



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 22

**Agenda Date:** May 16, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Workforce Development Office

**DEPARTMENT HEAD:** Michael Ramsey

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

SA: Ready to Work (RTW) FY 2025 Annual Operating Budget and associated Personnel Complement.

**SUMMARY:**

Ordinance approving the SA: Ready to Work (RTW) Fiscal Year 2025 Budget for the fiscal year beginning July 1, 2024, and ending on June 30, 2025, in the amount of \$49,480,955 and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 8, 2024.

**BACKGROUND INFORMATION:**

In November 2020, over 76% of San Antonio voters approved allocating 1/8-cent sales and use tax to fund RTW to increase access to quality training, education, and jobs with benefits for thousands of San Antonio residents.

As of May 8, 2024, 12,234 individuals have completed RTW intake and assessment interviews, and 6,920 participants have enrolled in approved training aligned with well-paid careers that are in high demand. Of these, 1,611 participants have already completed their training, which reflects a 75% successful training completion rate. Local employers of all sizes have hired 868 participants

in quality jobs, with 78% of training completers finding quality employment within twelve months of completing training, and 49% finding quality employment within six months. Of those placed, mean hourly wage is \$20.79/hour, which equates to a mean annual salary of \$44,153.

The City continues to innovatively connect RTW participants and employers. For example, RTW recently implemented the San Antonio Ready to Work Job Board, which scours thousands of local job postings for openings in RTW target occupations. The Job Board is open to RTW participants, coaches, and employers.

Over 400 employers have pledged to support RTW by informing the program of their needs and by hiring RTW participants. Several anchor employers (USAA, CPS Energy, the City of San Antonio, and Credit Human, Methodist Hospital System and the SAVE Clinic) are conducting a pilot internship program, “Pay It Forward”, to provide RTW training completers with limited experience to learn on the job while being paid for an extended interview. The City is also funding on-the-job training (OJT) and incumbent-worker training (IWT) for employers to directly engage in the training process, which will help increase the earning capacity of more than 1,300 newly hired and incumbent workers.

RTW continues to demonstrate a significant return on investment. Based on a study performed by Dr. Steven Nivin and Dr. Belinda Roman of participants that had enrolled through June 30, 2023, every dollar spent on the program is projected to yield \$61 in local economic impact. Thus, relative to the total amount of planned spending on training and supports for those enrolled by June 30, 2023 (\$27.91 Million), the projected economic impact equates to \$1.70 Billion. Such impact stems from increased earnings of RTW participants, indirect impacts of spending, and reduced social spending.

RTW maintains a public, online Approved Course Catalog, which hosts over 70 training providers and over 850 approved courses that are aligned with employer needs. RTW continues to seek employer feedback by leveraging the Talent Pipeline Management® model developed by the US Chamber of Commerce and implemented locally by greater:SATX/SAWORX, and by engaging in industry-specific employer convenings with our community partners COPS/Metro.

The City continues to maintain RTW participant data in a central data platform, which was recently converted from the Signify Health platform to a Salesforce platform known as SYNC (an acronym for “Supporting Your Needs in the Community”). The Alamo Area Community Network hosts the SYNC platform, which is a referral system of community-based organizations that offer support for RTW participants and others. Having a central data platform is key to maintaining the City’s publicly-facing dashboard.

RTW engages in continuous improvement to meet the needs of San Antonio residents. RTW participants face a variety of significant barriers, including childcare, transportation, criminal backgrounds, lack of confidence, etc. RTW leverages technical advice from national subject matter experts to guide RTW coaches to help participant overcome challenges and succeed. During a recent RTW Equity Summit, local, state, and national stakeholders, including the National League of Cities and the US Department of Labor’s Women’s Bureau collectively prioritized childcare as a critical issue.

**ISSUE:**

During the May 1, 2024 City Council “B” Session, staff provided a programmatic update and informational briefing of the proposed FY 2025 Annual Budget and Personnel Complement to the City Council. Below is an overview of the RTW Proposed Annual Operating Budget for FY 2025 to include major program areas:

<b><u>Operating Expenses and Transfers</u></b>	<b><u>Proposed FY 2025 Budget</u></b>
Intake and Assessment	\$2,727,275
Wraparound / Case Management	\$11,230,176
Tuition / Training	\$25,802,101
Emergency Services	\$4,221,194
Outreach, Engagement & Communications	\$1,829,548
Support Programs	\$892,647
Administration	\$1,707,795
Sales Tax Collection Fee	\$1,070,217
<b><i>Total Budget</i></b>	<b><i>\$49,480,955</i></b>

The proposed Fiscal Year 2025 Annual Operating Budget reflects anticipated expenses and City personnel costs for July 1, 2024 through June 30, 2025. The Fiscal Year 2025 total expenses are proposed to be \$49,480,955, which includes funding for Intake and Assessment (\$2.7 Million), Case Management (\$11.2 Million), Tuition / Training (\$25.8 Million), Emergency Services (\$4.2 Million). The personnel complement currently consists of 12 authorized positions; staff recommends 7 additional staff positions (1 Assistant Director, 3 Employer Partnership Senior Management Analysts, 2 Compliance Senior Management Analysts, and 1 Senior Accountant) for Fiscal Year 2025 to support increased compliance monitoring and job placement support through employer partnerships.

The proposed Budget includes \$1 Million annual contributions to the DHS emergency childcare fund to serve RTW participants on the childcare services voucher waitlist; and \$6 Million funding to support OJT and IWT training pursuant to professional services agreements to be approved by City Council.

**ALTERNATIVES:**

City Council could choose to not approve the FY 2025 SA: Ready to Work Budget and request changes to the budget by RTW. In this event, the Board of Directors would need to amend their adopted Budget and forward to the City Council for approval.

**FISCAL IMPACT:**

This ordinance will approve the SA: Ready to Work FY 2025 Adopted Budget and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors (Pre-K 4 SA Board) on May 8, 2024. This Fiscal Year 2025 SA: Ready to Work Budget as adopted by the Board of Directors is \$49,480,955 and includes a personnel complement of 19 authorized positions. This action will not impact the City's General Fund Budget.

**RECOMMENDATION:**

Staff recommends that City Council approve the SA: Ready to Work (RTW) Fiscal Year 2025 Budget and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 8, 2024.