

Report to the Legislature

JOBS Plus

*Program Year 2004
July 1, 2004 through June 30, 2005*

A Program Jointly Administered by:



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.

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 the DHS Direct Pay Unit and ED Business Services. 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 either from money that would have gone toward welfare and Food Stamp benefits (if the worker is a DHS client), or from the JOBS Plus Unemployment Wage Fund (if the worker was receiving UI 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 use the funds for continued education and training. The Oregon Student Assistance Commission administers IEA accounts.

JOBS Plus Individual Education Accounts

According to the Oregon Student Assistance Commission, as of June 30, 2005:

- *4,571 Individual Education Accounts totaling \$2,922,742 had been activated.*
- *17% of the individuals enrolled in JOBS Plus have activated their IEA funds.*
- *The average Individual Education Account was \$639.41 per person.*
- *3,287 individuals had used all or part of their Individual Education Account funds.*
- *The amount of Individual Education Account funds paid by OSAC to training providers was \$1,999,026.*

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.

In 2005, a SB 5548-B budget note required OSAC and DHS to jointly prepare a report to the Emergency Board, no later than April 30, 2006, on efforts to improve the utilization of IEA funds. The report is to include any changes implemented and the results and proposals requiring statutory changes.

JOBS Plus Placement Results

Between the time the six-county pilot began in 1994 and the end of June 2005, a total of 27,301 individuals have been placed into JOBS Plus positions.

From July 2004 through June 2005:

- 1,525 individuals were placed into JOBS Plus positions.
- Of the 1,457* who completed their JOBS Plus placement during this period:
 - 41.1% had obtained unsubsidized employment,
 - 89.3% with their JOBS Plus employer and
 - 10.7% with other companies.

On June 30, 2005, a snapshot of the JOBS Plus Program showed:

- 393 participants were working in JOBS Plus positions.
- The average wage was \$8.26 per hour (DHS) and \$10.33 per hour (OED) with wages ranging from \$7.25 to \$25.00 per hour.

*Includes participants enrolled during a prior program year.

Table 1, below, provides a snapshot of JOBS Plus placements from July 1, 1996 to June 30, 2005. In 2004, ED reported that by the end of the Program Year 2004 through June 2005, claimants accounted for 77 percent of all placements in JOBS Plus opportunities.

Table 1

Program Year	UI Claimants	DHS Clients	Total Placements	% UI Claimants
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%
Nine Year Totals	19,130	7,786	26,916	

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.

The JOBS Plus Program
under the
Department of Human Services



JOBS Plus for DHS Welfare 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 welfare 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 welfare 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 of received, the difference is paid by DHS to the client in the form of a cash supplement.

Welfare 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 \$4,620 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.

DHS JOBS Plus Results

- 2,204 (64%) of the 3,467 individuals placed in the JOBS Plus Program during the first year of statewide operation (July 1996 to June 1997) were DHS clients.
- In the remaining years of statewide operations (July 1997 to June 2005), 5,582 (24%) of the 23,449 JOBS Plus participants were DHS clients.

From July 2004 through June 2005

- 350 DHS clients were enrolled in JOBS Plus.
- Of the 599 JOBS Plus participants who obtained unsubsidized work from July 2004 through June 2005, 45 (8%) were DHS clients. 28 of these participants continued employment with their JOBS Plus employer and 17 obtained employment elsewhere.

JOBS Plus Cost/Benefit Analysis

Due to budget restrictions, enrollment in the DHS JOBS Plus program was curtailed in the program year. The number of DHS clients entering JOBS Plus during the period July 2003 to June 2004 decreased by 79% from the 1999-2000 program year. Due to these substantial reductions, no cost/benefit analysis was calculated.

The JOBS Plus Program
under the
Employment Department



Historical Background

The Employment Department administered the JOBS Plus program in partnership with the Adult and Family Services Division from the program's inception in 1993 until June 30, 2001. From a pilot program of six counties in 1995, the program was expanded statewide in 1996. The Legislature's Emergency Board authorized the Department to hire 18.5 additional FTE to conduct employer outreach, recruit JOBS Plus job openings, and market the program statewide. An additional 3.5 FTE was authorized in 1997 to support these activities.

Funding for the JOBS Plus pilot program, the JOBS Plus Unemployment Wage Fund, was established in the 1993 Legislative session. This fiscal resource was funded through a diversion of about \$12 million from the Unemployment Trust Fund. The diversion was paid by Unemployment Insurance (UI) taxpaying employers to cover program and wage reimbursement costs for eligible unemployment insurance claimants and participating employers. To support statewide operations and increased participation of UI claimants, the JOBS Plus Unemployment Wage Fund was augmented with an additional diversion of about \$42 million by the Legislature in 1995.

Per Oregon Law (1993) Sec. 14, Chapter 739, unexpended funds collected for the JOBS Plus six-county pilot were to be transferred to the Unemployment Compensation Trust Fund. In March 1998, the original funds collected (\$12 million plus accrued interest) were transferred to this trust fund.

Funding for the JOBS Plus Program allocated by the 1995 Legislature was exhausted in April of 2001. As of March 30, 2001 new placements ceased and participants already placed in JOBS Plus jobs were allowed to complete their JOBS Plus experience.

A revised JOBS Plus program and funding was authorized by the 2001 Legislature through two bills: SB 874 (reauthorization bill) and HB 3441 (funding bill). House Bill 3441 created a diversion to provide funding for the JOBS Plus Unemployment Wage Fund. The diversion was matched by a corresponding reduction in the unemployment (UI) tax schedules. The diversion of \$25 million (for two biennia) covered wage reimbursement and administrative costs.

Modifications to the program were outlined in Senate Bill 874. SB 874 also "split" the Program into separate Employment Department and Department of Human Services programs, with different rates of reimbursement for employers and participation lengths for participants. Significant changes were:

- Change of reimbursement amount to employers to \$5.00 an hour with no reimbursement for other payroll expenses;
- directed Employment Department to supply a JOBS Plus brochure to all UI applicants at the time of application;
- review for referral to a JOBS Plus position no later than the fourth week after application;
- reassess the applicant's re-employability at eight weeks and refer to JOBS Plus, if appropriate;
- lowered program length from 26 to 13 weeks, and funded it on that basis;
- amended ORS 657.190 (regarding suitability) to allow participation in JOBS Plus Program jobs "for which the claimant does not have adequate skills or experience when the JOBS Plus Program job is likely to result in an upgrade in the claimants skills and experience;"
- added to ORS 411.892 regarding JOBS Plus Program requirements; and

granted the Employment Department rulemaking authority regarding employer disqualification or exclusion from the JOBS Plus Program.

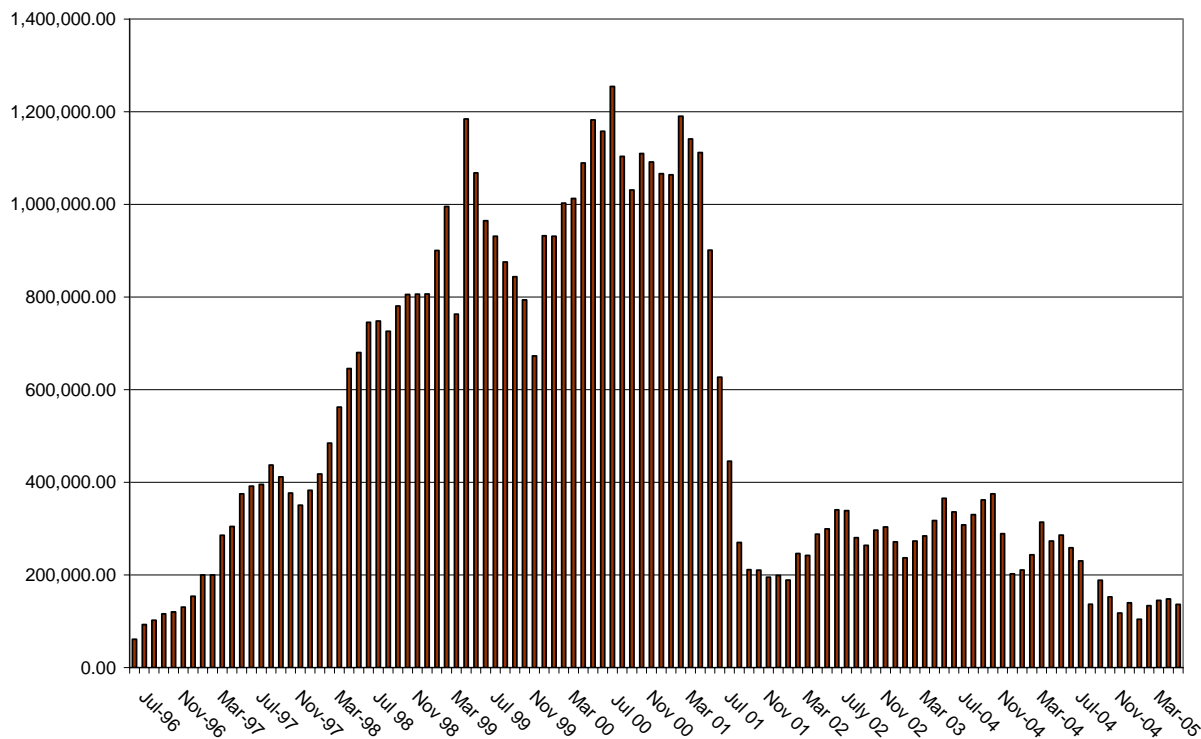
The JOBS Plus Program for the Employment Department was suspended on June 30, 2005. The Legislative Assembly did not reauthorize the program.

JOBS Plus Process

All UI claimants who are Oregon residents were eligible to participate in the JOBS Plus program through June 30, 2005. Eligible claimants volunteered and were matched for suitable JOBS Plus learning experiences during the time the program was running. Every unemployment insurance claimant received information about JOBS Plus when filing a claim, with his or her UI claim determination letter, as well as information in the department's Employment Services Handbook.

Here is a chart showing the employer reimbursement during the nine years the program was operational:
Figure 1

JOBS Plus Reimbursement July 1996 - June 2005



Footnote to Figure 1: During the six months ending December 31, 2001, ED reimbursed \$1,396,607.15 to DHS for program expenses for participants enrolled into JOBS Plus prior to April 1, 2001 and \$563,095.93 directly for participants enrolled into OED JOBS Plus after July 1, 2001.