



Board Agenda Item 53

DATE: March 19, 2024

TO: Board of Supervisors

SUBMITTED BY: Sanja Bugay, Director, Department of Social Services

SUBJECT: Amendment I to New Employment Opportunities Expanded Subsidized Employment Program Agreement

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment I to Master Agreement for Expanded Subsidized Employment, reverting the Commercial General Liability Insurance limits back to no less than one million dollars (\$1,000,000) per occurrence and an annual aggregate of two million dollars (\$2,000,000) effective upon execution, with no change to the term of October 1, 2020 through September 30, 2025, or compensation maximum of \$15,000,000.

There is no increase in Net County Cost associated with the recommended action. Approval will allow a greater number of small businesses to participate in the New Employment Opportunities Expanded Subsidized Employment (NEO ESE) program by changing the insurance requirement from the current two million dollar (\$2,000,000) per occurrence and an annual aggregate of four million dollars (\$4,000,000) to the previous insurance limits. By reverting to the previous limits, it will allow more businesses to offer employment opportunities to California Work Opportunity and Responsibility to Kids (CalWORKs) participants which can lead to greater self-sufficiency. This item is countywide.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended action, a decrease in the number of subsidized employers may result in less CalWORKs participant engagement in the NEO ESE program, thus potentially reducing employment opportunities leading to self-sufficiency.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The agreement (\$15,000,000) is 100% funded through the CalWORKs ESE allocation. Sufficient appropriations and estimated revenues have been included in the Department's Org 5610 FY 2023-24 Adopted Budget and will be included in future budget requests.

DISCUSSION:

On September 22, 2020, your Board approved agreement 20-359 for the NEO ESE program, which partners with local businesses to hire CalWORKs Employment Services participants, providing valuable work experience and in return the Department subsidizes the wages of the participants for up to one year. This helps small businesses to offset employee wages and provides CalWORKs participants with valuable work experience. The NEO ESE program assists CalWORKs participants to receive work experience which helps build their resume and learn valuable skills. Local businesses may also gain valuable employees. The NEO ESE program had a total of 122 job placements for the calendar year of 2023. Businesses

understand that their employees are working to acquire, and increase the experience needed to be successful in the work force.

In 2018 the County of Fresno increased the Commercial General Liability insurance limits in the County's boilerplate agreement from one million dollars to two million dollars per occurrence and two million dollars to four million dollars for the annual aggregate. When the NEO ESE agreement was approved by your Board, the new insurance limits were included in the agreement. Since the increased insurance limits were included in the current agreement, there has been 42 small businesses that have opted out of the NEO ESE program due to those increased limits.

The Department has been in conversations with Risk Management regarding reverting these insurance limits back to the previous levels as most of the participating vendors are small local businesses who provide valuable experience to CalWORKs participants, but who cannot afford the increased cost of the insurance. As there have been no NEO ESE program insurance claims recorded in the last 10 years, Risk Management concurs with the Department's recommendation. Reverting the insurance limits to the previous levels will offer more opportunities for businesses to participate in the program and allow additional opportunities for CalWORKs participants to become self-sufficient.

REFERENCE MATERIAL:

BAI #73, September 22, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to NEO ESE Agreement

CAO ANALYST:

Ronald Alexander