



Irene Gomez-Bethke Papers.

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TO: Urban Coalition of Minneapolis  
Board of Directors

FROM: Earl D. Craig, Jr.

RE: Attached Information

DATE: July 17, 1978

Attached you will find the following information pertaining to the Work Equity Demonstration Project (WEP):

- (1) A description of WEP; and
- (2) A position paper on WEP prepared by UCM staff.

Please read the information carefully, as it will be discussed at the July 20th Board meeting.

/cda

Enclosures

# Program Committee

Based on

DFL (Coalition)

economic structure

1. Nat. Dem. Conf. - org - 2 yrs ago (Full employment)

Dec. \*

1. Conference in Dem. Party (Frazier Rich State) Tax reform  
social not corporate

Planning Committee guest speaker - Memphis - World peace / justice

1. I New York -

2. Delegates to meeting - full employment,  
minorities (esp)

3. speakers - Don Frazier - people who  
have been active for full employment -

4. Site for Conference Normandy - 5 PM.  
Hotel limit

5. Fund Raising donations from org -  
reg. fee \$10.00

6. Fee - \$140. Bank account -

7. Proposal - area foundations purpose (request)

\* Hispanic week - Mpls. Foundation - do not say  
Mpls. E.Op. Foundation Conference

8. follow up - fund Back -

Logistics - Volunteers to help w/all areas -

9. P.R. Committee

10. Key note speakers - 1. Coretta King ?  
2. Michael Harrington?

11. scholarships

3. Augustus Hawkins

*for people in various forms of assistance*

WORK EQUITY PROGRAM (WEP)

*next meeting June 26*

WEP is currently a mandatory program. Because of this there may be some question about the project being eligible for HEW funding. HEW will only fund voluntary demonstration projects. If the project is deemed a human experiment, then under law it must be voluntary. This possibility, however tenuous, must be kept in mind because its determination will have a lot to say about whether the program is going to actually take place.

Because WEP is a mandatory program, those that participate in it must register and must accept a job assigned to them. If the participant refuses the two above conditions, he or she is cut off either totally or partially until such time as the client chooses to re-register with WEP. This situation would cause undue hardship on an individual or family and would also be a serious infringement on the rights of participants.

Orientation: This phase involves the explanation of the program to the recipient and his or her rights. We feel that this explanation must be as thorough and clear as possible. There must be no doubt in the client's mind about how the program will work and what the grievance procedures are. As currently stated by WEP literature, it is unclear how this process will take place.

Appraisal: This phase involves two determinations: is the person job ready, and which social services are needed. The end result is to develop an employability plan. This appraisal process includes various aptitude and dexterity tests, which are strong determinants in the development of the job employability plan. Training, education, on-the-job training, a private sector job or a community work projects job are the goals.

We feel that the employability plan for the most part will be the work of the WEP counselor. Most clients will come in not knowing what they want to do. WEP staff will test them to see what they are suited for. This testing will strongly



weigh upon the counselor's outlook about what is best for the client. If the tests show the client is good at welding and he has no interest in welding, there may be a clash of viewpoints, with the counselor obviously having the upper hand. This type of thing has happened far too often in other training/employment programs.

The client must be the main person involved in determining the employability plan. Tests should merely be reference material which the client can choose to use or not. The WEP counselor should provide as many options and examples as possible for the client so that the end product of the employability plan is something the client is pleased with. The client must also have a voice in determining whether he or she is job ready. In other employment/training projects, clients were deemed job ready, but actually were not capable to adequately assume the posture of being job ready. Somewhere there must be an adequate standard for determining if a client is job ready. No such clear standard appears in the WEP program literature.

Supportive Services: The type of supportive services provided under WEP, on paper, seem to be better than those provided under WIN. However, there is no detail about how they will be delivered, who will get them, how much of it will actually be available.

In terms of supportive services, child care is one expensive service. Ramsey County is taking a cut in Title XX monies due to DPW's proposed formula, which finances child care. With 70% of CDBG money potentially going to hardware, this will also cut into child care services. With present child care slots for low income people already over extended, it is a mystery where the money will come from to finance the new slots that will be needed to cover WEP.

Jobs and Training: This phase is the weakest part of the project. There is no detail about what kinds of vocational or on-the-job training WEP will offer,

and how long it will last. The staff is very vague about what kinds of community work projects will be developed. As of yet they have developed very few.

The staff has not come up with any signed contracts outlining on-the-job training or unsubsidized employment with private sector businesses. The WEP staff claim they cannot sign contracts until the program is under way. They claim it would be unfair to promise an employer a certain number of workers until one is sure the workers are available.

Even if the Community Work Projects, the on-the-job training and the private sector jobs were operational, it would be highly unlikely that the clients would be better off during or after the program. Private employers will only hire the workers because they will be getting a tax incentive. They supposedly will be paying at the prevailing wage. After the project is over, there would be no incentive for the businesses to maintain those WEP workers. Given the current employment picture, it is doubtful whether there would be a job waiting for a former WEP employee with little experience. The training given the clients is also suspect because it has not been defined and no skills to having a good job.

The Community Work Projects are just as unstructured and undefined. The claim is that the jobs will be paid at the prevailing wage. Therefore, day care workers will be paid at a wage of \$2.50. This is just above the Minnesota minimum wage standard and below the Federal minimum wage. Clearly this will not be an incentive for recipients. It is also disturbing to note that the type of employment found within the Community Work Projects areas do not exist in the regular employment setting. It is quite likely that very few participants in WEP will escape the cycle of public assistance.

Job Displacement: There is a very good likelihood that displacement will occur. Perhaps no present jobs held by regular private sector workers will be terminated and replaced by WEP people (although that may be a possibility), but

jobs that may have been created by businesses in the future may be filled by WEP workers. If an employer knows that demand for his product is rising, and he is sure he will need additional workers to help produce to meet the added demand, which worker will he hire; a worker he has to pay in full out of his own pocket, or a worker he can get on a subsidized basis? And after the WEP project terminates and a sufficient supply has been generated, the employer does not have to worry about retaining the WEP employee. In the meantime, the employer has also made a profit by betting a subsidized worker for a year.

This type of displacement will be hard to monitor. It may happen much more often than actual, current job displacement and may possibly have the most impact. Even though monitors from the union will exist, it is highly unlikely that they will be able to do anything about this problem during the operation of the project.

Overall there may be a negative impact on the client as a result of participation in the WEP job and training section. The expectation of being able to find private sector employment after the program terminates will clearly be dashed when they find they have been inadequately trained or trained for a job there is no market for. This alone should be adequate reason to oppose the program.

CWP's will not be new job but will simply be shifted jobs from CETA. Those clients that would normally have used CETA to find employment, and who are not recipients will not have a program. The experiment using CETA money will be a costly one.

Accountability: The planning of WEP has been exclusively the work of the staff. There has been no community or recipient participation in this very essential area. Many of the concerns of these groups related to the various aspects of the program are not being addressed because the project is almost



ready to be implemented. All that remains for the community recipient advisory group to do is to monitor what goes on during the functioning of the project, and it is still unclear if they have any power to make the essential changes that may become necessary. If the program were to be implemented, we suggest that the advisory committees be assured of having decision-making power over all phases of the program.

Impact on People of Color: Throughout the WEP literature, there is no mention of how the program will attempt to meet the very particular needs of minority recipients. One of the main reasons other public institutions have failed the minority community is by not creating the essential supportive services necessary to help ensure the successful participation of these groups. The WEP literature clearly ignores this concern.

Presumably a great many of the WEP participants in St. Paul will be minority people. Among the participants will be a good number of Latinos who may have trouble communicating in English. There are no plans by WEP to provide bilingual services for these people. They have no bilingual/bicultural people on staff; indeed, they have only one minority person on staff, who happens to be clerical.

This apparent lack of provision for potential minority clients is a further example of the disorganization and poor planning of WEP.



DRAFT RESOLUTION

Work Equity Program

It is the position of the Urban Coalition of Minneapolis Board of Directors that because of the previously articulated problems exhibited in the Work Equity Program, the Board hereby states its opposition to the program as currently constituted. The Board does not rule out future support for the program, given major revisions take place that would satisfy the above criticism.

## WORK EQUITY DEMONSTRATION PROJECT

### DEFINITION AND GOALS

The Work Equity Demonstration Project (WEP) is designed to assist qualified welfare recipients to move from public support to a greater degree of economic self-sufficiency. The term "equity" refers to the Project's use of uniform standards of eligibility, training, and work opportunities, and financial reimbursement for participation.

With a total project budget of \$11.8\* million, the Work Equity Demonstration Project intends to serve approximately 4,000 people in St. Paul and economic development regions 6E, 6W, 7E, 7W, and 8, during a ten-month period beginning May 1, 1978. (See Appendix A) The Work Equity Project, like the Work Incentive (WIN) Program, assists people in finding employment to enable them to support themselves through wages rather than welfare payments. The programs differ, however, in scope and function. While WIN serves AFDC recipients only, the Work Equity Project is designed for AFDC, General Assistance (GA), and food stamp recipients.

Anticipated enrollments by area are:

<u>Region</u>	<u>AFDC Total</u>	<u>GA Total</u>
✓ St. Paul	2,000	-
6E	148	389
6W	84	92
7E	234	232
7W	332	255
8	238	292
TOTAL	3,036	1,260

### ✓ ELIGIBILITY

People are eligible for the Work Equity Demonstration Project if:

1. They receive AFDC, GA, or food stamps
2. They live in St. Paul or one of 27 counties of economic development regions 6E, 6W, 7E, 7W, or 8
3. They are determined by county welfare agencies as able to work.

\*A federal grant of \$6.8 million is supplemented by \$5 million in other funds (see "Budget" section.)

There are some exceptions. People already enrolled in WIN are exempt. GA recipients in St. Paul are exempt. Some common exemptions include:

1. Those over 65 or under 16
2. Those 16 to 18 and attending school full time
3. Incapacitated persons
- ✓4. A mother in a family with children under six
5. A person whose presence is required in the home to care for one who is ill or incapacitated.

In general, all eligible persons in the household must register unless specifically exempted.

### REFERRAL

Those people found eligible for the Work Equity Demonstration Project are referred to the Project by county welfare agencies except in the case of food stamp recipients, who are referred by the Department of Economic Security.

WEP staff review all referrals and enroll those determined to be employable. Enrollees who then refuse to participate without good cause may jeopardize their original welfare grant. WIN grievance procedures are used for enrollees to contest Work Equity Project decisions.

### WAGES AND PAYMENTS

The system of wages and incentive payments compensates participants uniformly. There are two payment structures. All welfare recipients in Work Equity Project non-work components (such as counseling, remedial education, skill training, and job search) receive their grant, an incentive allowance of \$30 a week (\$6 a day), and reimbursable transportation costs. Participants in Work Equity Project work components (such as on-the-job training, community work projects, and CETA public service employment) are paid prevailing wage rates.

Whenever necessary, participants will receive a supplementary grant to bring their wage up to the original welfare grant level. As a general rule, clients will be involved in the project 30 to 40 hours a week. In all cases, allowances and supportive service payments are nontaxable. Wages are subject to federal, state, local and FICA withholding laws; however, these taxes are included in the work-related expenses disregarded when computing the grant amount.

## SERVICES TO ENROLLEES

★ All enrollees receive individual treatment based on their skills, abilities, and interest. At first they attend program orientation which explains their rights and responsibilities and proceed to appraisal of their employment potential. Work Equity Project participants in need of schooling and training will be assisted in developing an individual employability development plan. Arrangements are made for necessary classroom training, on-the-job training, and other employment and social services intended to prepare them for the unsubsidized job market. When these enrollees are determined job ready, WEP helps them in their job search.

In addition to job training and placement, the Work Equity Project offers social services including day care, counseling, health services, homemaking, housing, legal, money management, and transportation.

Work Equity Project services include:

### Intensive Manpower Services

Participants receive individual and group counseling, interviewing techniques, training on how to find job openings, help in preparing resumes and job applications, and job development assistance.

### Classroom Training

Classroom training includes skill training, basic or remedial education, English as a second language, and General Education Development (GED). Clients in this component attend area vocational schools, community colleges, or other training facilities.

### On-the-Job Training (OJT)

OJT involves a contractual agreement between the Work Equity Demonstration Project and an employer. This contract stipulates the type of training the registrant is to receive during the contract period. In addition, the contract specifies the amount of Work Equity reimbursement to the employer for extraordinary training costs. Contracts are written so that upon successful completion of OJT, registrants have an opportunity for a permanent job with the employer.

### Community Work Projects (CWP)

Community Work Projects are developed and approved by Work Equity staff and local advisory committees. The projects provide job experience that is helpful in securing unsubsidized employment. While projects fulfill a visible community need or service, they do not displace government employees and are not substituted for work which would have been undertaken with local funds. Participation in CWP's ends when enrollees are able to move to a different Work Equity Project component or find unsubsidized employment.



### CETA Public Service Employment (PSE)

PSE positions will be full time and looked upon as an employment resource for individuals who are unable to obtain unsubsidized jobs at the time of registration.

### SUITABLE EMPLOYMENT

Work Equity Project registrants are required to accept employment when available and suitable. Basically, suitable employment is defined as that which pays the prevailing wage, respects union authorities (if present), is safe, agrees with individual job goals and skills, and is reasonably accessible.

The employment and training services process from referral to final job placement is diagrammed in the attached "Work Equity Project Registrant Flow" (see Appendix B).

### WEP CENTERS

Seven Work Equity Project centers, in St. Cloud, Marshall, Worthington, Montevideo, Willmar, Mora, and St. Paul, are scheduled to open between May 1, 1978 and September 1, 1978.

The Work Equity Project Centers provide employment counseling, job development and referred services, and social service counseling. The staff providing these services report to the CETA Supervisor responsible for the Work Equity Project area served.

### PROGRAM ADMINISTRATION

The Work Equity Project is administered by a Management Team, whose members represent the Minnesota Departments of Economic Security and Welfare, and the City of St. Paul. The Management Team is constituted by mutual agreement and serves as a forum for making administrative, management, and policy decisions.

Two task forces representing 28 organizations will advise the Work Equity Project Management Team. One represents enrollee populations and their advocacy groups. The other represents labor, industry, and government.

Work Equity Project administration incorporates a complex management information system and fiscal reporting system, which will be utilized in the internal review and evaluation of Project progress.

### BUDGET SUMMARY

The \$11.8 million project budget includes a \$6.8 million federal grant, augmented by General Assistance and CETA public service employment fund contributions, other matching funds, and in-kind contributions. Over \$10.2 million will go toward enrollee wages and services. The balance will cover Work Equity Project staffing, offices, equipment, and other administrative costs.

### PROJECT EVALUATION

Abt Associates, an independent research organization in Cambridge, Massachusetts, developed the Work Equity research and evaluation design.

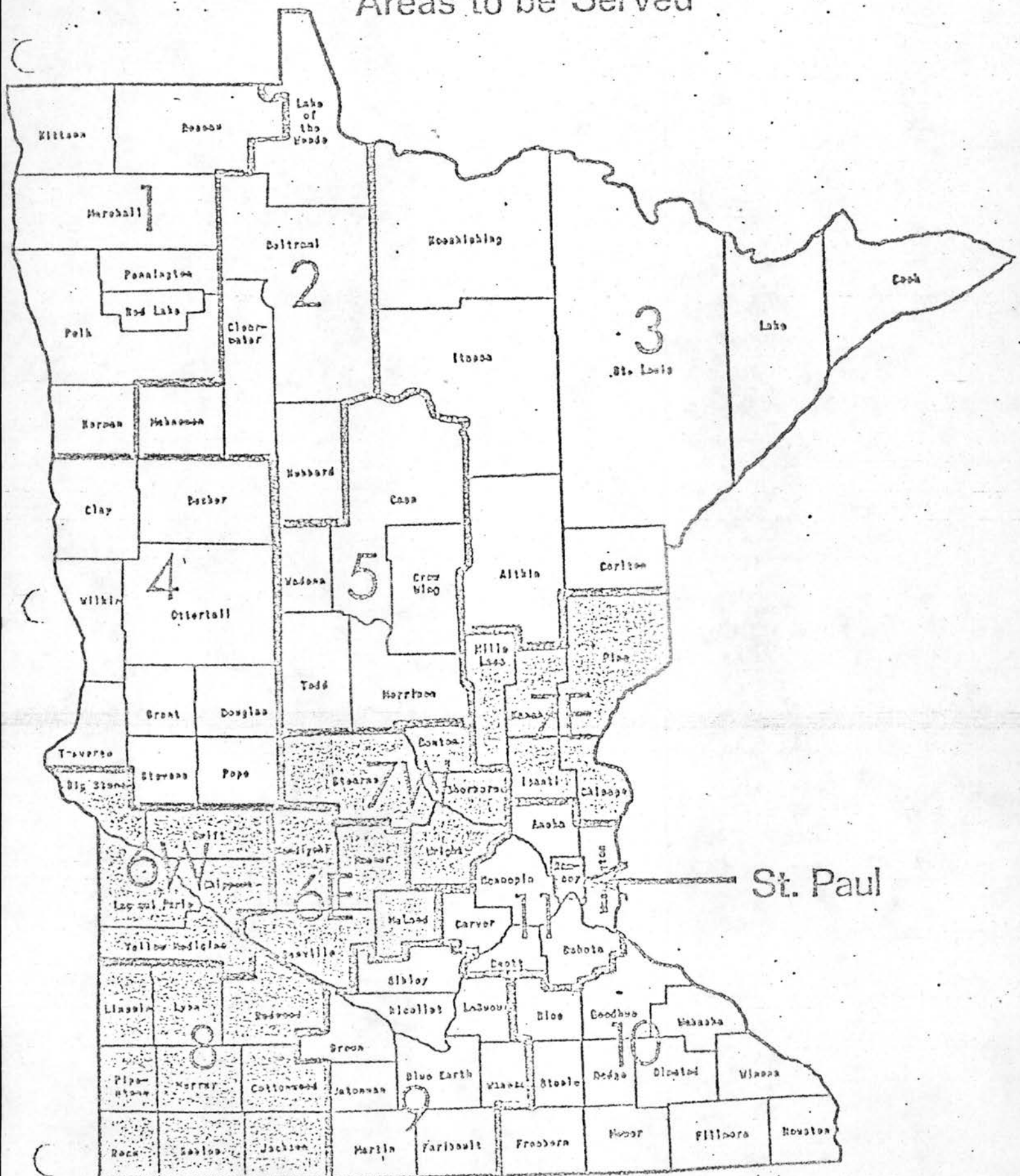
The Work Equity Project tests concepts of welfare reform. The research addresses three major welfare reform policy areas:

1. Is it beneficial to consolidate several programs into a single unified program for employable welfare recipients
2. What do participants gain from the program while they are in it and after they complete it
3. What are the costs to and the effects on the community compared with other programs

### FURTHER INFORMATION

More detailed information is available from the Work Equity Demonstration Project office, 610 American Center Building, 150 East Kellogg Boulevard, St. Paul, Minnesota 55101. Telephone: 296-1147.

# Work Equity Areas to be Served



# Work Equity Project Registrant Flow

