



MEMORANDUM

TO: Mayor and Council

FROM: Sylnovia Holt-Rabb, Director *SHR*
Economic Development Department

DATE: May 16, 2023

SUBJECT: CORRECTED: Workforce Development Contracts on May 18, 2023 Council Meeting

This memorandum responds to Council Member Alison Alter's [budget rider](#) ("Rider") directing the City Manager to deploy \$3,101,305 million in Fiscal Year 2023 general operating funds ("Funds") to support workforce development contracts that provide long-term job training. Three items on the May 18, 2023 Council agenda correspond to Council's budget rider. Accordingly, the Economic Development Department (EDD) recommends Council authorization of the following contract and two amendments that provide financial support and extensive professional guidance in careers that provide livable wages in Austin.

Item 11 authorizes amendment to increase City's contract with Capital Investing in Development and Employment of Adults Inc. (Capital IDEA) by \$500,000 to continue workforce development targeting the healthcare industry and expands services to 13 additional clients. Capital IDEA's Nursing pilot program positions participants to earn a Bachelor of Science in Nursing (RN BSN), the degree most preferred by local hospital systems. The funds proposed will result in five (5) additional nurses trained through Concordia University and eight (8) dental hygienists trained in collaboration with Austin Community College.

Item 13 authorizes amendment to increase the City's contract with Workforce Solutions Capital Area Workforce Board by \$1,000,000 to continue providing early childcare education employees with wage stipends via the Jeanette Watson fund. Approximately 200 additional clients will be served. This contract amendment will increase access to wage stipends for childcare employees up to \$2500/year to improve retention, care quality, and stabilize classrooms.

Item 29 authorizes contract with Raising Austin dba Together4Children to provide workforce development training for childcare workers in amount not to exceed \$351,270 to help stabilize the childcare industry through targeted development of the early childhood labor force. Early childhood education is a vital economic sector but has recovered only 76% of jobs lost during the pandemic. Lack of qualified staff has caused 89% of childcare providers in Travis County to report difficulty hiring in the past six (6) months. Accordingly, EDD recommends targeted investments to stabilize the early childhood labor force via training opportunities for childcare center directors and assistant directors.

EDD Workforce Development Portfolio

Table 1 below summarizes EDD's current workforce development portfolio and funding commitments through FY24. EDD's workforce development portfolio targets strategic investment in healthcare, information technology, skilled trades, and advanced manufacturing industries. These targeted industries were informed by stakeholder engagement, findings and recommendations from the [2017](#) and [2022](#) Workforce Development Audit and Follow-Up Reports and labor market data. Contracts with Capital IDEA, Skillpoint Alliance, AUTMHQ, and ARMA are responsive to recommendations from the [Austin Metro Area Community Workforce Plan Year Two Report 2018-2019](#), prepared by Ray Marshall Center for the Study of Human Resources at the University of Texas at Austin. Overall, the total projected number of clients served from these commitments is 2,437 with a potential outreach of over 10,000 individuals for basic employment services.

Table 1. Current Workforce Development Contracts through FY24.

Program	Funding	Department Lead	Source	Outcomes
Workforce Education and Readiness Continuum (WERC)	\$498,822	APH	General	EDD funds 18% of program budget or 234/1300 clients served. Clients are able to receive training, wrap-around services and job placement support. Council approved on November 20, 2014.
Austin Film Society (AFS) Creative Careers Program	\$800,000	FSD	ARPA	EDD funds 100% of program budget. 73 clients served. Receive paid internships, technical training, connections to industry partners, continued education opportunities and job placements in media arts. Council approved on August 26, 2021.
Workforce Solutions Capital Area - RE:WorkNow 2.0	\$6,600,000	EDD	ARPA	Provide access to training, career services, and wraparound services to 800 clients. Outreach 10,000 total clients. Council approved on March 24, 2022.
Capital IDEA – Concordia University Nursing Pilot	\$1,500,000	EDD	ARPA	Training and wraparound services to 30 clients in support of achieving RN BSN degree and licensure. Council approved on February 3, 2022.
Capital IDEA – Healthcare and IT	\$3,742,580	EDD	ARPA	Training and wraparound services for 980 clients. Council approved on September 15, 2022.
Skillpoint Alliance – Skilled Trades and Staff	\$864,000	EDD	ARPA	Training and wraparound services for 200 clients. Funds one (1) FTE career coach and one (1) FTE case

				manager. Council approved on September 15, 2022.
ARMA – Advanced Manufacturing pipeline	\$200,000	EDD	ARPA	70 students enrolled in STEM-based advanced manufacturing curriculum “Impact Academy.” Outreach to additional 400 staff and students. Council approved on October 13, 2022.
Austin Urban Technology Movement (AUTMHQ) – IT	\$793,420	EDD	ARPA	Training and wraparound services to 50 clients. Supports include devices and internet access. Council approved on October 13, 2022.
TOTAL ARPA	\$14,500,000			
TOTAL General	+ \$498,882			
TOTAL	\$14,998,822			

Proposed Workforce Development Commitments

Table 2 below outlines EDD’s proposed workforce development commitments that target Austinites facing barriers to labor force entry and upward economic mobility. Two out of the three items on the May 18 Council agenda are amendments to supplement workforce contracts currently funded by ARPA allocations (Capital IDEA and Workforce Solutions Capital Area). The contract with Together for Children – Texas Child Care Leadership Academy will help close the gap for childcare workers currently in high-demand in Austin. EDD will also continue to support the Workforce Education and Readiness Continuum (WERC) contract managed by Austin Public Health that provides Adult Basic Education, English as a Second Language (ESL) classes, and occupational training in preparation for advanced training in high-demand industries that provide livable wages for Austin (healthcare, information technology, advanced manufacturing, and skilled trades). EDD will also continue to support the Austin Film Society Creative Careers program managed by the Financial Services Department (FSD) which offers occupational training in film and media production for youth including internships and apprenticeships. Overall, the total projected clients served from these commitments is 625.

EDD will fund a participant outcomes study for trainees to determine causes of wage stratification and failure to thrive post completion of workforce development training. The participant outcome study will be conducted by research faculty from Ray Marshall Center for the Study of Human Resources at the University of Texas at Austin under the [UT – COA research ILA](#). This study will identify causes of earnings stratification among workforce development program participants by race-ethnicity and gender across the City’s target industries and develop interventions for staff to improve outcomes.

Table 2. Proposed FY23 Fund Allocations.

Program	Funding	Department Lead	Source	Outcomes
Workforce Education and Readiness Continuum (WERC)	\$498,822	APH	FY23 General	EDD funds 18% of program budget or 234/1300 clients served. Clients are able to receive training, wrap-around services and job placement

				support. Council approved on November 20, 2014.
Austin Film Society (AFS) Creative Careers Program	\$400,000	FSD	FY23 General, Economic Incentive Reserve Fund	EDD funds 100% of program budget. 75 clients served in the initial start-up year of program. Receive paid internships, technical training, connections to industry partners, continued education opportunities and job placements in media arts. Council approved on August 26, 2021.
Workforce Development Participant Outcomes Study	\$500,000	EDD	FY23 General	Mixed-methods study to identify causes of wage stratification, other failures to thrive for workforce development program completers, and determine possible interventions to improve outcomes. Awarded through UT ILA approved by Council on August 27, 2020.
Capital IDEA – Concordia University Nursing Pilot	\$500,000	EDD	FY23 General	Contract amendment. Funding increase results in 13 additional clients served (5 nurses, 8 dental hygienists). Includes training and wraparound support to 43 total clients. May 18, 2023 Council Agenda.
Together for Children – Texas Child Care Leadership Academy	\$351,270	APH	FY23 General	Training for facility directors, assistant directors, and staff interested in leadership roles to develop leadership pipeline for childcare sector and improve center quality and stability. 60 clients served with professionalization and facility improvement stipend included. May 18, 2023 Council Agenda.
Workforce Solutions Capital Area – Jeannette Watson program	\$1,000,000	APH	FY23 General	Contract amendment. Approximately 200 additional clients served. Wage stipends for qualified childcare staff, up to \$2500/year to improve staff retention and care quality. May 18, 2023 Council Agenda.
TOTAL FY23 GF	\$3,100,092			
TOTAL FY23 EIRF	+ \$150,000			
TOTAL	\$3,250,092			

If you have comments or questions, please contact Susana Carbajal, Deputy Director, at Susana.Carbajal@austintexas.gov.

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