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John A. Kitzhaber, MD, Governor

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Date: June 20, 2011

To: The Honorable John A. Kitzhaber, MD
Governor

Scott Burgess, Legislative Administrator

From: Xochitl Esparza, Temporary Assistance for Needy Families Program Manager
Office of Self-Sufficiency Programs
Children, Adults and Families Division
Oregon Department of Human Services

Subject: JOBS Plus Annual Report

The Department of Human Services respectfully submits the JOBS Plus Annual Report for the Program Year 2009-10. This report was prepared by the Department of Human Services pursuant to ORS 411.896.

Attached please find an executive summary and full report pursuant to the requirements of SB 323 (2009).

The reports for prior biennia are posted on the following department website:
http://www.oregon.gov/DHS/assistance/publications/index.shtml

Please contact me at (503) 945-6122 if you have any questions or concerns regarding the attached report.

enclosures

cc: Members of the Oregon Legislative Assembly
Duke Shepard, Governor's Labor and Human Services Advisor
Erinn Kelley-Siel, Director, Department of Human Services
Marge Reinhart, Acting Administrator, Office of Self-Sufficiency

Executive Summary

JOBS Plus Program Report to the Legislative Assembly Pursuant to ORS 411.896

Program Year 2010: July 1, 2009 through June 30, 2010

Background

Oregon Revised Statute 411.896 requires the Department of Human Services (DHS) 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 Program services since 1994.

A JOBS Plus cost benefit analysis shows that more JOBS Plus clients are off public assistance – TANF, Medical, and Supplemental Nutrition Assistance Program (SNAP) – compared to clients enrolled in non-subsidized work programs.

DHS JOBS Plus expenditures made in Federal Fiscal Years (FFY) 2009 and 2010 that are above FFY 2007 expenditure levels, qualified for reimbursement under the TANF funding added through the American Recovery and Reinvestment Act (ARRA) of 2009.

JOBS Plus Program Results

- 1,230 individuals were placed into JOBS Plus positions;
- This represents a 10 percent increase over the previous fiscal year.
- 515 subsequent placements in unsubsidized employment resulted from participation. The outcome was lower than past years, most likely due to the economic recession during this time period.

On June 30, 2010, a snapshot of the JOBS Plus Program showed:

- 352 participants were working in JOBS Plus positions (down 17 percent from June 30, 2009).
- The average wage was $9.55 per hour in June 30, 2010 (up 1.5% from June 30, 2009). The range was $8.40 to $20.00 per hour.

Individual Education Accounts

IEA funds may be used for the cost of books and supplies in addition to lab fees, tests, student body cards, and tuition. As of June 30, 2010:

- 6,086 Individual Education Accounts totaling $3,734,157 had been activated.
- 49.85 percent of the individuals enrolled in JOBS Plus have activated their IEA funds.
- The average Individual Education Account was $614 per person.
- 3,034 individuals had used all or part of their IEA funds.
- The amount of IEA funds paid by OSAC to training providers was $1,563,955.97.

Annual Report to the Oregon Legislative Assembly and Governor John Kitzhaber

Department of Human Services JOBS Plus Program

Program Year 2010
July 1, 2009 through June 30, 2010

Executive Summary

Oregon Revised Statute 411.896 requires the Department of Human Services (DHS) 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 Program services since 1994. In the past year, 1,230 clients were employed through the JOBS Plus program with 42 percent of those opportunities resulting in unsubsidized employment placements. A JOBS Plus cost benefit analysis shows that more JOBS Plus clients are off public assistance – TANF, Medical, and Supplemental Nutrition Assistance Program (SNAP) – compared to clients enrolled in non-subsidized work programs.

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 Supplemental Nutrition Assistance Program (SNAP) benefits, 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), Children Adults and Families 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 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 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 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 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.

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

Employers hiring DHS Self-Sufficiency program JOBS Plus participants are reimbursed at Oregon's minimum wage per hour plus wage taxes and workers' compensation costs, up to a maximum of 40 hours per week, and for a maximum placement of six months.

Until July 1, 2001, JOBS Plus was administered jointly by DHS and the Employment Department (ED). 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 JOBS contractor who provides services to participants in the statewide JOBS program.

In October 2007, DHS received $3.3 million in JOBS Plus funding to increase enrollment in the program by over 200%, to 328 participants per month.

JOBS Plus for DHS TANF Clients

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. 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 an innovative public-private partnership aimed at helping individuals move off public assistance 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 benefits the participant would have received, the difference is paid by DHS to the participant in the form of a cash supplement. TANF clients retain their medical coverage through the State while enrolled in JOBS Plus.

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 client, 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 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 participants have gained skills and obtained useful job experience to help them

be more competitive in the labor market. In the current economic recession, JOBS Plus has played an important role for both clients and employers.

DHS JOBS Plus expenditures made in Federal Fiscal Years (FFY) 2009 and 2010 that are above FFY 2007 expenditure levels, qualified for reimbursement under the TANF funding added through the American Recovery and Reinvestment Act (ARRA) of 2009.

How the JOBS Plus Program Works

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 then Oregon minimum wage, as many do, however, they are responsible for the difference.

The program was designed to be as "employer-friendly" as possible, with minimal paperwork required. JOBS Plus employer wage reimbursements are processed by the DHS Direct Pay Unit. The funds to reimburse employers come from funds that would have been issued as 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 and to assist if problems should arise around the performance of the participant.

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 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 their family member may access the funds for continued education and training. The Oregon Student Assistance Commission (OSAC) administers IEA accounts.

According to the Oregon Student Assistance Commission (OSAC), as of June 30, 2010:

- 6,086 Individual Education Accounts totaling $3,734,157 had been activated.
- 49.85 percent of the individuals enrolled in JOBS Plus have activated their IEA funds.
- The average Individual Education Account was $614 per person.
- 3,034 individuals had used all or part of their IEA funds.
- The amount of IEA funds paid by OSAC to training providers was $1,563,955.97.

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, 2010:

- 30,769 individuals (19,130 in UI and 11,639 in DHS) have been placed into JOBS Plus positions.

July 2009 through June 2010:

- 1,230 individuals were placed into JOBS Plus positions;
- This represents a 10 percent increase over the previous fiscal year.

On June 30, 2010, a snapshot of the JOBS Plus Program showed:

- 352 participants were working in JOBS Plus positions (down 17 percent from June 30, 2009);
- The average wage was $9.55 per hour (up 1.5% from June 30, 2009), ranging from $8.40 to $20.00 per hour.

JOBS Plus Enrollment Profile November 1994 to June 2010

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 2006 (July 2006 to June 2007)	0	303	303	0%
PY 2007 (July 2007 to June 2008)	0	560	560	0%
PY 2008 (July 2008 to June 2009)	0	1,115	1,115	0%
PY 2009 (July 2009 to June 2010)	0	1,230	1,230	0%
Total	19,130	11,639	30,769	65%

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 2006 and June 2010, all 3,468 JOBS Plus participants were DHS clients.

JOBS Plus Results

There were 1,230 JOBS Plus work-site agreements completed in 2009-10 that resulted in 515 subsequent placements in unsubsidized employment for the same group (about 42 percent). The outcome was lower than past years, most likely due to the economic situation during this time period.

JOBS Plus Cost Benefit Analysis

The 2008-09 JOBS Plus direct program costs were compared to the 2008-09 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 considered employees and are paid for their work. They do not receive TANF and SNAP benefits, Work experience and supported work participants are considered volunteers, are not paid and continue to receive TANF and SNAP benefits.

The results of the cost benefit analysis comparison below, shows the net cost per participant in work experience and sheltered work was $15.45 per hour, as compared to $8.67 per JOBS Plus participant hour. The analysis also shows the direct cost per participant in work experience and supported work was $2,772 per participant while the cost per participant for JOBS Plus was $4,793. The higher cost per participant for JOBS Plus was offset by increased outcomes, as measured by client program status measured in December 2010. JOBS Plus clients were less likely to be receiving TANF and SNAP benefits in December 2010 than work experience/sheltered work clients.

JOBS Plus Cost Benefit Analysis for Participants July 2008 to June 2009

Type of Activity	Work Experience & Sheltered Work	JOBS Plus
# of Participants (unduplicated)	5,811	438
Contracted Costs	$11,201,134	$757,989
Support Services	4,905,928	539,569
Employer Reimbursements	0	2,211,379
Less Diverted TANF & SNAP Grants[1]	(0)	(1,409,589)
Net Program Costs	16,107,062	2,099,348
Net Cost Per Participant[2]	$2,772	$4,793
Total Hours of Participation	1,042,578	242,171
Cost Per Hour of Participation	$15.45	$ 8.67
Program Status as of December 2010		
Percent Off TANF	60%	85%
Percent Off Medical	71%	61%
Percent Off SNAP	19%	23%

[1] Based on the average standard TANF grant for a family of three of $506 and $398 in SNAP per month for 3.56 average months on JOBS Plus

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

Summary

The DHS JOBS Plus program has operated smoothly since its inception in 1994. The cost benefit analysis completed shows clients who participate in JOBS Plus have increased outcomes when they leave the program. Investments made in October 2007 increased enrollment in Fiscal Years 2008 and 2009. In addition the availability of the American Reinvestment and Recovery Act of 2009 helped fund increased demand in JOBS Plus in Fiscal Years 2009 and 2010.

The statutory JOBS Plus program reporting requirements include a review of the report by the JOBS Plus Advisory Board members. The terms of remaining board members expired in June, 2009 and replacement members as yet have not been appointed. Therefore, no comments are included with this year's report. DHS does not recommend changes to the JOBS Plus program at this time.