Jobs Opportunities for Low Income Individuals

By Carol Wayman, NCCED

Background

The Job Opportunities for Low Income Individuals (JOLI) Program was originally authorized as a demonstration under Section 505 of the Family Support Act of 1988 and was expanded in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The success of the JOLI program was recognized when Congress dropped its demonstration status and increased the authorization from $6.5 million to $25 million.

JOLI's mandate is to create job and business opportunities for welfare recipients and other low-income individuals through 1) self-employment; 2) micro-enterprise, 3) new business ventures, 4) business expansion through the provision of technical or financial assistance to private employers to create new jobs, and 5) non-traditional employment development initiatives. Each JOLI award creates approximately 100 permanent full-time jobs for people whose income has not exceeded 100 percent of the official poverty guidelines.

Funded projects must 1) create new employment and/or business opportunities for welfare recipients and other low-income individuals; 2) enter into a cooperative agreement with the local Temporary Assistance for Needy Families (TANF) agency involving supportive services and client referrals to the project, and projects are encouraged to establish a formal partnership with the local Child Support Enforcement agency involving non-custodial parent referrals to the project; 3) develop a comprehensive project design that describes: the work program and strategy; the participant training design; support services and counseling; technical and financial assistance plan; access to business capital; and, follow-up participants support services; and 4) include an independent methodologically sound evaluation of the effectiveness of the activities in creating new jobs and/or business opportunities. JOLI funds cannot be used for new construction or for the purchase of real property.

The program is administered by the Office of Community Services (OCS) within the Department of Health and Human Services (HHS), and is designed to evaluate which strategies are effective in transitioning individuals from Welfare-to-Work. Each year, five to ten grants are awarded to nonprofit organizations to implement a range of job creation strategies including self-employment, business expansion and business creation. HHS estimates that these JOLI investments will lead to 3,875 new jobs and the establishment of 1,708 new micro-businesses.

CDC Success Story

In Maine, Coastal Enterprises Inc. used JOLI funds to operate the Structured Opportunities for AFDC Recipients program (SOAR) to link welfare recipients to jobs with developing businesses.

Status

OCS has maintained JOLI funding at about $5.5 million annually and makes about ten awards. The Notice of Funding Availability (NOFA) is usually released at the end of the summer.

The demand for JOLI awards far outstrips the supply. In any given year, between 150 – 300 applicants compete for ten grants. Winning organizations typically score 98 or more points out of 100. In 2004, 176 applications were received and ten grants were awarded for $4.9 million. OCS expects to award ten grants in FY05 for a total of $4.9 million.

President Bush and some policy makers stated that JOLI was duplicative of TANF and should be eliminated in FY06. NCCED's analysis proves otherwise. In 2001, NCCED analyzed the success of nonprofits in accessing TANF from 1997 - 2001. NCCED surveyed 273 nonprofit organizations that had scored at least seventy points (out of 100) in their applications to JOLI. NCCED's findings indicate that only fifty-five percent of the groups surveyed received TANF funds at any point during the survey time period. Only nineteen percent of respondents received TANF for job creation activities. The majority received TANF for general support activities such as workforce readiness, child- care, and education referrals. Our analysis finds that community based nonprofits received little support for their job retention and job creation strategies from TANF funds.

Organizations that were funded by TANF were more likely to be in urban areas and in states with strong state community development or anti-poverty associations. They also were slightly more likely to have submitted a JOLI application in the early years of TANF's implementation. Organizations in states with local TANF administering agencies – as opposed to states – were more likely to access TANF.

<u>What You Can Do</u>

Demonstrate to your Congressional delegation the importance of this program in creating jobs for very low-income people, including those formerly on public assistance. Support enactment of the authorized level of funding for JOLI at $25 million.

Legislators are planning to reauthorize TANF this year. Let them know that based on NCCED's research and your organization's experience, TANF funds are not duplicative of JOLI. Nonprofit CDCs that have demonstrated success at job creating local employment programs for low-income people are not funded by TANF. Congress should consider incentives or federal categorical programs to ensure that strong community-based organizations are fully enlisted in the efforts to provide economic opportunities for welfare recipients.

For More Information

Web Resources
http://www.acf.hhs.gov/programs/ocs/ocsfs2004.htm#JOLI JOLI Fact Sheet
http://www.acf.hhs.gov/programs/ocs/dcdp/joli/welcome.htm JOLI Description

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Community Services
370 L'Enfant Promenade, SW
Washington, DC 20447
Ph: (202) 401-9333
Fax: (202) 401-4687
http://www.acf.dhhs.gov/programs/ocs

Coastal Enterprises, Inc.
PO Box 268
36 Water Street
Wiscasset, ME 04578-0268
Ph: (207) 992-7552
http://www.ceimaine.org

Section 3

By Carol Wayman, NCCED

Section 3 of the Housing and Urban Development Act of 1968 aims to promote local economic development, neighborhood economic improvement, and individual self-sufficiency. As amended, Section 3 establishes as Federal policy that the employment and other economic opportunities generated by Federal housing assistance for housing and community development programs should be directed, to "the greatest extent feasible," towards low and very low-income people, particularly those who receive government housing assistance. Section 3 does not provide funds; it governs the use of existing funds.

The statute requires all recipients of the U.S. Department of Housing and Urban Development's (HUD) housing or community development funds to make their best efforts to provide employment and training opportunities for low and very low-income people. It establishes a hierarchy for those efforts, which target first, residents of public and assisted housing; second, residents of other neighboring developments also receiving Federal assistance; third, Youthbuild participants; and fourth, homeless people.

In carrying out Section 3, HUD must coordinate with other Federal agencies. The statute refers to the Departments of Labor, Health and Human Services, and Commerce, the Small Business Administration, and other agencies that the HUD Secretary determines are necessary.

Section 3 covers a wide spectrum of resources and can be broadly applied in neighborhoods where poor people live. Most of the jobs Section 3 creates are in the building trades. However, there are also opportunities to include administrative jobs in public housing operations, and, for example, in the supportive services included in Welfare-to-Work initiatives.

Status

For many years after its passage in 1968, Section 3 lay dormant, but the 1992 uprising in Los Angeles focused Congress' attention on Section 3. The statute was strengthened through amendments that year, and in 1994, HUD issued an interim rule, which is still in effect. In particular, the interim rule attempts to clarify the meaning of the phrase "greatest extent feasible" by designating annual, numeric goals.

Generally, the numeric stipulations require that minimally 30 percent of any new hires supported by Federally assisted housing or community development projects should be retained from the Section 3 population. However, specific application of the interim rule to housing versus community development projects differs, and it is important to note that Section 3 applies only to new hires. Additionally, businesses controlled by public housing residents, or other low-income individuals, or businesses that largely employ public housing residents, should secure at least 10 percent of the contracting work associated with such projects.

Limitations

Extensive use of Section 3 is limited. It applies only to new hires. Furthermore, Section 3 does not specify time durations for jobs created. Subsequently, the jobs available to residents under Section 3 are frequently temporary. While aggrieved individuals or businesses may file a complaint with the HUD Assistant Secretary for Fair Housing and Equal Opportunity, HUD rarely monitors or investigates compliance. The overall effectiveness of Section 3 would be greatly improved if Section 3:

- Were better linked to welfare reform and Welfare-to-Work initiatives.
- Had more consistent enforcement and compliance activities.
- Leveraged nonprofit partners better. Many nonprofit organizations, by their nature, are best equipped to help in the design and implementation of Section 3 programs. They can serve as a "bridge" between the community and employers, recruiting, prescreening, referring, and training.
- Faced fewer barriers in existing local, state, and Federal law and regulation. Section 3 is limited to efforts consisting with those laws and regulations. Certain of them, such as those governing Federal procurement or public housing income allowances, may need to be changed in order for Section 3 to fulfill its potential.
- Were amended to strengthen economic opportunities for the intended beneficiaries. While Section 3 provides opportunities for economic advancement, current regulations allow the spirit of the law to be manipulated easily. For example, there is no employment term included in the definition of "new hire." A new hire can be someone who is employed for one day or one year. These sorts of gaps in the regulation are an invitation to strategic behavior on the part of recipients of HUD funds.

Success Story

In Hartford, Connecticut, more than 300 public housing residents have been hired in the past two years under Section 3. Several factors underlie this success. Over $90 million in HUD Comprehensive Grant, HOPE VI, and New Development funds have become available. The Hartford Housing Authority (HHA) has begun implementing the Family Reunification Program, which aims to bring fathers back together with families and, where possible, makes them eligible for Section 3 construction job opportunities. HHA also operates Family Investment Centers, through which residents establish work plans for further education, training, and employment.

What You Can Do

As a community practitioner, there are a number of ways you can help promote Section 3 and to facilitate compliance:

- Be informed. Obtain and review copies of local government bid packages, equal opportunity and affirmative action policies, related monitoring forms, and HUD monitoring reports.
- Initiate or participate in the drafting of model Section 3 plans for use by local governments and housing authorities.
- Establish Section 3 monitoring groups and act upon the information you collect.

Advocate for full implementation and file grievances or complaints that require Section 3 implementation and compliance.

- Assist community organizations and residents in forming Section 3 businesses or training programs.

For More Information

Web Resources
http://www.huduser.org/publications/pubasst/lesson3.html Section 3 research paper
http://www.hudclips.org/sub_nonhud/html/pdfforms/60002.pdf Section 3 form

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 Seventh Street, SW
Washington, DC 20410
Ph: (202) 708-1112
TTY: (202) 708-1455
http://www.hud.gov

Workforce Investment Act

By Carol Wayman, NCCED

Background

The Workforce Investment Act of 1998 (WIA) was the first major overhaul of the nation's job-training system in more than 15 years and replaced the Job Training Partnership Act. Sponsored by the Employment and Training Administration (ETA) of the Department of Labor (DOL), WIA represents customer-driven reform that will help connect potential employers and employees by providing the resources and training necessary to survive in today's competitive employment environment. It was built around seven key principles:

(1) Streamlining services;
(2) Supporting a strong role for local boards and the private sector;
(3) Empowering individuals;
(4) Ensuring state and local flexibility;
(5) Increasing accountability;
(6) Improving youth programs; and
(7) Providing universal access to core employment services via the One-stop system.

WIA's program structure underscores the critical role of state and local entities in achieving success. WIA redefined the federal role as one of coaching and guiding and empowered states and localities to define a program that best serves their respective contingencies. Each state governor appointed a state Workforce Investment Board (WIB) which developed a five-year plan to roll out its workforce initiative in accordance with WIA. State WIBs, in turn, appointed local WIBs to create and administer a program for each Workforce Investment Area, as determined by DOL. To emphasize the importance of servicing youth, each Local Board is advised by a Youth Council.

The cornerstone of WIA is its "One-Stop" system design, which provides a full menu of job training, education, and employment services at a single neighborhood location. These centers provide adults, veterans, dislocated workers, and youth with skills assessment services, information on employment and training opportunities, unemployment services, job search and placement assistance, and up-to-date information on job vacancies. All formula and competitive grantees are required to sign Memoranda of Understanding (MOUs) with Local Boards to serve as partners in the One-Stop service delivery system.

Youth Opportunity Grants were created and funded under WIA. Through a national competitive grant process, this initiative supports projects that provide employment and training services to disadvantaged youth in Empowerment Zones, Enterprise Communities, and other high-poverty areas.

Status

For FY 2005, the Congress has approved funding for WIA at $5.3 billion. President Bush has requested $5.1 billion in funding for 2006. President Bush also requested that the Youth Opportunity Grants program be eliminated. Congress provided $985 million for this program in FY 2005.

The Administration, along with the DOL, has proposed sweeping changes to WIA, which is a relatively new program. The proposed changes would combine the WIA Dislocated Worker Program, the WIA Adult program, and the Employment Service program, into one block grant. The proposed block grant would effectively cut funding for the three programs to levels below those in 2002.

Advocates, along with some members of Congress, feel it is too soon to make major changes to the WIA program. They are, instead, promoting certain key changes to be considered in the WIA reauthorization debate, including preserving and increasing federal funding, specifically for job training programs and one-stop infrastructure needs; broadening the range and eligibility requirements for job training; providing greater state and local flexibility regarding WIA implementation, funding mechanisms, and performance measures; improving data collection, both through outcome assessment and through state/local reporting requirements; and improving linkages with the TANF Program. Some CDCs operate "one-stop" WIA centers.

What You Can Do

The critical challenge for CDCs is to ensure that community residents are linked to appropriate employers and services. CDCs have valuable resources including good relationships with potential employees, ability to provide transportation, child-care, and other supports to employees, and the ability to communicate in the various languages of the residents. CDCs can act as brokers- bringing their local residents together with nearby community colleges or job training facilities.

For More Information

The Workforce Alliance
Christin M. Driscoll, Policy Director
1054 31st Street, NW Suite 425
Washington, DC 20007
phone: 202/338-0737 x103
fax: 202/337-6508
e-mail: christind@workforcealliance.org
www.workforcealliance.org
http://www.workforcealliance.org/who/platform_wia.shtm (WIA Improvements Plantform)

U.S. Department of Labor
Employment and Training Administration
Office of Career Transition Assistance
200 Constitution Avenue, NW
Washington, DC 20210
Ph: (202) 693-2700
Email: AskWIA@doleta.gov
http://www.doleta.gov/

Youthbuild

By Carol Wayman, NCCED

Background

The Youthbuild (HOPE for Youth) program is administered by the U.S. Department of Housing and Urban Development. The purpose of the program is to help economically-disadvantaged young adults between the ages of 16 and 24 who are high school dropouts obtain the education and employment skills necessary to achieve economic self-sufficiency as well as develop leadership skills and a commitment to community development in low-income areas. Another important objective of the Youthbuild program is to expand the supply of permanent affordable housing for homeless persons and members of low- and very low-income families. The youths obtain education and employment training through construction or rehabilitation of affordable housing. They are also provided leadership training and encouraged to perform community service.

Any public or private nonprofit agency that is eligible to provide education and employment training under other Federal employment training programs may apply. Competitions are held annually, based on the appropriation for the program. Applicants are strongly encouraged to seek out and take advantage of other Federal, State, local, or private funds for housing construction, job training, counseling, referral, or social services, which can be augmented with a Youthbuild grant.

More than $300 million in grants have been awarded since the program's inception in 1993 enabling over 8,351 young people to construct or rehabilitate more than 4,935 affordable housing units in their communities.

Status

HUD will issue a Notice of Funding Availability (NOFA) in the Spring. For the 2006 budget, the White House is proposing moving Youthbuild from HUD to the Department of Labor. Youthbuild applications are competitive: Only 25% of requests win awards every year.

YouthBuild U.S.A. is the primary advocacy group for the Youthbuild program and can provide information regarding Youthbuild programs nationally (see contact information below).

Youthbuild's Funding History: (in millions)

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
$ Appropriated	$30	$35	$42.5	$42.5	$60	$65	$60	$65	$62

For More Information

U.S. Department of Housing and Urban Development
Office of Economic Development
Office of Community Planning and Development
451 7th Street, SW
Washington, DC 20410
Ph: (202) 708-2035
Phyllis Williams
http://www.hud.gov/offices/cpd/economicdevelopment/programs/youthbuild/index.cfm

YouthBuild U.S.A.
58 Day Street
PO Box 440322
Somerville, MA 02144
Ph: (617) 623-9900
Fax: (617) 623-4331
http://www.youthbuild.org

YouthBuild USA West Coast
Regional Office
1755 Broadway, Suite 504
Oakland, CA 94612
Ph: (510) 663-4600
Fax: (510) 663-4610