Annual Report to the Oregon Legislative Assembly and Governor Ted Kulongoski

Department of Human Services
The JOBS Plus Program

Program Year 2005
July 1, 2005 through June 30, 2006

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 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 the 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, at the same time, 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 were reimbursed at $5.00 per hour, for a maximum of 13 weeks. Employers hiring DHS JOBS Plus participants continue to be 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 through the Temporary Assistance for Needy Families (TANF) employment and training program, Job Opportunity and Basic Skills (JOBS).

On June 30, 2005, the UI JOBS Plus program through ED was suspended on June 30, 2005, and the Legislative Assembly did not reauthorize the program. The JOBS Plus program continued for JOBS participants through DHS.

How the JOBS Plus Program Works

JOBS Plus participants are entered into employment in positions at private businesses, not-for-profit organizations, or pubic 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 through their payroll system 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 reimbursing JOBS Plus employers is handled the DHS Direct Pay Unit. On average over the past year, reimbursement forms have been processed with checks issued within two days of receipt.

The funds to reimburse employers come from money that would have gone toward an individual's public assistance of 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 also to help if worker performance issues arise.

After the JOBS Plus participant has been at work for 30 days, the employer begins paying $1 per hour worked into an Individual Education Account (IEA) set up for the worker. Once unsubsidized employment is obtained and 30 days of the employment was been completed, participants and their family members may activate and access the funds for continued education and training. IEA accounts are administered by the Oregon Student Assistance Commission (OSAC).

JOBS Plus Individual Education Accounts (IEA)

According to the OSAC, as of June 30, 2006:

- 4,980 Individual Education Accounts totaling $3.1 million had been activated.
- 18% of the individuals enrolled in JOBS Plus have activated their IEA funds.
- The average Individual Education Account amount was $625.43 per person.
- 3,810 individuals had used all or part of their IEA funds.
- The amount of IEA funds paid by OSAC to training providers was $2.4 million.

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

2006 IEA Outreach and Marketing Effort

In 2005, a SB 5548-B budget note required OSAC and DHS to jointly prepare a report to the Emergency Board by April 30, 2006, describing efforts to improve the utilization of IEA funds. The report was to include any changes implemented and the results and proposals requiring statutory changes. As a result of this, a JOBS Plus marketing plan was implemented. The results of that plan are summarized below:

- DHS mailed 7,189 certificates to participants with existing unused IEA accounts. The response rate was:
  - 59% - no response
  - 10% - certificates returned to DHS to activate an IEA account
  - 31% - returned undeliverable

- DHS mailed 1,966 certificates to employers who had hired a JOBS Plus participant. The response rate was:
  - 73% - no response
  - 4% - certificates returned to DHS to activate an IEA account
  - 23% - returned undeliverable

- OSAC mailed IEA flyers to 243 educational providers. Designed to be displayed at financial aid offices, the flyer contained information about the IEA program and a website, email address, and phone number to contact.

- OSAC mailed 445 letters to individuals who had unused IEA accounts.

- Oregon Employment Department added information to their existing JOBS Plus web site regarding the availability of unused IEA funds.

- Beginning in January 2006, all individuals leaving JOBS Plus received an additional IEA notification letter.

- The results of these additional efforts have increased the current activation rate to over 20%.

These marketing efforts resulted in a limited increase in the number of IEA accounts activated; however the overall IEA account activation rate remains low.

For Legislative Session 2007, and with the support of the Governor, OSAC has submitted a legislative concept that became House Bill 2246. This bill proposes changes to ORS 411.894 regarding how and when JOBS Plus IEA funds are transferred to the Oregon Student Assistance Commission. This bill also creates a JOBS Plus scholarship program funded by unused IEA funds.

JOBS Plus Placement Results

Between the time the six-county pilot began in 1994 and the end of June 2006, a total of 27,561 individuals have been placed into subsidized employment through JOBS Plus positions.

From July 2005 through June 2006:

- 260 JOBS participants were placed into JOBS Plus positions.

On June 30, 2006, a snapshot of the JOBS Plus Program showed:

- 120 JOBS participants were working in JOBS Plus positions.
- The average wage was $8.58 per hour, ranging from $7.50 to $18.27 per hour.

The table below provides the annual number of JOBS Plus placements from July 1, 1996 to June 30, 2006.

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%
PY 2005 (July 2005 to June 2006)	0	260	260	0%
Ten Year Totals	19,130	8,046	27,175	

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 period July 1996 to June 1997, the first year of statewide operation, 64% of JOBS Plus participants (2,204 out of 3,467) were DHS clients.

- Between July 1997 and June 2005, 24% of JOBS Plus participants (5,582 of 23,449) were DHS clients.

- In 2005-06, all JOBS Plus participants (260) were DHS clients.

JOBS Plus for DHS Clients

JOBS Plus is a component of the existing the JOBS program administered by DHS for the TANF program. JOBS offers a limited array of employment and training services for public assistance clients. JOBS Plus provides a means for program participants who have not been able to find employment through other JOBS services to gain subsidized employment experience and expand their resume. The JOBS program, and JOBS Plus, benefits from 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 on behalf of the children in the family, the entire amount is passed through to the client, instead of being retained by the state. In addition, 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 valuable work experience and self-confidence.

The 2007-09 Governor's Recommended Budget includes funding to support a significant increase in the number of welfare clients participating in JOBS Plus. This additional funding will allow an average of 228 additional welfare clients per month to participate in the program. This represents about a 200 percent increase from the current participation level.

JOBS Plus Results

- 67% of the JOBS Plus participants who left the program in 2005-06 (187 out of 279) obtained unsubsidized employment based on reported earnings data for the quarter of, or quarter after leaving the program.

- No cost/benefit analysis has been calculated for the current reporting period due to the low number of DHS JOBS Plus participants. Since 1999-2000, JOBS Plus has experienced a 76% reduction in participants.

The Annual Report was submitted to the JOBS Plus Advisory Board on February 16, 2007 for comment. The one response received stated that they "strongly support JOBS Plus for DHS Self-Sufficiency clients."