

**MAKING THE TRANSITION FROM WELFARE TO WORK:
A PROPOSAL TO INTEGRATE DHS EMPLOYMENT SERVICES
INTO THE SAN FRANCISCO ONE STOP SYSTEM**

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Executive Summary

BACKGROUND

Public sector directed workforce development efforts were set on a new course in the mid 1990's with the passage of TANF and WIA.

TANF changed AFDC from an entitlement program, guaranteeing cash assistance to eligible families, to a work program designed to train and prepare welfare recipients to enter the labor market or risk losing their cash assistance.

WIA attempted to modify the replaced JTPA to make it a more customer-friendly, responsive, and accountable system. To accomplish this it mandated a nationwide system of One Stops, where local job seekers and employers could easily access services.

LOCAL EFFORT

On a local level, TANF and WIA created somewhat parallel systems that intersected at various points. The local social service agency (DHS) was a mandatory partner in the One Stop System and used CalWORKS single allocation money to supply additional resources to cover some of the administrative costs of the centers. DHS also placed CalWORKS units within the One Stop centers as part of the partnership.

CURRENT SITUATION

Circumstances have changed since the local inception of TANF and WIA. As we anticipate trends, we need to examine how we allocate resources and provide services to meet both today and tomorrow's needs. Factors to be considered include:

1. A changing local economy: due to the aftereffects of the dot.com implosion and 9/11 attacks, the unemployment rate in San Francisco has risen from a low of 2.8% in 2000, to 6.6% today.
2. CalWORKS caseload decline: local CalWORKS caseloads have declined 45% over the past 5 years. Welfare to work has been very successful in moving the top 1/2 of the caseload off the welfare rolls and on to payrolls. This caseload decline will only continue as CalWORKS recipients begin to hit their 5-year clock in January 2003.
3. DHS' Strategic Plan: which calls for the Employment Services Program to expand and develop services to work internally to coordinate activities across all program areas and to expand provision of service to needy individuals not currently categorically eligible for aid; and,

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4. Continuous Program and Process Improvement: challenges us to always examine methods of service delivery in order to respond to ever-changing external factors and their effect on our target populations.

RECOMMENDATIONS

With these factors in mind, I recommend that the department consider:

- Moving more of the resources of the Employment Services Program into the San Francisco One Stop System, both at the Career Link and Southeast Centers. These centers are currently where low income San Franciscans go to access the labor market; we need to be there to provide the assistance to allow these job seekers to be more successful.
- Restructuring the Employment Services Program from its current design of units structured along functional lines, to multidisciplinary units that could function more effectively as a team within these centers.
- Reformat the menu of services that these units would provide, making them more user-friendly and less dependent on compliance.
- Integrating the First Source Hiring Project more thoroughly with our internal employment services objectives, so employers under First Source hiring requirements are more engaged in structuring employment and training opportunities in such a way that the welfare-to-work, post-welfare-to-work and the low income working poor have access to these good paying jobs.
- Creating a work group of stakeholders to consider the feasibility and desirability of making changes like these to the employment services business practices of the department.

Considering these changes does not imply an abandonment of providing employment services to our current or future Welfare-to-Work participants in our CalWORKS or PASS programs. It just recognizes the reality of changing demographics and declining caseloads, along with federal, state and local political and economic changes. As the external environment changes, we as a department need to respond to those changes in order to continue to play a relevant and significant role in providing assistance to the neediest among us.

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In April of 1998, the City and County of San Francisco launched the CalWORKS program. CalWORKS was California's response to welfare reform and the new TANF legislation. TANF

(Temporary Assistance to Need Families) changed, as then President Clinton said it: "welfare as we know it."

The principle objectives of TANF were to:

- 1) End cash welfare assistance to families as an entitlement. TANF limited the receipt of aid to a lifetime total of 5 years; and,
- 2) Restructure the welfare program into a welfare-to-work (WTW) program, making states responsible for designing programs that involved participants in either work or work related activities.

The overriding goal of TANF was to move as many people as possible off the aid rolls and into the labor market.

In San Francisco, DHS created the Employment Services Program to support its local welfare-to-work initiatives. This program's mission was to provide professional support to both the CalWORKS Employment Specialists, who were responsible for employment case management and eligibility determinations for the CalWORKS recipients on their caseloads, and to the participants themselves.

Nationally, a parallel movement was occurring in the Department of Labor Workforce Development Programs. The Job Training Partnership Act (JTPA) was re-authorized as the Workforce Development Act (WIA) in August 1998.

WIA was a significant overhaul of this country's workforce development system. WIA created a customer-driven system that was structured to serve the needs of both employers and job seekers. Employers would have easier access to a well-prepared labor force and job seekers would receive the training and support they would need to be competitive in the technologically driven labor market of the 21 st century.

One of the central features of WIA was the mandate to local service delivery areas (SDA) to create a "One-Stop System". The One-Stop System is a rather simple, yet elegant idea; a One Stop System is designed to provide a full menu of job training, education and employment services at a single neighborhood location; where adults, veterans, dislocated workers, youth and others would receive job skills assessment services, information on education and job training opportunities, unemployment insurance services, job search and placement assistance and up-to-date information on job vacancies.

The One Stop system was designed to be a collaborative effort among local public and private organizations that historically provided employment and training services to often different and segmented population subgroups. The primary objective of the One Stop concept was to create an easy-to-use system through which there was "no wrong door". Job seekers, no matter what their background and needs, could use neighborhood One Stop Centers to access the services they needed to achieve their maximum potential as prospective employees, and local businesses could have an easy to navigate governmental system to find the employees and related services they require to continue to be competitive in the new global economy.

The Private Industry Council (PIC) of San Francisco is the recipient and administrator of WIA funds; and, along with the state Employment Development Department (EDD), The National Council on the Aging, the San Francisco Community College District, and the Department of Human Services form the local One Stop Operator Consortium.

PROJECT OBJECTIVES

When I initially thought about which topic I wished to pursue for my BASSC Internship Project, I found myself interested in doing something concerning the set-up and operations of One Stop Systems. DHS had recently taken on a more direct leadership role within the local One Stop Consortium, becoming the lead fiscal agent and the supervisor for the Center Manager of Career Link, the full-service San Francisco One Stop Center.

PROJECT OBJECTIVE

My initial objective was to look at a neighboring county's One Stop service delivery system in order to examine two things which I knew to be of interest to my county: 1) how the One Stop operations were funded; and, 2) the client flow from core to intensive services with the One Stop System.

I was assigned to Sonoma County to perform my BASSC research; and as I became more familiar with both their and San Francisco's One Stop operations, I found myself becoming more interested in having my project evolve from simply looking at One Stop operations to examining how the SFDHS Employment Services program could redefine its mission and redirect its resources to play a more significant role within the San Francisco One Stop System and, by extension, the greater city-wide workforce development efforts.

REASONS FOR PROJECT FOCUS

When proposing a course of action as significant as reorganizing a program's mission and structure, the first question to be asked is - why? What is different now that would possibly justify a major shift of program emphasis and all the possible angst that entails?

I feel that there are four major reasons to consider such a change. They fall into the following general categories:

- 1) Change in local economic conditions.
- 2) Change in the demographics of the Welfare to Work (WtW) caseload
- 3) Aligning the Employment Services Program's structure to better fulfill the vision of the DHS Strategic Plan.
- 4) The need to provide more effective customer service within the local One Stop System.

ECONOMIC CHANGES

San Francisco has been impacted more than other cities nationally by the dot.com bubble burst and the aftershock of the 9/11 attacks. The mid to late 1990's saw dynamic local economic growth, as all business and government sectors rode on the coattails of the dizzying dot.com expansion. That rapid growth has since been checked, as greed and fantasy eventually met head-on with fiscal realities. The aftershocks of the 9/11 terrorist attacks severely affected both business and leisure travel; and, travel, with all its attendant services, has always been a major part of San Francisco's economy.

The effect of both events happening almost simultaneously has been to seriously restrict the local economy. Business office vacancies are at a 30 - year high and the unemployment rate has gone from a low of 2.8% in 2000 to a current 6.6%.

Recently, the department was asked by the Board of Supervisors to outline the services we provided to local displaced workers. While we have allocated significant resources to serve welfare clients, we are not structured in a way to meet the needs of recently unemployed workers. In an era of tightened budgets, it behooves us to pay attention to the priorities of our citizens as reflected by their elected political leadership, and, as economic conditions change, it only makes sense to change with them.

As the local labor market contracts, those at the bottom, the lower-skilled and less experienced job seekers, get marginalized. A few years ago, if you were breathing, you could find a job. Now, employers who are hiring can be more selective. Job seekers, who could have been successful using core services in the past, now need more intensive services. They need to be better skilled as well as being better prepared for their job search. They need more in-depth assessment, more personalized case management for their job search and access to more training opportunities.

CHANGES IN THE WTW CASELOAD

Over the past five years, CalWORKS caseloads in San Francisco went from 10,508 to 5,702, a 45% decline. Of those currently on WtW caseloads, 47%, almost half, are either working while on aid or off aid on a retention caseload.

We've been extremely successful in moving San Francisco welfare recipients into jobs. What is needed is a different menu of service strategies to continue to assist them as they move towards self-sufficiency.

Also, starting in January 2003, CalWORKS participants start reaching the end of their 5-year state clock. While figures are not complete, in January 2003 alone, we should anticipate that over 1,000 individuals will have reached their maximum time on aid and be removed from the AU. Individuals will continue to "time out" in succeeding months. It is extremely important for the Department to continue to keep the door open for these individuals who were not successful in welfare-to-work and be creative in designing services that can connect these people to effective employment services. These services need to be more focused, less reliant on compliance,

neighborhood-based, better marketed and more effective in getting these "timed-outers" involved.

ALIGNMENT WITH STRATEGIC PLAN

Over the course of the past 2 %2 years, DHS has embarked on a strategic planning process to create a new vision for the department's mission as we enter the new millennium.

For the DHS Employment Services Program, the strategic planning document recommends the following program objectives:

- 1) Coordinate Employment Services Program activities across all program areas.
- 2) Develop a client-centered approach to the delivery of services; and,
- 3) Expand provision of services to needy individuals not currently categorically eligible for cash assistance.

Currently, the Employment Services Program almost exclusively focuses on aided or formerly aided CalWORKS and PASS participants. There are many individuals on the Medi-Cal, Food Stamp, Family & Children's Services caseloads who could benefit from services our program could offer, but those services would have to be packaged a bit differently from our current menu. We should engage other program staff in a dialogue in order to better understand their clients employment & training needs, and develop a marketing plan to outreach to workers and clients in those programs.

Again, to develop a more client-centered service delivery approach and to reach out to serve low-income, not currently aided individuals, we need to act less as a government agency and more like a private business. We need to conduct structured focus groups to get a better understanding of what types of services these targeted groups may need. It makes no sense to develop a menu of new services without first soliciting this type of feedback.

But what is apparent is the need for the ES program to look at service provision in light of the department's strategic plan objectives. The direction provided by the Strategic Planning Team, combined with the other economic and caseload trends cited, necessitates a serious study of how resources should be allocated and utilized. The employment services needs of both the department and city have shifted over time, and the ES Program MUST itself respond to those shifting needs.

CUSTOMER SERVICE IMPROVEMENT

During my stay in Sonoma, I spent a few days visiting Job Link, their main One Stop Center serving the needs of the job seeker. What immediately impressed me about Sonoma County was their passionate commitment to providing resources to the One Stop System.

I was also impressed by how busy the center was. Sonoma, a smaller county than San Francisco, had a large number of people using Job Link to access core WIA services.

Under WIA, core services are defined as primarily those services that customers can either access for themselves or with very little staff intervention. Some examples of core services include: job postings, computers for resume preparation and job hunting, resource information and very short-term job preparation workshops. Generally, this can be thought of as self-directed job search.

For a 6-week period, from February 1 - March 14, 2002, Job Link recorded 3,551 total service instances - not as much traffic as San Francisco, but significant enough to be able to draw valid comparisons. This 3,551 figure represents not a count of how many people walked through the door, but a count of the services those that did enter received. What impressed me was how successful Sonoma was in directing customers toward more professional, staff-supported services. For instance, during this time 377 people met with an Employment & Training counselor, 182 were directed to partner agencies, and 569 attended some type of workshop.

By contrast, San Francisco's Career Link, while averaging between 5,000-6,000 service incidents a month, does a much poorer job of moving customers from self-directed to staff-assisted services. The primary reason for this is a lack of staff currently available to engage clients at the center. While it is true that partners are available on-site, the services those partners are able to provide are limited with many partners being present at the center only a couple days a week.

Sonoma has a similar situation with their Job Link partners. That is why they have dedicated county staff to assist clients in moving towards more intensive services as appropriate. Sonoma has 14+ Employment & Training Specialists available to serve One Stop customers as Counselor of the Day or as longer-term Case Managers. As many as 40% of the customers of Sonoma's Job Link end up receiving some type of intensive services. While this has strained their resources, creating waits as long as two weeks to get an initial intake with a counselor, it still provides a much higher and personal level of service than we currently provide in San Francisco.

Why is this important? It is because as the labor market becomes more competitive (as is happening in both San Francisco and Sonoma), it becomes harder and harder for the clients we traditionally serve to successfully compete with more sophisticated job seekers. Our customers need professional assistance to better understand where they stand in relation to the local labor market (assessment); they need access to specific short-term job skill training to make them more competitive in this labor market (career advancement services); and, they need help both to locate available job openings and to market themselves more effectively for those job openings that exist (job placement assistance).

CONCLUSIONS AND RECOMMENDATIONS

The San Francisco Department of Human Services is (along with almost all other county social service departments) at a historical crossroad. Its traditional role of providing cash assistance to needy individuals is for the most part over. Welfare reform has either been successful for individuals and they are now currently employed, or it has not, and they will soon be hitting their

state 5-year clock. The only way to raise incomes for these two marginalized groups is to continue to offer them employment and work support services that are flexible, accessible and effective.

The One Stop system offers a structure to engage former CalWORKS clients and the never assisted working poor with the services they critically need to keep their head above water. These individuals and families need access to employment and training services to enable them to connect to higher paying jobs, and they need to easily connect to Medi-Cal, Food Stamps and other work supports to provide support until they get those better paying jobs.

Over the five years of welfare-to-work, DHS has developed an employment service expertise that is both effective and committed to serving clients at the margins of society. The Employment Services Program can continue to play an important role in assisting San Francisco's working and non-working poor by refocusing its mission and restructuring its services to meet these important societal needs.

DHS should consider:

- Moving more of the resources of the Employment Services Program into the San Francisco One Stop System, both at the Career Link and Southeast Centers. These centers are currently where lowincome San Franciscans go to access the labor market. We need a larger presence there to provide the assistance to allow these job seekers to be more successful.
- Restructuring the Employment Services Program from its current design of units structured along functional lines, to multidisciplinary units that could function more effectively as a team within these centers.
- Reformatting the menu of services that these units would provide, making them more user-friendly and less dependent on compliance.
- More thoroughly integrating the First Source Hiring Project with our internal employment services objectives, so employers under First Source hiring requirements are more engaged in structuring employment & training opportunities in such a way that the welfare-to-work, post-welfare-to-work and the low-income working poor have access to these good paying jobs.
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