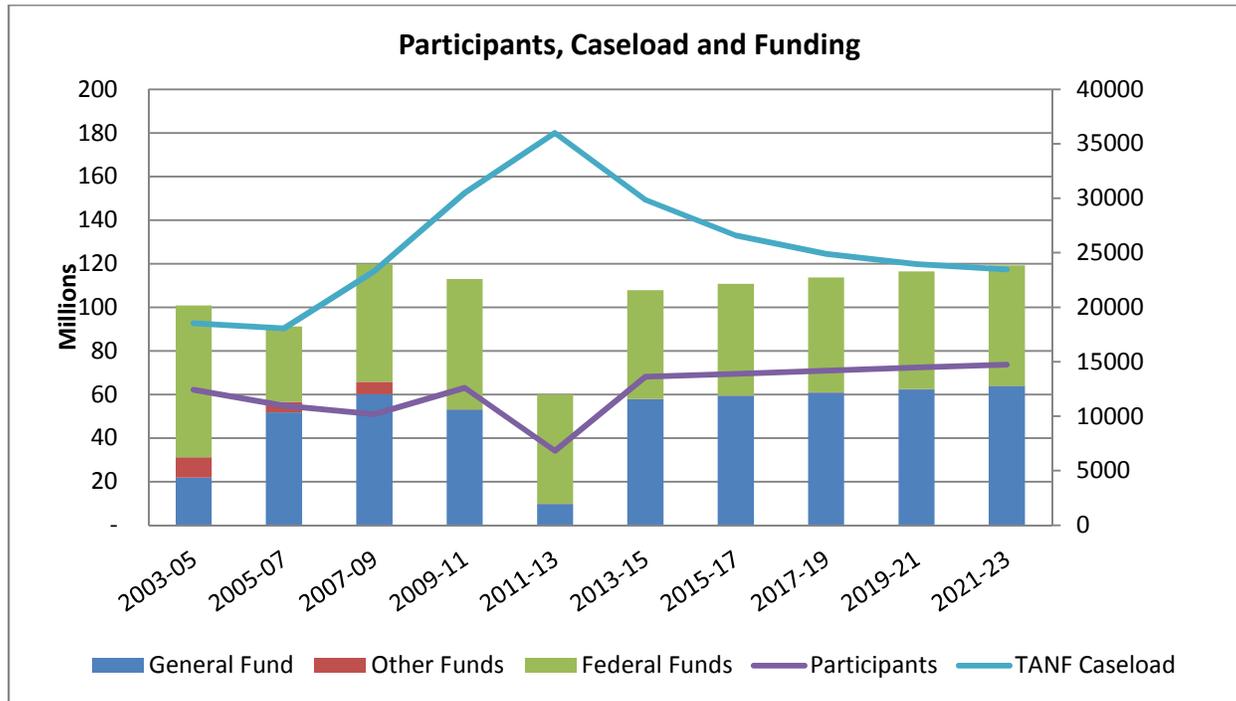


Department of Human Services: Job Opportunity and Basic Skills (JOBS) – Temporary Assistance for Needy Families (TANF) Self-Sufficiency Programs

Primary Outcome Area: Economy and Jobs
 Program Contact: Xochitl Esparza, (503) 945-6122



Note: This chart illustrates the Job Opportunities and Basic Skills (JOBS) program caseload numbers and funding sources which support the program.

Executive Summary

The Job Opportunity and Basic Skills (JOBS) program is an employment and training program for those receiving Temporary Assistance for Needy Families (TANF) benefits. The goal is to help adults in TANF families gain the skills needed to become self-sufficient through employment. TANF clients are extremely poor families with children who represent an increasingly diverse population. Most parents or caretakers in TANF families are required to participate in the JOBS program to maintain their eligibility for cash assistance. They can face possible sanctions that include losing benefits if they do not. Job preparation services are provided through the DHS field offices and a network of contracted JOBS program providers with locations in every county.

Program Funding Request

| | TANF Jobs | | | |
|----------------|------------|----------|------------|-------------|
| | GF | OF | FF | TF |
| LAB | 9,743,375 | 180,000 | 50,000,000 | 59,923,375 |
| ARB | 57,761,205 | 132,024 | 50,000,000 | 107,893,229 |
| Difference | 48,017,830 | (47,976) | 0 | 47,969,854 |
| Percent Change | 492.8% | -26.7% | 0.0% | 80.1% |

Significant Proposed Program Changes from 2011-13

| Self Sufficiency Investments/Reductions | TANF Jobs | | | |
|---|-----------|------|------|-------|
| | GF | OF | FF | TF |
| Increase JOBS funding to reduce TANF cases and return clients to work | 16.55 | 0.00 | 0.00 | 16.55 |

(\$ Millions)

This proposal would increase JOBS funding by \$48 million which includes the backfill of one-time reductions taken in 2011-13 due to budget shortfalls. This investment is also supported by an increase in case management staff in the Healthy People budget from an estimated 42 percent of workload to 78 percent of workload by the end of the biennium. Together, these investments would significantly increase the level of case management, expand the employment services array, and develop additional capacity to serve more TANF clients. It is anticipated that 5,450 of additional JOBS clients would receive services leading to shorter lengths of stay and lower TANF caseloads.

Program Description

The JOBS program provides limited education, training and job placement services to eligible families. A component of the program, JOBS Plus, provides subsidized jobs for parents or caretaker relatives by reimbursing employers for part of the wages paid to the parent or caretaker relative. In February 2012, the JOBS program provided employment and training services to 7,825 (8/31/12 updated to correct number from last bid form) TANF families.

DHS administers the JOBS program through an extensive, statewide network of community partners that help deliver services. DHS case managers work with families to develop individualized, culturally specific case plans. These plans guide what job preparation activities the client will participate in and outline any needs for support services, such as transportation and child care. The department coordinates with several organizations to deliver services including Workforce Investment Act (WIA) agencies, community colleges, the Oregon Employment Department, WorkSource Oregon One-Stop offices, and many local and county-based organizations.

Oregon's difficult economic situation has resulted in increased demand for TANF and JOBS services. At the same time, there has been a reduction in the number of case management staff. Case managers are responsible for working with the family to develop a plan to achieve self-sufficiency and to provide support and monitor progress. Currently, case managers are staffed at 35 percent of need. This impacts our ability to work with participants to achieve stability and employment outcomes. Additionally, a high percentage of a case manager's time is focused on determining eligibility for program benefits due to the increase in demand for services. This means case managers spend less time working with families on self-sufficiency plans. The JOBS program need is higher than budgeted and the related need for support services is significantly higher than existing resources can support.

The economy also has impacted the JOBS program service offerings and the number of clients that can be served at any one time. In 2007 the Oregon Legislature allowed a comprehensive redesign of the TANF and JOBS programs with a focus on enabling families living in extreme poverty to remain or become stable. Significant improvements were made in the first year of implementation. In Federal Fiscal Year (FFY) 2008, Oregon reported a 24.1 percent all-family participation rate. Reductions made during subsequent Legislative sessions have made it difficult to maintain elements of the redesign and funding cuts greatly reduced the program's ability to help parents or caretaker relatives participate in skill-building activities and find work. In July 2011, the JOBS program was cut by over 50 percent, which cause cuts in the program's service offerings and its capacity to serve eligible clients. The chart below shows the changes in services provided.

| .JOBS Service Array 2009-2011 | JOBS Service Array 2011-13 |
|---|---|
| Job Search Work Experience/Supported Work Subsidized employment (JOBS Plus) High School Diploma or GED (adults and teen parents) Adult Basic Education English as a Second Language Life Skills JOBS Skills Training Community Services Program Vocational Training On-the-Job Training Employment Retention Parents as Scholars Program Entry/Holistic Orientation Child Related activities Domestic Violence Drug and Alcohol Mental Health Learning Disability Assessments Short-Term Medical Issues Rehabilitative Services | Job Search Work Experience/Supported Work Subsidized employment (JOBS Plus)  No longer funded |
| Support Service Payments according to need: <ul style="list-style-type: none"> • Child Care • Transportation • Housing • Other | Support Service Payments: <ul style="list-style-type: none"> • Limited Child Care • Transportation • Other (must be needed to obtain employment) |
| | Job Participation Incentive (JPI) payments to certain SNAP eligible working families |

The July 2011 cuts to the JOBS program also negatively impacted the department's ability to meet federal participation requirements for TANF. States must ensure that 50 percent of work-eligible adults receiving TANF are participating in work preparation activities to meet the federal requirement. Oregon did not meet work participation requirements in Federal Fiscal Years 2007, 2008 and 2009. Oregon was not compliant in 2007 because the State Legislature was not in session when the federal government established the work participation requirement, preventing Oregon from making a statute change needed to re-design the TANF program in time to meet the requirement.

The state has until September 30, 2012 to correct its participation rate violations in order to avoid up to \$27.7 million in penalties. The department has submitted a Corrective Compliance Plan that outlines the steps it is taking to meet participation goals. These penalties, if assessed, would mean fewer resources to fund employment and training programs that help TANF families' transition out of extreme poverty through employment.

Program Justification and Link to 10-Year Outcome

There is a direct link between the JOBS program and the Economy and Jobs Outcomes area. The JOBS program aims to reduce unemployment (including underrepresented individuals) and create job-ready communities. Many of the parents or caretakers of the children in this program have limited or no work experience. The JOBS employment and training program provides activities and services focused on preparing participants to enter the workforce, help them find employment and support them as they transition off public assistance. The TANF and JOBS programs are represented in the Oregon Workforce Investment Board which is aligning strategies across Oregon's workforce programs. While the WIA programs serve all Oregonians, the JOBS program provides employment and training services to TANF recipients to address their specific needs around basic skills building, job development and placement, and support of family stability efforts.

Program Performance

DHS tracks performance and outcome measures to gauge its ability to help people become employed or improve their employment situation through participation in the JOBS program.

JOBS program outcomes were severely impacted by the 50 percent funding reduction during the 2011-2012 program year and by the low staffing levels for case managers. Many services were eliminated because of these cuts. Eliminated services include vocational training, Adult Basic Education, and life skills classes. Other services were eliminated that helped participants remove other barrier to employment such as home visitor specialists, vocational nurse consultants and specialists who helped parents or caretaker relatives with criminal history or fines work with the courts on expungement. They also provided guidance to clients for talking with prospective employers during job searches about these issues. The services that remain, and are partially funded, include job search, work experience, supported work, and JOBS Plus. Child care, transportation assistance and other supports are available in a reduced manner.

We measure total employment placements reported by parents or caretaker relatives served by the JOBS program each month. While there is considerable seasonal variation in placements, the number of placements remained relatively constant until 2007. Due to the economic downturn, placements dropped beginning in 2008. Placements gradually increased through the early part of 2011; however, they have dropped since program changes related to the 50 percent budget reduction were implemented in July 2011. Beyond the funding loss, part of the reduction in placement outcomes can be attributed to a 75 percent staffing reduction when budget cuts forced the loss of 322 of 426 FTE. This required significant redesign, including a reduction in administrative costs. Since January 2012, placements have increased slightly.

We also measure average hourly beginning wages for those entering full-time employment. Since 2003, there have been fluctuations, but also gradual improvement with an increase of \$2.30 per hour for the average starting hourly wages. Recent data shows that while the state minimum wage increased by only 10 cents (from \$8.40 in 2010 to \$8.50 in 2011), the average beginning wage for TANF families entering full-time employment increased by 25 cents between July 2010 and June 2011.

Another measure is the percentage of parents or caretaker relatives who exit TANF and the JOBS program and do not return within 18 months. Currently 64 percent of parents or caretaker relatives do not return within 18 months.

Enabling Legislation/Program Authorization

The TANF program is authorized under Title IV-A of the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and the Deficit Reduction Act of 2005. A significant portion of the JOBS program is codified in State statute chapters 411 and 412.

Funding Streams

The JOBS program is currently funded primarily through the Federal TANF block grant and General Fund dollars that count towards the state Maintenance of Effort (MOE) requirement. Oregon's TANF block grant is \$166.8 million per year. Oregon's MOE requirement is equal to 80 percent of the state's historic expenditures or approximately \$98 million per year.

Expenditures counted towards MOE must not be from a Federal source and must not be matched to other Federal funds. Oregon generally meets MOE through a combination eligible DHS and other agency expenditures. Both the TANF federal block grant and MOE expenditures must be spent in a manner reasonably calculated to meet one of four TANF purposes, which are: 1) provide assistance to needy families; 2) end dependence of needy parents by promoting job preparation, work and marriage; 3) prevent and reduce out-of-wedlock pregnancies, and 4) encourage and maintain family formations.

Federal Child Care Development Funds from the Employment Department's Child Care Division provide Other Funds used for related child care costs.