

# Fresno County Economic Development Corporation's New Employment Opportunities Program

By Lee Ann Eager and Delfino Neira

## ASSISTING FRESNO COUNTY RESIDENTS TO SELF-SUSTAINABILITY

The Fresno County Economic Development Corporation and the County of Fresno's Department of Social Services (DSS) took an unconventional step by partnering together on the New Employment Opportunities Expanded Subsidized Employment (NEO) program which allowed both agencies to better serve their clients. DSS is able to find quality employment opportunities for Fresno County's most vulnerable communities while EDC is able to identify a job-ready workforce and training opportunities for Fresno County businesses. The NEO program received IEDC's Gold Award for Business Retention and Expansion Programs of Three or More Years.

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# fresno county economic

## DEVELOPMENT CORPORATION'S NEW EMPLOYMENT OPPORTUNITIES PROGRAM

By Lee Ann Eager and Delfino Neira

### NEW EMPLOYMENT OPPORTUNITIES PROGRAM – THE BEGINNING

**t**he Fresno County Economic Development Corporation (EDC) recognizes that economic growth and the inclusion of our most disadvantaged communities are not mutually exclusive; they are interdependent. Our local economy is strongest when all segments of society are able to participate in the region's economic growth. Businesses and entire communities benefit by having access to a larger pool of qualified workers, making it clear why it is in economic developers' best interest to encourage opportunities for all. Fortunately, in Fresno County, this is not just a concept; it is reality.

Fresno County, much like the other counties that make up California's agriculturally rich San Joaquin Valley (Valley), has experienced decades of chronically high unemployment. Even during good times, the unemployment rate has hovered near double digits. Fresno County is the largest metro area in the Valley in both population, recently surpassing 1 million people, as well as workforce. Local businesses have also acknowledged the difficulty in identifying qualified workers, and it is unacceptable that a company considering Fresno County would locate elsewhere due to a lack of available skilled labor in Fresno.

As a region, we found several areas requiring improvement, specifically around job opportunities for residents and opportunities for growth for current and prospective businesses. Thus in 2014, the Fresno County EDC and the County of Fresno's Department of Social Services (DSS) took an uncon-



Alert-O-Lite (AOL) celebrates the grand opening of their facility and company expansion. AOL is a leader in traffic control services, plans and equipment and has been in business for nearly 50 years. AOL utilized the NEO program to fill their first hiring needs when consolidating operations and relocating into their new 32,600SF facility in South Fresno.

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The inception of the partnership for this program occurred at an event in 2013 where the EDC president/CEO and the then director of the Department of Social Services for Fresno County were guest speakers discussing workforce and economic development. After the panel discussion, they discussed the issue that new businesses were not coming to Fresno County due to the perception that we

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### ASSISTING FRESNO COUNTY RESIDENTS TO SELF-SUSTAINABILITY

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did not have a trained workforce available, but we had thousands of people unemployed and receiving services from DSS.

That discussion continued for the next few months with the general consensus that the expertise of the DSS staff centered around the needs of their Welfare-to-Work (WTW) participants, and not necessarily in economic development. It seemed the needs of the businesses could be better served with a partnership between the county and the EDC. It was decided that the EDC would work with the businesses to ensure their hiring/training needs were met and DSS would continue to work with the WTW clients to get them job ready.

Changing the way both agencies do business and agreeing on the best course of action led to many lengthy discussions. There was certainly a trial and error period where both agencies had to learn about the priorities of the other. Ensuring that the documentation was acceptable to both agencies and that it was prepared correctly and in a timely manner was a major obstacle which took a few months to iron out. With both agencies working toward a common goal – putting people to work – we were able to come to a mutually beneficial resolution.

The strategic partnership with DSS and the innovative NEO program serves as an example of what meaningful partnership and collaboration can accomplish. The importance of workforce development in economic development cannot be understated. As Area Development, a prominent corporate site selection resource, has noted, “In just about any survey of executives, their number one priority for site selection is a prime workforce – workers who are motivated, productive, reliable, loyal, and plentiful – both now and in the future.”

### HOW DOES THE NEO PROGRAM WORK?

The NEO program provides an incentive to prospective and existing companies to create and retain full-time jobs by providing employers with a wage reimbursement of up to 100 percent when hiring eligible County of Fresno WTW participants. DSS matches the EDC's diverse network of expanding and new businesses, along with their available job opportunities, with WTW's employment-ready job-seekers by using an intuitive online matchmaking portal, [www.ready2hire.org](http://www.ready2hire.org). This portal pairs a job-seeker's skills and experience with the unique needs of each company's job description.



Ready2Hire.Org was launched in 2014 and serves as a “match-making” website and service, linking a ready-to-work job pool with job listings from local participating businesses.

The success of this program is based most significantly on the ability of the public and private sectors to collaborate with their respective strengths. The EDC concentrates on the hiring needs of private sector employers while DSS focuses on the job-seeker, ensuring they have the necessary training and soft skills to gain sustainable employment.

Only eligible and approved companies can access the NEO job-seekers' resume database, and only qualified WTW participants, through their DSS job specialists, can access the pool of open and posted job vacancies. Through this program, DSS job specialists work with some of the most culturally diverse communities in California, offering programs for job-seekers to ensure that any barriers to employment are addressed prior to participation in the program.

Companies are vetted by the EDC and are deemed eligible after qualifying interviews and background checks. Businesses must be able to provide full time work that has the potential to grow into permanent unsubsidized employment once the subsidized year ends. As a tradeoff for the subsidy, businesses are committed to working with employees to assist them in becoming ideal employees with skills to advance into self-sustainability and beyond.

The success of this program is based most significantly on the ability of the public and private sectors to collaborate with their respective strengths. The EDC concentrates on the hiring needs of private sector employers while DSS focuses on the job-seeker, ensuring they have the necessary training and soft skills to gain sustainable employment. Businesses use their standard hiring practices and are reimbursed for a portion of the employee's wages during the training and staff-development period, which can last up to one year (see below). In addition to hiring needed workers, local businesses have used the savings from utilizing the program to purchase new equipment and expand their facilities and operations.

Weeks of Employment	Subsidy
1 - 13	100%
14 - 26	75%
27 - 39	50%
40 - 52	25%

Program costs, which include wage reimbursements, training dollars and program staff, are funded by California Works Opportunity and Responsibility to Kids (CalWORKS), a state public assistance program that provides cash aid and services to eligible families. CalWORKS funding is made available through a combination of California's federal Temporary Assistance for Needy Families (TANF) block grant allocation, the state General Fund,



CalWORKS job-seekers participate in the Valley Apprenticeship Connection's (VAC) Pre-Apprenticeship program. To date, there have been 8 cohorts and 87 graduates to have come from the VAC.

realignment funds, and other county funds. In order to receive its annual TANF program allocation, the state is required to spend a maintenance of effort (MOE) amount from state and local funds (including realignment and other county funds) to provide services for families eligible for CalWORKS.

A critical component of the NEO program is the regular follow-up with employers once a NEO placement is made. For a full year after an employer hires a NEO job-seeker, EDC staff provide monthly support to ensure any concerns or issues related to their NEO hires are appropriately addressed in a timely fashion, resulting in higher retention rates of the NEO hires. Concerns vary from transportation issues that impact job attendance, lack of childcare, or behavioral and social issues.

Once concerns are communicated by the business to the EDC, it notifies DSS so that they can step in and offer coaching and review potential resources that may be of service. For example, if a client is having attendance issues due to lack of childcare, DSS can work to connect the client with a service provider, removing childcare as a barrier. Likewise, if a client is missing work due to transportation issues, DSS may issue them funds to repair a vehicle, grant a bus pass, or provide them with a bicycle.

Some solutions may be as simple as providing an alarm clock to ensure the employee is able to wake up on time for work, while other times, more intensive counseling may be the answer. The strategy is by keeping communication clear and flowing between all parties, retention rates of supported employees with these businesses will climb and increase the success of WTW clients achieving self-sustainability.

## JOB TRAINING AND RECRUITMENT

An integral piece of the NEO program seeks to bridge gaps between employer needs for skilled workers and the NEO job-seeker pool by creating short-term vocational training. The EDC facilitates job training programs that are not readily available or affordable in the community to match the specific needs of the private sector. To develop the curriculum, the EDC works with an existing training partner, such as local community colleges, along

with the private sector to ensure that the proposed training is not only relevant to employers but reflects the actual demands in the field and is in an industry capable of providing livable wages and growth. The training consists of both classroom instruction, including soft skills and conflict resolution, as well as hands-on instruction with introductions into the respective industries.

One of the most successful training programs developed through NEO is Class A truck driver training. Like much of the country, Fresno County is experiencing a severe shortage of available truck drivers with a Class A California driver's license. This training program originated from a discussion with one of the region's most prominent businesses in the logistics and transportation industry, John R Lawson Rock & Oil, Inc. The potential of developing a truck driving program was so important to John Lawson, the company's owner, that he offered to donate the land and trucks for students to train. This not only solved important logistical aspects of developing such training but allowed students to train on a wide variety of trucks.

Generally, established truck driving programs train on just one type of truck, and the probability that a student finds a job utilizing a similar truck is relatively low. By training on a wide variety of truck models currently used in the industry, NEO participants become much more versatile, confident, and employable. This significantly improves their prospects of securing employment, as it makes them eligible for a greater number of available positions. Furthermore, this training has become a nationally known program and a preferred training provider. Employers throughout the region regularly visit the training site, which has allowed many of the NEO training participants to secure jobs weeks before completing the training and obtaining their license.

Along with the Class A truck driver training, the EDC also facilitates pre-apprenticeship training for jobs available in the construction trades. In addition to the flurry of residential and commercial construction activity experienced in the region over the past four years, in 2015



(L-R) John Lawson, President of Lawson Rock & Oil; a graduate of the truck driving program; Amanda Venegas (ABC 30); EDC President/CEO Lee Ann Eager; and Glen Wills, instructor with the truck drivers training (TDT) program participate in an ABC 30 news segment on the success of the program. There have been 29 cohorts of the TDT program with over 192 graduates to date.

the nation's first high-speed rail project broke ground in Fresno. California's high-speed rail project investment in the Valley, to date, exceeds \$2.6 billion and has put more than 2,000 construction personnel to work, creating even more demand for skilled workers in the industry.

The pre-apprenticeship training consists of 12 weeks of instruction and utilizes the Thinking for Change curriculum that is used by the Department of Corrections, which is an integrated cognitive behavioral change program. This curriculum focuses on cognitive restructuring, social skills development, and problem-solving skills. The program also facilitates introductions to a multitude of trades and labor unions so that students are exposed to a variety of career options. The program culminates with the Laborers Union, the Local 294, administering a physical fitness assessment which places all with passing scores on a direct entry list to their union.

For larger hiring needs, the EDC and DSS tailor recruitment processes unique to the specific needs of local employers. For example, ULTA Beauty, the national beauty and cosmetics retailer, worked closely with the EDC, city of Fresno, and other local stakeholders during ULTA's site selection process for their new west coast e-commerce fulfillment and distribution center project. In March 2017, ULTA announced their selection of Fresno for their new facility and their plans including hiring 642 full-time employees. With workforce as ULTA's most important site selection factor, the EDC elevated discussions with the company by utilizing the NEO program to fulfill a portion of their workforce needs.

Following weeks of planning and preparation between ULTA, the EDC, and DSS, ULTA held a number of recruitment events catered to NEO program job-seekers, providing them with the first opportunity to obtain a job at the new facility. The program provided NEO job-seekers with the opportunity to obtain a job paying a minimum of \$15.00 an hour with benefits, the starting compensation for ULTA's entry level positions. This was life changing for the NEO job-seekers, providing them with a sense of dignity, independence, and a path toward self-sufficiency.

## RESULTS

NEO has greatly impacted individual job-seekers, many of whom have been able to transition from public assistance to self-sufficiency. Moreover, it has also helped meet local businesses' most critical workforce needs.

The unique partnership between the Fresno County EDC and the Fresno County Department of Social Services has been promising. Within the last year, nearly 400 NEO job seekers have obtained employment through the program. The Class A truck driving training program holds a steady placement rate of 83 percent and a retention rate of 83 percent over the last year. The Valley Apprenticeship Connection pre-apprenticeship training program graduates maintain a placement rate of 84 percent and a retention rate of 79 percent.

Even more impressive is the impact the NEO program has had for Fresno County's WTW participants' ability



Mia Bella owners Robert and Michelle Coyle receive the Ursa Major Award for their commitment and participation in the NEO program.

to secure subsidized and unsubsidized employment as compared to other counties in the San Joaquin Valley. EDC conducted an analysis on the impacts of the NEO program since its inception and through a multiple regression analysis of the data, found the following results.

Our analysis found that the NEO program has led to an increase of aggregate subsidized employment for Welfare-to-Work (WTW) participants in Fresno County by 78.5 percent, outperforming neighboring counties in the San Joaquin Valley. This effect represents the results of a county level difference-in-differences model in which the eight counties within the San Joaquin Valley from 2010 to mid-2018 were used as the model parameters. We found this effect to be statistically significant at the 99 percent confidence level, the highest confidence interval.

Similarly, when examining unsubsidized employment, the analysis found that the NEO program has led to an increase of unsubsidized employment by 16.5 percent in Fresno County, when compared to the other seven San Joaquin Valley counties. Once again, we found this effect to be statistically significant at the 99 percent confidence level. Additionally, in trying to evaluate the NEO program's effect on individuals leaving the welfare-to-work system, our analysis has found the NEO program to be directly responsible for a decrease in the amount of monthly enrollees within the welfare-to-work system by an approximate total of 578 individuals since its inception in 2014.

With over 100,000 California residents currently enrolled in the state's WTW program, the impact of replicating a similar program in other San Joaquin Valley and California counties cannot be understated. The Fresno County EDC looks forward to building on the success of NEO in expanding new programming that turns areas of need into new opportunities for all.

## LESSONS LEARNED

As with any endeavor, lessons have been learned through the program's development. Strong communication has proven to be essential to its success: communication between the EDC, Fresno County's business community, and DSS. The EDC needs to remain in touch with the businesses to understand their needs and com-

municate their difficulties to DSS; likewise, the EDC also needs to remain in regular contact with DSS to understand their needs and coordinate the program's efforts.

It has become clear that individuals need to not only be job ready, such as having access to transportation and the ability to show up dependably to work, but also be technically trained and ready to fulfill the needs that have been identified by burgeoning industries within Fresno County. Training requirements are identified by utilizing data and trends as well as being tuned into the business community. There also needs to be an examination of the workforce that is available: who are they, what skills do they have, what is their background, and what are they capable of. There needs to be a labor pool inventory in order to formulate what steps ought to be taken in order to have a healthy and growing economy.

## CONCLUSION

Ensuring economic development efforts are inclusive means that workforce must be considered of great importance. The NEO program has enabled the prioritization of people most in need of jobs by putting them at the front of the line and incentivizing businesses to consider them first, thus bolstering workforce and the economy as well as fostering an environment that is conducive to continued growth and prosperity.

The success of the NEO program is a testament to the importance of communication and the benefits of strategic partnerships with other agencies within the community when working towards a common goal. The pioneering partnership between EDC and DSS has enabled opportunities for businesses to grow and relocate to Fresno County and has given people receiving public assistance the opportunity to become self-sufficient and no longer reliant on aid to support their families. ☺

## BUSINESS TESTIMONIALS

"We hired our office assistant through the program and the process has been excellent. Not only did I receive the perfect candidate, the selection process through the Ready2Hire website was easy. This allowed McMillan Consulting to benefit from the free candidate search service to find qualified candidates quickly. We will continue to utilize the NEO program as more positions become available."

Hollie G., McMillan Consulting

"The NEO program has brought in many great employees that help this firm continue to be successful."

Dennis G., Grossman Law

"The NEO program is a community resource where both businesses as well as CalWORKs recipients benefit."

Bonnie S., Forever Care

"NEO has served both as a source for potential employees and as a training resource for us. We have benefitted from some excellent personnel, and have also received wise counsel in training and retaining good employees from Fresno County EDC staff."

Carolyn O., Tree of Life

"I must start by saying thanks to EDC Staff for all their professional support and encouragement. I have used savings from NEO reimbursements to boost our expansion processes. Employers have the opportunity to make a good selection among many candidates."

Gregory I., Ideal Care Centers



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