

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

Council Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

2023 – 2025 Council Members

Mayor Ron Nirenberg

Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Marc Whyte, Dist. 10

Wednesday, May 1, 2024

2:00 PM

Council Briefing Room

The City Council convened a B Session meeting in the Council Briefing Room beginning at 2:05 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 10 – Nirenberg, Kaur, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Courage, Whyte

ABSENT: 1 - Pelaez

ITEMS

1. Pre-K 4 SA program overview and briefing on the Pre-K 4 SA FY 2025 Annual Operating Budget for the fiscal year beginning July 1, 2024. [Alejandra Lopez, Assistant City Manager; Sarah Baray, Ph.D., CEO, Pre-K 4 SA]

City Manager Erik Walsh introduced the Item and Dr. Sarah Baray, Director of Pre-K 4 SA, who provided background on the Program which had been in existence since 2013 as well as an

overview of the FY 2025 Proposed Budget. She indicated that voters approved sales tax funding for Pre-K 4 SA in 2012 to address the lack of affordable, quality early childhood education. Baray stated that the Program initially provided education to 2,000 children at a half-day Program, engaged with families, trained teachers and expanded over ten years to a full-day Program with 5,000 seats and established a certificate program for childcare professionals. She added that voters reauthorized the Program in 2020 which would need to be reapproved in 2028.

Baray provided a heat map of quality childcare availability and reported that the grants and professional learning from 2024-2028 would focus on developing model childcare centers with highly trained teachers, increased pay for employees, and high quality education. She stated that priorities included expanding to serve younger children from birth through prekindergarten, set the standard for those age groups, develop career pathways for early learning teachers, create better tools to help families, invest in funding to develop early learning infrastructure, and use the 3 “T”s of innovation: invent, iterate, and interrupt to address chronic challenges across the landscape.

Baray provided 1/8 cent dedicated sales tax revenue projections for FY2024-2029 as well as the spending financial forecast which included \$58.4 million for FY 2024 and \$68 million for FY 2025 which would begin July 2024 and run through June 2025. She added that all years were projected to have an ending balance that rolled into the next fiscal year’s beginning balance.

Mayor Nirenberg recognized that the K-12 system, Alamo Promise, and UTSA’s Bold Promise Program were the bridge between early childhood education and jobs. He stated that the Pre-K 4 SA and Ready to Work (RTW) Programs both focused on economic mobility as a community-wide effort.

Mayor Nirenberg noted that the Pre-K 4 SA Program was approved by voters by a razor thin margin but after the two Pre-K 4 SA centers were opened, people came to love the Program. Mayor Nirenberg noted that income inequality, low education attainment, high percentage of people of color, and historic redlining maps had implications for RTW and Pre-K 4 SA. Mayor Nirenberg noted that the funds were already there for RTW and Pre-K 4 SA within the approved and collected sales tax.

Councilmember Castillo supported the shift from City contractors and temporary employees to full time employees at Pre-K 4 SA and more training for the childcare workers. She noted that through community engagement they had been able to stave off public school closures and asked how the RTW Program would coordinate with Pre-K 4 SA Program. Baray stated that the Program coordinators would help match RTW participants with childcare providers and tuition would be paid through childcare scholarships, but they would only work with providers that accepted the subsidies so that when the Federal subsidies came through, the child didn’t have to move. Councilmember Castillo was pleased that there were full seats available as those slots were difficult to come by.

Councilmember Viagran commented that year-round childcare including the Pre-K 4 SA Program was needed and suggested that the RTW Program should consider closer participation with training related to early childhood education workers in partnership with Texas A&M University San Antonio. Councilmember Viagran requested a breakdown of the number of girls

in Pre-K and early Pre-K compared to the number in the area.

Councilmember McKee-Rodriguez commented that municipal government could not address all of society's issues, but the Pre-K 4 SA Program allowed us to address the needs of young people and get them off to a great start. He noted that Pre-K 4 SA was the City department with the most AFSCME Union Members and recommended that employees participate in the budgeting process. Baray stated that Pre-K 4 SA met monthly with a peer teachers' group and staff helped develop a strategic plan to ensure instructors got the tools and education they needed. Councilmember McKee-Rodriguez requested clarification on the FY 2024 mid-year re-estimates that were higher than the Budget. Baray reported that the fund balance was tapped to make building improvements.

Councilmember Kaur lauded the outcomes for children that participated in the Pre-K 4 SA Program especially increased attendance in future education. She recommended follow-up studies and long-term results including Return on Investment (ROI) studies. Councilmember Kaur asked whether Pre-K 4 SA employees had challenges with housing. Baray confirmed that this was an issue, particularly for teacher aids that made lower wages, so affordable housing was a need. Councilmember Kaur asked if there were challenges with partners taking the RTW vouchers for childcare. Baray stated that the Program had not yet started and that is why they were targeting providers that took the subsidy and suggested follow-on services post-employment.

Councilmember Whyte commented that the outcome and ROI data provided was from 2020 and asked how the ROI was calculated noting that the metrics were based on the education centers. Baray stated that these were performed every other year because the studies were expensive and conducted by an outside consultant expert that measured access to care and how families' situation improved. She stated that the other programs such as grants and training for teachers would be included in the next study. Councilmember Whyte asked what the funds transfer was in the Budget. Baray stated that the transfer was for indirect costs to pay the City for management, support, legal services, financial services, etc.

Councilmember Cabello Havrda requested a presentation on the Human Resources survey of Pre-K 4 SA teacher salaries that determined labor market competitiveness. Baray stated that the compensation was studied and the information would be provided.

Councilmember Courage stated that he had visited other childcare centers including Head Start and asked how many children were served in Pre-K 4 SA and when the first cohort would graduate from high school, recommending a review of long-term outcomes. Baray reported that Pre-K 4 SA had served 15,000 kids directly and the first cohort was now in high school. He asked if the Program could really educate infants and toddlers. Baray stated that the brain of an infant developed a million synapses per second and it was important to have high quality interactions with adults. Councilmember Courage asked how Pre-K 4 SA differed from Early Head Start. Baray stated that the two programs complemented each other and staff were exploring partnership opportunities with the intent to increase the number of seats.

Councilmember Rocha Garcia acknowledged that access to quality childcare for military and low-income families was important and noted this was crucial to her council district residents. She supported the work of Texas A&M University San Antonio to help improve quality childcare and

address the childcare deserts. Councilmember Rocha Garcia expressed concern as to what might happen if the funding ran out for Pre-K 4 SA. She mentioned a recent audit.

Councilmember Alderete Gavito supported the Programs breaking generational poverty and suggested there might be other issues impacting the families. She asked how did we know the Program was improving other childcare centers. Baray indicated that external evaluators were reviewing the results and the goal was to get them into the Quality Rating System and then to a Tier 4 and a healthy business model.

Mayor Nirenberg suggested more coordination between programs to help the most cost burdened families. Baray noted that they were helping enroll Pre-K 4 SA families in utility assistance programs.

2. San Antonio: Ready to Work program overview and briefing on Fiscal Year 2025 Proposed Annual Operating Budget for the fiscal year beginning July1, 2024. [Alejandra Lopez, Assistant City Manager; Michael Ramsey, Executive Director, Workforce Development Office]

City Manager Erik Walsh introduced the Item and Mike Ramsey, Director of Ready to Work (RTW), who provided background on the Program which had been in existence since 2022 after the voters approved an 1/8 cents sales tax funding for the Program in November 2020 as well as an overview of the FY 2025 Proposed Budget which would begin in July 2024 and would run through June 2025. He noted that voters approved the sales tax to be transferred to VIA in December 2025, but the Program would continue until funding ran out in 2029.

Ramsey reported that over 3,000 were enrolled in post-secondary training in 2023 which increased to 6,700 in 2024. He showed a heat map of income, education attainment, people of color and historic redlining noting the great need for the Program in the community. Ramsey stated that the Program was intended to meet the needs of the participants but also local employers in growing industries such as trades, transportation, utilities, healthcare, construction, and manufacturing.

Ramsey stated that the Program was designed to collaborate with partners including employers and provide access to education and training with support to overcome barriers ultimately resulting in quality job placement. Ramsey reported that the average individual annual salary in a new job was \$44,000 compared to a \$15,000 household income at intake and community economic return on investment was projected to be \$1.7 billion for the first-year enrollees. He added that the Program had been recognized nationally as a best practice and included transparency, accountability, and adaptability.

Ramsey stated that the goal was to place 28,000 residents in quality jobs over the life of the Program and so far 730 had been placed in quality jobs, however 71% of enrollees successfully completed training, 52% were placed in quality jobs within six months and 80% were placed within 12 months. He noted that equity included focus on persons with disabilities, military involved, justice involved, foster involved, and low-income residents. He reported that the FY 2025 RTW Budget included \$49.5 million expenditures with the majority going toward tuition and training costs with the Program beginning to ramp down over time until closeout in FY 2029. He stated that seven new positions were requested for FY 2025 for a total personnel complement of 19.

Ramsey listed several innovative work based learning models such as On-the-Job Training (OJT), incumbent worker training, Pay it Forward Internships, and apprenticeships. According to Ramsey, the priority was job placement, and the Program would be using Talent Pipeline Management with partners, background and expunction reports, hiring fairs, RTW job board, Finish Line Grants, Job Verification Software, 3-1-1 collaboration, and employer feedback loops. Ramsey proposed a \$1 million childcare pilot program in collaboration with the Department of Human Services, and the Pre-K 4 SA Program that would provide childcare vouchers while RTW participants were on the Federally funded Child Care System waitlist.

Mayor Nirenberg recognized that the K-12 system, Alamo Promise and UTSA's Bold Promise Program were the bridge between early childhood education and jobs. The Pre-K 4 SA and Ready to Work Programs both focused on economic mobility as a community-wide effort.

Mayor Nirenberg noted that the Pre-K 4 SA Program passed by a razor thin margin but after the two Pre-K 4 SA centers were opened, people came to love the Program. He predicted that RTW would have the same result and noted that it was an unprecedented effort to work with the community to create economic mobility and no other city in the country was doing more. Mayor Nirenberg noted that income inequality, low education attainment, high percentage of people of color, and historic redlining maps had implications for RTW and Pre-K 4 SA. He pointed out that RTW was intentionally outreaching the most difficult to serve and high need communities through an equity approach.

Mayor Nirenberg noted that the funds were already there for RTW within the approved and collected sales tax. He declared that the City would never solve housing problems without increasing wages for our residents through education and training. Mayor Nirenberg asked if RTW was training early education teachers to help with the shortage. Ramsey stated that RTW was not focusing on the early childhood sector because the wages were too low and he noted that he was collaborating with others to improve wages. Baray agreed that wages needed to be increased and the entire early childhood community was working on a plan to leverage RTW and other programs.

Mayor Nirenberg agreed that all teachers were underpaid, particularly childcare workers and suggested inclusion of the topic in the legislative agenda.

Councilmember Alderete Gavito agreed that it was not easy to break generational poverty but she wanted to ensure that we were holding ourselves accountable and taxpayer dollars made the impact promised to voters. She expressed concern with the low percentage of RTW participants being placed in quality jobs and asked what could be done to reach 80% within the six month goal. Ramsey stated that the job board, internships, and partnerships with employers would improve the outcomes but there were no guarantees. City Manager Walsh stated that the seven new positions were intended to help connect to more employers.

Councilmember Alderete Gavito requested clarification on successful completion rates and a breakdown of participants by job search timelines. Ramsey admitted that it had become more difficult for persons to get jobs the longer they were unsuccessful in their jobs. Councilmember Alderete Gavito requested a breakdown of the large increase in tuition and how many planned to complete training and placed in jobs in FY 2025 as well as the number of pledged employers

that had participated in the Program.

Councilmember Castillo supported former participants providing input on the RTW Program. She recommended tracking of individuals that were asking about the Program including the demographics and age groups of participants. Councilmember Castillo commented that the dashboard was very informative.

Councilmember Viagran agreed that income inequality, low educational attainment, large numbers of people of color, and historic redlining significantly impacted the southern sector. She acknowledged that the Program had taken some time to get going but RTW was an unprecedented effort to address generational poverty and reach underserved communities. Councilmember Viagran offered to help recruit residents into the RTW Program or even to City jobs and suggested a greater partnership between the Program and employers. She noted that there were very few remote jobs and many people got used to those jobs and now they were gone, or they were just waiting for the perfect job which might negatively impact job placement rates. Councilmember Viagran asked United States Department of Labor, Regional Administrator for the Women's Bureau, Delia Garcia, to explain the Good Jobs Great Cities Partnership Program. Garcia stated that RTW was an exemplary partner in the Program.

Councilmember McKee-Rodriguez noted that mortgage and rental prices continued to rise as wages stagnated and suggested that the wage expectations should take this into account and strive for a livable wage. He questioned the actual numbers of those placed in jobs as compared to those enrolled. Councilmember McKee-Rodriguez was skeptical that the results had not been high enough to meet the targets and was concerned that the results were also taking longer than expected. He requested information about why participants dropped out of the Program and suggested that most people would not complete a survey so direct outreach through phone calls was recommended to collect the data.

Councilmember Kaur commented that helping people grow in their jobs and economically were difficult to achieve and the RTW Program had set ambitious goals. She expressed concern about misalignment of jobs between what participants wanted versus what was available and asked what was being done and suggested that the Program could pivot as community needs changed. Ramsey stated that jobs were aligned with targeted occupations within demand industries and having two former program participants on the board helped provide feedback from that perspective as well as employers.

Councilmember Kaur asked how ROI was measured for outreach. Ramsey stated that he would provide details about results by the type of outreach in an email. Councilmember Kaur recommended better coordination of case management between the multiple RTW providers.

Councilmember Whyte commented that Ramsey put a positive spin on a program that had gotten off to a rocky start but questioned what the seven new Senior Management Analyst positions would do. Ramsey stated that those new staff would work directly with employers to determine employer needs, host more industry focused job fairs, ensure a common scope of services between the partners, and monitor contract performance. Councilmember Whyte suggested attacking the largest impediments to program success which seemed to be challenges with job placement and asked why 30% of the participants did not complete the Program. Ramsey

explained that 70% completion was higher than the average completion rate at Alamo Colleges which was 40%.

Mayor Nirenberg asked if there was a benchmark for job training program retention and completion. Ramsey stated that the national average was 60%.

Councilmember Cabello Havrda asked about the potential to create a teacher apprenticeship program so RTW could complement the work being performed by Pre-K 4 SA. Ramsey stated that the plan was to leverage partnerships.

Councilmember Courage commented that the City of San Antonio had approximately 250,000 residents in poverty so helping people get good jobs had to be a priority as was early childhood education. He suggested that those in poverty were unemployed or under-employed and noted that if the ROI numbers projected were accurate, our investments were 6-7 times the amount spent. He suggested that good jobs would save money in other programs such as housing, human services, etc.

Councilmember Courage supported continuing to provide wrap around services such as childcare to help people participate in RTW. Paid OJT or internships were crucial, so the companies did not need to take on so much risk for these participants, according to Councilmember Courage. He was skeptical until he saw real job numbers and hoped the Program would prove itself before 2029.

Councilmember Courage asked the City Attorney if some of the funds could come out of Pre-K4 SA or RTW to fund streets, sidewalks, and small businesses. Segovia stated that both organizations were funded through Texas LGC chapter 379 A which set the parameters for taxing and spending money which designated that the taxing authority was only for those programs and it also needed to meet the requirements set by voters.

Councilmember Rocha Garcia recognized the huge community partnership with RTW and recommended connection to the Neighborhood and Housing Services Department (NHSD) for families requesting utility assistance. She recommended adding the hospitality industry to the Program as this was a great need. Councilmember Rocha Garcia recommended that the OJT Program payment only go to employers that really needed it and suggested making the employer payment after successful program completion. She supported additional case management and wrap around services including emergency assistance. Ramsey stated that the emergency funding cap was increased from \$500 to \$1,500 but the total demand for the assistance had not increased.

Councilmember Rocha Garcia asked how many were expected to complete their training in the next year and the main reason for dropout. Ramsey reported that 2,000 were expected to complete training and dropouts occurred because of people moving out of town, childcare was a barrier, or they found a better job without the Program. Councilmember Rocha Garcia recommended revisiting the contracts based on an audit related to the Program which found that some partners were not meeting their targets. Ramsey added that the audit was considered for future recommendations.

Mayor Nirenberg commented that if someone needed help on rent and utilities, they were cost burdened and likely to be a good candidate for the RTW Program and he supported proactively outreaching those.

Mayor Nirenberg noted that the plan was to not create a top heavy program, but after a couple of years, we learned that we need more case management and were all in on making the RTW Program a success and requested input from all sectors and populations. He noted that the Program was built to be flexible and he hoped the result was a generation that would positively affect future generations so they would not need help with rent adding that \$20 per hour was an acceptable starting wage, but each participant should be economically mobile and their starting wage should not be their final wage.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:33 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**