

# The Minnesota Subsidized and Transitional Employment Demonstration (MSTED): Overview of the Evaluation

Ramsey, Dakota, and Scott Counties

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# Why Are We Here?

- Brief you on the STED Evaluation Project
- Provide an overview of how the evaluation will operate in Minnesota
- Discuss your role in the evaluation
- Answer your questions about the project

# Background

- U.S. Department of Health and Human Services is sponsoring a study of national subsidized and transitional employment models.
  - Targeting TANF recipients, noncustodial parents, former prisoners, disadvantaged youth, and other low-income parents
  - Evaluating the effectiveness of these models for these various target populations using a random assignment research design
  - Sites are expected to enroll 1,000 or more people in the evaluation (“site” is Minnesota)
  - The evaluation is being conducted by MDRC (lead), in partnership with MEF Associates, Branch Associates, and Decision Information Resources (DIR)

# Components of the Evaluation

- Implementation analysis
  - Describes how the programs operate, who they serve, and what services they provide
- Impact analysis
  - Assesses what difference STED make for participants, including what works best for whom
  - Key outcomes include unsubsidized employment, earnings, and TANF receipt
- Cost-effectiveness analysis
  - Assesses costs of programs vs. benefits

# General Evaluation Design

- Individuals seeking program services will be assigned, at random, to either:
  - *Program group*: Has access to paid work experience and subsidized employment
  - *Control group*: Has access to all other TANF services except paid work experience or subsidized employment
- Evaluation team will track both groups using administrative records and surveys to see if differences emerge
- Each site will be studied separately



# Why Random Assignment?

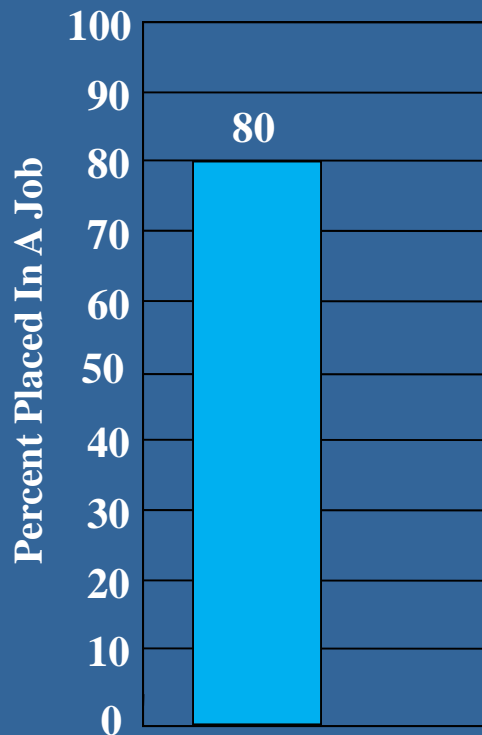
- Gold standard of research as it is the most reliable way to measure impacts:
  - Ensures motivation levels and personal characteristics of people in program and control groups are same on average at beginning of program
  - People in the control group illustrate what would have happened if not for the program
  - Any subsequent difference in outcomes can be attributed to the program with the highest confidence

# Why Random Assignment?

- Irrefutable evidence of effectiveness
  - Standard design FDA requires of drug trials
  - Evidence of cost-effectiveness in times of severe budget constraints
- Other designs open to criticism of cooking of numbers
- Endorsed by OMB, HHS and other federal agencies
- Fair and equitable way to determine who receives the program – funding is not sufficient to serve everyone who needs services

# Outcomes vs. Impacts

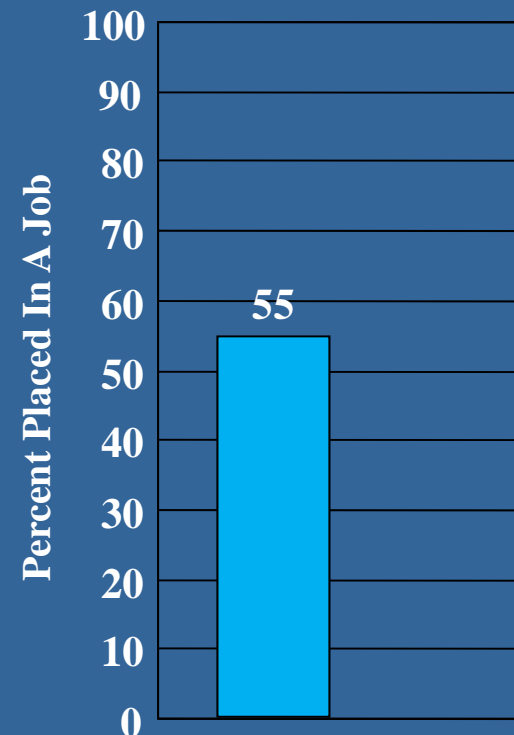
Which program has better outcomes (job placement rate)?



A



**Job Program Group  
Placement Rate**



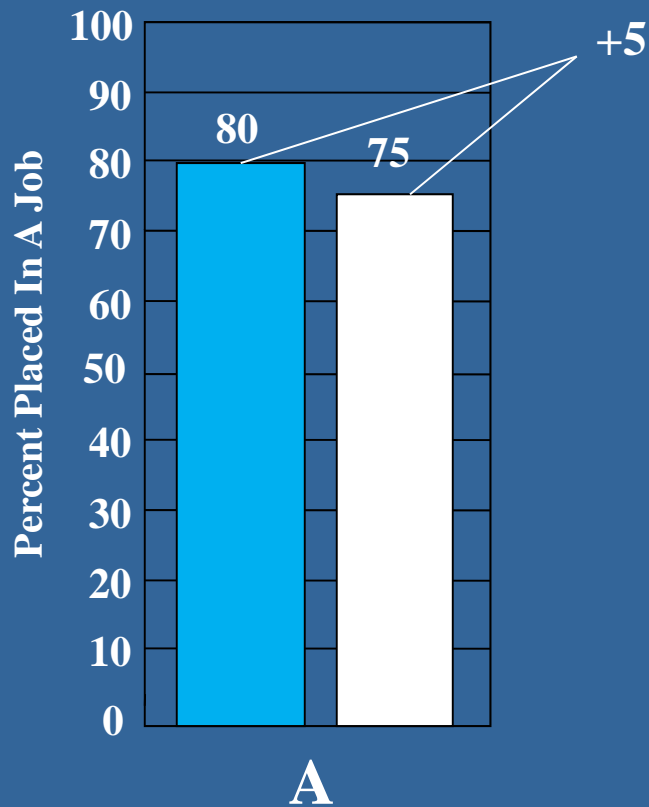
B



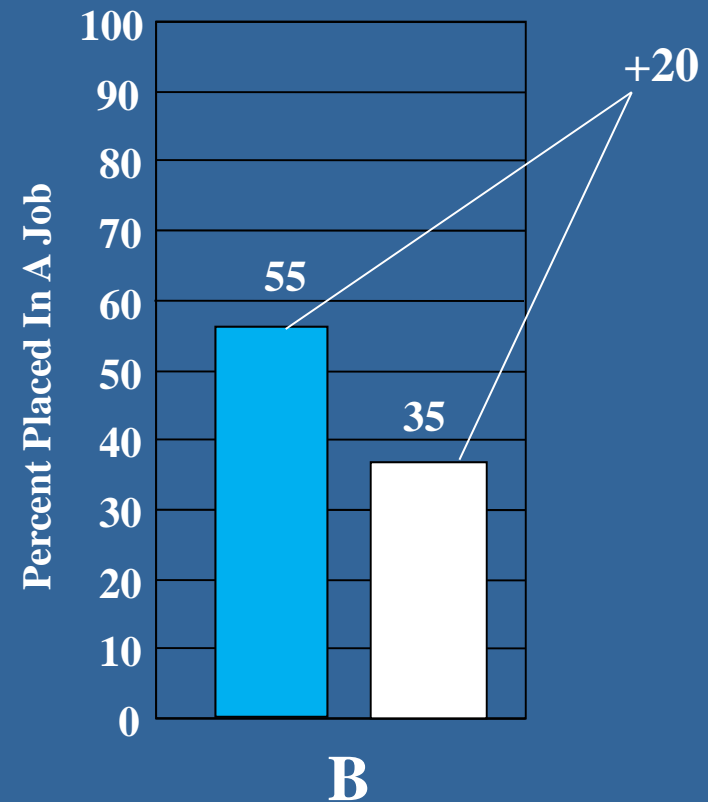
**Job Program Group  
Placement Rate**



# But which is more effective?



■ Job Program Group  
Placement Rate



■ Control Group  
Placement Rate

# Four things to keep in mind

- 1) All program participants are told well beforehand that a random assignment (RA) process will be used.
- 2) The RA process will be the only route into the program being tested.
- 3) The evaluation team will train local staff on how to conduct RA, explain the study, and answer questions.
- 4) The evaluation team will track *everyone* who is RA'd into the study, including treatment group members who don't participate in the program or drop out early.

# Program Design

- Two approaches to helping participants secure unsubsidized employment
  - ***Paid Work Experience***: Up to \$9 an hour for up to 24 hours per week for up to 8 weeks in non-profit or public jobs. After 8 weeks can move into subsidized or unsubsidized employment.
  - ***Subsidized Employment***: Up to \$15 an hour for up to 40 hours per week with private sector employers; expectation is that the job will be a permanent job. The first 8 weeks are fully subsidized; the second 8 weeks are subsidized at 50%
- Both represent an opportunity to build skills and work experience that can help participants succeed in a competitive job market

# Design in Minnesota

- Test starting in Ramsey, Dakota, and Scott Counties
  - May add additional county
- Goal of enrolling at least 1,000 in the study across all counties through December 2015
- MSTED is a unique opportunity to test unique two-prong strategy on TANF recipients who have not been successful in finding stable, unsubsidized employment
  - Overall impacts
  - Who benefits from each approach

# Design in Ramsey County (in brief)

MFIP employment counselors verify eligibility and refer eligible clients to Goodwill or HIRED SE staff for orientation



SE staff provide program orientation. Interested clients sign informed consent, contact information sheet, background information form.



Random Assignment



Referred back to EC  
for alternative MFIP  
services.  
Ineligible for MSTED.

Control Group

MSTED Program  
Group

Enrolled in MSTED



# Referral and Eligibility

- Refer interested and eligible MSTED eligible participants to Goodwill/HIRED for program intake
  - Inform participants that there is a study and participation in the study is voluntary
  - MSTED slots are limited and the only route into MSTED is through a lottery
- **MSTED Eligibility**
  - On MFIP for at least 6 months
  - \$1,200 or less in earnings for the last 6 months
  - Not a minor parent
  - Not a parent between 18-24 years old and pursuing a full-time education plan
  - Not exempt from work requirements, with exception of exempted newly arrived immigrants

# Key Takeaways for Employment Counselors

- MSTED lottery will be done through MDRC Random Assignment System
  - Participants will be placed in either Program or Control Group
  - Program group will be eligible for MSTED services
  - Control Group members will return to MFIP ECs for referral to other MFIP activities

# Key Takeaways for Employment Counselors

- Communicate to participants the multiple goals of subsidized employment, beyond simply helping participants meeting work requirements.
- Goals include:
  - Providing earned income
  - Developing a recent work history and reference
  - Addressing barriers to employment
  - Learning and practicing successful workplace behaviors and skills
  - Giving the participant a chance to show an employer they are a good worker and a good match
  - Connecting participants with employment opportunities they would not have been able to obtain on their own
  - Transitioning to unsubsidized employment

# Timeframe

- Random assignment training on October 27 & 28
- Random assignment will begin week after RA training and continue through December 2015
- Participant outcomes will be followed for three years after random assignment

# Questions?