

Department of Health and Human Services

North Carolina JobBoost Plan

November 1, 2010

The Department of Health and Human Services, Division of Social Services (DSS) and the Employment Security Commission (ESC) propose leading a multi-agency effort to establish **JobBoost**, a subsidized employment program with the goal of placing Temporary Assistance to Needy Families (TANF) eligible participants in jobs.

Participant Eligibility Requirements

The target population is low-income families, specifically TANF eligible participants. Characteristics include:

- U.S. citizens or legal residents with a minor child under the age 18 (including non-custodial parents)
- Family income is at or below 200% of the federal poverty level. This also includes individuals who are currently receiving cash assistance or are in the process of applying for cash assistance.

TANF eligible participants will include those who are active in NC's Work First Program, as well as recent graduates from Community Colleges Jobs Now training programs. Other TANF eligible individuals will also be able to participate as identified by either local departments of social services or State Employment Security Agencies. The program will target areas of the state with high unemployment rates and high numbers of TANF eligible individuals.

Maximum Duration of the JobBoost Subsidized Employment Period

Twenty weeks

Financial Match Requirements for Third Party Partners

The program will be supported by \$4 million in unused TANF Emergency funds that expired on September 30, 2010 and will be redirected to be earned through the Earned Income Tax Credit and made available to support other TANF qualifying expenditures.

These funds have the potential of being matched by \$1.5 million from a private foundation. Thus, North Carolina hopes to leverage public and private funds totaling \$5.5 million to create much needed transitional employment opportunities for the unemployed low-income families.

It is anticipated that participating employers will also provide a match to ensure that all positions are paid at minimum the established minimum wage level.

Average Estimated Wages and Benefits Per Participant

It is estimated that each participant will earn a minimum of \$5,800.00 based on the following calculations (\$7.25 per hour x 40 hrs. per week = \$290.00 x 20 weeks = \$5,800.00).

Projected Number of Participants to be Employed

The primary objective of this initiative is to assist up to 1000 project participants in securing employment and gaining valuable work experience.

How does Subsidized Employment Work?

Subsidized employment opportunities are a proven way to allow individuals with limited work histories or job skills to reenter the workforce and at the same time receive job supports through coaching and counseling.

All potential participants will be screened for eligibility by participating county departments of social services (DSS). Both local DSS and ESC offices will work together in partnership to identify TANF eligible participants and potential employment opportunities with local employers. Private, public, and non-profit employers will be recruited to train and provide employment opportunities for these participants.

Program participants will participate in limited job search activities, interviews and job placement activities. Participants in subsidized employment are paid employees and are subject to minimum wage and other Fair Labor Standards Act (FLSA) protections. As paid employees, participants pay into the Social Security system and may qualify for federal and state Earned Income Tax Credits (EITC), the Child Tax Credit, the new Making Work Pay Tax Credit, and Unemployment Insurance, leading to increased long-term economic security.

Participants in the program will receive supportive services such as, Food & Nutrition Services, Medicaid, child care subsidy, transportation assistance, job coaching and other related services as appropriate. A DSS staff member will provide follow up support to the program participant and employer. Employer supervision, training and feedback are considered essential for ensuring the success of the employee during and after their subsidized employment period.

Employers will be reimbursed up to \$6 per hour of the employees' wages for up to 5 months (20 weeks). The exact amount and length of the reimbursement will depend on negotiations with the employer and the type of job. Employers can earn federal tax credits for hiring TANF recipients (Work Opportunity Tax Credit) after the subsidized employment program ends. In addition, the "Back to Work" Incentive Fund hiring incentives and benefits in the Federal Hire Act may apply.

Employers, whether public or private are expected to do the following:

- Sign a Memorandum of Agreement with the participating County
- Provide a supervisor on the work site
- Provide a job description
- Provide a timesheet signed by the employer and the participant
- Provide an evaluation of job performance

Subsidized Employment program participants can not displace workers in the for-profit or nonprofit sectors. TANF (42 U.S.C. § 607(f)) explicitly includes non-displacement provisions for work activities supported by TANF funds.

Participating Counties

The proposed project targets counties with the high unemployment rates and high number of TANF eligible individuals.

The methodology utilized for this project targeted 50 counties with the highest unemployment rates (August 2010) and then prioritized the top 34 counties based on the highest number of individuals at or below 200% of the Federal Poverty Level (2000 Census Data).

Based on the methodology described, the following counties will be extended an opportunity to participate in the **JobBoost** project. County participation in JobBoost is on a voluntary basis.

County	Aug 2010 Unemployment Rate	Below 200% FPL (2000 Census Data)
Mecklenburg	10.5	151,109
Guilford	10.5	105,289
Robeson	11.8	59,159
Gaston	10.8	52,477
Davidson	11.4	40,706
Alamance	10.6	37,194
Rowan	11.6	37,097
Catawba	12.3	35,718
Harnett	10.3	32,514
Cleveland	12.5	31,666
Iredell	11.3	31,513
Rockingham	11.4	31,125
Wilson	12.2	27,921
Cabarrus	10.3	27,864
Burke	12.9	27,822
Nash	11.8	27,593
Halifax	12.2	26,257
Columbus	11.8	25,685
Surry	10.9	24,693
Brunswick	10.1	23,793
Caldwell	12.9	23,640
Edgecombe	14.5	23,059
Rutherford	14.6	22,803
Lenoir	10.3	22,439
Wilkes	12.6	21,260
Richmond	12.8	19,592
Beaufort	10.5	18,448
Vance	12.2	18,219
Stanly	11.3	16,902
Lincoln	11.9	16,823
Lee	11.4	15,980
Bladen	11.5	14,168
Scotland	15.7	14,092
McDowell	11.4	11,269

County Plans

The JobBoost initiative differs from past subsidized employment initiatives in that counties were targeted to participate based on high unemployment rates and high numbers of individuals at or below 200% FPL.

Each County will submit a brief proposal which addresses the following areas:

- Name of county (address, primary contact with phone number and email address)
- Brief description of proposal (include project overview, target population, plan for implementation, and placement monitoring)
- Goals and outcome measures (must include the following)
 1. Number of participants and employers by industry sector
 2. Median wage paid per participant
 3. Average duration of the subsidized work period
 4. Rate of continued employment with the participating employer upon completion of the subsidized work period
- Community Partners/Employers
- Proposed implementation timeframes
- Statement of reporting: All subsidized employment expenditures will be reimbursed through the 1571 Funding Authorization Process
- Budget (include anticipated expenditures, application of \$6 per hour wage subsidy and anticipated employer amount, justification for amount requested, total amount requested)

County plans submitted will be reviewed for feasibility, stated goal achievement, capacity for rapid implementation, and utilization of existing resources.

Project Funding, Budget and Operational Expenses

The projected amount of funds available for this program is \$5,500,000. This is a temporary, time limited program. The program will end after 20 weeks or until all funds are expended.

The base budget is based on the following:

- 1000 employment placements x \$6.00 per hour wage subsidy = \$6,000 x 40 hrs. per week = \$240,000 x 20 weeks = \$4,800,000.
- \$550,000 available for limited administrative cost (10%)
- \$150,000 project reserve (wage cost over-run / additional employment placements)

Project Timeline

10/29/10	Dear County Director letters (Request for Proposals) sent to 34 Counties
11/5/10	Counties confirm intent to participate (email)
11/15/10	County Plans submitted to DSS (Economic Services Section Chief)
11/19/10	County Plans are reviewed and allocations assigned
11/22/10	Award letters sent to counties (email and hard copy). Consultation & technical assistance provided as needed.
12/1/10 - 4/30/11	JobBoost Implementation (20 weeks)
5/15/11	Final project expenses submitted for processing
5/30/11	Project close out (all submitted expenses paid)
12/1/11	The Department shall report its evaluation findings to the Joint Legislative Commission on Governmental Operations Subcommittee on Education/Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committees on Health and Human Services, and the Fiscal Research Division no later than December 1, 2011.