

## **The Empire State Jobs Program (A.6179 / S.5292)** **A Summary of the Bill's Key Provisions**

### **The Purpose of the Empire State Jobs (ESJ) Program**

- By the end of the year, over 70,000 low-income families throughout New York will be terminated from Family Assistance as a result of the lifetime limit on benefits, without regard to their ability to find work or to the level of unemployment in the region of the state where they live.
- These families will have to apply for more limited help available from the Safety Net Assistance program, which is supported entirely with state and local government funds. In contrast, 50% of the Family Assistance program is funded by the federal welfare program (Temporary Assistance for Needy Families).
- The ESJ program will benefit those families who are approaching the time limit on Family Assistance by providing them with training and a transitional job that will not count toward their time limit on assistance, making it possible for them to build the skills necessary to succeed in the private sector job market without having to apply for Safety Net Assistance.
- The ESJ program will significantly benefit the local governments by creating a real opportunity for needy families to leave welfare for work and by avoiding the substantial costs of funding the Safety Net Assistance program. This will be especially important as more low-income families reach the Family Assistance time limit and in the event that more regions of the state start experiencing high levels of unemployment.

### **The Basics of the ESJ Program**

- The ESJ Program is modeled on several successful welfare-to-work initiatives that offer public assistance recipients the benefit of a paycheck, the earned income tax credit (EITC), and real work experience combined with education and training on the job. These programs, including the AFDC Home Health Care Demonstration Program and the Washington State Community Jobs Initiative, have substantially increased the long-term employability and earnings of hard to employ welfare recipients.
- The program will create 8,000 publicly-funded jobs in all areas of the state, targeting low-income families approaching the Family Assistance time limit.
- These transitional jobs will provide needed services to the community in public sector agencies and non-profit organizations in all regions of the state.
- The program also seeks to upgrade the skills level and career advancement opportunities of current entry-level employees by rewarding those employers that operate "incumbent worker training" programs.

## **Targeted Participants**

- Two-thirds of the families participating in the ESJ program must be within two years of the lifetime limit on Family Assistance or they must have been denied Family Assistance because they reached their time limit. One-third of the participants must be eligible for Safety Net Assistance, be unemployed for at least six months or have exhausted their unemployment benefits.

## **Terms of Employment**

- Participants will be employed for 18 months and participate in at least two months of job search. Their hours will be set according to the standard schedule of other employees.
- While employed, participants in the program will have the same rights as other workers to protection under employment and labor laws, and they will be eligible to receive the state and federal Earned Income Tax Credit (EITC), adding up to as much as \$3,800 per family.
- Their minimum wage will be set at the higher of 50% of the federal Lower Living Income Standard Budget established for New York (ranging from \$7.53 to \$7.95 an hour in the Year 2001, depending on the region of the state) or the comparable wage for employees doing similar work. Small non-profit employers are exempt from the ESJ program minimum wage, but not the comparable wage requirement.
- Their benefits will also be comparable to the benefits of regular employees. Participants will remain eligible for Medicaid, child care, support services and other government-sponsored programs.

## **Education, Training and Support Services**

- While employed in the program, participants are entitled to spend compensated time in education and job training for up to eight hours a week during their regularly scheduled work week.
- Education and training as well as support services provided through federal, state and local-funded programs will be coordinated with the ESJ program to assist the participants in accessing these work support programs.

## **Additional Protections for Current Workers**

- The bill provides for broad protection against displacement of regular workers by participants in the ESJ program. It also requires prior approval to operate the program where a union represents the workers, and a designated grievance procedure that does not substitute for any rights that may exist to raise claims under a collective bargaining agreement or in the courts.
- In addition, the ESJ program promotes training for current entry-level workers to advance in their jobs by giving preference to those employers who demonstrate a

commitment to incumbent worker training.

### **The Respective Roles of the State Commissioner of Labor, the local Social Services Districts, and the “Sponsoring Employing Agencies”**

- The local social services districts are selected to operate the program upon request to the State Commission of Labor (New York City is mandated to operate the program as a result of the size of its public assistance population).
- Qualified employers, called “sponsoring employing agencies,” will apply to the local social services districts to employ participants in the program based on a request for proposal process (in New York City, a select number of sponsoring employers must be identified from the public sector agencies that currently operate large-scale workfare programs).

### **The Process of Enrollment & Selection**

- To enroll in the program, individuals must submit an application to the local social services district, at which time their eligibility will be established and they will be assessed to determine their employability and their needs regarding child care, transportation and support services.
- They will then be certified to participate in the program and placed on a roster listing all certified individuals. Sponsoring employing agencies will select their participants from the roster based on criteria the agencies establish to target those with significant barriers to employment.

### **Monitoring & Evaluation**

- As a demonstration program, there will be periodic evaluations prepared by the State Commissioner of Labor measuring success in terms of the number of participants who subsequently find jobs, long-term job retention, wage and benefit levels. In addition, the program's success will be measured to determine the potential revenue of projects completed by the participants, tax revenues received from participants, savings to government based on reductions in social services delivered, and estimated benefits received as a result of the EITC.

### **Funding & Permissible Use of Funds**

- Most the program’s \$190 million in funding will come from the state’s substantial surplus in federal welfare funds currently available due to the decline in the state’s welfare caseload. However, the net fiscal impact of the program will be

\$101 million over two years (i.e., an average of \$50 million a year), taking into account the increase in available federal welfare funds paying for the program and a net decrease in local funding for ESJ participants who would otherwise qualify for state- and local funded Safety Net Assistance.

- The local savings will range from \$24-41 million, depending on the number of families who would otherwise qualify for Safety Net Assistance after reaching their time limit on the Family Assistance program.
- Participants who otherwise qualified for Family Assistance or the Safety Net Program will not be subject to the state or federal time limit on these programs while enrolled in the ESJ program.
- The funding will be used to reimburse sponsoring employing agencies for all costs associated with an individual's participation in the program, including compensation, benefits (also reimbursing employers for any additional costs associated with providing unemployment insurance benefits), support services and educational expenses.

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