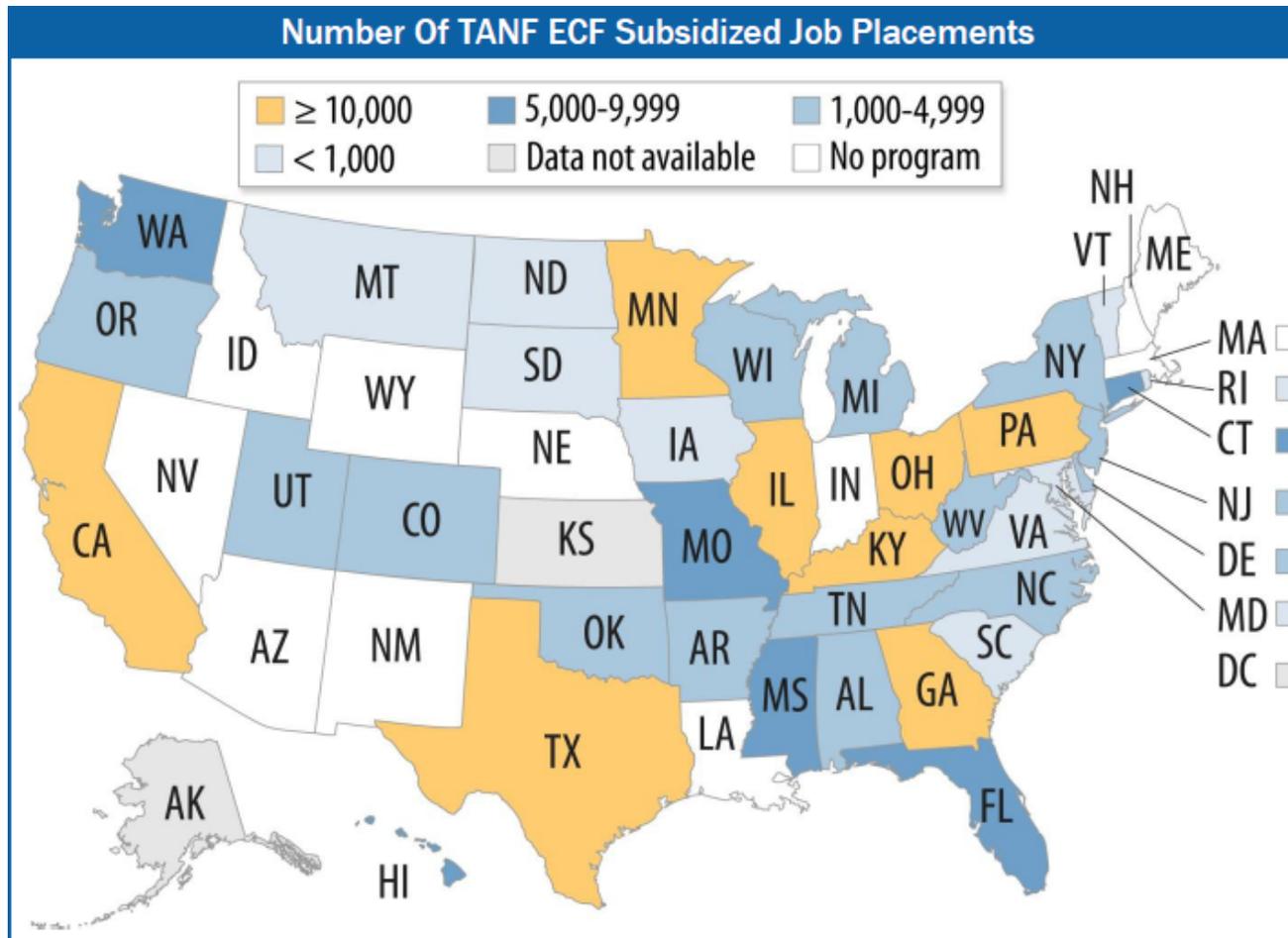
Before the Emergency Fund

- Subsidized public and private sector employment are two of the countable activities toward the TANF work participation rate.
- But, in FY 2008, only about 7,000 TANF adults had any reported hours in these categories
 - < 1% of adult recipients
 - Mostly in California, New York, Washington
- States reported spending only \$22 million of TANF funds on wage subsidies.

2009-2010

- 39 states plus DC operated subsidized employment programs
- States drew down \$1.3 billion in TANF funds
- Placed more than 260,000 people in subsidized jobs.
 - Mix of summer and longer-term jobs
 - Public and private sector

Over 260,000 Subsidized Jobs



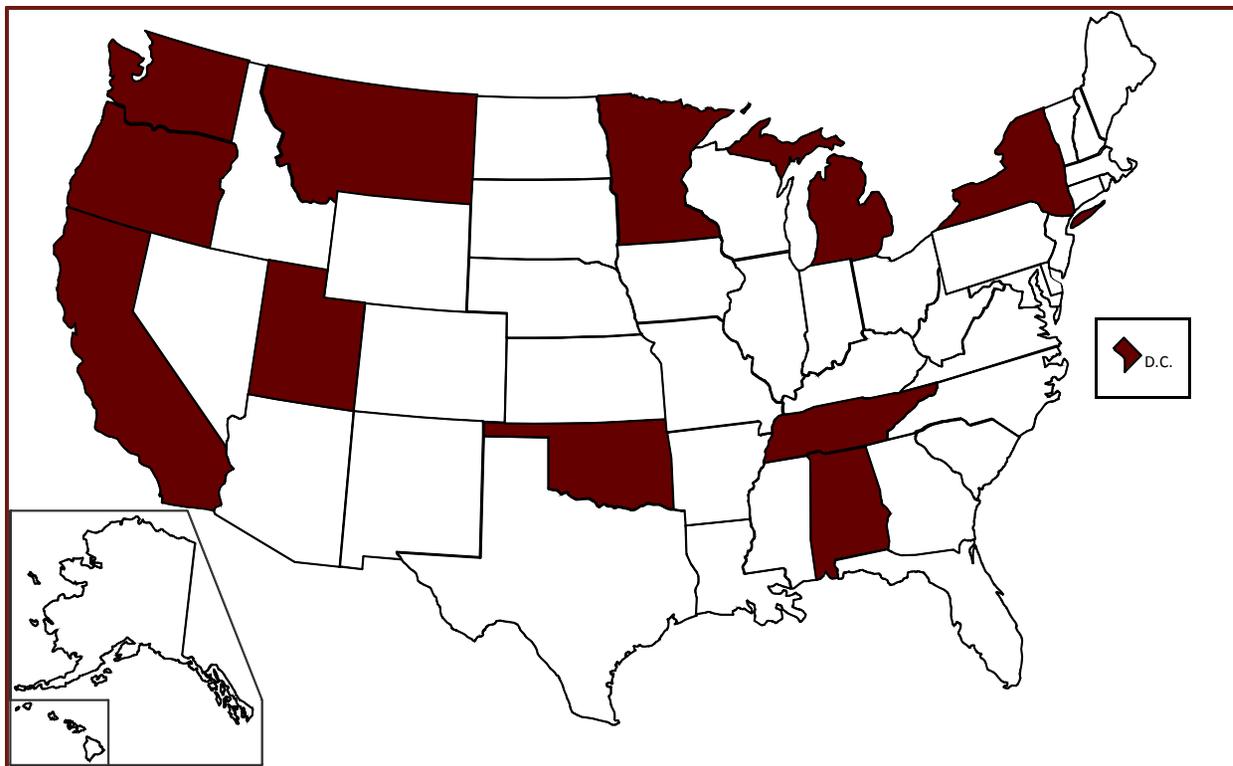
Selling Points

- “Free money” – in kind contribution could count as the 20 percent match
- Summer jobs money had been exhausted
- States controlled branding and program design
 - could decide target population, subsidy amount, etc.
- As word spread, advocates effectively put pressure on non-participating states
 - Didn’t want to “leave money on the table”

WIA Agencies Played Varied Roles

- Program design and policy
- Recruiting employers and workers to participate and matching them
- Managing agreements with participating employers and issuing payments to cover wages
- Serving as employer of record (e.g. Los Angeles)
- In some places (e.g. Dayton) was closely integrated to WIA OJT programs

Most Programs Did Not Start until 2010



As of December 2, 2009
States: **11**

Territories: **DC**

Funds: **\$80 million**

Lasting Impact?

- Most programs ended or substantially scaled back after September 30th
- Did not alter fundamental parameters:
 - TANF is a very flexible funding stream
 - Both TANF and WIA programs face funding constraints
 - Voluntary vs. mandatory participation
 - WIA outcome measures make it challenging to serve most disadvantaged individuals
 - Ban on Public Service Employment under WIA

Lasting Impact?

- Demonstrated the feasibility of creating cost-effective, publicly funded jobs in the private and public sectors on a large scale during a downturn
- Proved that employers and workers were both interested in subsidized jobs
- Built relationships among TANF and workforce agencies, businesses, nonprofit service providers, and advocates

Smaller Scale Programs Continue

- Mississippi STEPS (extra ARRA funds)
- Oklahoma (TANF recipients)
- Wisconsin (Non-custodial parents)
- North Carolina Job Boost (targeted counties)
- California AB 98

Platform 2 Employment

- WorkPlace, Inc. SW Connecticut
- Targeted to UI exhaustees “99ers”
- 4-8 week paid employment
- Raised private funding to support ~\$6,000 cost per placement
- WIA funds support skills assessment, soft skills workshops, training
- Pilot phase with 100 participants



Thank You

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