

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Human Services Division

TO: Honorable Board of Supervisors

FROM: Richard J. Burton M.D., M.P.H.
Placer County Health Officer and Director of Health and Human Services
Cheryl S. Davis, Director of Human Services

DATE: November 23, 2010

SUBJECT: Continuation of the Placer County Subsidized Wage Program

ACTION REQUESTED:

Approve an amendment to Contract CN012828 with Golden Sierra Job Training Agency for the American Recovery and Reinvestment Act (ARRA) Subsidized Wage Program to provide administration and case management of the California Assembly Bill 98 (AB 98) Subsidized Wage Program from December 1, 2010 through June 30, 2011 in the amount of \$240,000, for a revised total contract amount not to exceed \$1,662,285.

Under AB 98, 84 percent of the subsidized wage program will be funded with Federal and State funds through the California Work Opportunity and Responsibility for Kids (CalWORKs) Single Allocation. The remaining 16 percent or \$40,000 would be funded with County General Funds. These funds are included in the Department's FY 2010-11 Final Budget.

BACKGROUND:

On November 3, 2009, your Board authorized the Department of Health and Human Services to contract with Golden Sierra Job Training Agency to administer the ARRA subsidized employment program for public assistance recipients, locally known as the Placer County 80/20 Program. Under this program, Welfare-to-Work participants were placed into permanent jobs and employers received reimbursement for 80 percent of the wages paid to the participants. Over 80 employers signed on to participate and 95 job placements were made. Over half of those hired were able to leave cash aid.

This program successfully turned a welfare check into a paycheck while also helping local businesses maintain staffing and stay in business during these difficult economic times. Unfortunately, the funding for this program ended on September 30, 2010 and Congress failed to re-authorize it before their Fall recess.

Because this program is highly supported by businesses and Chambers of Commerce across the country, it is anticipated that Congress may take action once they return after the November election. However, until that time, with the great success and continued employer interest in this program, the Department is requesting approval to continue the subsidized wage program by utilizing CalWORKs funds and matching State dollars authorized under AB 98 for at least 40 additional Welfare-to-Work participants. Under AB 98, Welfare-to-Work participants will be placed with community-based organizations, private or public sector employers for up to six months. Employers will receive reimbursement for 50 percent of the wages paid to the participant, and pay only the remaining 50 percent.

This program would continue to be a win-win for employers and participants alike.

1. Employers are able to hire employees to help sustain their businesses that they otherwise could not afford in this difficult economic time.
2. This will allow us to continue serve employers and participants who previously had an interest in the 80/20 Program but were unable to participate before the program funding ended on September 30, 2010.
3. Participants have access to jobs that otherwise are not available due to employer cut backs.

Under AB 98, for a General Fund investment of \$1,000 per Welfare-to-Work participant, about \$200,000 in welfare payments would become wage payments and up to 40 local businesses would receive vital assistance to weather the current economic challenges.

Placer County will continue to contract with Golden Sierra Job Training Agency to administer the program and provide on-going support to participants and employers. Golden Sierra has the experience in job placement and job retention practices *with their existing subsidized wage program* and is tied to the local business community through the Workforce Investment Board. They can ramp up quickly to operate this limited-term program which expires on June 30, 2011. They will receive \$40,000 in administrative fees for processing wage payments and funding for the Business Specialist staff person to coordinate the job placements.

FISCAL IMPACT:

Under AB 98, 84 percent of the subsidized wage program will be funded with Federal and State funds through the California Work Opportunity and Responsibility for Kids (CalWORKs) Single Allocation. The remaining 16 percent or \$40,000 would be funded with County General Funds. These funds are included in the Department's FY 2010-11 Final Budget.