

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



February 18, 2000

ALL COUNTY INFORMATION NOTICE I-13-00

TO: ALL COUNTY WELFARE DIRECTORS  
ALL WELFARE TO WORK COORDINATORSREASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: INNOVATIVE BEST PRACTICES FOR JOB RETENTION AND WAGE  
ADVANCEMENT STRATEGIES

The purpose of this letter is to share information about innovative best practices pertaining to the provision of services to TANF participants across the country. This information focuses on three programs, the Ways to Work Family Loan Program, Public/Private Ventures Workforce Development Activities, and Oregon's Steps to Success Program. These models may be useful to counties as they design and implement welfare to work services, especially those related to job retention or wage advancement strategies. Included in this letter are brief program descriptions, Internet web sites, and program contacts.

Counties are reminded that any changes made to their CalWORKs welfare to work program, including implementation of new program services, must be identified in the County Plan pursuant to the Manual of Policies and Procedures (MPP) Section 11-501.3. In addition, counties must develop written policies and procedures for any areas where the county has exercised discretion in the provision of CalWORKs service. For further guidance on the development of such policies, please refer to All-County Letter No. 00-08.

**Ways to Work Family Loan Program**

The McKnight Foundation initiated the Ways to Work family loan program in 1984. Ways to Work is affiliated with the national association, Alliance for Children and Families, which is responsible for the national replication of the program by utilizing a network of over 300 nonprofit human service agencies. The program provides low-interest loans to low-income families who encounter unexpected expenses that could

interfere with their ability to stay in school, maintain self-sufficiency, or keep a job. On a national level, the Ways to Work program has assisted over 12,000 families with more than \$13 million in loans. Currently there are twenty Ways to Work Programs operating in fifteen states nationwide, including four in California.

Public and non-profit agencies replicating the Ways to Work program receive \$150,000 in matching grant funds from the McKnight Foundation. The participating agency must provide the other funding through public or private funding sources. An agency participating in the Ways to Work program must agree to:

- Provide funding for a loan fund of \$300,000;
- Deposit loan payments into the loan fund;
- Provide funding for staffing and administration of at least \$60,000 per year for three years. The staffing consists of one loan coordinator, one voluntary loan committee, and support staff. It is possible for the participating agency to provide staff in lieu of the dollar amount to meet this requirement;
- Participate in program training;
- Develop outcome measures; and
- Submit regular reports to Ways to Work national office.

Persons participating in a Ways to Work program through a local agency must meet the following minimum eligibility standards:

- Be employed at least 20 hours/week for at least six months (or may be negotiated at each program location);
- Be pursuing a post-high school education (at least nine credits per semester);
- Have exhausted other loan sources;
- Have a household income that does not exceed 80 percent of the area’s medium income;
- Have sufficient disposable income (equal to one to two times the loan payment);
- Be the custodial parent of a child under 17 years of age (18 if the child is in high school); and
- Agree to go through the application process, attend financial management classes, and repay the loan within two years.

*Ways to Work Loans: Uses and Maximum Dollar Amounts*

<b>Loan Uses</b>	<b>Car*</b>	<b>Mortgage/ Housing</b>	<b>Child Care</b>	<b>Car repair</b>	<b>Other**</b>
Maximum Loan Available	\$2,200-\$3,000	\$850	\$800	\$750	\$500

\*Includes: Purchase, registration, and insurance.

\*\*Includes: Essential household appliances, tools or uniforms, medical costs, phone purchase or service.

Ways to Work loans may not be used for study (tuition, books), travel, one's own business, taxes, fines, or credit card bills.

Experience has demonstrated that while the funds may be used for a variety of purchases, a majority of the loans are made for transportation needs. With the present levels of required funding, each program site is financed to operate the program for three years.

Ways to Work is actively recruiting interested parties to replicate the Ways to Work in their local areas. Additionally, Ways to Work is currently gathering interested participants to create a loan pool that would continue on "in perpetuity."

### Ways to Work Programs Operating in California

In California, there are Ways to Work programs in four counties (San Mateo, Santa Clara, Santa Cruz, and Sonoma) in various phases of implementation. All of these programs currently use CalWORKs funding in support of the loan program.

#### *Family Service Agency of San Mateo County Ways to Work Family Loan Program*

The Family Service Agency (FSA) of San Mateo County established the first Ways to Work Family Loan Program in California. It opened in January of 1998. In the first two years of operation, from January 7, 1998 to December 31, 1999, the program yielded the following results:

- The program received 251 loan applications, of which 111 (44 percent) were approved.
  - 51% of all loans approved were to CalWORKs recipients.
  - 57% (142) of all loan applications were received through County Human Service Agency referrals (CalWORKs recipients).
  - 40% (57 recipients) of CalWORKs recipients who applied received loans.
- Loans granted to program participants range from \$817-\$3000, and averaged \$2,605.
  - 79% of all loans were used for automobile purchases or repairs.
  - 17% of all loans were used for housing.
  - 4% of all loans were for other uses.
- The repayment rate for the San Mateo Ways to Work program is 92%, the national repayment rate is 70%.

The Bay Area Social Services Consortium, representing thirteen Bay Area Counties and four universities, prepared a comprehensive report on the San Mateo Ways to Work Program, entitled, "The Family Loan Program: A Case Study of a Public-Private

Partnership in San Mateo County.” Copies of this report can be obtained by contacting Madelyn Martin, Director of Administration, San Mateo County Human Services Agency at [mmartin@co.sanmateo.ca.us](mailto:mmartin@co.sanmateo.ca.us).

### Program Contacts

#### *National Ways to Work Program*

Mr. Dan Magnuson, President, Ways to Work  
(800) 221-3726  
[www.alliance1.org/wtw.asp](http://www.alliance1.org/wtw.asp).

#### *Family Service Agency of San Mateo County Ways to Work Family Loan Program*

Carlos Valenzuela, Director, Ways to Work  
(650) 259-1377  
[fcarlosv@fssm.org](mailto:fcarlosv@fssm.org)

### **Public/Private Ventures State Workforce Development Activities**

Public/Private Ventures (P/PV) is a national, nonprofit organization that seeks to improve social policies and programs in both the public and private sectors, especially as they relate to youth and young adults. P/PV designs, tests and evaluates initiatives that increase support and opportunities for residents of low-income communities; and provides training and technical assistance to policymakers and practitioners.

P/PV conducts research on social policies and programs by conducting demonstration projects in communities throughout the nation. These projects allow policy ideas and program operations to be tested. Reports on the outcome of these demonstration projects are then made available to persons in the social welfare field.

Services and assistance available to local agencies through P/PV may include direct technical assistance, program evaluations, and inclusion in a demonstration project. P/PV is not a funding organization. P/PV is probably most useful to counties as a resource for information on the results of innovative social policies, service delivery, and program designs benefiting low-income populations throughout the country. Research conducted by P/PV can be accessed through their website at [www.ppv.org](http://www.ppv.org).

### State Workforce Policy Initiative

Currently, P/PV is implementing the State Workforce Policy Initiative, which consists of demonstration projects in five states (Colorado, Florida, Oklahoma, Oregon, and Washington). This project is a three-year program designed to enable participants to earn enough money to move out of poverty. The Initiative follows a three-pronged approach, focusing on helping workers gain skills, develop effective job retention

methods, and involving employers in the design and implementation of local workforce development programs for low-income workers.

Key elements of this initiative include:

- Quickly placing participants in jobs, but working with them for the long term to improve job retention and assist in attaining self-sufficiency;
- Balancing the needs of employers and program participants by focusing on specific sectors of a local or regional economy; and
- Providing additional skill training for employed participants, enabling them to remain employed and move up in their field.

P/PV is providing regular updates and reports on the State Workforce Policy Initiative to help other policymakers and practitioners who are seeking to implement similar strategies.

#### Program Contacts

Carol Clymer, Senior Program Director, Public Private Ventures  
(215) 557-4400  
[www.ppv.org](http://www.ppv.org)

Specific project summaries and program contacts for each participating state can be found through the P/PV website.

#### **Steps to Success, Oregon**

Steps to Success (STS), is the largest public training and placement agency in Oregon. In the first 10 years of operation, the agency served 54,000 families in the Portland area, resulting in 26,000 job placements. In partnership with Adult and Family Services, Oregon's TANF program, and local businesses, STS helped reduce the number of individuals on public assistance by over fifty percent since 1994. Steps to Success offers services for both employers and potential employees.

Employer focused services include:

- Free employee-finding services.
- Jobs Plus Program--Provides employers with a subsidy equivalent to the state minimum wage in exchange for providing on-the-job training.
- Volunteer Work Experience Program--Trainees complete internships at no cost to the employer. STS pays Worker's Compensation.

Job training and placement services for participants include:

- Adult Learning Center--Offers training in mathematics, writing, computer literacy, and G.E.D. preparation. Instruction is tailored to individual needs, career goals, and interests.
- Retention Services--Includes internet and computer training, English as a Second Language courses, career development, money management workshops, ongoing placement services, job coaching, and classes in career advancement, conflict resolution, communication, time management and community services.
- Pre-Employment Training Services—Includes over twenty workshops on topics such as interviewing, preparing a resume, and writing a cover letter.
- Chemical Dependency--Screening and referral services are available for those in need.
- Full-time Vocational Training—Participants receive college credits for course completion.

Program Contacts

Patrick Walsh, Contracts and Grants Administrative Supervisor  
(503) 256-0432  
walshp@mhcc.cc.or.us.

Should you have questions regarding CalWORKs supportive services please contact your Work Support Services analyst at (916) 654-1424.

Sincerely,

*Original document signed by  
Jo Weber on 2/18/00*

JO WEBER, Chief  
Work Services and Demonstration Projects Branch

c: CWDA  
CSAC