

Proposed New Average Wage Methodology for Calculating Local Job Grant Payments

The proposed average wage method focuses on identifying the average wage paid to all existing and new employees that live in the area (excluding CEO and owners) and making local jobs grant payments based on where that overall company average wage falls within the County's existing local jobs grant payment tier categories (\$3,000, \$5,000, or \$7,000). Under this new methodology, the amount of a job grant payment will be based on the number of net new eligible employees for the phase being tracked and the company-wide average wage level excluding the CEO and owners. Similar to the current local jobs grant payment method, a company will be eligible to receive up to a total of nine (9) separate local jobs grant payments, three (3) separate 1/3rd jobs grant payment for each of three (3) separate phases.

The process to verify compliance involves multiple steps over several years. On a quarterly basis, the qualifying company will submit quarterly state re-employment tax reports (RT-6 reports) and employee census reports to the County (this is the same information that is required to be submitted under the current local jobs grant program). The quarterly RT-6 reports will be reviewed by county staff to identify the number of employees that do not meet the minimum quarterly wage amount to qualify for the lowest local jobs grant payment tier category. The employee census will be reviewed to verify where each employee lives (must be located in area/region) and to identify pre-existing employees. The combination of the two documents will allow for the identification of those area employees and wages to exclude from the jobs grant payment calculations.

On a quarterly basis, County staff will input in a tracking spreadsheet the total wages from the submitted RT-6 reports (taken from last page of RT-6 report), the wages for the CEO, owners, and out of area employees, and the total # of adjusted employees (total employees minus the CEO, owners and out of area employees). Formulas will then be used to calculate the adjusted quarterly wages paid (total wages minus wages for the CEO, owners, and out of area employees). After four (4) quarters of wage data entry (after a phase commencement date), formulas will calculate the average wages paid for the adjusted employees over the four (4) quarters. This average wage number will then be used to identify which local jobs grant payment tier (\$3,000, \$5,000, \$7,000 per job) the company will receive payments for that one (1) year time period.

With the local jobs grant payment tier identified, the total eligible jobs the company will receive payments for (excludes pre-existing employees, CEO, owners, out of area employees, and employees earning less than 75% of the area average annual wage) will then be multiplied by the assigned local jobs grant payment tier category amount. That total amount will be divided by three (3). The resulting dollar amount will be the amount that the company will receive as their 1st local jobs grant payment. Under the proposed method, this process will be repeated a total of three (3) times for each phase.