



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 33

Agenda Date: May 18, 2023

In Control: City Council A Session

DEPARTMENT: Workforce Development Office

DEPARTMENT HEAD: Michael Ramsey

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

SA: Ready to Work (RTW) FY 2024 Annual Operating Budget and associated Personnel Complement.

SUMMARY:

Ordinance approving the SA: Ready to Work FY 2024 Budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024 in the amount of \$35,192,498.00, and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors (Pre-K4SA Board) on May 9, 2023. This ordinance will also approve a professional services agreement with Social Finance.

BACKGROUND INFORMATION:

In November 2020, San Antonio voters approved the “SA: Ready to Work” (RTW) program to increase access to quality training, education, and jobs with benefits for thousands of San Antonio residents. Since January 2022, over 14,000 individuals have applied for RTW. As of May 10, 2023, 311 employers have pledged to support RTW by engaging in employer initiatives and by hiring RTW participants. RTW intake agencies have completed interviews of 5,428 applicants, have confirmed 4,107 applicants eligible to date, and have enrolled 2,471 participants in approved training programs. There are 393 participants that have successfully completed training, and 120

have been placed in quality jobs, with a median starting hourly wage of \$18.00. There are 97 different employers that have hired RTW participants to date.

Additionally, in early 2023, WDO began working with Social Finance, a national impact finance and advisory non-profit, to ascertain the feasibility of a paid internship program to compliment RTW. WDO and Social Finance have developed a pilot program entitled, “Pay It Forward”, in which:

- The City administers the program and pays intern wages (approximately \$5,000);
- A Ready to Work pledged employer hosts a meaningful internship;
- TriStarr Staffing acts as the employer of record and handles timekeeping and payroll services, and
- If the employer hires the intern, the employer contributes \$5,000 into a City workforce fund for future workforce initiatives.

On April 4, 2023, staff briefed the San Antonio Early Childhood Education Municipal Development Corporation Board on the program to date, updated FY 2023 Re-estimated program revenues and expenses, and proposed FY 2024 Annual Operating Budget and Personnel Complement. On April 19, 2023, staff briefed City Council on the same items. On May 9, 2023, the Board adopted the FY 2024 Annual Operating Budget and Personnel Complement.

ISSUE:

The FY 2024 Annual Operating Budget reflects anticipated program revenues, expenses, and City personnel costs for July 1, 2023, through June 30, 2024. The FY 2024 Revenues are forecasted at \$51,452,747.00 and total expenses are proposed to be \$35,192,498.00, which includes funding for marketing and outreach, intake and assessment, case management, technical advice, program evaluation, participant tuition and emergency funds. The Budget includes increased funding for work-based learning pilot programs and paid internship programs for RTW participants. A summary of operating expenses follows:

- Personnel Services \$1,474,046
- Contractual Services \$33,456,760
- Commodities \$43,987
- Self-Insurance/Other Expenditures \$130,300
- Capital Outlay \$9,759
- Transfer \$77,644

The Personnel Complement currently consists of 11 authorized positions; staff recommends one additional staff position (Marketing Manager) for a total of 12 for FY 2024.

The agreement in the amount of \$150,000 with Social Finance would implement the Pay It Forward Internship Program by supporting employer coordination, negotiating terms with employers, draft contract term sheets, data sharing agreements, participant consent forms, data collection templates, identify new employers to sustain and scale program, and recommend continuous improvement. The term of the agreement is from May 2023 through October 2023.

ALTERNATIVES:

Should City Council not approve the Budget as presented, it would delay the continued implementation of the SA: Ready to Work education and job placement program. Any changes would need to also be adopted by the PreK 4 SA Board.

FISCAL IMPACT:

This ordinance will approve the SA: Ready to Work FY 2024 Adopted Budget and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors (Pre-K4SA Board) on May 9, 2023. Additionally, this ordinance will approve an agreement with Social Finance in the amount of \$150,000 to implement the Pay It Forward Internship Program. The Fiscal Year 2024 SA: Ready to Work Budget as adopted by the Board of Directors on May 9, 2023 is \$35,192,498.00 and includes a personnel complement of 12 authorized positions. This action will not impact the City's General Fund Budget.

RECOMMENDATION:

Staff recommends approving the SA: Ready to Work FY 2024 Annual Operating Budget and Associated Personnel Complement.