

# **Contra Costa County, the Workforce Innovation and Opportunity Act (WIOA) and the Expanded Subsidized Employment Program (ESE): Creating Opportunity and Promoting Self-Sufficiency**

**YVONNE EZENWA**

## **EXECUTIVE SUMMARY**

A robust workforce is essential for meeting the diverse demands of a consistently evolving labor market. Workforce Development programs through the Workforce Innovation and Opportunity Act (WIOA) provide critical investments in activities that increase employment, retention, and skills attainment. These activities are particularly vital for safety net communities that may face increased barriers to employment. Contra Costa County has succeeded in engaging their local business

networks and internal partners to optimize subsidized employment opportunities for this population. With a model that emphasizes systems integration, customer-centered services, partnership retention, and leveraging funds, they have developed successful practices while navigating real-world operational challenges. Lessons learned from their agency hold significant promise and potential for other organizations striving to achieve the same.

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**Yvonne Ezenwa**, Planning Analyst, Health and Social Services, Solano County



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## **Background**

Workforce development systems provide the supports necessary to cultivate a workforce equipped with the skills modern employers require. The enactment of the Workforce Innovation and Opportunity Act re-fortified the existing Workforce Investment Act of 1998. The Workforce Investment Act of 1998 was designed to provide workforce investment activities through state and local boards that increased the employment, retention, and earnings of participants, as well as occupational skill attainment. The goal of the Act is to improve the overall quality of the workforce, reduce welfare dependency, and enhance national productivity. The enactment of WIOA in 2014 by bipartisan majorities in Congress created reforms that impact more than a dozen programs receiving 10 billion in aid and serving 20 million Americans a year. Aligned with WIOA, the California State Workforce Development Board upholds the overarching objectives of “demand-driven” skills attainment, upward mobility for all residents, and integrated service delivery.

At the backbone of WIOA is the nationwide system of One-Stop/America’s Job Centers (AJC). Each local area is required to have a comprehensive One-Stop center that provides access to core programs and services offered by partnering agencies. These facilities primarily provide employment services and work-related training and educational opportunities to workers and job-seekers. These facilities strive to meet unique regional economic demands

by strategically aligning workforce and educational activities to local employers.

WIOA provided new opportunities to meet the workforce development needs of the nation’s most vulnerable job seekers and workers. In particular, Temporary Assistance for Needy Families (TANF, referred to as CalWORKs in California) programs are required to partner with the One-Stop delivery system. This partnership is designed to enhance access to services by facilitating collaboration between Social Service Agencies and workforce development programs and promote fiscal conservation through shared resources and infrastructure. At the core of this model is an emphasis on multi-system integration such as shared assessments, case management systems, and cross-training of staff so that CalWORKs clients can truly benefit from the myriad of resources offered by the AJC. CalWORKs programs are encouraged to partner with workforce boards in building training and development models that consider the challenges faced by low-income individuals and their unique barriers to self-sufficiency.

## **Findings**

Contra Costa County is home to numerous private businesses and non-profit organizations. With 1.1 million residents and a current unemployment rate of 3.5%, the county enjoys thriving sectors in healthcare, technical services, and construction. Despite economic gains, 9.75% of the population still lives below the poverty level. The complex challenges

and barriers these families face underscore the need for robust workforce services targeting the most vulnerable populations. The Contra Costa Works (CCWORKS) Program provides employment opportunities through subsidized employment placements to CalWORKs Welfare-to-Work (WTW) clients and is operated by the Workforce Development Board (WDB) Bureau within the County Employment and Human Services Department (EHSD).

### *Integrated Service Delivery*

Embedding the county's Expanded Subsidized Employment (ESE) Program within WDB has helped further WIOA objectives pertaining to increased integration and co-enrollment. Originally operated by the Workforce Services Bureau, the decision to move CCWORKS under WDB was done to increase the program's business engagement focus. Though integration has not been seamless, it has presented a unique opportunity to uphold the mission of WIOA. Creating a more integrated service delivery model required that WDB employ multidisciplinary staff well-versed in both systems. The current CCWORKS manager has several years of experience working with the Workforce Services Bureau, as well as with local business communities, and several of his staff worked in WTW before joining WDB. The WDB team has implemented quarterly meetings with the Workforce Services Bureau to discuss program outcomes as well as larger convenings with their AJC partners.

### *Program Highlight: Expanded Subsidized Employment*

The primary purpose of CCWORKS is to help WTW participants gain work experience, learn essential job skills, and earn additional income through a subsidized employment opportunity while continuing to be aided through the CalWORKs program. CCWORKS is offered to all nonexempt CalWORKs/WTW participants who meet specific eligibility criteria.

Through the program, participants are referred to an Employment Placement Counsel (EPC) by their WTW worker (referred to as Employment Specialists) to assess their skills, strengths, and abilities and determine what type of employment would best match their aptitude. Participants are interviewed and selected by approved worksites; when onboarded, they are treated as employees of the agency and paid wages for which the employer is reimbursed through the county using the ESE allocation. Participants must work 20-40 hours per week and participation is limited to six-month duration. Because CCWORKS wages are factored into the calculation of the CalWORKs grant, a client may become ineligible for CalWORKs; however, they are permitted to remain in CCWORKS for the duration of the ESE opportunity. CCWORKS can end when the participant is noncompliant or upon completion of the six-month CCWORKS program. Upon completion of CCWORKS, participants will ideally transition to unsubsidized employment.

Employment Specialists (ES) and social workers are responsible for identifying participants for the CCWORKS program by examining eligibility criteria, including a set of "Job Readiness Requirements". Employment Specialists hand off the referrals to EPCs. EPCs are responsible for developing worksites with various employers. EPCs are required to meet with selected participants, schedule interviews, and help with preparation. They ensure that individuals are placed in opportunities that match their skills and aptitude as well as the needs of the employer. All CCWORKS employers are required to provide meaningful on-the-job experience, offer participants a standard industry wage to which the county reimburses up to \$16.00/hour, provide Workers Compensation Insurance, and complete periodic performance evaluations of the client which are shared with CCWORKS personnel.

CCWORKS clients are placed in employment opportunities with private employers or within the county as part of the Interdepartmental Training Program (ITP). The largest proportion of CCWORKS clients are placed through ITP where

they receive paid training to gain the necessary skills to seek unsubsidized employment. Unlike regular CCWORKS, ITP participants can participate in the paid training program for up to 12 months. The inception of ITP was made possible through increased funding from the state through Assembly Bill 74; however, at the local level, its creation was driven by operational needs. Severe budget cuts and numerous layoffs produced significant staffing challenges. Implementing an interagency training program allowed the county to acquire much needed personnel resources. Working with HR, CCWORKS leadership identified Trainee and Temporary Employee classifications that were at a salary rate aligned with CCWORKS reimbursement rates. Where possible they utilized the flexibility within these classifications to adjust salary pay scales. Current participants are onboarded through the standard county process as county temporary hires and receive regular paychecks from the county. However, at the fiscal level, their wages are not paid through the standard budget allocation. All temporary employees participating in the CCWORKS program are paid through the ESE allocation from the state. This distinction makes it possible to protect and advocate for these roles, even during tight budget seasons, as their funding is separate from other county employees. In filling these roles, the county had to be cautious as to not supplant existing positions, as prohibited by AB 74 legislation. In order to avoid this, they created unique assignments that contained duties from different existing positions or “assistant” roles. Because these assignments have been county-wide, they have required the development of partners across departments. Though most of assignments are clerical in nature, they are designed to fulfill real operation needs and provide clients with valuable job experience. Several participants have transitioned to permanent county employment due to ITP and many are encouraged to join county hiring lists following completion of the training.

Though the program has seen tremendous success – over 130 placements at one point – it has not

been without challenges. Presently, a lengthy county onboarding process (up to three months) greatly reduces the speed of placements. This forces eager clients into other WTW activities and impacts the county’s ability to spend their allocation in a timely manner. Furthermore, internal partners needed to be just as prepared as external employers to onboard clients with barriers, including possessing the willingness to mentor and coach clients through performance challenges. Moreover, the optics of creating such assignments when permanent positions were going unfilled required extremely proactive engagement with the union; CCWORKS staff had to emphasize the benefits to overworked staff through the addition of these supportive positions and the potential for these individuals to become permanent employees who support the union ranks. Lastly, the lack of robust outcome data has made it difficult to fully measure the impact of the program in several areas including the percent of clients achieving unsubsidized employment or the total numbers transitioning to permanent county employment.

## **Analysis and Recommendations**

Creating an integrated system of service delivery within the Workforce Development ecosystem is the ambition that should drive core activities. In studying the practices in Contra Costa County, the following recommendations cover the most essential components to program success and improved client outcomes: (1) Partnerships are essential; (2) Opportunity begins and ends with an informed and engaged employer landscape; (3) Access facilitates entry; and (4) Leverage funds for maximum impact.

### *Partnerships*

Whether it be with external employers or internal departments, building relationships are vital to the sustenance of robust workforce programs. Partnership development should be continuous and non-prescriptive, value-centered, and objective-oriented. This includes being proactive about engagement, drafting clear written materials and documentation, maintaining open and transparent lines of

communications, and most importantly addressing concerns truthfully and at the forefront. This is particularly important given the clients served. Ideally partners should not only recognize they will be working with non-traditional clients with unique barriers but should heavily buy in to the mission-critical work that surrounds this. This includes possessing a vested interest in mentoring, coaching, and advocating on behalf of these individuals as part of a larger performance development process that increases the clients' likelihood of future career success, even if they currently present with potential shortfalls that may slow down or disrupt normal operations.

### *Opportunity Begins and Ends with an Informed and Engaged Employer Landscape*

Employers will more readily recognize the value of ESE programs such as CCWORKS if they feel their organization's unique challenges and needs have been heard and understood. Therefore, employers should not be approached with a "one size fits all mentality" but rather a consultant mindset, with workforce agents committed to helping the business address their true barriers through a variety of avenues, even if those may exclude employing ESE clients. This requires staff to be knowledgeable about business development principles, tax advantages, and retention services available to employers. Helping an employer resolve a challenge in one area helps cultivate trusting relationships, which then motivates employers to seek out workforce development services as future needs and opportunities arise. Furthermore, employers appreciate knowing their investment benefits the community at large. Sharing data about the number of dollars put back into businesses through ESE reimbursement (which in turn may be reinvested in other business retention or expansion efforts), helps employers recognize the greater impact of their participation. Likewise, giving employers a platform to share lessons learned and witness other local businesses who have experienced success employing non-traditional candidates such as through one of Contra Costa County's "Hidden Talent Forums" are valuable networking and

outreaching activities. Overall, the dual mission of economic engagement can get lost when efforts become focused solely on placement. Instead, placement objectives need to be balanced with the realities of the industrial landscape and with an understanding that well-rooted and well-nurtured employer relationships can ultimately impact outcomes more significantly than almost any other variable.

### *Access Facilitates Entry*

Having a core co-enrollment philosophy grounded in documented and shared practices can facilitate timely client access and connection to appropriate services. This may be difficult to achieve because it requires program staff and contractual partners to actively design strategies for linking disparate systems and processes so that clients truly experience "no wrong door". For the host county, transitioning from four sites to ten "access points" allowed clients to be engaged where they were. However, the level to which that engagement improves the clients' success depends on how well co-enrollment processes have been structured and implemented. Likewise, having multiple entry and exit points should also apply to the design of workforce programs, which allows individuals with skills ranging from remedial to advanced, to engage at the level they need to achieve their unique goals.

### *Leverage Funds to Maximize Impact*

Assembly Bill 74 created expansions to the CalWORKs Subsidized Employment Program which allowed counties to use funds towards program oversight, worksite development, and providing training. In addition to employment opportunities, those funds should be leveraged specifically to provide more paid training and apprenticeship programs which give clients a more assistive platform to gain requisite job skills. Such opportunities also permit extensions which are particularly beneficial to clients needing additional time to resolve performance deficits. Furthermore, funds can also be leveraged to provide incentives to employers for meeting specific performance targets such as regular bonuses.

Strategically utilizing these funds allows for greater opportunity to spend the full allocation and maximize the proportion of dollars used on direct service delivery. Though WDB manages CCWORKS, EHSD oversees their spending and allocation. Staff time study to specific ESE codes and ESE dollars are used to pay wages subsidies for CCWORKS clients and program administration costs.

### *Additional Considerations*

Issues involving adjusting job classifications for an inter-agency training program should be carefully explored with county Human Resources. Also, given that the Workforce Development Board currently operates as an external partner in Solano County, it could continue operating the county's ESE program with external employers; however, the county would need to explore the most advantageous operational structure for a potential interagency training program.

### **Conclusion**

Contra Costa County's expanded subsidized employment programs offer numerous applications for like-minded agencies. The tenants of their model include systems integration, customer-centered services, partnership retention and leveraging funds: all practices that further the objectives of WIOA. For an agency committed to implementing recommendations from their model, success will hinge significantly on the depth of employer engagement, structured co-enrollment processes, and a commitment to funding workforce programs with the most promise. Assessment of program success should be driven by labor market outcomes such as employment rates and wages, not just placement outcomes. Program impact should be measured as a function of the attainment of marketable skills and how well those skills ultimately result in employment and improved wages. Furthermore, there has to be earnest recognition that training and education alone cannot resolve poverty. Therefore, there needs to be a

commitment to work with employers that are willing to offer clients *durable* means of employment including good wages *and* benefits, safe working conditions, professional development, and predictable hours. Likewise, training programs should emphasize providing valuable experience that can equip workers with the skills needed to attain employment with these types of agencies.

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