

Workforce Development Audit



Objective

The objective of this audit was to determine if the City's workforce development contracting efforts are effective at achieving outcomes and preparing employees for jobs that match the needs of the Austin job market.

Background

The City of Austin provides workforce development programs, directly and through contracted entities, to assist low-income community members with literacy, adult basic education, job readiness, and occupational training. These programs may also provide additional services such as job placement, childcare, and transportation.

What We Recommend

The City Manager identify a lead department to oversee workforce development programs, establish Citywide workforce development goals and expectations, and collaborate with regional partners.

The City Manager ensure future contracts meet the needs of area employers and include clear and consistent performance measures.

The Austin Public Health and Economic Development Department Directors enhance monitoring of contractors.

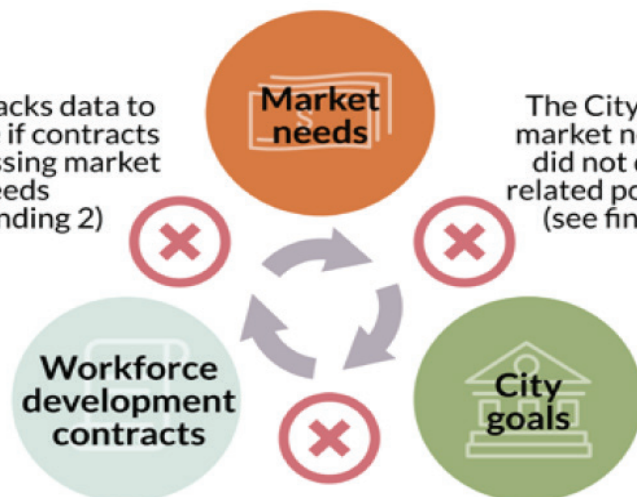
What We Found

The City of Austin has not historically planned and coordinated its workforce development programs effectively and does not have sufficient and reliable data to evaluate the success of these programs. Specifically, the City has lacked a comprehensive workforce development plan, and contracts are not centrally managed. Additionally, City and contract performance measures relating to workforce development are not consistent or effective, and the City does not have reliable data relating to contractor performance. As a result, it is difficult to determine both the effectiveness of City-funded workforce development programs and the value the City received in exchange for its investment in workforce development programs. Finally, while it appears that workforce development programs benefited some participants at the individual level, it does not appear that the city prioritized contracted services to meet its own target industries or that people were trained in fields that meet employers' needs.

The City lacks data to determine if contracts are addressing market needs (see finding 2)

The City studied market needs, but did not develop related policy goals (see finding 3)

The City does not have goals related to market needs and cannot contract strategically (see finding 1)



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What We Found, Continued

Finding 1: Historically, the City has lacked a comprehensive workforce development plan and contracts are not centrally managed.

- The City has not established Citywide priorities to guide workforce development contracts (see summary of contracts reviewed in appendix, Exhibit 1).
- Imagine Austin calls for a workforce development lead department but it does not appear a lead was designated.
- Contract management responsibilities overlap in some cases and departments do not coordinate their oversight of contractors.

City workforce development performance measures are not consistent or effective and thus, evaluating workforce development services offered across the City cannot be done.

- The Economic Development Department's sole workforce development measure during the period reviewed was cost per client trained and was limited to select short-term programs.
- Austin Public Health's three workforce development measures are: number of individuals served, percent of individuals demonstrating improved life skills or knowledge, and percent of individuals who maintain or increase their income. The first two measures do not effectively measure program impact and apply to only two contractors. The last measure is an aggregate report on many sub-measures that include non-workforce development programs.

Finding 2: The City does not have sufficient and reliable data to determine the effectiveness of workforce development programs due to ineffective contract development and limited monitoring.

- Data maintained by workforce development contractors is incomplete and unreliable.
- For example, data reported by the contractors for "unduplicated clients served" may include a person who spent one day in a workforce program or four years. These clients are counted the same for reporting purposes.
- The number of unduplicated clients served could not be reliably determined.

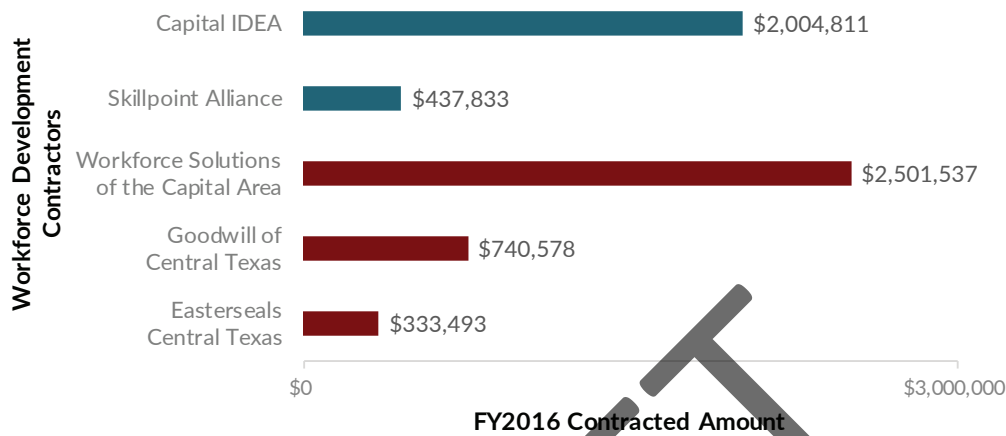
Even if data relating to contract performance were reliable, it appears that some key outcomes were not achieved.

- In a review of 108 participant files, about 70% of people who entered a workforce development program completed the program. Of those, it appears that fewer than half of the participants were employed after finishing the program. Only 15% appeared to improve their income after completing the training.
- We were not able to determine if participant employment related to the training they received.

Finding 3: Individual participants benefit from programs but it does not appear that the City did not prioritize contracted services to meet its own targets or that people were trained in fields that meet

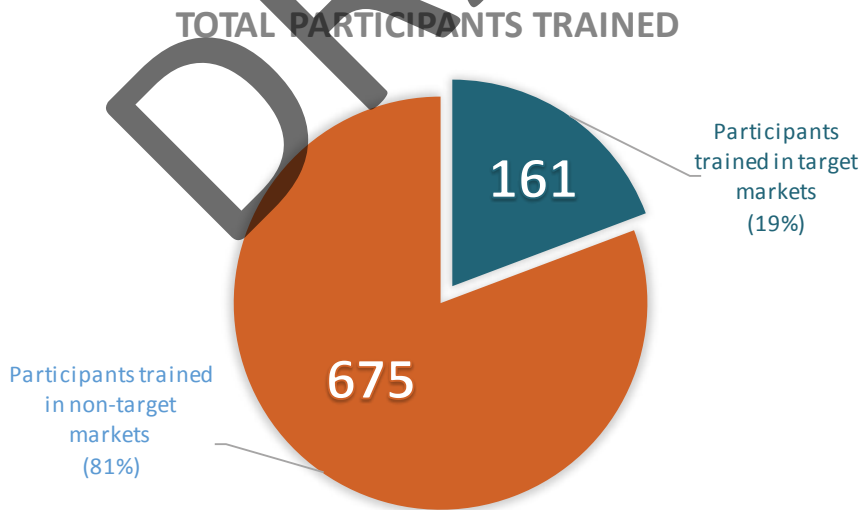
- Graduates of workforce development programs do not appear to have been trained in what the City now considers to be target markets (see appendix, Exhibit 2).
- The City's investments did not prioritize the certifications needed by Austin employers.

Exhibit 1: Summary of FY16 Workforce Development Contracts Reviewed



SOURCE: OCA analysis of FY16 contract funding provided by the City Budget Office, March 2017

Exhibit 2: 2016 Workforce Development Program Graduates (as Reported by Contractors) Compared to Target Markets



SOURCE: Graduation data reported by contractors compared to EDD Target Market Assessment, October 2017