



# Board Agenda Item 47

DATE: March 17, 2026

TO: Board of Supervisors

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

SUBJECT: Retroactive Amendment No. 1 to Agreement with Economic Development Corporation Serving Fresno County for Job Creation and Employment Services

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute Retroactive Amendment No. 1 to Agreement A-25-500 with Economic Development Corporation Serving Fresno County, for Job Creation and Employment Services, effective October 1, 2025, with no change to the term of October 1, 2025, through June 30, 2030, and increasing the maximum by \$5,656,627 to a total of \$10,718,147.**

There is no additional Net County Cost associated with the recommended action. Approval of the recommended action will increase the maximum compensation under the Agreement with the Economic Development Corporation (EDC) serving Fresno County, allowing EDC, in collaboration with the Department, to continue providing job-matching services through Ready2Hire to California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) participants through the Expanded Subsidized Employment (ESE) program. EDC will also coordinate training courses aligned with anticipated industry employment needs and support efforts to attract businesses to expand or relocate within Fresno County. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, employment opportunities for CalWORKs WTW participants may decrease, which would hinder the Department's efforts to establish clear expectations and partnerships with qualified employers interested in participating in the ESE program, and limit the Department's ability to fully leverage newly allocated funds released by the California Department of Social Services (CDSS) to benefit the Fresno County community. The Department's ability to identify and coordinate new employment training opportunities would be limited once the funds leveraged by EDC through the Good Jobs Challenge Initiative are no longer available to support future industry workforce needs. The marketing campaign aimed at engaging businesses to employ CalWORKs WTW participants would also be limited. The funding would be redirected to other WTW program services provided by the Department.

RETROACTIVE AGREEMENT:

The recommended action is retroactive to October 1, 2025, due to CDSS issuing a County Fiscal Letter (CFL) on October 14, 2025, that increased the ESE program allocation. The Department previously reduced funding under this agreement after the ESE allocation was decreased. With the increase in funding, the Department is now seeking to restore funding to the agreement and add additional line items that will allow the EDC to bill the Department for allowable program costs.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. If approved, the maximum cost (\$10,718,147) of the agreement will be fully offset with the CalWORKs Expanded Subsidized Employment allocation funds. Sufficient appropriations and estimated revenues are included in the Department's Org 5610 FY 2025-26 Adopted Budget and will be included in subsequent budget requests. The requested services comply with Assembly Bill 74 (Chapter 21, Salutes of 2013), which created the ESE program to increase subsidized employment programs for CalWORKs WTW participants in California with the goal of increasing job retention in an unsubsidized position of employment.

DISCUSSION:

On September 23, 2025, your Board approved an agreement with EDC to provide job creation and employment services. The ESE program subsidizes wages for CalWORKs WTW participants hired by local businesses and offsets the businesses' costs of onboarding new employees. The ESE program provides businesses in the community an opportunity to work with CalWORKs WTW participants who may have minimal job history to build a resume and ultimately gain unsubsidized employment.

Subsidized employment placements are 26 weeks in length but may be extended to 52 weeks if qualifying requirements are met. Standard reimbursement rates to the employers are based on a tier system: 100% for the first 13 weeks with a 25% reduction for every 13 weeks after until the potential 52-week limit is reached. Placements with employers are made with the goal that the participant will continue employment permanently at the end of the subsidy. If your Board approves the recommended action, the Department will temporarily increase employer wage reimbursement to up to 100% of wages, regardless of the placement time period, for the period of March 17, 2026, through September 16, 2026, after which reimbursement rates will return to the standard tiered structure. EDC's role in the increase of reimbursements rates will be to update the Ready2Hire website to reflect the temporary adjustment to the tiered reimbursement structure.

In FY 2024-25, the Department and the EDC successfully matched 215 CalWORKs WTW participants with employers, of which approximately 70% retained their employment. EDC also leveraged Good Jobs Challenge funding to connect CalWORKs WTW participants with workforce training programs designed to support long-term employment opportunities.

If your Board approves the recommended action, the existing agreement with EDC will receive additional funding for the anticipated service levels increase for CalWORKs participants in the current and future terms. As this contract is fully funded with annual CDSS funding, the contract includes non-funding clauses that allows the Department to adjust actual spending based on allocation. This amendment also seeks to update the Scope of Services, adding language that clarifies service expectations and refines outcome measures to better reflect participant progress and program objectives.

REFERENCE MATERIAL:

BAI #49, September 23, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement with EDC

CAO ANALYST:

Ronald Alexander