

SA: READY TO WORK

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**Prepared by Economic Development
Department**

This document is a preliminary forecast
document and may be updated at various
milestones.

FY 2022 to
FY 2027
Financial
Forecast



SA: READY TO WORK

FY 2022 TO FY 2027 FINANCIAL FORECAST

BACKGROUND AND HISTORY

In July 2020, San Antonio Mayor Ron Nirenberg appointed a Workforce and Education Leadership Taskforce (the “Leadership Taskforce”) to assess community workforce development priorities and to identify strategies beyond the immediate COVID-19 crisis. The Leadership Taskforce included leaders from education, workforce development, business, community, labor, economic development organizations, and philanthropy. The Leadership Taskforce ultimately recommended the *SA: Ready to Work* initiative, to increase San Antonio residents’ access to workforce technical skills training, higher education and wraparound services.

In November 2020, San Antonio voters approved the *SA: Ready to Work* program, which will launch in Fall 2021. The program will be funded by a 1/8 cent sales tax collected through December 2025.

GUIDING PRINCIPLES

The broad philosophies that will be followed during the planning and implementation of the *SA: Ready to Work* Program include:

- **Focused Approach:** A strategic program should seek to reduce poverty through targeted solutions for maximum impact.
- **Alignment:** High-quality training and education, aligned with employer needs, drives long-term success. Today’s and tomorrow’s well-paid jobs require specialized preparation and knowledge.
- **Equity:** A workforce program should consider benefits and burdens to historically underserved populations. Additional supports are necessary to afford all San Antonio residents opportunities to succeed, regardless of their current circumstances.
- **Collaboration:** Through community collaboration and shared innovations, we can build a stronger and more inclusive workforce ecosystem.

STRATEGIC GOALS

The goals of the *SA: Ready to Work* program are to ensure that unemployed, underemployed, or underserved residents can access and complete the program; that training and education align with current and anticipated high-demand, well-paid careers; and that ultimately, participants secure those high-demand, well-paid careers.



STRATEGIC OBJECTIVES

In order to reach the program goals, the SA: Ready to Work program includes the following objectives: increase access to industry-recognized certification training and college; provide wraparound services and emergency funding to ensure success; increase collaboration within the workforce ecosystem; and promote accountability and adaptability throughout process.

ELIGIBILITY GUIDELINES

The following is a list of criteria that program participants must meet in order to be eligible for the SA: *Ready to Work* program.

- 18 years old at time of intake
- Resident of the City of San Antonio
- Eligible to work in the United States
- Salary less than 200% of federal poverty guidelines (e.g., \$26,000 for an individual)
- Previously employed
- Willing to take assessments relating to barriers, academics, skills and workplace readiness
- Committed to complete program

Target populations include:

- Earned a high school diploma or equivalent (HSE)
- Historically underserved, including people of color, women, justice involved, and individuals with disabilities
- Employment negatively been affected by COVID-19

Note that a participant seeking a 4-year degree must have already earned at least 30 hours of college credit but not yet earned a 4-year degree.

ASPIRATIONAL OUTCOMES

The following is a list of aspirational outcomes expected for the SA: *Ready to Work* program.

- 80% of participants demonstrate progress of hitting key milestones (persistence)
- 80% of participants enrolled in certificate programs complete training
- 80% of participants enrolled in associate's degree programs complete degree program
- 70% of participants enrolled in bachelor's degree programs complete degree program
- 80% of participants completing approved certificates and associate's degree programs are placed in high-demand, well-paid careers as defined in the background section of this RFP
- 90% of participants completing bachelor's degrees are placed in high-demand, well-paid careers
- 90% of participants experience increased wages upon training/degree completion and job placement
- 75% of participants respond with positive scores on feedback surveys



FY 2022 TO FY 2027 FINANCIAL FORECAST

The FY 2022 to FY 2027 Financial Forecast provides a current and long-range financial assessment addressing revenues and Ready to Work program expenses. The primary objective of the Forecast is to provide the City Council and community with an early financial assessment of the Ready to Work Program. The forecast combines projected resources and expenditures based on a set of assumptions that have been developed and refined since December 2020. However, many of the assumptions, projections, and costs estimates within this document are based on early and preliminary information that will be refined and adjusted as the program delivery services are finalized.

The forecast for the Ready to Work Program reflects positive ending balances for the entire life of the forecast.

The financial forecast reflects the annual projected expenditures required to sustain the program. The growth in expenditures over the forecast period is primarily due to the level of participation in the program, increases in case management costs, and inflationary increases. The expenses within the financial forecast include funding to administer and manage the program as well as contracted costs for intake and assessment, case management, tuition and training, and emergency assistance.

The Ready to Work program will be on a July 1 to June 30 fiscal year.



**Special Revenue Fund
SA Ready to Work
Five Year Forecast and FY 2022 Proposed Budget**

DRAFT (\$ in Millions)	FY 2021 Estimate	FY 2022 Proposed Budget	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection
RESOURCES							
Beginning Balance	-	9.8	26.6	30.0	19.7	10.0	11.5
CURRENT REVENUES							
Sales Tax	10.1	39.5	41.0	42.5	44.0	23.1	-
TOTAL CURRENT REVENUES	10.1	39.5	41.0	42.5	44.0	23.1	-
TOTAL RESOURCES	10.1	49.3	67.6	72.5	63.7	33.1	11.5
EXPENDITURES							
CITY COST							
Administration							
Personnel Expenses	-	0.7	0.7	0.8	0.8	0.8	0.7
Contractual Services	0.1	0.7	0.7	0.7	0.7	0.5	0.1
Commodities	-	0.01	0.01	0.01	0.01	-	-
Self Insurance / Other	-	0.1	0.1	0.1	0.1	0.1	0.1
Capital Outlay	-	0.04	-	-	-	-	-
Subtotal Administration	0.1	1.5	1.5	1.6	1.6	1.4	0.9
State Sales Tax Admin Fee (2%)	0.2	0.8	0.8	0.8	0.9	0.5	-
Subtotal State Sales Tax Admin Fee	0.2	0.8	0.8	0.8	0.9	0.5	-
Support Programs							
Personnel Expenses	-	0.3	0.3	0.3	0.3	0.3	-
Contractual Services	-	0.3	0.3	0.3	0.3	0.3	-
Commodities	-	0.01	0.01	0.01	0.01	0.01	-
Self Insurance / Other	-	0.04	0.04	0.05	0.05	0.04	-
Capital Outlay	-	0.02	-	-	-	-	-
Subtotal Support Programs	-	0.7	0.7	0.7	0.7	0.6	-
Total City Cost	0.3	3.0	3.0	3.1	3.2	2.5	0.9
CONTRACTED COST							
Support Programs							
Intake and Assessment	-	2.2	2.6	3.5	3.6	1.1	-
Wraparound / Case Management	-	6.5	10.0	13.6	13.9	4.1	2.5
Tuition / Training	-	9.8	20.2	30.1	30.5	13.0	6.7
Emergency Services	-	1.2	1.8	2.5	2.5	0.8	0.5
Total Contracted Cost	-	19.7	34.6	49.7	50.5	19.0	9.7
TOTAL EXPENDITURES	0.3	22.7	37.6	52.8	53.7	21.5	10.6
ENDING BALANCE	9.8	26.6	30.0	19.7	10.0	11.5	1.0



FY 2022 TO FY 2027 FINANCIAL FORECAST - REVENUES

Sales Tax

SA: Ready to Work is supported through a 1/8th cent sales tax approved by the voters in November 2020. Sales tax collections for this project is anticipated to begin in March 2021 and will sunset in December 31, 2025.

Actual sales tax collection for FY 2021, are projected to be \$10.1 Million, which reflects four months of collection. FY 2022, reflects a full year of sales tax collection at \$39.5 Million.

FY 2022 TO FY 2027 FINANCIAL FORECAST – EXPENDITURE ASSUMPTIONS

City Cost: Administration

Administration represents the anticipated cost to the city to administer the program. This includes 7 positions, operational costs, as well as community outreach and program evaluation.

Community Outreach: As part of this process, the plan will include a multi-prong approach to include target populations, potential employers, training and educational organizations and community organizations. The City will develop a mixed media communications plan in English and in Spanish and provide other translation services as necessary. The City will develop branded marketing materials to be leveraged by program partners, and a City-hosted, user friendly website for participants and the community to provide transparency.

Program Evaluation: The SA: Ready to Work program will include a third-party evaluation process. The evaluator will create a comprehensive evaluation plan, to include observable measures, statistical analyses, evaluations of partner processes and resident participation. The City will compare this data to national norms and best practices and request periodic and annual reports to allow for ongoing adaptation and innovation.

Administration is expected to grow about 2% when the program is providing full services, FY 2022 to FY 2025. Additionally, administration is less than 5% of the total budget.

Sales Tax Admin Fee is the cost that the State of Texas charges for administering the local portion of the sales tax rate.

City Cost: Support Programs

Support Programs include the City's direct cost for Intake/Assessment, Wrap Around Services, and Tuition/Certification. A total of 4 positions and operational costs are included in Support Programs. The four positions will provide contract oversight and management in the following capacities: facilitate intake and assessment, facilitate wrap around services and case management, and facilitate education and certification programs. Support programs also include the costs for the Ready to Work Data Platform to assist in the management of the program.



Contracted Intake and Assessment

The City plans to contract for all participant intake and assessment. Intake agency(ies) will be the first point of contact for an SA: *Ready to Work* applicant. Using the RTW Data Platform, agency(ies) will determine program eligibility, and complete a series of assessments for each participant (including barriers, academic level, skills aptitude and workplace readiness). Once assessments are complete, the Intake agency(ies) will determine the level of service required for each participant (based on City-provided criteria) and will assign each participant to an SA: *Ready to Work* Case Management agency (based on City-provided policy guidance). The funding for intake and assessment is based on approximately 6.5 hours per participant and \$40 for assessment tests per participant.

Contracted Case Management and Wraparound Services

Each Case Management agency will provide services to clients, supporting them through the educational and career exploration process, enrolling in educational and training courses, and placing them in a well-paid, upwardly mobile career, while providing wraparound services and social service referrals throughout. Each client may be facing different barriers and as such, may require different levels of Case Management services

This funding is intended to help residents remove short-term barriers to completing training and education courses. Pursuant to the guiding principles, this program is not intended to fund longer-term social services; however, Case Management agencies will provide referral services to residents, as necessary.

It is estimated that case management and wraparound services will be contracted at \$1,300 per participant on average, but the actual cost per participant will vary depending on the level of services needed.

Tuition Reimbursement

The City will reimburse Case Management agencies on behalf of their clients for attending training and educational programs.

Tuition funding is the amount, on average, that the program will contribute for tuition. It is assumed that a portion of a participant's tuition will be covered through other sources and program funds are used as "last dollar" funding. The amounts available to contribute to tuition are:

- Certificate: \$2,100 / year
- Associate: \$2,200 / year
- Bachelor: \$4,100 / year

Emergency Assistance

Emergency assistance would be available to assist participants with other expenses that might otherwise impede their ability to complete this program such as, daycare, food, utilities, rent, etc. It is assumed that 50% of participants will require an average of \$500 in emergency assistance.

GOVERNANCE



Chapter 379A of the Texas Local Government Code provides for the use of a municipal development corporation to undertake the *SA: Ready to Work* program. In 2012, the City Council authorized the creation of the San Antonio Early Childhood Education Municipal Development Corporation (the “**Municipal Development Corporation**,” which is charged with developing early childhood literacy and educational programs and overseeing the Pre-K 4 SA program. The Pre-K 4 SA Board will contract with the City of San Antonio for oversight and implementation of this workforce program. City Council directly sets policies associated with this program, and the City Manager is responsible for implementation. The City Manager may create a new Workforce Development Office to handle day-to-day operations of the *SA: Ready to Work* program.

CONCLUSION

San Antonio is investing in its future through the *SA: Ready to Work* program. From tuition assistance to wraparound services to help residents navigate barriers and emergency financial assistance, the *SA: Ready to Work* hopes to build a more equitable and sustainable future for San Antonio residents.