

Financing Transitional Jobs Programs

2008 National Transitional Jobs Conference

April 1st-2nd, 2008

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Program & Financial Goals: Questions to Ask About Finances

- **Critical Elements of Program Design**
 - Which elements are mission critical?
 - What are you willing to change?
 - What are the minimum programmatic requirements needed to succeed?
- **Financial Goals**
 - Resources to pay for program operations
 - Resources to develop a surplus (fund balance)
- **Programmatic Financial Needs**
 - Staffing (Programmatic and Administrative)
 - Non-Programmatic Functions
 - OTPS: Occupancy, Supplies, Equipment (computers and phones)
- **Cash Flow Needs**
 - What pace of cash is needed to sustain current operations?
 - To grow your program?

PROGRAM DESIGN, POPULATION TO BE SERVED, AND MISSION ARE PRIORITY

FUNDING SHOULD BE SELECTED TO MATCH PROGRAM DESIGN AND MISSION

Examples of Potential Funding Sources

A. **Government Grants**

Youth: IV-D and Chaffee Funds, WIA Youth or State WIA, YouthBuild, TANF, Juvenile Justice Initiative (State)

Ex-Offenders: Workforce Investment Act (WIA), Prisoner Reentry Initiative, Second Chance Act, CSBG, SSBG, CDBG, FSET, Local Government Reentry Initiative, Child Support (future)

Food Stamp Only Recipients: Food Stamp Employment and Training (FSET)

Women with children: TANF (receiving or could be receiving), CSBG, SSBG, CDBG

Public Housing Residents: HOPE VI, Development Financing for Mixed Income redevelopment

Homeless: CSBG, CDBG, SSBG, Veterans Funding, McKinney, Housing Opportunities for Persons With Aids

Job Creation Funding: JOLI, CED, AmeriCorps

Senior: Senior Community Service Employment Program (SCSEP)

Local/State Government Contributions or Matches – affordable housing, Corrections, workforce; employment

Specific Program Component: e.g. IDA: Assets for Independence; Adult Ed: Perkins, Community College funding

B. **Private Grants** (Foundations, Consortium of Investors)

C. **Employer Fees** (Public/Private Partnerships) pre probationary employment, On-the-Job-Training

D. **Social Enterprise Revenues**

Impacts of Different Types of Funding Sources

Government Grants

1. Year to Year
2. Highly Competitive
3. Many restrict Payment of Wages (exceptions: HOPE VI, TANF, SSBG, CDBG, CSBG)
4. Requirements Impact Program Structure (Reporting, Performance Measures, and Political Goals)
5. May require a monetary or in-kind match
6. TJ Timing Cycles - atypical and not understood (ramp up, late placement)

Impacts of Different Types of Funding Sources

Foundation Funding

1. Time Limited (typically 3 year cycles)
2. Highly Competitive
3. Reliant on Foundation Priorities (Geography, Program vs. Policy, Strategic Issue Area)

Impacts of Different Types of Funding Sources

Employer Fees/Contributions

1. May limit ability to raise revenues from other sources or may enhance as match (e.g. HOPE VI, McKinney)
2. May limit ability to develop new employers or different industry sectors

Impacts of Different Types of Funding Sources

Social Enterprise Revenues

1. Understand market production, quality and productivity. Critical to success – how to manage temporary and transitional workforce and achieve production
2. Understand how to maintain 501(c)(3) status with profits
3. Can offer a showcase for funders and elected officials

How Financing Options May Affect Program Design

Restrictions Impact Program Structure

Length of Program (Number of months for TJ)

How rapid the attachment to TJ

Participation Requirements (continued eligibility for assistance; number of hours per week; program criteria – e.g. reentry 90 days since release)

When Programs Begin (i.e.: corrections programs beginning behind the walls, TANF time limits)

Program Elements (i.e. job creation, link to housing)

Funding Goals and Performance Measures Impact Program Structure and Implementation

Employment Funding: Placement, Retention

Corrections Funding: Reduction in Recidivism

Housing Funding: Stabilized Housing; Lease Compliance

Youth Funding: Placements, Economic Self Sufficiency

Public Assistance: Leaving Assistance Rolls

Social Enterprise: Revenue and production targets

Contract Terms: Impact Financial Health and Service Delivery

- **Funding Structures Affect Cash Flow and Operations**
Performance based Contracting (include unit cost, fee for service)
Cost Reimbursement Contracts
Grants (flat fee payments)
- **Ability of Financing Structure to Develop a Surplus**
Service Fees, Performance Based Contracting allow for surplus
Cost Reimbursement Contracts and Grants do not allow for surplus
- **Make sure contract terms match cash flow needs**
TJ programs require significant up front costs (staffing and wages)
Make funding advance or payments available for up front costs

Selecting Appropriate Funding Sources

- **Innovate!**

TJ can be built into larger funding structures to meet program goals
(JOLI, HOPE VI, Child Support, Corrections)

- **Seek a Mix of Financing**

1. Mix and Timing (multiyear vs. one year funding)
2. Develop type of Funding (Government vs. Private vs. Employer fees vs. Social Enterprise Revenues)
3. Do not get complacent
4. Do not get discouraged

Examples of Places to Look for Funding Sources

- Federal Grants Web Site: www.grants.gov
- Foundation Center (Foundation Directory Online)
- Governmental Websites E.g.: www.doleta.gov, www.hhs.gov, www.samhas.gov
- Specialized Alert Services

Aid for Education

Abe's Daily Grant Report

Children and Youth Funding Report

Community Health Funding Report

Disability Funding News

Health Care Disparities Report

Private Grants Alert

Substance Abuse Funding News

Don Griesmann's Grant Opportunities

- Policy Sites e.g. www.cbpp.org; www.clasp.org; www.ntjn.org
- Funding Advocacy/TA Sites e.g. www.financeproject.org

Acknowledgements of sources : Lili-An Elkins, LAE Consulting (LAEconsulting@comcast.net); National League of Cities; Institute for Youth, Education & Families; CLASP; Shriver Center on Poverty Law; Mid America Institute on Poverty; and the NTJN Steering Committee

National Transitional Jobs Network

Technical assistance is available from the
National Transitional Jobs Network at

www.ntjn.org

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