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Community Jobs: *Making Welfare Reform Work for TANF Recipients*

Program Description

Community Jobs is an innovative public-private partnership serving "hard-to-employ" individuals on TANF (Temporary Aid to Needy Families). Community Jobs promotes work in the community, skill building and livable wage employment. The program is the only one of its kind in the nation which provides welfare recipients with paychecks for their work in the public and nonprofit sectors, training, intensive case management, and work towards permanent economic self-sufficiency. Community Jobs creates a ladder out of poverty for very low income people.

Community Jobs (CJ) is a program administered by the [Washington State Department of Community, Trade, and Economic Development \(CTED\)](#). CJ contracts with private non-profit agencies to offer nine months' work with local governments or nonprofit organizations, and intensive supportive case management. CJ participants work at least 20 hours per week at the state minimum wage. Community Jobs participants are also eligible for the Earned Income Tax Credit.

Currently the five lead CJ contractors are based in Spokane, Seattle, Olympia, Tacoma and [Aberdeen](#), covering urban and rural areas on both sides of the Cascades. The lead contractor work with other service providers to form consortiums in each area to reach a wide range of eligible individuals, to create a broad range of work opportunities, and to offer a continuum of services.

Community Jobs has received initial funding to serve 540 participants. Welfare reinvestment funds have been committed to expand the program to 6 – 9 additional sites, serving a total of 2500 individuals by January 1, 2000.

The Role of the Economic Opportunity Institute

The Economic Opportunity Institute (EOI) has worked over the past year in concert with CTED to design and implement the Community Jobs program. EOI has both collaborated with and, when necessary, challenged CTED and the [Department of Social and Health Services \(DSHS\)](#) in the implementation process. **Our goal is to insure that Community Jobs works for TANF participants as a vehicle to achieve economic self-sufficiency.**

We continually push to make Community Jobs a work program, not a workfare 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 a decent standard of living.

Our efforts in this area include:

- Advancing program mission and goals with CTED to guide the design process;
- Participating in regulatory development for Community Jobs;
- Facilitating a partnership network including CTED, 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;
- Publication of a monthly 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.

A Caveat for Program Effectiveness: Community Jobs is designed to serve individuals on TANF who have multiple barriers to employment. These barriers can include mental or physical health issues, learning disabilities, drug or alcohol abuse, and domestic violence, not to mention the inherent difficulties of working as a single parent while caring for one's children. These barriers are not always easily overcome. We must keep in mind that, until these barriers are addressed, work alone may not be the first and best way to a better life for all Community Jobs-eligible people. Community Jobs' combination of work, case management, and support creates a unique pathway to overcome these barriers and move people toward economic well-being and self-sufficiency.

The Community Jobs Redesign

Community Jobs was launched as a pilot project. One of EOI's initial tasks was to focus on implementation problems and develop policy solutions to make the program more effective. In the past year EOI isolated program design components which have resulted in:

- Lack of referrals into the Community Jobs program
- Exclusion of potential Community Jobs participants because of child support payment mandates
- Lack of participants' work commitment because of salary payments instead of waged hourly earnings
- A fixed monthly start date, which prevents potential participants from immediately entering the Community Jobs program
- Inability to pay the new state minimum wage, as the increased monthly payments would be higher than individual TANF grant allocations.
- Inability to increase work hours, as potential pay, even at the minimum wage, would also be higher than individual TANF grant allocations.

In response to these issues, CTED convened a "thinking-outside-the-box" meeting to develop a program redesign. EOI identified policy problems and developed potential solutions for this meeting. The end result is a significant and creative redesign that will go into effect in 1999. We believe this redesign will significantly strengthen the program to the benefit of Community Jobs participants.

Community Jobs will be greatly simplified by creating a "wage pool" out of TANF funds and paying CJ participants the state minimum wage for hours worked. CJ participants will also receive a 50% earnings disregard for their TANF check reductions, just like other employed WorkFirst participants. This program design change will eliminate the present individual "grant conversion" element of CJ and its attendant complexities. Program qualification, referral and enrollment will be simplified for WorkFirst case managers.

This proposal requires greater state investment in the program through the infusion of welfare reinvestment funds. However, for each dollar added through welfare reinvestment funds, the public would save \$.50 in the short term on TANF expenditures. As the program increases in success, more people move off of TANF into unsubsidized work and out of poverty and public expenditures will be further decreased.

What are the design-change benefits?

The design changes create a Community Jobs program which:

- Increases incentives to work. Participants can earn more by working more hours. Smaller paychecks are the immediate penalties for not showing up for work.
- Pays for work with wages set at the new Washington state minimum wage of \$5.70/hour (in the place of monthly salaries).
- Simplifies referral procedures for WorkFirst case managers.
- Enables participants to earn a higher income.
- More clearly establishes Earned Income Tax Credit eligibility for CJ participants.
- Enables participants to increase work hours above 20 hours a week.

Implementation Barriers and Possible Policy Resolutions

While we believe that the redesign resolves important kinks in Community Jobs, more can be done so that individuals will permanently exit poverty. In 1999 EOI will be focusing on solutions to these unaddressed barriers.

Issue #1: Wage progression strategies.

Currently Community Jobs does not allow or encourage wage progression and career and wage ladders. EOI has proposed and is advocating for the inclusion of a career development incentive.

The career development incentive is a simple, stepped program. Community Jobs participants would receive wage bonuses when they have successfully completed six months and nine months of work in Community Jobs. The bonus system would extend into unsubsidized employment, with bonuses being awarded for three months, six months, and nine months of unsubsidized work. This simple wage bonus ladder will enable and encourage Community Jobs participants to:

- enter unsubsidized employment,
- retain this employment,
- realize wage progression, and
- permanently exit from TANF.

Issue #2: Job retention strategies and the end of a continuum of support after placement in unsubsidized jobs.

One of the noted successes of Community Jobs is the intensive one-on-one support for job retention and case management of Community Jobs participants. This case management enables an individual to overcome difficult barriers to employment while building a career. We have already collected telling anecdotes of success which point to the importance of case management.

Unfortunately, when an individual exits Community Jobs for unsubsidized work, the case management and job retention counseling partnership formed during Community Jobs ends. We are proposing that intensive case management and job retention work continue into the first 9 months of unsubsidized employment. To guide this case management an Individual Development Plan would be created which will enable a participant to meet long-term employment needs, further insuring that Community Jobs provides a boost toward permanent economic self-sufficiency.

Community Jobs has great promise as an innovative pathway for moving people out

of dire poverty and into livable wages and better lives. We must make sure that today's success stories become next year's common outcomes, and that Community Jobs is embraced as a new, innovative, and effective work program.