

OVERVIEW

First Source Hiring (FSH) is a policy designed to ensure private sector businesses and local governments recruit and hire employees from within the community where they are located. Local governments and community-based organizations across the country have used FSH as a way of targeting training, economic development, public jobs, and public contracts to residents of the economically distressed areas or neighborhoods that most need additional, better training and employment opportunities.

In North Carolina, local governments are prohibited from hiring or requiring that private companies hire specific residents, but they are permitted to ask businesses to provide an opportunity to certain residents in their pre-employment screening and hiring processes. In practice, FSH should be a workforce development effort where hiring needs are identified and workers are trained for the jobs being created in the community, including those with public investment, like expanded public transit service.

HOW IT WORKS

Local governments create a “workforce development broker” or an “intermediary.” The intermediary coordinates between employers, job trainers, and those looking for work so that job seekers have the training and skills necessary for available jobs. One key component of a successful FSH program is that low-income residents get access to **and** training for jobs.

The intermediary coordinates job training with providers (e.g., community colleges) and community-based organizations to recruit job seekers, along with case management and job placement assistance. The most successful FSH programs are viewed as a resource by employers since the intermediary provides a service by recruiting, screening, and referring qualified, work-ready job applicants. Recruitment efforts are usually targeted to those geographic areas (e.g., distressed

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WHAT YOU CAN DO

Speak with your local Workforce Development Board, local elected officials, and local community college about FSH and ask the following questions:

- **Do you see value in companies hiring local people rather than importing their talent from elsewhere?**
- **Do you have any FSH programs currently operating?**
- **Are you willing to start any?**
- **Are you willing to use FSH agreements in economic development projects and public contracts?**
- **If not, are you willing to sign a community benefits agreement — a statement of mutually agreeable activities to drive benefits to the community — that includes FSH?**

HOW IT WORKS (CONT'D)

neighborhoods) or populations (e.g., unemployed) that most need the jobs created by the local government or participating employers.

Funding Available for Training: There are three potential sources for FSH programs:

- Federal Workforce Innovation and Opportunity Act (WIOA) funding administered by the local Workforce Development Board
- Existing funding for student marketing, recruitment, and training in community college budgets
- Local general fund dollars could be used to support these programs

IMPACTS IN N.C. TO DATE

There is no centralized mechanism for collecting data or measuring the outcomes associated with local FSH programs. They vary wildly across the state in terms of adoption and design. However, there are a number of programs in NC recognized by elected officials, businesses, and the workforce system for their success.

Two examples involve the City and County of Durham. Durham County includes a FSH agreement with its economic development contracts, using Durham Technical Community College as the training provider and the local JobLink office as the initial recruiter/pipeline for identifying prospective employees for businesses receiving incentives. Made in Durham (MiD) is a community-based organization that acts as intermediary for under-skilled youth and people with barriers to employment. MiD partners with a range of private businesses that agree to give preference in hiring to people identified by the organization.

ADDITIONAL RESOURCES

- Targeted Hiring and First Source Referral System resources: <http://bit.ly/2G3szXV>
- Policy Brief: “Reforming First Source: Strengthening the Link Between Economic Development and Jobs”: <http://bit.ly/2G1Gwpg>