

TRAINING AND EMPLOYMENT NOTICE	NO. 17-16
	DATE November 17, 2016

TO: COMPREHENSIVE AMERICAN JOB CENTER MANAGERS
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FROM: PORTIA WU /s/
 Assistant Secretary

SUBJECT: Release and Availability of a New Research Report: *The Enhanced Transitional Jobs Demonstration: Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs*

- Purpose.** In late 2010, the U.S. Department of Labor (DOL) launched the Enhanced Transitional Jobs Demonstration (ETJD), which provided about \$40 million to seven transitional jobs programs that were chosen through a national grant competition. The programs targeted either low-income noncustodial parents (usually fathers) who owed child support but were unemployed and, thus, unable to pay, or individuals who had recently been released from incarceration. This Training and Employment Notice announces the release and availability of the interim impact report from a rigorous evaluation of the ETJD, entitled: *The Enhanced Transitional Jobs Demonstration: Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs*.
- Background.** In October 2010, DOL selected MDRC to conduct a multi-faceted evaluation of the ETJD programs using a random assignment research design. In 2011, based partially on feasibility site visits conducted by MDRC to finalists for grant funds, DOL selected seven programs across the country for the ETJD. Four of the programs targeted noncustodial parents and three targeted people recently released from incarceration. Each selected program was required to provide core components of a strong, basic transitional jobs program, as well as specific enhancements tailored to address the employment barriers of the targeted individuals. The grant applicants also had to justify why the particular enhancement(s) they proposed were likely to yield stronger long-term outcomes than those achieved by programs previously tested. Each program received a 4-year grant totaling approximately \$6 million to serve 500 eligible individuals in their respective target group.

The ETJD programs were specifically designed to address the shortcomings of previous transitional jobs programs revealed through other research. Enhancements to the seven programs fell into three general categories: 1) structural changes to the transitional job progression for program participants, 2) special support or assistance—such as short-term training in occupational skills, and 3) child support incentives to encourage participants to remain active in the program. While the ETJD project was conceived and funded by DOL, the U.S. Department of Health and Human Services is also supporting the evaluation.

3. **ETJD Evaluation Description.** The ETJD evaluation has three major components, each of which seeks to answer specific research questions: an implementation analysis; an impact analysis; and a cost-benefit analysis. Each of the seven programs recruited 1,000 individuals to participate in the evaluation who were randomly assigned to the treatment group, which was eligible to participate in the program, or to a control group, which was not eligible to participate in ETJD but was provided information about alternative services in the community. The evaluation is examining the impact of program services on service receipt, labor market success, recidivism, and other observed outcomes at two points in time: approximately one year after enrollment into the study and 30 months after enrollment.
4. **Publication Description.** This report presents findings from the implementation analysis and early findings from the impact analysis, at 12 months after random assignment. Findings from the cost-benefit analysis and the final 30-month impact analysis will be presented in a later report, scheduled for release in 2018.
5. **Data Sources.** The implementation analysis and interim impact analysis drew upon four primary sources of data: site visits to each program to observe program operations and interview program participants and staff; telephone surveys that asked those in the study about a range of services and outcomes; administrative data on criminal justice outcomes obtained from the states in which ETJD programs operated; and employment and earnings data on all study participants from the National Directory of New Hires. The combination of these four data sources provides a comprehensive picture of the implementation and initial impact of the programs on the outcomes the programs were designed to effect.
6. **Key Evaluation Findings.** Findings from the implementation analysis revealed that all of the programs achieved their enrollment goals, although some of them struggled with recruitment and may have begun to accept a broader pool of participants than they originally targeted. In addition, while all of them had some previous experience operating transitional jobs programs, ETJD required them to scale up and add new components or services. Thus, it is not surprising that all of them experienced some operational challenges. In general, the ETJD programs were relatively well implemented, although some of the enhancements were not put in place as designed. Many struggled to place participants into unsubsidized jobs.

Building on these findings, the results of the interim impact analysis demonstrated that:

- There is considerable overlap across the two main target groups: 42 percent of participants in sites targeting those recently released from incarceration were noncustodial

parents, and 37 percent of those in the sites targeting noncustodial parents had been incarcerated (though often not recently).

- Almost all participants in the noncustodial parent sites and more than 80 percent of those in the sites targeting formerly incarcerated individuals had worked for pay at some point in the past. However, as expected, very few of the participants in the latter group of sites had any recent work experience. Even in the sites targeting noncustodial parents, less than one-third of participants had worked for more than a year in the prior three years.
- Reflecting the differing program models, the proportion of program group members who worked in a transitional job ranged from just under 40 percent to 100 percent. Some programs put participants into in-house jobs almost immediately and, as a result, everyone or nearly everyone worked in a transitional job. At the other extreme, one program provided a range of pre-employment activities and then attempted to place participants directly into subsidized private sector jobs.
- Across the sites, the average number of days worked in a transitional job (among those who worked) ranged from less than 30 to more than 70 days. To some extent, this variation reflects the program designs – for example, some programs offered fewer days of work per week – but it also reflects the greater willingness of some programs to offer extensions to those who had good attendance but were having difficulty finding an unsubsidized job.
- Across the sites, 60 percent to 80 percent of the control group received at least some help related to finding or keeping a job. This is not surprising since all of the study members were involved with systems that expect and, in some cases, require them to seek employment. Nevertheless, the program group was substantially more likely to receive services in all sites and, in addition, the ETJD services appeared much more intensive and comprehensive than most other services available in the communities.
- The ETJD programs were able to employ many people who would not otherwise have worked. Moreover, six of those programs significantly increased earnings over the first year, by amounts ranging from a little under \$1,000 to more than \$3,000.
- In most sites, the program group was still more likely than the control group to be employed at the end of the follow-up period; however, at least part of the difference was driven by program group members who were working in transitional jobs.
- There were some decreases in recidivism in two of the three sites targeting people recently released from prison.

7. **Inquiries.** For more information about this study, contact Eileen Pederson, Contract Officer's Representative, Office of Policy Development and Research, ETA at (202) 693-3647 or pederson.eileen@dol.gov. To view an abstract of this report and to download either this impact report, the interim impact report, or the evaluation's Implementation Report, visit <http://wdr.doleta.gov/research/keyword.cfm>.