OPPORTUNITY HIRING
GRANT
PILOT PROPOSAL

Workforce & Business Development Committee
February 10, 2020
OPPORTUNITY
HIRING
GRANT

TOPICS OF DISCUSSION

• INNOVATIVE SOLUTION
• OBJECTIVES
• PROGRAM COMPONENTS
• TALENT DEVELOPMENT LANDSCAPE
INNOVATIVE SOLUTION

THE OPPORTUNITY HIRING GRANT WILL INCREASE EQUITY AND OPPORTUNITY IN ECONOMIC DEVELOPMENT BY:

• Incenting companies to partner with training providers to fill jobs
• Incenting companies to consider alternative pathways to employment within their organizations
• Increasing the hiring of Charlotte residents
• Making investments that stay with the employee through his/her career
• Filling a gap in our incentive portfolio
WHAT IS AN OPPORTUNITY HIRING GRANT?

- Up to $2,500 cash grant to a prospective or expanding company for each new full-time employee hired from certified talent development partners
  - Not to exceed 50 positions
- Company must demonstrate that they have hired the employees and provide position, benefit, and wage data
WHAT ARE THE OBJECTIVES?

- Increase opportunities for individuals to obtain jobs in Charlotte
- Create an additional "tool" for business recruitment and expansion that is tied to providing equitable opportunity to new jobs created
- Bolster utilization of the City of Charlotte's talent development partners
- Increase connections between economic development and community talent development objectives
WHO ARE WE TARGETING?

PROSPECTIVE COMPANIES
Considering Charlotte for a relocation and can demonstrate a competitive site selection process

EXPANDING COMPANIES
Existing company within the City of Charlotte, looking to expand and create new positions
## COMPANY ELIGIBILITY

### COMPANIES
- Meet wage parameters of BIP
- Prospective or existing company with plans to hire in Charlotte
- Engaged in a competitive site selection process.

### TARGET INDUSTRY
- Technology
- Adv. Manufacturing
- Transportation & Logistics
- HQ/Professional Services/Back-Office Support
- *Others considered on case-by-case basis

### CREDENTIALS & SKILLS
Eligible positions must have transferrable, in-demand skills with competitive wages

### TALENT PARTNERS
Companies are incented to hire from the City’s certified talent development partners
NASHVILLE, TN:
Fast Growing Business Employment Incentive
Cash Grants

DENVER, CO:
Job Training Tax Credit

COLUMBUS, OH:
Jobs Growth Incentive

WAKE COUNTY:
Business Development Grant Upward Mobility Bonus

SOUTH CAROLINA (State Grant):
Work Opportunity Tax Credit

NORTH CAROLINA (State Grant):
Job Development Investment Grant
FINANCIAL COMPONENT

• For the pilot, we are proposing an award of up to $2,500 per new employee, not to exceed 50 employees.

• Provided to company as a cash grant (not a reimbursement) once hiring has been completed; company will have defined period of time to make all hires.

• Grant money can be used for:
  ◦ Offsetting the tangible and intangible costs of hiring
  ◦ Covering costs of professional certification exams, internal training, etc. a new employee may require upon entry to the position
  ◦ Leverage grant money with Community College Customized Education grants or Charlotte Works Upskill grant awards
REPORTING COMPONENT

# Grants awarded / Jobs created

# Eligible Candidates presented

# Eligible Candidates hired and from which training partner; hiring salaries

Quarterly Feedback received from companies and training partners over first year
TALENT DEVELOPMENT PROGRAMS

TRAINING PROGRAM EXAMPLES:
- Continuing Education Programs
- Technology Training Programs
- Skilled Trades
- Professional Services Skills

PROVIDER SELECTION:
- Developing a process for talent development partners to submit an application for inclusion in the program
- Must be not-for-profit and located in Charlotte
- Must offer industry-certified curriculum and credentials
- Continue to provide support to those placed in employment to ensure positive outcomes
- Provide onboarding support to companies who make hires
WHAT SUCCESS LOOKS LIKE

• Helps achieve City’s mission of being a top market for business recruitment and expansion by developing a highly skilled talent pipeline.

• Utilizes our talent development partners and increases placement in employment opportunities for program participants.

• Relocating and expanding companies who do not meet capital investment threshold, can still qualify for a grant.
CHALLENGES OF CURRENT JOB MARKET

- RECORD LOW UNEMPLOYMENT
- SKILLS GAPS
- AUTOMATION
- EQUITY AND ACCESS TO JOBS
## GAP IN OUTCOMES

<table>
<thead>
<tr>
<th>Program</th>
<th>Participants</th>
<th>Graduates</th>
<th>Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill IT Futures (2019 YTD)</td>
<td>184</td>
<td>184</td>
<td>81</td>
</tr>
<tr>
<td>(some currently employed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNC- Digital Skills Boot Camps (2019 YTD)</td>
<td>386</td>
<td>129</td>
<td>116</td>
</tr>
<tr>
<td>(many currently employed)</td>
<td></td>
<td>(looking for employment)</td>
<td></td>
</tr>
</tbody>
</table>
WHY THE GAP?

**Industry**
- Perceived cost of hiring is greater than industry average (approx. $4,000)
  - Hidden costs of “work socialization”
- Training is not in line with company expectations or skills needed

**Participant**
- Lacks job readiness or continues to have barriers to employment
- May choose a different industry
- Enrolls in additional training rather than seeking employment