



Minnesota Department of **Human Services**



Minnesota's STED project

NAWRS

August 2014

Subsidized Employment in Minnesota

Previous projects

- Summer Youth
- ARRA
- MnDOT
- Innovation Funds – Two rural communities

Support from Local Employment Services

Providers like this option

- Many success stories
- Helps with participation rate
hours

Providers gave input to the model
based on their past experience

Minnesota and STED

- \$4 million in state funding over two years
- Department wanted a rigorous evaluation of subsidized wages
- Connected with STED
- MEF Associates

Minnesota's Program Model

Program Development

Research Staff

- Designed to test the impact of the subsidized wage

Program Administrators

- Designed program to deliver outcomes, based on previous experience



Eligible Pool

- *On MFIP at least six months
- *No more than \$1,200 in earnings in six months
- *Not exempt for employment services
- *Not a minor or 18 - 24 years old with full time school plan

ES Counselor makes the referral

Racial Disparities
dedicated slots



Specialized Provider

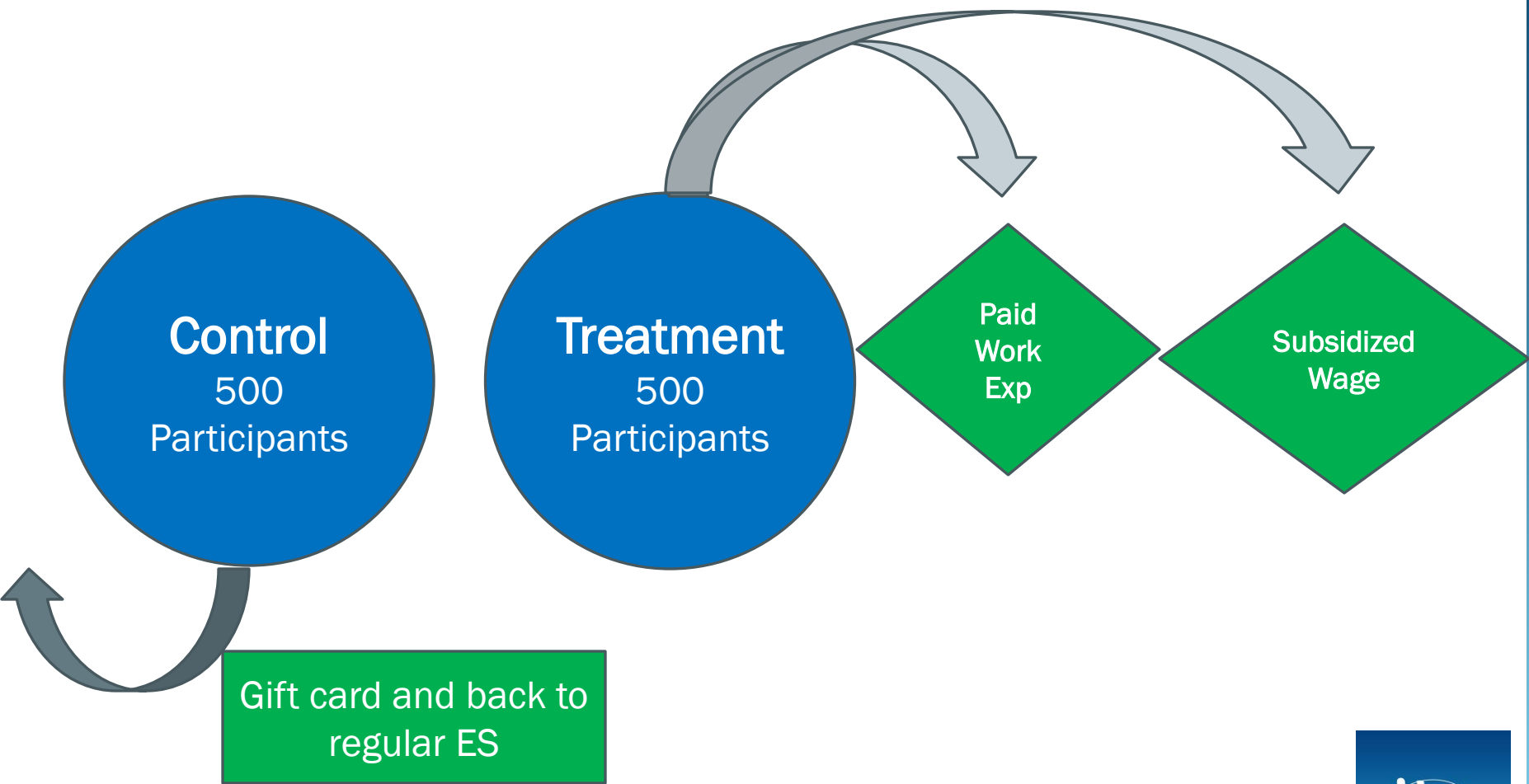
Job Developer confirms
Fit/Good Candidate
3-4 days max.

Random Assignment

Provider's job developer
uses MDRC automated
system to assign to
Control and Treatment

If no, back to
regular ES





STRUCTURED PAID WORK EXPERIENCE – Build Skills	SUBSIDIZED WAGE – Foot in the door	
8 Weeks @ 100%	8 Weeks @ 100%	8 Weeks @ 50%

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| <ul style="list-style-type: none"> • \$8/hour • Up to 24 hrs/week • Up to 8 weeks • Non-profit and public sector, no seasonal jobs | <ul style="list-style-type: none"> • Market rate up to \$15/hr • Up to 40 hrs/week • Up to 16 weeks • Private or non-profit, no seasonal jobs • Expected to lead to unsubsidized employment |
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Early learnings

- Local providers can be a good source of practical ideas for how to shape programs
- Geographic considerations – RFP specified we large numbers – received few rural proposals
- Still much to be learned about subsidized wage programs

Project Timeline

- Successful proposers selected this week
- Initial site visits early September
- Contracts begin October 1, 2014
- Contracts end June 30, 2016

Thank you!

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