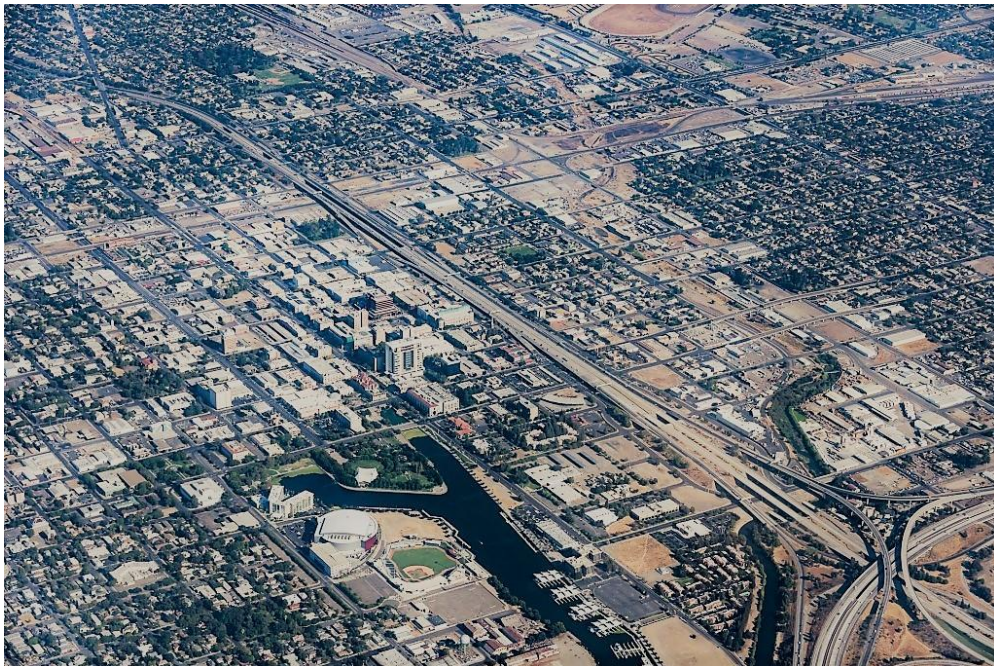


City of Stockton

# Hire Stockton

A workforce Incentive Program



Economic Development Department  
October 2018

## **Mission and Objectives**

The City of Stockton Economic Development Strategic Plan, published in 2015, identified core goals of economic development in Stockton. Critical to economic development is the retention and expansion of existing industry and development of business incentives.

Among the most significant challenges to industry can be the attraction and retention of a highly qualified workforce. Additionally, an ongoing challenge facing some Stockton residents is access to quality, high-wage employment opportunities. To mitigate the challenges facing residents and businesses, the City of Stockton has developed a unique new workforce incentive grant to address both sides of this equation simultaneously.

Hire Stockton is a new workforce grant program designed to encourage existing businesses to hire, train and retain employees from designated local (economically distressed) census tracts.

The program seeks to support four key aspects of workforce and economic development: increased wages, job growth, technology investment, and productivity enhancement.

The program supports full-time production, technology support or direct customer service positions created in Stockton. This program is intended to support high wage employment opportunities to residents in economically disadvantaged areas.

## **Administration**

Administration of the City of Stockton's Hire Stockton Program shall be the responsibility of the Director of the Economic Department, or designee, including promoting the program and processing all applications. The Hire Stockton Program will be funded using General Funds as approved by Stockton City Council. Funding of \$50,000 to be used toward assisting businesses with workforce training and development for fiscal year 2018-2019 for this program.

## **Type of Assistance**

The parameters of the various components of the Hire Stockton Program are set forth below. The City will award grants up to \$10,000 per company. The following terms apply:

1. Only businesses located within Stockton city limits are eligible for this program.
2. Grants shall only be awarded on a reimbursement basis.

3. Companies must hire, train and retain the new employee for at least one year (minimum of at least 52 consecutive weeks).
4. Employees hired and trained must reside in a targeted census tract as identified in the attached map.
5. Wage requirements apply, see below chart for further details.

### **Grant Funds**

Incentives shall be offered on reimbursement basis only. Grant award amounts of \$5,000 to \$10,000 (*based on expected level of pay and retention of newly hired employee for a minimum of one year*). The maximum grant amount to be expended for this program shall not exceed \$10,000 per company/applicant and is relative to level of pay for the newly hired employee.

For all approved applications, the City of Stockton will distribute grant funds after targeted employees have successfully completed one year of employment and all program reporting forms have been submitted to the City of Stockton Economic Development Department. Once all employee related information is verified by City staff, a request for funds will be submitted to accounts payable for grant distribution.

#### **Grant Funds awarded based on Wages Paid**

| <b>Wages Paid per Hour</b> | <b>Grant Funds Awarded per Full-Time Employee</b> |
|----------------------------|---------------------------------------------------|
| \$20-\$22.49               | Up to \$5,000                                     |
| \$22.50 - \$24.99          | Up to \$7,500                                     |
| \$25 and Up                | Up to \$10,000                                    |

### **Applicant Eligibility**

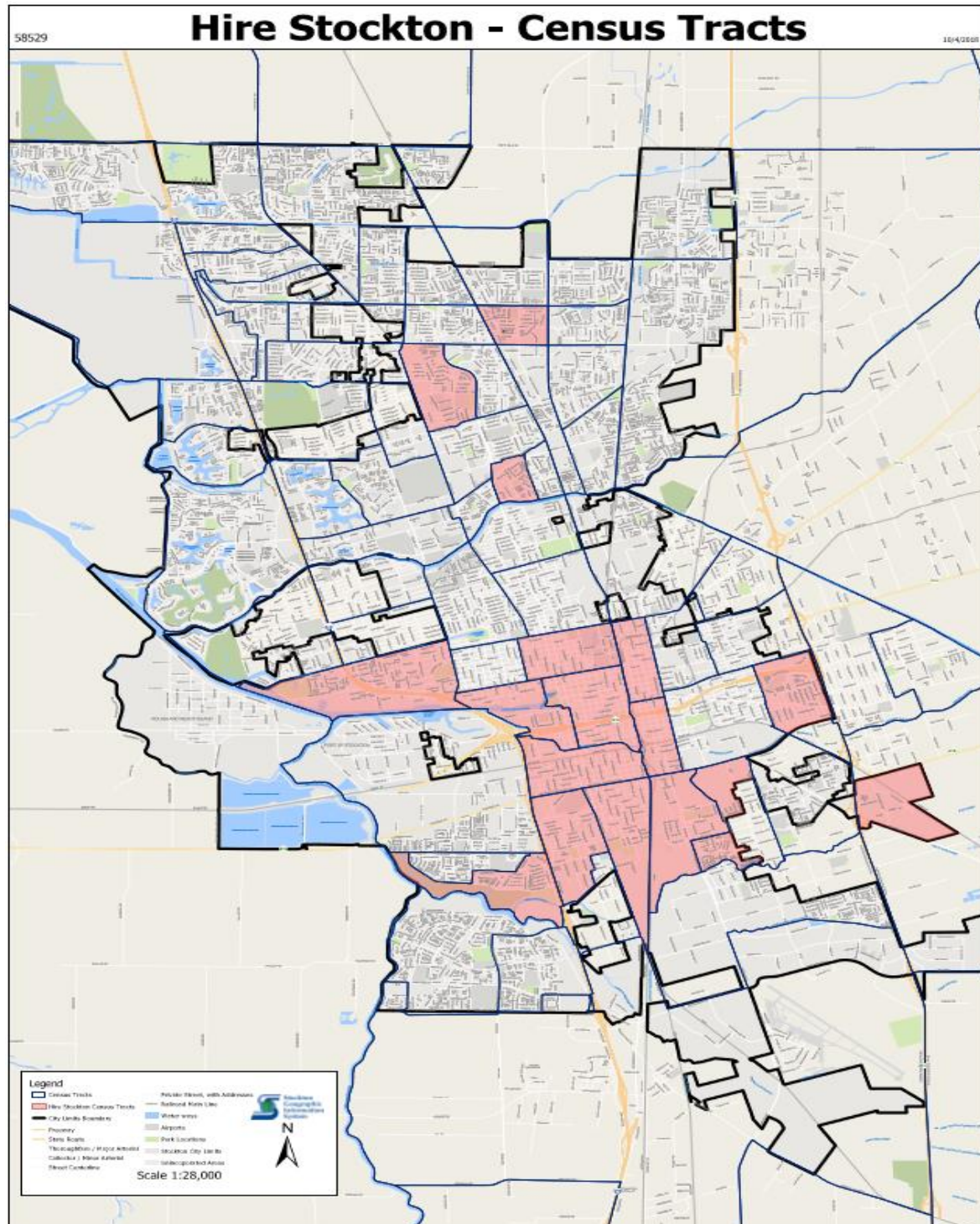
Businesses interested in applying for grant funds should be those types with training needs for new technology, industrial skills, or manufacturing processes and who pay wages at or above a livable wage, which for this program is defined at \$20 per hour.

1. Business must be located within Stockton city limits.
2. Employer of more than 20 employees.
3. Employer must have been located within Stockton for a minimum of five years.
4. For purposes of this program, new employees are required to be permanent, full-time positions with paid benefits packages and be paid a minimum of \$20 per hour.
  - a. Full Time Positions are defined as positions where an employee is employed on average at least 30 hours per week.

- b. Paid Benefits are defined as company provided health insurance which the company pays at least 50% of the premiums for participating employees.
- 5. Eligible new hires must be employed for at least one year (minimum of 52 consecutive weeks).
- 6. Applicants will be required to enter into an agreement with the City in order to qualify for disbursement of grant funding.
- 7. Applicants will be required to submit all required documentation to verify eligibility.

### Qualified Employees

Workforce training grants will be awarded to businesses that hire, train and retain new employees who are unemployed or underemployed and reside in one of the designated eligible census tracts. The following map illustrates the program's designated census tracts from which employers must hire to be eligible for grant funds. **Economically disadvantaged areas have been identified as census tracts in the City of Stockton where 30% (or more) of families live below the federal poverty level of \$25,094 for a family of four.**



**Rules and Exceptions**

1. Grant funds are awarded on a first come, first served basis.
2. Funds must be used for hiring and training employees who reside in one of the program's designated census tracts, and documentation will be required to receive grant funds.
3. Newly hired employees must remain employed for at least one year after hired (minimum of 52 consecutive weeks).
4. Grant funds may only be used for new hires.
5. Grant funds not eligible for relatives or dependents of the employer or for business owners.
6. Wages must be those that the employer pays Federal Unemployment Tax Act (FUTA) taxes.
7. Wages must be paid by the employer.
8. Employers are only eligible for grant disbursement AFTER all qualifications have been met and verified. This includes hiring an employee who resides in a census tract as detailed on the accompanying map, retaining the employee for a minimum of one year (minimum of 52 consecutive weeks) after initial hire date and meeting the wage requirements as outlined in these guidelines.

**Performance Reporting:**

Recipients must submit all required documentation required by the program guidelines including; employee data such as place of residence, wages paid, and status of employee (active or inactive). All grant funds will be distributed based on employers' documentation of compliance with Hire Stockton rules.

**Grant Amounts:**

The maximum grant amount to be expended for this program may not exceed \$10,000. The Economic Development Director shall have discretionary authority to reduce or increase funding for a project based upon specific criteria.

**Grant Applications:**

1. Applicants may submit one application per business/per year.
2. Applications should be submitted to the Economic Development Department located at 400 E. Main Street, 4<sup>th</sup> Floor, Stockton, CA.
3. Applications can be submitted in person, via U.S. Mail or through electronic submission at [sheba.person-whitley@stocktonca.gov](mailto:sheba.person-whitley@stocktonca.gov).
4. No application fee to participate in this program.
5. All grant applications will be reviewed by Economic Development Department staff to determine eligibility and conformance of the program guidelines.

**Grant Approval:**

Grants in amounts below the current City Council threshold shall be approved by the Economic Development Director or designee, upon staff review and recommendation.

Based on the analysis of the information obtained, a grant decision will be made by the Economic Development Director or designee. Staff will confer with grantee either in person or via written communication to outline the process of receiving the grant funding and steps of the grant making process. Staff will provide grantee with a written checklist of compliance requirements and contract for the grant proceeds.

**Disbursement of Funds:**

Upon submission and review of all required documentation, funds will be authorized to the business. Grant funds are paid upon verification and completion of one full year (52 consecutive weeks) of full-time employment.

Grant funds will only be disbursed upon completion and submission of all necessary documentation in compliance with program guidelines.