



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 7

**Agenda Date:** April 4, 2023

**In Control:** San Antonio Early Childhood Education Municipal Development Corporation Meeting

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**DEPARTMENT:** Workforce Development Office

**DEPARTMENT HEAD:** Michael Ramsey

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

SA: Ready to Work Budget

**SUMMARY:**

This item includes a briefing on the SA: Ready to Work (Ready to Work) program, the Fiscal Year 2023 re-estimated program revenues and expenses, the proposed Fiscal Year 2024 Annual Operating Budget and Personnel Complement, and updated financial forecast through 2028.

**BACKGROUND INFORMATION:**

In November 2020, San Antonio voters approved the Ready to Work program to increase access to quality training, education, and jobs with benefits for thousands of San Antonio residents. In May 2021 the Pre-K4SA Board approved the Fiscal Year 2021 budget, which included the creation of a new City Workforce Development Office (“WDO”) with a personnel complement of 11 staff

members. In Fall 2021, WDO issued a series of requests for proposals to implement the Ready to Work program. In May 2022, City Council approved prime contracts for intake, assessment, case management, and marketing services with Workforce Solutions Alamo, Alamo Colleges District, Project Quest, Restore Education, and Creative Noggin to implement the program. In September 2022, City Council approved a contract for program evaluation services with UTSA's Urban Education Institute. In May 2022, the PreK4SA Board and City Council approved the Fiscal Year 2022 budget

Since January 2022, over 12,500 individuals have applied for Ready to Work. Nearly 300 employers have pledged to support Ready to Work by engaging in employer initiatives and by hiring Ready to Work participants. WDO staff has developed an online Approved Course Catalog, which hosts over 50 training providers and over 900 approved courses that are aligned with high-demand, well-paid jobs. The Ready to Work Advisory Board has met 21 times to date, and its Community Outreach Subcommittee and Employer Engagement Subcommittee have met 19 times and 14 times, respectively. WDO, in coordination with the City's Information Technology Services Department and the Department of Human Services, built a central data platform (the "Signify" platform) to collect and maintain program data.

As of March 27, 2023, Ready to Work intake agencies have completed interviews of 4,567 applicants, have confirmed 3,293 applicants eligible to date, and have enrolled 1,835 participants in approved training programs. 253 participants already have successfully completed training, and 81 have been placed in quality jobs, with a median starting hourly wage of \$18.12. This starting wage reflects an average hourly wage increase of \$9.25, which equates to an annual increase of over \$19,000 per individual. 67 different employers have hired Ready to Work participants to date.

Following the program's principal guidelines, the City has been transparent, equitable, responsive and flexible in implementing Ready to Work. The City hosts an online webpage and dashboard that publishes program metrics each business day. Ready to Work staff has presented updates to the PreK4SA Board, to the City Council Economic Workforce Development Committee, to the Ready to Work Advisory Board and its Subcommittees, at COPS/Metro Leadership meetings, and at numerous media, employer, and community engagements.

Ready to Work was designed to adapt to market conditions, to collect community input, and to innovate throughout the program's tenure. At the outset of the program, Ready to Work eligibility guidelines did not permit students currently enrolled in post-secondary courses to enroll in the program; however, as a result of strong community and partner support, in December 2022 the City removed this restriction. Also in January 2023, the US Government increased the Federal Poverty Guidelines, which increased Ready to Work's maximum household income level. Impacts of these eligibility changes are still being realized.

## **ISSUE:**

Staff will brief the Pre-K4SA Board on the Ready to Work updated Fiscal Year 2022 through Fiscal Year 2028 Financial Forecast, the Fiscal Year 2023 Re-Estimate, and the Fiscal Year 2024 Annual Operating Budget and associated personnel complements.

Financial Forecast. The Financial Forecast provides a current and long-range financial assessment, addressing revenues, expenses, and financial reserves through FY 2028. The Financial Forecast is based on a set of assumptions as of March 2023. The Financial Forecast is not a budget, rather it provides the Pre-K4SA Board, City Council, and the community with a financial outlook for the Ready to Work program.

Budget Re-Estimate. The Fiscal Year 2023 Budget Re-Estimate reflects updated program revenues and expenses for July 1, 2022, through June 30, 2023. The Fiscal Year 2023 beginning balance is re-estimated at \$55,745,339, revenues are re-estimated at \$48,671,804, and expenditures are re-estimated at \$22,268,524. The Fiscal Year 2023 gross ending balance is re-estimated at \$82,148,619.

Multiple factors have contributed to changes in Fiscal Year 2023 revenues and expenditures. Sales tax revenues have exceeded initial forecasts (\$48,671,804 compared to \$46,861,557). Average cost per participant enrolled in training is \$5,826, compared to \$8,169 originally projected. From June through October 2022, intake and case management agencies ramped up their processes and adapted and integrated into the Signify platform. Based on the agreed contracts, the City does not pay intake agencies until they have completed eligibility and needs assessments and referred applicants to appropriate resources. The City does not pay case management agencies until they enroll participants into approved courses. These combined factors have contributed to the decreased spending in Fiscal Year 2023.

Annual Budget. The proposed Fiscal Year 2024 Annual Operating Budget reflects anticipated program revenues, expenses, and City personnel costs for July 1, 2023 through June 30, 2024. The Fiscal Year 2024 Revenues are forecasted at \$49,092,819 and total expenses are proposed to be \$35,145,299, which includes funding for Intake and Assessment (\$2,831,699), Case Management (\$6,950,546), Tuition / Training (\$17,286,128), Emergency Services (\$3,540,026). The personnel complement currently consists of 11 authorized positions; staff recommends one additional staff position (Marketing Manager) for Fiscal Year 2024.

The Forecast and Budget include funding for emergency assistance up to \$1,500 for eligible costs, including housing, utilities, daycare, food, transportation, internet access, cell phone service plan, and legal assistance relating to job placement.

#### **FISCAL IMPACT:**

This item is for briefing purposes only.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **RECOMMENDATION:**

This item is for briefing purposes only.

