

Annual Report to the Oregon
Legislative Assembly and
Governor Ted Kulongoski

**Department of Human Services
The JOBS Plus Program**

Program Year 2007
July 1, 2006 through June 30, 2007



History of the JOBS Plus Program

The current JOBS Plus Program grew out of Ballot Measure 7, the "Full Employment Program" initiative passed by voters in 1990. Under this measure, recipients of Food Stamps, public assistance and unemployment insurance benefits in six Oregon counties would work in private- and public-sector jobs, for which they would be paid 90 percent of the minimum wage instead of receiving public-assistance benefits. After its passage, the Department of Human Services (formerly the Adult and Family Services Division) applied for the necessary waivers from the federal government. However, waivers were not granted and the program could not be implemented.

Backers of Measure 7 then worked with the Department of Human Services (DHS) and staff of then-Governor Barbara Roberts to construct a program that would accomplish the same goals as Measure 7, but would meet with federal approval. The resulting "JOBS Plus" pilot program was adopted by the 1993 legislature, and after a lengthy federal waiver process, was approved for start-up in November 1994.

During the 1995 legislative session, a wide-ranging welfare reform law (Senate Bill 1117) was passed. One of its provisions expanded the six-county pilot of JOBS Plus to the entire state. Federal approval for SB 1117 came in March 1996, and the JOBS Plus program officially began statewide operation on July 1, 1996.

Enrollment in the JOBS Plus program was suspended on April 1, 2001, when funding for the program was scheduled to end in July 2001. When JOBS Plus funding was secure, enrollment in the program was resumed in July 2001. However, Senate Bill 874 (2001) changed the JOBS Plus employer reimbursement amount and maximum participant length for Unemployment Insurance (UI) claimants.

Beginning in July 2001, employers hiring UI JOBS Plus participants began to be reimbursed at \$5.00 per hour for a maximum of 13 weeks. Employers hiring DHS JOBS Plus participants are still reimbursed at Oregon's minimum wage per hour plus wage taxes and workers' compensation costs for a maximum placement of six months.

Up until July 1, 2001, JOBS Plus was administered jointly by DHS and the Employment Department (ED). Local JOBS Plus coordinators are responsible for matching workers with appropriate JOBS Plus positions. These coordinators can be either from the staff of DHS, ED, or one of the local contractors who provide services to participants in the statewide JOBS welfare-to-work program.

The UI JOBS Plus program for the Employment Department was suspended on June 30, 2005. The Legislative Assembly did not reauthorize the program.

How the JOBS Plus Program Works

JOBS Plus participants are placed in positions at private businesses, not-for-profit organizations, or public agencies. The employer determines the worker's salary, which must be at least the state's minimum wage. If businesses choose to pay a salary above the reimbursement level, as many do, they are responsible for the amount above the reimbursement level.

Employers pay workers directly and are then reimbursed by the state. The program was designed to be as "employer-friendly" as possible, with minimal paperwork requirements. The processing of JOBS Plus employer reimbursement forms and employer payments is handled by the DHS Office of Self-Sufficiency Programs. On average over the past year, requests for reimbursement have been processed and checks issued within two days of receipt.

The funds to reimburse employers come from money that would have gone toward an individual's TANF and Food Stamp benefits.

Employers are required to provide each JOBS Plus participant with an on-site mentor to acquaint the worker with all facets of the job. Mentors are asked to set up regular meetings with the worker and to help if problems should arise around the worker's performance.

After the JOBS Plus participant has been at work for 30 days, the employer begins paying \$1 per hour into the worker's Individual Education Account (IEA). After finding unsubsidized employment and completing 30 days of unsubsidized employment, participants or their families can "activate" and begin using the funds for continued education and training. The Oregon Student Assistance Commission administers IEA accounts.

JOBS Plus Individual Education Accounts (IEA)

According to the Oregon Student Assistance Commission (OSAC), as of June 30, 2007:

- 5,604 Individual Education Accounts totaling \$3,403,861 had been activated.
- 20 percent of the individuals enrolled in JOBS Plus have activated their IEA funds.

- The average Individual Education Account was \$607.40 per person.
- 4,289 individuals had used all or part of their IEA funds.
- The amount of IEA funds paid by OSAC to training providers was \$2,744,470.

As of November 1, 2001, Individual Education Accounts could be used for the cost of books and supplies in addition to lab fees, tests, student body cards, and tuition.

JOBS Plus Placement Results

Between the time the six-county pilot began in 1994 and the end of June 2007, a total of 27,864 individuals have been placed into JOBS Plus positions.

From July 2006 through June 2007:

- 303 individuals were placed into JOBS Plus positions
- A 16.5 percent increase over the previous fiscal year

On June 30, 2007, a snapshot of the JOBS Plus Program showed:

- 135 participants were working in JOBS Plus positions
- The average wage was \$8.40 per hour, ranging from \$7.80 to \$14.00 per hour

The table below provides an annual of JOBS Plus placements.

Program Year	UI Claimants	DHS Clients	Total Placements	% UI Claimants
Pilot Years (1994-95)	0	385	385	0%
PY 1996 (July 1996 to June 1997)	1,263	2,204	3,467	36%
PY 1997 (July 1997 to June 1998)	2,063	1,657	3,720	55%
PY 1998 (July 1998 to June 1999)	2,829	1,112	3,941	72%
PY 1999 (July 1999 to June 2000)	3,124	1,077	4,201	74%
PY 2000 (July 2000 to June 2001)	2,604	670	3,274	80%
PY 2001 (July 2001 to June 2002)	1,804	366	2,170	83%
PY 2002 (July 2002 to June 2003)	2,298	121	2,419	95%
PY 2003 (July 2003 to June 2004)	1,970	229	2,199	90%
PY 2004 (July 2004 to June 2005)	1,175	350	1,525	77%
PY 2005 (July 2005 to June 2006)	0	260	260	0%
PY 2005 (July 2006 to June 2007)	0	303	303	0%
Total	19,130	8,734	27,864	69%

- During the first year of statewide operation (July 1996 to June 1997), 2,204 or 64 percent of the 3,467 individuals placed in the JOBS Plus Program were DHS clients.
- Between July 1997 and June 2005, 5,582 or 24 percent of the 23,449 JOBS Plus participants were DHS clients.
- In 2006-07, all 303 JOBS Plus participants were DHS clients.

JOBS Plus for DHS TANF Clients

JOBS Plus is one component of the existing Department of Human Services' (DHS) JOBS welfare-to-work program operated across the state. JOBS Plus provides a means for TANF clients who have not been able to find employment through other JOBS services to gain "real world" work experience and expand their resume. The program is an innovative public-private partnership aimed at moving individuals off of assistance and into the workforce.

DHS JOBS Plus participants do not receive their TANF grant or food stamp benefits while enrolled in JOBS Plus. Instead they receive a paycheck from the employer. In instances where the JOBS Plus wages are less than the amount of public assistance benefits the client would have received, the difference is paid by DHS to the client in the form of a cash supplement. TANF clients retain their medical coverage through the Oregon Health Plan while enrolled in JOBS Plus.

TANF clients in JOBS Plus positions also receive important added benefits. If the state is collecting child support for them, the entire amount is given to the client, instead of being retained by the state. Further, JOBS Plus clients, because of their employment, are likely to be eligible for a federal and state Earned Income Tax Credits. These credits can increase the take-home pay of a JOBS Plus employee by as much as \$4,791 per year.

For DHS, JOBS Plus is a highly visible and popular program. Through JOBS Plus, DHS and its JOBS partners have established an effective relationship with the private sector. Businesses have benefited from the labor provided and clients have obtained useful job experience and self-confidence.

The Governor's Recommended Budget includes funding for a significant increase in the number of TANF clients participating in JOBS Plus. This additional funding will allow an average of 228 additional TANF clients per month participate in the program. This represents about a 200 percent increase from the current participation level.

JOBS Plus Results

Of the 267 JOBS Plus participants who left the program in 2006-07, 165 or 62 percent obtained unsubsidized employment (based on reported earnings in the quarter of exit or the quarter after exit).

JOBS Plus Cost Benefit Analysis

The 2005-2006 JOBS Plus direct program costs were compared to the 2005-2006 JOBS work experience and sheltered work activity direct program costs. This prior period was used to allow sufficient time for the different program element impacts on future receipt of public benefits to be realized and reported. Participants in the JOBS Plus program are paid for their work and do not receive TANF and Food Stamp benefits, while work experience and sheltered work participants receive TANF and Food Stamp benefits but are not paid for their work.

The results of the cost benefit analysis comparison below, shows the net cost per participant hour in work experience and sheltered work was \$9.82, as compared to \$7.86 per JOBS Plus Only participant hour and \$7.13 for All JOBS Plus participant hours. The analysis also shows the direct costs per participant in work experience and supported work was \$1,850 per participant, while the cost per participant for JOBS Plus Only was \$4,108 and \$5,537 per participant for All JOBS Plus participants. The higher costs per participant for JOBS Plus was offset by increased outcomes, as measured by client program status measured in December 2007. Clients who participated in JOBS Plus were less likely to be receiving TANF and Food Stamp benefits in December 2007. However, JOBS Plus clients were more likely to be receiving a medical benefit than those who participated only in work experience and supported work.

JOBS Plus Cost Benefit Analysis for Clients Active July 2005 to June 2006

Type of Activity	WE/SW* Only	JOBS Plus Only	WE/SW & JOBS Plus	All JOBS Plus
Active Clients	6,141	128	214	342
Contracted Costs				
Contracted Costs	\$ 8,387,988	\$ 135,225	\$ 518,382	\$ 653,606
Support Services	\$ 2,972,341	\$ 60,876	\$ 298,221	\$ 359,097
Employer Reimbursements		\$ 734,408	\$ 1,227,838	\$ 1,962,246
Less TANF and FS Grants**		\$ (404,656)	\$ (676,534)	\$ (1,081,190)
Net Program Costs	\$ 11,360,329	\$ 525,853	\$ 1,367,906	\$ 1,893,759
Net Costs Per Participant***	\$ 1,850	\$ 4,108	\$ 6,392	\$ 5,537
Total Hours of Participation				
Total Hours of Participation	1,156,603	66,862	198,754	265,616
Cost Per Hour of Participation	\$ 9.82	\$ 7.86	\$ 6.88	\$ 7.13
Program Status 12/2007				
Percent Off TANF	73%	92%	86%	88%
Percent Off Medical	68%	71%	63%	66%
Percent Off Food Stamps	25%	34%	30%	32%

* WE is Work Experience; SW is Supported Work

** Based on average standard monthly grant for family of three of \$506 in TANF and \$398 in Food Stamps per month for 3.5 months.

*** Costs associated only with specific activities, does not include case management or administration.