

Contra Costa County's Workforce Services Bureau **Lessons Learned for CalWORKS Clients**

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EXECUTIVE SUMMARY

Contra Costa County and San Mateo County successfully provided subsidized employment services to CalWORKS participants through the American Recovery and Reinvestment Act (ARRA) of 2009. Both counties learned valuable lessons through the implementation of similar subsidized employment and training programs and through the closure of the programs when the ARRA funding formally ended on September 30, 2010. The San Mateo County Human Services Agency would like to look beyond the lessons learned from its program, and examine the successes and challenges of Contra Costa County's Workforce Service Bureau. This will enable the San Mateo County Human Services Agency to find ways to replicate the SET (Subsidized Employment and Training) program and strategically seek funding or innovative ways to blend funding in order to provide opportunities for employment for CalWORKS clients.

Findings

Both San Mateo County and Contra Costa County were faced with the difficult challenge of funding their SET programs when ARRA funding ended, and with determining what to do with existing participants of the program. In response, Contra Costa County was able to use its four employment placement counselors/job developers to facilitate the movement of participants from the SET program into On the Job Training (OJT) slots funded with Workforce Investment Act dollars. This involved negotiation with employers prior to the end of the SET pro-

gram. County facilitators encouraged employers to further train participants for higher-level positions within their businesses. The added training often resulted in higher paying positions. The employers, in turn, continued to receive six months of subsidized on-the-job training at 50 percent of the employee's wages for up to six months, or until the amount of \$5,000 was exhausted, per a mutually agreed upon contract. The mutually agreed upon contract was developed if the employer agreed to permanently hire the employee and receive reimbursement for 50 percent of the wages. Using this strategy, 30 employers signed OJT contracts with Contra Costa County. This allowed for a seamless transition for SET participants who were moving into OJT. The participants continued to be case managed by counselors within Contra Costa County's four regional Workforce Service Bureau One Stop Center sites. Contra Costa County does not currently have a subsidized employment and training program in place, but it is looking at changes in Assembly Bill (AB) 98 for subsidized employment programs as a possible future funding opportunity.

Recommendations

San Mateo County should examine ways to fund subsidized employment and training services and use funding that may be available through the AB 98

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subsidized employment program that was enacted through Senate Bill (SB) 72. The SB 72 enactment became effective on March 24, 2011. In addition, the San Mateo County Human Services Agency should look at how to strategically maximize the available dollars for subsidized employment by identifying ways to work closely with the Workforce Investment Board. The county should also identify creative ways to use Workforce Investment Act funds when the opportunities arise, as Contra Costa County did when it moved participants to OJT when the ARRA-funded SET program ended.

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Background

The American Recovery and Reinvestment Act (ARRA) of 2009 made funding available for subsidized employment and training services. The Contra Costa County Employment and Human Services Department (EHSD) used ARRA funds to create the Subsidized Employment Training (SET) program. Planning for the SET program began in the spring of 2009. Contra Costa County began to use the available ARRA funds on November 1, 2009. The SET program was implemented to provide training and subsidized employment to unemployed residents of Contra Costa County. The eligibility for the SET program included anyone who was eligible for CalWORKS or those who were under 200 percent of the Federal Poverty Limit (FPL) with children under the age of 18. (See Table 1.)

Participant interview appointments began in November 2009, and placements with employers occurred through late June 2010. All SET program services funded by ARRA ended in September of 2010.

Participating employers received referrals of qualified workers, as well as employment subsidies of 80 percent of the participant's wages. The ARRA funds subsidized several employment costs, including wages, payroll costs, work-related training, benefits, supervision costs and any other related employment expenses. Contra Costa County decided to set starting wages for all participants at \$8.50 per hour. Wages were later adjusted based on an analysis review of all position classifications held by program participants. After the analysis, the wages were reset for all participants to \$11.64 per hour. At the end of the SET program, a total of \$4.9 million was paid out in wages. Here is a breakdown of the percentage of

**TABLE 1
200% of Federal Poverty Guidelines (2009)**

Persons in Family	Poverty Guidelines
2	\$29,140
3	\$36,620
4	\$44,100
5	\$51,580
6	\$59,060
7	\$66,540
8	\$74,020
For families with more than 8 persons, add \$7,480 for each additional person.	

participants in the SET program who were working in various employment categories:

- Office/Admin Support: 28%
- Food Preparation: 2%
- Sales/Retail: 10%
- Health Care: 2%
- Maintenance/Repair: 20%
- Community/Social Services: 38%

SET Program and Moving Participants to On-the-Job Training (OJT)

Contra Costa County's SET program was designed as an internal process. As a result, an evaluation of workloads was conducted, and existing workers who were interested in being a part of the SET program were engaged. Contra Costa County strategically assigned staff who would best serve the program design that was developed. The majority of workers in the

SET program still carried an ongoing caseload in addition to their involvement with SET. The SET program also had four full-time staff solely dedicated to the program who held the title of employment placement counselor/job developer. The SET Program partnered with local Workforce Investment Boards to serve eligible youth in Contra Costa County and with the local One Stop Centers to serve eligible clients that met the 200 percent FPL criteria. Each employment placement counselor/job developer was based at one of the three regional county offices of Contra Costa County.

The job developers' assignment was to identify and build relationships with relevant employers, and to act as the employment placement counselor and coach for participants seeking employment. In the job developer role, these staff directly marketed the SET program to potential employers. The job developer spoke at chamber meetings and job fairs, and did an abundant amount of cold calling. After the SET program had been established, employers began reaching out to the county directly about the program. As each job developer not only worked with the employer but also had the role of employment placement counselor, they knew both the employer and the participant. This provided the job developer with the tools and knowledge necessary to move participants and employers from SET to OJT. At the end of the SET program, the job developer met with the employers to assess the employers' readiness to hire the participant(s). If the job developer knew in advance that an employer was ready to hire, no further action was taken with the employer. If the job developer knew that an employer was not ready to hire, or was undecided about being able to hire an employee permanently, then the job developer met with the employer and presented an opportunity to find a higher paying job classification for the employee that was eligible in OJT. If the employer agreed, a contract was developed that arranged for the employer to train the employee in a higher paying position, and granted the employer an additional six months of wage subsidies, or up to \$5,000 in wages, for the employee to be hired permanently. The salary wages

ranged from 10 to 20 dollars per hour when the participants were moved into the OJT program.

Tools Developed

Contra Costa County developed several tools to create a smooth process for the SET program. For example, a pre-screening tool was developed to determine the eligibility of those who were looking to enter the SET program. The county retained an independent contractor that developed and monitored standard contracts for SET program employers. A SET participant handbook and a SET worksite supervisor handbook were also developed to provide information to all parties involved in the program. The county also contracted with the Housing Authority of Contra Costa County for payroll services.

SET Program Successes

The SET Program was declared a success by Contra Costa County EHSD. The program found permanent employment for 358 participants, engaged 416 employers in the SET program, and served 1,000 participants (which was the goal set by the EHSD). In addition, this program successfully paid out \$4.9 million in wages for Contra Costa County.

One specific success story occurred with a real estate agency that permanently hired a participant that had recently been put on aid due to an illness and divorce. The participant was placed with the company through the SET program's employment placement counselor/job developer. The participant was originally hired to provide office support for a special project that required organizational, research and analysis skills. The real estate agency owner was impressed with Contra Costa's County's program and with the participant that had been placed with his agency. His company benefitted from participation in the SET program because the county subsidized the participant's wages; additionally, the owner had a third party to assist with the application and resume review process. In the past, when the agency needed to hire an individual, they would have to recruit for the position, review hundreds of resumes, and then interview a handful of candidates. This

process was done for him through Contra Costa's SET program, which gave him more time to focus on his business and on training the newly placed participant. In the opinion of the real estate agency owner, the employment placement counselor/job developer that he worked with was very good at her job and matched him up with someone who had performed computer programming for a real estate agency in the past. The real estate agent also stated that the employment placement counselor/job developer met with him when the SET program was coming to an end. He said that she was able to provide him with an additional six months or up to the amount of \$5,000 in funds, to further train the participant in a higher paying position. The real estate agency owner took this opportunity and had the participant trained in conducting broker price opinions. The SET program participant later became the real estate agent's assistant. The hired individual discussed his experience with the program, and had only positive feedback. He was very appreciative of the services that were provided to him, and was also very impressed that he was treated with courtesy while receiving services through Contra Costa County. His current goal is to obtain his own real estate license, and his employer is continuing to support him in achieving this goal.

Challenges Overcome

The formal ending of the SET program on September 30, 2010, due to the end of ARRA funds, undoubtedly became a significant challenge for Contra Costa County, especially as it faced an 11.2 percent unemployment rate. The county had just implemented a very successful program model for subsidized employment services that benefitted both the unemployed participants and employers that could not afford to hire new employees because of the economic downturn. The SET program offered employers a subsidy of 80 percent of each SET participant's wages and only required a 20 percent local match. With no ARRA funds, Contra Costa County used the employer relationships that had been built during the SET program by the employment placement counselor staff to transition clients into the

OJT program. Thirty employers that received the 80 percent subsidy from the SET program committed to hiring participants and taking part in the On the Job Training program that provided only 50 percent Workforce Investment Act (WIA) funds for a period of six months or a total of \$5,000, whichever came first. Of the 30 employers that moved into OJT, all but two retained participants.

Current Challenges

Contra Costa County residents faced an unemployment rate of 11.2 percent in 2010, and the county faced ongoing budget constraints similar to those experienced by San Mateo County. Contra Costa County was able to engage 1,000 participants in the SET program, and successfully moved employees from the SET program into the OJT program. Contra Costa County continues to experience funding challenges that must be overcome in order for subsidized employment and training services to resume and continue. The county is looking towards AB 98 for possible future funding for subsidized employment and training services. The continued high levels of unemployment that Contra Costa, as well as many counties in California, is currently experiencing points to the ongoing need for subsidized employment and training services.

Recommendations for San Mateo County

San Mateo County had an unemployment rate of 8.9 percent in 2010. The San Mateo County Human Services Agency has been asked to submit a budget proposal reduction in the amount of 24 percent for fiscal year 2011-2012; therefore, it is imperative that the county identify ways to reduce expenditures and find creative ways to leverage and blend funds to build successful quality programs that produce positive long-term outcomes for the residents of San Mateo County. If it is known that subsidized employment and training services work, the county should do everything in its power to rebuild the already-successful SMCWorks subsidized employment and training program to help recently unemployed families in San Mateo County obtain self-sufficiency.

Some next steps should include: keeping an eye on the AB 98 subsidized employment program enacted through SB 72 that became effective on March 24, 2011; continuing to pursue innovative strategies that can help to fund subsidized employment and training; and creating a seamless system that works well with WIA funding when possible, such as moving participants from SET to OJT.

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