



Annual Report to the Oregon Legislative
Assembly and
Kate Brown, Governor

Department of Human Services
JOBS Plus Program

Program Year 2013
July 1, 2012 through June 30, 2013

Executive Summary

Oregon Revised Statute 411.896 requires the Department of Human Services (DHS) to submit an annual report to the Legislative Assembly and the Governor, containing an analysis of the JOBS Plus program and include recommendations from the department and the JOBS Plus Advisory Board regarding appropriate revisions to the program.

The JOBS Plus program has been an integral part of DHS Self-Sufficiency Job Opportunity and Basic Skills (JOBS) Program since 1994. JOBS Plus provides real work experience and mentorship opportunities for participants in the TANF program. The goal is to move families out of poverty and into employment. In the 2013 program year, 926 participants were employed through the JOBS Plus program. Out of 926 individuals, 701 left the JOBS Plus program in the past year, of which 59 percent (415 individuals) obtained unsubsidized employment.

DHS recommends that in the 2015-17 biennium the department is provided flexibility to pilot alternative ways to operate the JOBS Plus subsidized employment program in coordination with workforce system partner agencies, program participants, employers, and stakeholders for the purpose of further increasing work-based training and employment outcomes of participants in the program, including teen parents, and aligning with workforce key strategies.

History of the JOBS Plus Program

The JOBS Plus Program was created upon passage of Ballot Measure 7, the “Full Employment Program,” in 1990. Under this measure, recipients of Food Stamp benefits (now known as the Supplemental Nutrition Assistance Program (SNAP), Aid to Dependent Children (now the Temporary Assistance for Needy Families (TANF) 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 (DHS), applied for the necessary waivers from the federal government. However, waivers were not granted and the program could not be implemented.

Supporters of Measure 7 worked with DHS and staff of then Governor Barbara Roberts to construct a program that would accomplish the same goals as Measure 7, but would also meet with federal approval. The resulting “JOBS Plus” pilot program was adopted by the 1993 legislature, and after a 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 the

JOBS Plus program to the entire state. Federal approval for SB 1117 was received in March 1996, and the JOBS Plus program officially began statewide operation on July 1, 1996.

Enrollment in the JOBS Plus program was briefly 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 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.

Until July 1, 2001, JOBS Plus was administered jointly by DHS and the Oregon Employment Department (OED). Currently, local JOBS Plus coordinators are responsible for matching participants with appropriate JOBS Plus work site positions. These coordinators are either staff from DHS or a local Job Opportunity and Basic Skills (JOBS) program contracted partner who provides services to participants in the statewide JOBS program.

The UI JOBS Plus program for the Oregon Employment Department (OED) was suspended on June 30, 2005. The Legislative Assembly did not reauthorize the program. On March 17, 2009, the Oregon Legislature eliminated the OED from JOBS Plus statute through SB 581.

JOBS Plus for DHS TANF Participants

JOBS Plus is one component of the existing Department of Human Services' Job Opportunity and Basic Skills (JOBS) program. The JOBS program is the employment and training component of the TANF program operated across the State through a network of contracted partners such as community colleges and workforce system partner agencies and organizations.

JOBS Plus provides a means for TANF recipients who have been unable to find employment through other JOBS services to gain "real world" work experience and expand their resume. The program is a public-private partnership aimed at helping individuals move off TANF and into the workforce.

DHS JOBS Plus participants do not receive their TANF grant or SNAP 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 program benefits the participant would have received, the difference is paid by DHS to the participant in the form of a cash supplement.

Participants in JOBS Plus positions also receive important added benefits. If the state is collecting child support from an absent parent, the entire amount is given to the participant, instead of being retained by the state. In addition, JOBS Plus

participants are likely to be eligible for federal and state Earned Income Tax Credits.

For DHS, JOBS Plus continues to be a successful 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, more importantly, participants have gained skills and obtained useful job experience to help them be more competitive in the labor market. In the recent economic recession and current slow economic recovery, JOBS Plus played an important role for both program participants and employers. In fact, DHS JOBS Plus expenditures made in Federal Fiscal Years (FFY) 2009 and 2010 that were above FFY 2007 expenditure levels, qualified for reimbursement under the Emergency Contingency TANF funding added through the American Recovery and Reinvestment Act (ARRA) of 2009. This provided for additional participants to be enrolled in JOBS Plus. In the following years, DHS and its partners prioritized JOBS Plus although the JOBS program experienced significant cuts.

JOBS Plus Program Process for Employers

JOBS Plus participants are placed in positions at private businesses, not-for-profit organizations, or public agencies. The participant receives wages directly from the employer rather than TANF and SNAP benefits from DHS. The employer determines the participants' hourly wage, which must be at least equal to Oregon's minimum wage.

Employers pay participants directly and are reimbursed retroactively. DHS reimburses employers for wages paid to the participant, not to exceed Oregon's minimum wage, and payroll taxes including worker's compensation and unemployment insurance benefits. An employer may choose to pay a participant more than the Oregon minimum wage, as many do, however, they are responsible for the difference.

The JOBS Plus employer wage reimbursements are processed by the DHS Direct Pay Unit. The funds to reimburse employers come from the funds of an individual's TANF and SNAP 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 participant to discuss any concerns or questions.

After 30 days in a JOBS Plus work site position, the employer begins paying \$1 per hour, for every hour the participant works, into an Individual Education Account (IEA).

Individual Education Account (IEA)

The purpose of the Individual Education Account (IEA) is to improve the position of the JOBS Plus participant in the workforce by increasing their access to continuing education. After obtaining full-time unsubsidized employment for 30 days, the participant or a member of their family may access the funds for continued education and training. The Office of Student Access and Completion (OSAC) administers the IEA accounts.

According to the Office of Student Access and Completion (OSAC), since the program's inception to June 30, 2013:

- 6,293 Individual Education Accounts totaling \$3,891,946 have been activated.
- The average Individual Education Account was \$618 per person.
- 3,231 (51.3 percent) individuals used all or part of their IEA funds.
- The total amount of IEAs paid by OSAC to training providers was \$1,673,753.

IEA funds may be used for the cost of books and supplies in addition to lab fees, tests, student body cards, and tuition.

JOBS Plus Work Site Placement Information

November 1994 through June 30, 2013:

- 33,834 individuals (19,130 in UI and 14,704 in DHS) were enrolled in the JOBS Plus program.

July 2012 through June 2013:

- 926 individuals were enrolled in JOBS Plus positions;
- This represents a 3 percent increase over the previous fiscal year.

On June 30, 2013, a snapshot of the JOBS Plus Program showed:

- 379 participants were working in JOBS Plus positions (up 8 percent from June 30, 2012);
- The average wage was \$9.65 per hour (up 4 percent from June 30, 2012).

JOBS Plus Enrollment Profile November 1994 to June 2013

Program Year	UI Claimants	DHS Clients	Total Placements	% UI Claimants
Pilot Years (1994-96)	0	385	385	0%
PY 1997 (July 1996 to June 1997)	1,263	2,204	3,467	36%
PY 1998 (July 1997 to June 1998)	2,063	1,657	3,720	55%
PY 1999 (July 1998 to June 1999)	2,829	1,112	3,941	72%
PY 2000 (July 1999 to June 2000)	3,124	1,077	4,201	74%
PY 2001 (July 2000 to June 2001)	2,604	670	3,274	80%
PY 2002 (July 2001 to June 2002)	1,804	366	2,170	83%
PY 2003 (July 2002 to June 2003)	2,298	121	2,419	95%
PY 2004 (July 2003 to June 2004)	1,970	229	2,199	90%
PY 2005 (July 2004 to June 2005)	1,175	350	1,525	77%
PY 2006 (July 2005 to June 2006)	0	260	260	0%
PY 2007 (July 2006 to June 2007)	0	303	303	0%
PY 2008 (July 2007 to June 2008)	0	560	560	0%
PY 2009 (July 2008 to June 2009)	0	1,115	1,115	0%
PY 2010 (July 2009 to June 2010)	0	1,230	1,230	0%
PY 2011 (July 2010 to June 2011)	0	1,240	1,240	0%
PY 2012 (July 2011 to June 2012)	0	899	899	0%
PY 2013 (July 2012 to June 2013)	0	926	926	0%
Total	19,130	14704	33834	58%

Source: Employment Department JOBS Plus Monthly Reports from OARS (Oregon Automated Reporting System) and Department of Human Services. New UI JOBS Plus program started on July 1, 2001 and was suspended on June 30, 2005.

- 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.
- Between July 2005 and June 2013, all 6,533 JOBS Plus participants were DHS clients.

JOBS Plus Results

There were 701 JOBS Plus work-site agreements completed in 2012-13 that resulted in 415 individuals subsequently working in unsubsidized employment (59%). Overall, there was an increase in both work-site agreements and subsequent employment of individuals of 22% over the previous year.

JOBS Plus Cost Benefit Analysis

The cost benefit analysis is based on a comparison between the JOBS Plus program costs and the JOBS work experience and supported work activity program costs. The 2011-2012 program period was used for the comparison in this report to allow sufficient time to identify the impacts related to these program activities.

JOBS Plus program participants are considered employees and are paid for their work in lieu of receiving TANF and SNAP benefits. Work experience and supported work participants are considered volunteers, and are not paid but continue to receive TANF and SNAP benefits.

The results of the cost benefit analysis shows the work experience and supported work cost-per-participant was \$9.72 per hour, compared to the JOBS Plus cost-per-participant of \$4.30 per hour. The analysis also shows the direct cost-per-participant in work experience and supported work was \$1,983 per participant while the cost per participant for JOBS Plus was \$2,226. The higher cost-per-participant for JOBS Plus was offset by increased outcomes, as measured by the program status of participants measured in December 2012. JOBS Plus participants were less likely to be receiving TANF and SNAP benefits in December 2012 than work experience and supported work participants.

JOBS Plus Cost Benefit Analysis for Active Participants - July 2011 to June 2012

Type of Activity	Work Experience & Supported Work	JOBS Plus
Active Participants (unduplicated)	4,176	813
Contracted Costs	\$4,044,612	\$1,214,465
Support Services	\$840,955	\$121,964
Employer Reimbursements	0	\$3,637,437
Less Diverted TANF and FS Grants ¹	0	(\$3,164,196)
Net Program Costs	\$4,885,567	\$1,809,670
Net Cost Per Participant ²	\$1,983	\$2,226
Total Hours of Participation	502,285	420,513
Cost Per Hour of Participation	\$9.72	\$4.30
% Off TANF	61%	71%
% Off SNAP	8.2%	23.7%

¹Based on the average standard TANF grant for a family of three of \$506 and \$467 in SNAP per month for 4.0 average months on JOBS Plus

²Costs associated with program activities do not include case management or administration costs

The program status as of December 2012 above shows that the percentage of families who are no longer receiving TANF is 10% percentage points greater for those who accessed JOBS Plus compared to those who accessed Work Experience and Supported Work. The savings are calculated to be approximately \$352,176 for the fiscal year.

Oregon Workforce System Alignment Efforts and Potential Changes at the Federal Level

State workforce system agencies have been working on aligning workforce programs and services to improve the workforce system for job seekers and to eliminate duplication of services. Key strategies of the Oregon Workforce Investment Board strategic plan include: system innovation; creating work ready communities; and developing sector strategies. The JOBS Plus program could be better integrated at the state and local levels, aligning with the OWIB strategic plan. The system program alignment is also supported by the recently passed federal Workforce Innovation and Opportunity Act.

The Federal Fiscal Year 2015 President's proposed budget proposed to redirect the TANF Contingency Fund – a fund Oregon has been accessing for the past four years – to be spent exclusively on subsidized employment. Currently the TANF Contingency Fund can be spent on any TANF federal purpose. While the TANF FY 2015 budget Congress recently approved did not redirect the TANF Contingency Fund toward subsidized employment, there is an opportunity to explore options for alternative ways to operate Oregon's JOBS Plus program to help individuals obtain work-based training and employment.

Summary

The DHS JOBS Plus program has operated smoothly since its inception in 1994. The cost benefit analysis shows individuals who participate in JOBS Plus have increased outcomes such as obtaining employment experience, getting hired following completion of the program, and moving off the TANF and SNAP programs. Enrollment increased beginning in 2008 based on increased demand, program investments, and on the availability of the American Reinvestment and Recovery Act of 2009 (which helped fund increased demand in JOBS Plus in Fiscal Years 2009 and 2010).

While the JOBS program budget has experienced a reduction, the State continues to invest in JOBS Plus, as it is one key option for TANF participants to obtain real work history and increase their ability to enter unsubsidized employment opportunities.

DHS does recommend the JOBS Plus program continue to be a major strategy in the 2015-2017 biennium for increasing the employment outcomes of families in the TANF program as well as meeting the federal participation rate.

Additionally, given the current workforce system alignment efforts at the State level, the recent passage of the Workforce Innovation and Opportunity Act, DHS recommends that in the 2015-17 biennium the department is provided flexibility to pilot alternative ways to operate the JOBS Plus subsidized employment

program in coordination with workforce system partner agencies, program participants, employers, and stakeholders for the purpose of further increasing work-based training and employment outcomes of participants in the program, including teen parents, and aligning with workforce key strategies.