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
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.

If no, back to regular ES

Random Assignment
Provider’s job developer uses MDRC automated system to assign to Control and Treatment
Control
500 Participants

Treatment
500 Participants

Gift card and back to regular ES

Paid Work Exp

Subsidized Wage
<table>
<thead>
<tr>
<th>STRUCTURED PAID WORK EXPERIENCE – Build Skills</th>
<th>SUBSIDIZED WAGE – Foot in the door</th>
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</thead>
<tbody>
<tr>
<td>8 Weeks @ 100%</td>
<td>8 Weeks @ 100%</td>
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<tr>
<td></td>
<td>8 Weeks @ 50%</td>
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</tbody>
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- $8/hour
- Up to 24 hrs/week
- Up to 8 weeks
- Non-profit and public sector, no seasonal jobs

- 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
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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