

## Outline for Granite Workforce program – previously called Gateway to Work

This outline is for the Granite Workforce (GW) program which is more business-centric than Gateway to Work. This initiative will provide a business-centric model to prepare workers for occupations where there is an identified labor shortage with low-income individuals to train for and enter into those occupations.

### Changes include:

- 1) Enhanced subsidized employment placement component that provide wage subsidies to employers when hiring a GW participant.
- 2) Budgeted funds to NHES for subsidized employment placements, coordination with industry employers, marketing, assessment, case management and outreach.
- 3) All job placements (pre- and post-barrier removal) will be managed through NH Employment Security and will be coordinated with the Community College System of New Hampshire.
- 4) No eligibility for low-income individuals (only individuals with dependent children), and childless adults ages 18-24.

The budget errata presented makes adjustments from the original fiscal item to match the redesign of the program:

- Move \$2,143,000 from class 102 (Contracts for Program Services) to class 049 (Transfers to other agencies) for CCSNH contract to be housed at NHES for better coordination of training and placements.
- Move \$2,325,000 from 102 (Contracts for Program Services) to 502 (payment to providers) for HHS payments for barrier removal.
- Move \$149,100 and another \$643,400 out of 502 (payment to providers) into 049 (Transfers to other agencies) to NHES for subsidized employment.
- Increase class 102 (Contracts for Program Services) by \$1,550,000 in SFY 2018 and \$1,750,000 in SFY 2019 in order to increase case management services to \$300 per month. Also, an additional \$50,000 in each year for marketing to populations not currently served and unidentifiable by DHHS or NHES.
- Move \$221,591 from 102 to 59 (FT Temp) and 60 (Benefits) for temp employees at DHHS.
- Move \$25,000 from 020 (Current Expense) to 049 (Transfer to Other Agencies) for printing to reach NHES mailing list.

**Program components – Employers** –the program will supply businesses with appropriate workers to address labor shortages in a number of identified occupational fields. High labor need jobs in the fields of healthcare, advanced manufacturing, construction/building trades, information technology and hospitality will be emphasized. Training and job placement will be focused on:

- Supporting healthcare – training/jobs for entry into the medical professions including medical assistants, nursing assistants, social and human service assistants, home health aides and other healthcare workers. The program plans to work with participants to develop and prepare for long-term career plans for those interested in professions that provide treatment to those with substance use, mental health, behavioral health or other health issues.

- Advanced manufacturing to meet employer needs – training/jobs that include computer-aided drafting and design, electronic and mechanical engineering, precision welding, computer numerical controlled precision machining, robotics and automation.
- Construction/building trades to address critical infrastructure needs – training/jobs for building roads, bridges, municipality infrastructure and ensuring safe drinking water.
- Information technology – training/jobs to allow businesses to excel in an ever-increasing network dependent business environment.
- Hospitality – training/jobs to support the on-going sector strategies initiatives to support the tourism industry in New Hampshire.

**Program components – Participants** – Participants will be provided needed services to build career pathways for long-term connection to the labor market. To achieve this goal, a number of activities and employment services will be provided. Activities will include:

- Vocational assessment to identify skills, interests and abilities for the creation of a career pathway.
- Education/training programs to prepare workers for the skills necessary to meet the labor demands of NH's business economy.
- Subsidized employment and apprenticeships placements will provide incentives to employers to hire workers from this program while providing participants with paid employment.

**Subsidized employment** - TANF funding allows for the provision of wage subsidies to employers to offset the costs of hiring participants from this program. There is great flexibility in designing wage subsidy programs under TANF and many states have had great success using employer incentives to hire low-income participants and participants with employment barriers. Focusing on preparing participants to fill high labor need jobs and then offering an employer incentive to hire a GW participant would be a win-win situation.

In other TANF funded work programs, some employers were reimbursed between 50% and 100% of wages for the first few months of a low-income parents' employment. Other states used a 'step down' subsidy or hiring bonuses. Incentive payments for both the employer and the worker could be created to be dispersed at certain intervals to support job retention.

As these programs saw positive impacts for low-income workers' employment and earnings, participating employers reported the multiple benefits of expanding their workforce, serving more customers and improving productivity. Two-thirds of the employers interviewed indicated they created new positions for subsidized workers and hired workers with less experience than their usual hires.

**Barrier reduction** – As NH has a 2.5% unemployment rate for February 2017, most citizens are working. When people are unemployed in this economy, it can be assumed that many are struggling with some barrier that is making it difficult for them to enter and be successful in the labor market. Contracting with community providers to help address barriers, provide case management and treatment services throughout their participation in the program, can help support productive and steady employees.

For workers to be reliable, support business needs, and to be successful in the labor market, there are some barriers that must be removed for workers, such as transportation barriers. As the transportation infrastructure for NH needs development, this program can provide specific

funds for participants for costs associated with preparing for and entering into employment such as gas money, bus passes and car repair costs. Other employment supports can include funds for specific tools for employment, appropriate work clothing, uniforms, education and training fees and registration costs.

Given the state's opioid crisis, addiction will interfere with an individual's ability to enter, remain and advance in the workforce. Connection to the labor market supports recovery efforts and overall health and well-being of workers.

**Populations to be served** - TANF funding will be used to fund a non-assistance program (no cash grants, only program supports) for the following low-income populations:

- Parents aged 18 through 64 with a child under age 18 in the household.
- Non-custodial parents age 18 through 64 with a child under age 18.
- Childless adults age 18 through 24 years of age.

When using TANF funds for a non-assistance program, the state defines the income eligibility threshold. Families, who are under 200% of the Federal Poverty Levels (FPL) at entry to the program, will be considered for eligibility. For a household size of three individuals, 200% of the FPL would be a combined income of no greater than \$40,320 annually.

**Recruitment** – Populations to consider for direct recruitment for this program include individuals receiving New Hampshire Health Protection Program (NHHPP) services, and individuals receiving Supplement Nutrition Assistance Program (SNAP) benefits, also known as Food Stamps. For February 2017, there were 11,841 NHHPP cases who had dependent children and 12,438 FS cases who had dependent children that were not receiving NHHPP. Additional recruitment efforts will include those receiving Fuel Assistance and other means tested programs as well as general recruitment aimed at the public at large. Of the NHHPP cases, 28% also receive a food stamp benefit. Recruitment will be focused on recipients from these programs.

**Partnerships** – a number of state and community agencies are appropriate as partners for this initiative. Each organization brings experience and a wealth of knowledge necessary for the success of this work program.

- New Hampshire Employment Security (NHES) – Would be the co-lead agency and primary provider of all work assessments and job placements. NHES would provide front door eligibility determination and assessment services. Along with being the front door, NHES has the well-established employer relationships around the state and the tools necessary for job placements and tracking. As some participants will not be considered 'job ready' as they begin the program, Community Partners will engage in barrier reduction. Once they have addressed their barriers and are ready to accept employment, NHES will co-case manage for placement purposes.
- Community College System of New Hampshire (CCSNH) – can provide training and apprenticeship programs. They have training programs developed to meet employer's high labor demands.

- Department of Education (DOE) – can provide education/employment programs for youth. They currently have transition programs for NH students to transition into NH jobs with the skills necessary to be successful with in-state employers. Providing youth with a clear career path within their home state may entice many to remain in NH.
- Municipality governments – can provide access to jobs supporting infrastructure development and improving long-term care for elderly and disabled populations.
- Business and Economic Affairs – including the Department of Resources and Economic Development (DRED), can provide training funds and support services already available in state. They have great understanding of employer needs in the state. It would be important to partner with the new Small Business Advocate as this initiative would want to reach all employers equally for greater statewide impact for all businesses and workers.
- Department of Labor (DOL) – can provide services through the Office of Apprenticeships. They have ability to identify occupations to make specific jobs apprenticeable.
- Community Providers – provide treatment, intensive case management and other services to prepare individuals for employment and help to arrange needed supports to allow for job retention and stabilization. It would be expected that case management services would continue for up to at least one year after placement into employment.

**Staffing** –It would be necessary to have dedicated DHHS staff to manage this program and it is assumed that three staff would be hired after July 1<sup>st</sup>, 2017. With the added focus of subsidized employment and job placement by NHES, NHES will shift some of the existing budget to be available for additional staff.

**Costs Savings** – There will be immediate cost savings when individuals move into jobs where they no longer receive NHHPP or SNAP assistance. As federal dollars currently make up the majority of the funding for these two programs, there would be minimal non-federal savings.

The cost per recipient for NHHPP is \$646 a month ( 95/5% federal/non-federal split). The average food stamp allotment in January 2017 was \$302 a month, all federal funds. When a GW participant gets placed into employment and is no longer eligible for these two programs, there is a savings of \$948 a month which equates to a \$916/\$32 split for federal/non-federal savings.

**Outcome Measures** - Planning for a robust evaluation of the long term outcomes of this program includes measuring the impact on employers to obtain the needed, trained workforce to improve business operations, productivity and the ability for the company to remain in the State. Equally, the program will measure the long-term effects on families when obtaining steady employment and look at the impacts on a family's socioeconomic status and overall health and well-being. Having healthier families with more disposable income generates more spending in local communities, helping to further strengthen NH's economy.

The Department will issue an RFP for program evaluation, which may include using the Workforce Innovation and Opportunity Act (WIOA) performance measures for this work program. The contractor will work with businesses, partner organizations, and participants to engage in long-term program evaluation to establish return on investment. This may include outcomes such as the long-term (two-generation) impact on: the number of skilled workers in New Hampshire, state GDP, business growth, poverty rates, rates of substance abuse, incarceration rates, housing, recidivism, health, education, and government spending.

Because we are creating a new program, utilizing funds not previously appropriated for other purposes, we have the opportunity to measure the impact of these programs without having to control for a reduction in support elsewhere.

**Implementation** – An October 2<sup>nd</sup>, 2017 implementation date is anticipated as this aligns with the federal fiscal year for required TANF reporting.

	A	B	C	D	E	F	G	H	I
1	Department of Health and Human Services								
2	Division/Bureau: DFA Granite Workforce								
3	Adjustment To Governor Budget								
4	Date: 2/28/2017								
5									
6	AU	CLA	Name of Program	SFY 2018 Governor Budget	SFY 2018 Increase (Decrease)	SFY 2018 Revised Budget	SFY 2018 Governor Budget	SFY 2018 Increase (Decrease)	SFY 2018 Revised Budget
7			DESCRIPTION						
8			Class Title						
9	5218	010	Personnel Services-Permanent						
10	5218	011	Personnel Services-Unclassified						
11	5218	012	Personnel Services-Unclassified						
12	5218	017	Full Time Temporary						
13	5218	018	Overtime						
14	5218	019	Holiday Pay						
15	5218	020	Current Expense	108,050	(25,000)	83,050	108,050	(25,000)	83,050
16	5218	021	Food Institutions						
17	5218	022	Rents & Leases Other than State						
18	5218	023	Heat, Electricity & Water						
19	5218	024	Maintenance Other than B & G						
20	5218	026	Organizational Dues						
21	5218	027	Transfer to Office Info. Technology						
22	5218	028	Transfer to General Services						
23	5218	029	Transfers to Data Center						
24	5218	030	Equipment						
25	5218	037	Technology - Hardware						
26	5218	038	Technology - Software						
27	5218	040	Indirect costs						
28	5218	041	Audit Fund Set Aside	1,040		1,040	1,040		1,040
29	5218	049	Transfer to Other Agencies	2,230,860	2,960,500	5,191,360	2,230,860	2,960,500	5,191,360
30	5218	059	Full Time Temporary		142,351	142,351		148,532	148,532
31	5218	060	Benefits		79,240	79,240		84,102	84,102
32	5218	070	In-State Travel Reimbursement	10,000		10,000	10,000		10,000
33	5218	080	Out-Of State Travel						
34	5218	102	Contracts for program services	6,439,830	(3,139,591)	3,300,239	6,439,830	(2,950,634)	3,489,196
35	5218	501	Payments to Clients						
36	5218	502	Payments to Providers	1,612,100	1,532,500	3,144,600	1,612,100	1,532,500	3,144,600
37	5218	538	Emergency Assistance						
38									
39			Total Expenditures	10,401,880	1,550,000	11,951,880	10,401,880	1,750,000	12,151,880
40									
41		000	Federal Funds						
42		009	Other Funds	10,401,880	1,550,000	11,951,880	10,401,880	1,750,000	12,151,880
43		GF	General Fund						
44									
45			Total Revenue	10,401,880	1,550,000	11,951,880	10,401,880	1,750,000	12,151,880
46									
47			Explanation:						
48			Alterations to the Granite Workforce AU						
49									
50									
51			Legislation Needed						