

# Audit and Finance Committee Meeting Transcript – 11/15/2017

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 11/15/2017 6:00:00 AM

Original Air Date: 11/15/2017

Transcript Generated by SnapStream

=====

[9:34:00 AM]

>> Troxclair: Okay, good morning and thank you for attending this month's meeting of audit and finance. It's 9:33 and we're going to get started. The first item on our agenda is approval of minutes from the October 25th meeting. There is a motion and a second. All those in favor, please raise your hand. The minutes are approved unanimously with the mayor absent. He will hopefully be joining us around 10:00. And we will take up in order to accommodate his schedule we'll take up things in a little different order. After we hear from citizens communication, we will take up item number 4, the homelessness audit, and then move to the workforce development audit after the mayor arrives. So with that, we will move on to number 2, citizens communication. I see one citizen signed up to speak. Jeffrey tuwala. >> Thank you. There we go. Sorry about that. Thank you, councilmember troxclair, mayor pro tem, alter and Casar. I'm here on behalf of the real estate council of Austin where I serve as vice president of policy and government affairs. Recently at your September 27 meeting you heard a presentation regarding the concept for waiving fees for certain individuals and organizations appealing code interpretations to the board of adjustment. We are opposed to this. Part of this recommendation

[9:36:04 AM]

meant the the city to study a you will the fees [lapse in audio] For the appeal of staff interpretation. Average with this type of appeal is approximately \$2,600 depending on the complexity as well as the type of code being interpreted and whether or not it may involve multiple departments. Thus waiving the fee or any portion of the fee will likely result in others who do not pay the appeal -- who do pay the appeal fee having to subsidize those who may have fee waived. With codenext on the horizon we must ask if this is appropriate time. While there's still a lot of work to be done, there is a possibility these types of appeals may not be as frequent going forward. In addition there is some uncertainty within the

codenext process as to how the overall apiece process will work. Appeals will be permitted at any time during the process and this will likely only result in murder murder -- waiving fees for certain individuals and organizations, it will incentivize those. We would strongly urge this committee against moving forward for council consideration until after the codenext pro or ask questions of staff about costs of administering the repeal and ramifications should council choose to waive it. Recaa hopes to come come to a satisfactory solution for everyone. >> Troxclair: Thank you. Would anyone else like to speak?

[9:38:09 AM]

So we will -- [lapse in audio]. >> I think they are all kind of similar lengths in terms of the presentation. Depends on the number of questions, but it might be quicker. >> Troxclair: Then we will move to item number 4, the homelessness assistance audit. Oh, and thank you to councilmembers Casar and alter for joining us this morning. Glad to have you. >> Corey stokes, city auditor, here today to present on the homelessness assistance awed managed initially by Katie Houston and Andrea Keegan and Andrew will be making the presentation. >> Good morning. Andrew Keegan. One day the community homelessness organization conducts a count of the -- coordinated a count of the number of people experiencing homelessness in the city. In the 2016 count identified about 2100 people living on the street or in shelters. That number has been about the same for the past couple years. Echo also tracks the number of people who access city -- access homelessness services throughout the year, and in 2016 they counted about 7,000 people and that number has increased about 14% since 2013. The chart on the slide shows Austin's point in time number, that 2100 per capita compared to other cities that receive federal funding. The national law center on homelessness and poverty reviewed city ordinances in 187 cities and identified

[9:40:11 AM]

ordinances that may impact the homeless population. In Austin they identified three. Those were the panhandle and camping and city live ordinances. En panhandling ordinance bans or outlines how, when and where people can solicit money. The camping ordinance bans camping in public areas of the city. And that does include sleeping in the car. And the citywide ordinance prohibits sitting or lying down in parts of the city. There are exemptions for things like medical emergencies and watching a parade. The purpose of this audit was to evaluate how these ordinances related to the city's efforts for homelessness assistance. We found that these ordinance may create barriers for people trying to exit homelessness. There were about 18,000 citations and we noted the cited individuals frequently failed to appear in court and that resulted in arrest warrants. And an active arrest warrant may impact a person's ability to secure housing or employment. And then further if they have employment and they have an arrest

warrant and they get arrested, going to jail may reduce their ability to maintain employment or housing. There may also be additional fines that would make it harder for them to stay out of homelessness. We also looked at the -- excuse me. Some stakeholders asserted that the ordinances specifically citywide were a good way to connect people with services, case managers who can assist people experiencing homelessness and help connect to certain services. However, Dax resources are limited so there's a wait list for people who receive that case management services which means just because someone gets a

[9:42:11 AM]

citation doesn't automatically mean they are going to connect to a case manager. There's also issues where we looked at a sample of 65 people who received a large number of citations in fiscal year 14. [Lapse in audio] That goes to attempt services -- and process them in court, potentially go [inaudible], the amount of people [inaudible] To case management services seemed insufficient when compared to the amount of resources spent getting them there. Williamson creek -- we also note these ordinance may increase the city's legal risks. Other U.S. Cities have faced lawsuits specifically for camping and panhandling. The camping lawsuits generally stem from the fact if shelters in the city are full, people experiencing homelessness have no other option other than violating the ordinance, and so then it in effect violates their constitutional rights. Most recently in -- a judge in Houston issued a temporary restraining order preventing the city from enforcing their camping ordinance and their camping ordinance is very similar to ours and we have the same issue where Austin shelters are full. With panhandling, the panhandling lawsuits relate to specific elements of the panhandling ordinance, specifically when panhandling can occur and where it can occur. And those stem from a 2015 supreme court ruling that's been applied to other cities. -- Applied to other cities. As a result of these, we made three recommendations. The first was that the city attorney reassess the ordinances to determine what legal risk they pose and report that back to city council. The second recommendation was that the city manager work with city council to determine if these

[9:44:11 AM]

ordinances are still aligned with council's vision for homelessness assistance. Or whether they should be revised or repealed. The last one if council determines to keep the ordinances as they are, the city manager should work to implement changes or identify and implement changes to make enforcement more effective and efficient and our report lists specific ways that can be done. Management has concurred with all three recommendations and that concludes my presentation. I'm happy to answer any questions. >> Troxclair: Thank you. Members, questions? Councilmember Casar. >> Casar: Thanks everybody for having me here at audit and finance. I'm always interested in what you all are doing, but

this morning seeing that this item was on the agenda, I just wanted to spring by and share my two cents and acknowledgement of the work that's gone into this. I'm really appreciative of the fact city is doing a comprehensive about how we better address homelessness but wanted to share my appreciation with the auditor's office in looking into these organizations because they have been -- ordinances because they've been of concern to me because of the constitutional reasons and the ethical ones and I think the service delivery question is really critical because I think we heard during the curfew ordinance debates some sense of -- among some parts of our city that we could best deliver services through the criminal justice system, and I think it's really important for us to reevaluate that. I have friends and colleagues that work at the city delivering services in the criminal justice system and I think it's critical to still have those services present as a last resort. But I think the idea we should be delivering services by getting people into the criminal justice system is flawed and I appreciate the auditor's

[9:46:14 AM]

highlighting that in their report because if 90% of people aren't even coming to court anyway and they wind up with arrest warrants, I don't think that's the best way to be delivering services. One thing I would urge my colleagues to help me think about and maybe for the auditors to help us better understand is if we were to reroute the resources being put into citing people and arresting people for these things and how could we actually more efficiently use those resources to provide the services that I know people at the city want to provide. If this is a potentially nonconstitutional and potentially unethical way to provide services, but if we put those things aside efficiencywise how can we bet take all of these resources being put to citing people and usually arresting for failure to appear and getting them into the jail system and the court system, how do we -- because that's the part I haven't figured out how to answer. How do we take those resources and divert them probably in cooperation with the county to get to those goals. That's the part that I don't -- that I don't understand yet. I get the problem a lot better now, but that's the part I don't get and would love to hear from folks on their thoughts out there. >> Troxclair: Thank you for those -- mayor pro tem tovo. Thanks for those comments. Councilmember alter. >> Alter: Thank you, councilmember Casar. I think you said a lot of my concerns. I'm really concerned about us just not only looking at the ordinances but also looking at the resources that are going into supporting those ordinances, and that didn't seem to be called out on here. And so I think that needs to be part of the followup as well. I may have a couple other questions, but I will defer

[9:48:15 AM]

to the committee members. >> If I may quickly add, I should have started with this, but this is a series of audits we're working on and this is the first in the series. We expect I believe it's the third to look at

internal and externally how are we -- resources. We will be in future parts of this series we expect to touch more on that. >> Troxclair: Can you tell us how many parts there are and what each one will look into. >> I believe there are currently four. >> Sure, currently four. This is the first one. The second is going to be looking at the coordination efforts among city accidents and the city as a -- city departments. And the third is planned to look at resource allocation and the fourth part is planned for [inaudible] Out come city efforts. Resources we have, coordination, what are the outcomes of those city efforts. >> Troxclair: Okay. And what's the time line for the completion of the series? >> So the second part, the coordination piece, is we're almost done with field work so within the next month or two I would expect. And then parts 3 and 4 are kind of coming from that so we are going to start rolling into that -- the meat and potatoes of that work probably first of the year. So it's tough to estimate from there. >> Troxclair: Okay. Thanks. Any members, any questions? Mayor pro tem. >> Tovo: Thanks for the report. I had a couple questions for you about -- about some of the content in here. I think it certainly highlights the need for more resources. That's not news, but I appreciate you highlighting that that is really an issue. And I would suggest, council, that we request a executive session about

[9:50:17 AM]

these matters. I actually last night came back from a conference that included different cities talking about some -- talking about various issues related -- related to cities and homelessness services and one of the presentations did cover ordinances and some of the constitutional challenges and I think it would be interesting to have a briefing from our legal team. I did hear some feedback that I think you have heard as well and I'm not sure if you adjusted your report. One of the comments that I heard was made to the audit team is that these were not ordinances that were adopted strictly to connect people to services, they are also about public order. And so can you comment on whether or not that work its way -- >> Sure, we added that -- give me a second to find it. But we added language that says -- yeah, so actually the first sentence under ordinances are not effective on page 4. So we -- in addition to maintaining public order, they are a method to connect people with services. They are not intended to connect people with services, but one of the -- maybe side benefits or one of the things that can only out of this is the potential to connect people with services. >> Tovo: Where is that? >> Last paragraph on page 4 right above the footnotes. >> Tovo: Oh, okay. I see that. Thank you. And I appreciate the section on page 5 where you are talking about the police department's reducing the number of citations. This has been the product of an ongoing conversation about how best to, one, increase the safety around the arch but not criminalize homelessness. It's a delicate balance. The restrooms may be removed from outside the arch because of some of the conditions inside them, including needles and things like that. We really do need a balance of making sure that people

[9:52:17 AM]

who are going into seek services are able to do so in a safe manner. But I agree that we need to be very careful we're not making situations worse for people experiencing homelessness. Can you talk about how an arrest warrant would disqualify a person -- it was my understanding most of these are class C offenses. How are those disqualifying people from housing? It was my understanding in most cases those are not disqualifications from housing. >> So a lot of the affordable housing locations that we spoke to, it's kind of -- they said it was a case by case, it was up to their discretion. Then whether we spoke to the kind of private companies that do criminal background checks, a lot of it is the type of background check the person requests would determine whether it even shows up in the first place. So I think that's -- that's more of a risk that it may occur. The bigger issue is that if you have an outstanding arrest warrant and you have a job or are housed and you get picked up and go to jail and potentially lose employment, if your car is impounded, there's fines for that, can't get to employment, that creates a ripple effect and makes it hard to maintain the employment or housing. >> Tovo: Certainly the increased fines would be a barrier and missing a day's work would be as well, but I really would like to drill down -- if we have housing providers in the city that are denying housing for class C offenses, especially if we're supporting them with city dollars, I want to know about it. Can you provide us more information about that information? Did you talk to nonprofits that said they are excluding people from housing based on class C offenses? >> It wasn't nonprofits. It was the units were affordable -- location of affordable housing units that they said it wouldn't

[9:54:20 AM]

automatically disqualify someone, but I think we consider the hypothetical if you have multiple applicants and one person has multiple convictions for camping in a public place or sit/lie or panhandling and they are in a pool with applicants that don't have that on so the level or felony or whatever I think was less of an issue than the type of citation. >> Tovo: So are they running -- when they run a criminal background check, class C -- class C things pop up on them? >> The providers -- or the companies that we spoke to said there is no distinguish between the level of misdemeanor. It really just classifies felonies and misdemeanors. If a misdemeanor is just going to say six misdemeanors rather than five class As and one class C. >> Tovo: Are you able to provide us with the names of the -- the private and nonprofits that you contacted? >> Yeah. >> Tovo: That would be good. Thank you. As we move forward it would be good to understand what the practices are. >>Did some say they had excluded people on that? >> No one could give specific examples. I think some of the anecdotal evidence and media reports suggested that, but no one could say specifically they excluded uninterest because of a violation of one of these ordinances. >> One thing I was going to add is the issue of kind of what the citation is, the class C, say someone was cited for sit-lie, that being on the background check is not the concern. It was the instances where someone would be cited and they wouldn't show up to

court and then they would end up most of the time in those cases getting a warrant and what would then be reflected on a background check would say this person

[9:56:21 AM]

has an outstanding warrant. Without the additional details that they were just cited for a class C, it merely says warrant and that could be something that would cause someone to turn away a person for employment or housing because of the warrant status. >> Tovo: Okay. Thanks. Somewhere in your report does it talk about these citations by year? So that we can measure whether there is a shift in how these are -- >> I think all we mention is that the number of sit-lie has decreased -- the number of citations has decreased. We can get that data and share that with you. >> Tovo: That would be really helpful. Thank you. >> Troxclair: Councilmember pool. >> Pool: Thanks. I've got two follow-on questions to what the mayor pro tem was asking. On the issued warrants, is there any -- do we know when a warrant is issued that the person who receives it understands what is expected? >> I think that's part of the issue. If in 90% of the time the person doesn't even show up to court in the first place, there may be -- there may be mental capacity issues there, yes, I think that's definitely a concern. >> Pool: Okay. So that's a concern to me as well. It doesn't seem right or justifiable to tag someone with a misdemeanor if that person doesn't have any understanding of what has led to it or what the system is then asking of him or her. And then the other piece, on the warrants that have been issued -- and I spent some time working in a constable's office so I'm somewhat familiar at the county level with warrants and so forth and amnesty. Two questions. Do we have -- does the data that holds -- the data that holds the information about the warrants being issued, does it also show when the warrants have been addressed or closed or otherwise over

[9:58:22 AM]

turned or does it show resolution on the warrants? >> That I don't have the answer to. If there is someone from management they may be better able to explain. >> Pool: I don't think the system allows a warrant to be removed from the system because it's been tracked, but if the person has come to court and had it sufficiently resolved I would hope that would also be in the data base and that would be a piece of information useful I think to the housing landlords to see that you actually have someone who is -- who is recognizing what's required and then addressing that. I think that that intentionality is important. And then I also would be interested in seeing which apartments you contacted to see how they are looking at that. I think we had an effort two years ago when we were addressing homelessness among veterans, there was a big push with the apartment association, if I'm not -- if I'm remembering correctly, for them to be very open and accepting of the vouchers that were being issued. Did you see

any evidence of that in this data that you collected? >> We didn't specifically look for that, but we did notice that I think in -- I think other cities, I think New York City specifically, there's been a lot of coverage about landlords refusing vouchers. That's I guess another kind of side thing with the citations is the -- is the stigma associated with -- with homelessness. These citations are -- if someone is looking at criminal background check and sees citations for camping or panhandling, I think the jump they are going to make mentally is that this person experienced homelessness, which may further influence their

[10:00:23 AM]

decision about whether to give them a job or to give them a house. >> Pool: Thanks. >> Troxclair: Councilmember Casar. >> Casar: So I didn't fully understand. From your series of awed it's will you or have you already identified how much in resources between the city and the county through law enforcement and the courts and the jails we are indeed dedicating to each of these ordinances? >> No, we haven't done that work yet, and some of that is maybe hard to quantify. The example I've used talking to people is library. Where they may not have a budget line item for homelessness assistance, but what percentage of the librarian's time is spent assisting people experiencing homelessness. So it may not be fully quantifiable. >> Casar: Even on a conservative assessment, I wonder -- I want to recognize these ordinances were set for the public safety and the audit of folks as seeing them as a service delivery model, but I want to believe if we look at all those resources being expended through the criminal justice system that we could hopefully address those public safety, public order and service delivery would be helpful to see what that is quantified out to and recognize that, of course, we have to, you know, be really thoughtful and balanced as we address what our difficult issues, but I think some of that information could really -- could really help us out. Because for me, you know, the potential ethical and constitutional issues are really critical, but -- but I think that hopefully we can potentially address all of the issues if we can figure out a way to reroute the resources to addressing the root causes that people

[10:02:23 AM]

are facing. And I think that's generally been what a lot of members of council who have been working on this longer than I have have been working on for a long time, but I'm interested in helping out, so thank you. Thank you all for having me. I've got to run to the municipal court building now to take a tour and talk about how we should get a new one of those too. Thanks. >> Tovo: Is it within the scope of the work that you are doing that you could come up with some estimates on the dollars spent on these issues? >> Yeah, that's definitely something we hope to do in part 3 of the resource allocation. One kind of separate, two parts, one is the direct cost through contracts and then there's kind of the indirect costs

associated with providing services, the criminal justice aspect, so kind of hopefully combining both into as close to an actual estimate as we can >> Tovo: Okay. Thank you. >> Troxclair: And hopefully that will also tell us what is the most effective way to use the resources because I'm just not sure. That would be my goal to make sure the resources we can allocate to homelessness issues are effective and are actually helping people break a cycle. So yes, I want to give you an opportunity to talk about the work that you are doing and what staff and management kind of response is and how you plan to work with the auditors in the audit reported going better. >> Sara Hensley. I've been working with Katie and the audit office on this initial audit, phase 1, series 1. Katie actual sits on our cross functional team to look at -- we are gathering in a gathering mode now so some of the information that we have already gathered will certainly be used by them for their audit. In looking at internally what the city of Austin through grants and general

[10:04:24 AM]

fund and other mechanisms, how many dollars we spend currently, and then externally other nonprofits and entities, the faith community and how those dollars are being spent currently. And so we're kind of doing this as a simultaneous process going right down working through this and I'll be heavily engaged in the audit responses because that's kind of where I've been assigned. And I'm writing notes right now to make sure that we have the downtown Austin community court and the police more actively involved in providing some information that you've requested on the amount of fines, citations and how much money could be reverted or converted over for expenditures towards prevention or other efforts. I'll be sort of that conduit, but also working closely with the auditor's office on how we can respond to all these four series. >> Troxclair: And is your time line -- so how does your time line for the completion of your work align with the following audits and their series? >> I'm hopeful to have some pretty good recommendations in late April, first of may in 2018. Right now, again, you'll be receiving next week a memo from know as an update what the progress is on everything related to homelessness and what we've been able to ascertain so far. Just to give you a bit of information, we have -- one of the groups that's not really at the table is our faith community across the city. They are, but not from a really outlining what kind of services they are providing and how much money they are spending and where those services are. We're trying to do more of a grid of who is doing what, where, when, how, how much money is being spent and then we'll go from there. >> Troxclair: I guess -- but it seems to me like the audits, especially the resource allocation and the outcomes, are really

[10:06:26 AM]

critical to you being able to make effective recommendations, so I want to make sure -- >> We'll be aligned. Absolutely. And if they are faster than me, I'll try to speed up. If they are -- if I'm faster than them, we are going to coordinate because it makes no sense. A lot of the work we're doing, we don't want it to be duplicative. And the idea from the overall effort is look at are we spending the resources we have in the right places, is it in align with the goals of council and the new strategic plan efforts, do we know what knows priorities are, and are we effectively spending the dollars we have. And so we are right on task with aligning with the audit and finance or the audit department. >> Troxclair: Okay. Thank you. And I would agree with mayor pro tem tovo's comment that-this is probably something we need as a executive session item in the near future so we can talk about legal issues. Yes, mayor pro tem. >> Tovo: I see now that I'm looking at the city manager's response, number 1 indicates that we'll be getting -- that our city attorney is assessing it and will be getting us a memo in April. So that would probably be the appropriate time. That seems a little long. >> She's -- well, I spoke with the city attorney's office and they are actually going to talk to other cities, particularly Houston, who is dealing with the issues. They are going to look at our current ordinances as they are written and how effective they are, get with the police department and downtown Austin community court which I've pulled some information, but to look at all the stakeholders who have to deal with this from issuing citations to the court system to where they are and then try to figure out the recommendations back to this body and full council if those current ordinances really align with where we are going and you

[10:08:27 AM]

have to add in are there fines and citations that could be converted to other efforts, if so how much money will that be which is something I'll try to pull together. I'll ask the police department and the court help us there. >> Tovo: That all sounds like a lot -- that sounds like a very big body of work. I think in temperatures of assessing the legal risk, that would be something that at least a preliminary discussion seems like could happen between now and April. >> Absolutely. >> Tovo: If you would convey that back to our city attorney that it might be a good idea to have an initial conversation about it in executive session. >> Okay. >> Tovo: Prior to the memo, especially if the memo is intended to be much more comprehensive of any potential legal risks. >> I'll do it today. >> Troxclair: Thank you. Any other questions? All right. Do we need to accept the audit? There's a motion to accept and a second. All those in favor? The audit has been accepted. We will move on, since the mayor isn't here yet, I guess we'll take up item number 5, the fee waiver audit and hope he will be able to join us for item you item 3. >> This audited was managed by our new audit manager. You've seen her before because she's been in an interim roll. Ray shell was the auditor in charge on this project and will be presenting today. You're on. >> Good morning, committee members. Every year as part of the city budget process, city

[10:10:28 AM]

council approves a fee schedule to establish the charges for various city services. Waivers to those fees are permitted by city council action either by directly approving a fee waiver as in city co-sponsored events or by extending the authority to waive fees to a department director in certain cases like to encourage pet adoptions or waive library fines for books destroyed in a flood. We attempted to gather information from all the departments who grant fee waivers about the amount of fee waivers they give each fiscal year. While some were tracking others did not so we were unable to determine the overall amount of fee waivers. It would help departments to help track their budget and help decision makers make informed decisions. Specifically in our work we surveyed 26 departments that have fees in the fee schedule, and 13 informed us they grant fee waivers. Nine of those 13 departments were able to supply us with the data on their fee waivers, but we did not validate those numbers. Two of the departments provided us with some information and two departments could not provide us with fee waiver amounts because they do not track fee waivers. Using the information gathered, we estimated the city waived at least 16 million in fees in fiscal year 2016. Two programs that we looked at for this audit were smart housing and special events since they are coordinated by one department, but the fee waivers come from multiple other departments. The Austin center for events began tracking fee waivers related to city co-sponsored events in fiscal year 16 and they are working on a more sophisticated system for tracking fee waivers next year. The budget office tracks the fee waivers associated with each councilmember's \$6,000 a year event fee waiver budget. Neighborhood housing and

[10:12:28 AM]

community development administers the smart housing program. They do not track fee waivers related to smart housing. Not all departments that grant fee waivers for smart housing identify those fee waivers. In two previous audits, 2002 and 2015, our office recommended that nhcd track related to smart housing. We recommend the city manager designate a department to track fee waivers. We also recommend the city manager ensure smart housing fee waivers are tracked. Thank you and we're happy to answer any questions. >> Troxclair: Members, are there any questions? If there aren't -- mayor pro tem tovo. >> Tovo: I'm looking at the report on page 4 that talks about -- well, let me ask a general question. Do you have a breakdown by departments of the departments who track it? Do you have a breakdown anywhere that shows what the fee waivers are for each of those departments? >> Good morning, councilmembers. Assistant city auditor, yeah, we have a breakdown of those numbers and if you want we can provide you that number. >> Tovo: That would be really helpful. >> We can do that. >> Tovo: In looking at page 4, with regard to the smart housing program, it talks about the fees that are waived, the largest amount of fee waivers happen in special events and smart housing. Special events it looks like is about 1.28 million so it looks like we have about -- I'm sorry, 14 -- >> About 14. >> Tovo: 13.7, I guess, million, waived for smart housing. Is that about right? >> No, that's not true because there are like 14

departments as we mention who waive fees. Besides from the waiving of fees for affordable housing, there are also waiver of fees for the special like committee projects, like

[10:14:29 AM]

state and medical hospital. >> Tovo: So that 16 is special events, smart housing and others. >> Others as well. Like their fees for the scholarship for the youth programs and also like Austin convention center waive fees or give discounts for having [inaudible] At the convention center. Comprised of various types of fee waivers. >> Tovo: Thank you. I think we got a number for what that convention center fee waiver. >> About 8 million for fiscal year 16. >> Tovo: Thank you. When it says in your overview, in your background it talks about council gives department management the authority to waive fees in special cases ... During contract negotiations. Is that specifically the convention center? Are there other departments -- [multiple voices] >> For basically for convention center. >> Tovo: Okay. I think that's -- and do you happen to know how that broke down in enterprise funds versus general funds, that 16 million? >> Because we have not had complete information from the departments about the fee waivers, so it was not -- difficult for us to see how much was waived by general fund and how much was waived for like enterprise funds. >> Tovo: But of that 16 million, do you happen to recall how that broke down between general fund and enterprise fund? >> I know that Austin water waived a lot of fees so it was about 7 million, I think. >> Tovo: Is enterprise? >> Yes, that one is for Austin water. >> Tovo: I see. Okay. All right. >> Exact numbers. >> Tovo: Thank you. When we get the breakdown, that will help. Thank you very much. >> One caveat on that breakdown, we did this on a survey of departments. Once we realized not everybody was reporting, some had incomplete information and some departments said we waive

[10:16:30 AM]

fees but we don't know how much. I would say the 16 million is a very rough estimate. So we could definitely provide that information, but that's one of the reasons we decided not to include it in the report is because we feel like there's probably additional money being waived that's just not tracked. >> Tovo: Right. But it -- I know there's been an effort the last couple of years to put smart housing into the budget or at least the last year to put smart housing fee waivers into the departmental budget so we certainly need to have -- need for people to track -- for the departments to track fee waivers to be sure that amount equates to something like the numbers that are actually being waived. So thank you. This is very useful info. >> Mayor Adler: So the recommendation to track obviously is important. The specific recommendation to track with respect to the affordable housing program, was that the recommendation that you made, the 2002 and [inaudible]. >> It is. >> Mayor Adler: Was there a reason

why it wasn't [inaudible] Is there some kind of institutional barrier or -- [inaudible]? Speak to 2002. I was technically working in the auditor's office, but that's a little far back for my memory. But certainly in 2015 that was something we recommended as part of our affordable housing development audit. When we realized that. And I think one of the things is that nicd waives the fee -- administers the program but is not the actual department waving the fees. A little is in ability to get that information from other parties and track that information centrally. But I think we have [inaudible] Here who can probably speak to that a little better. >> Good morning, Joe, interim assistant city manager. Corey is right. When you look at the program and how it's administered

[10:18:30 AM]

through the neighborhood housing, they don't actually waive the fees. They support the program, staff the program, but the fees are actually waived at the point of the development coming in and paying fees. And so the report points out at least five departments actual waive fees and collect the data and across those five departments there are varying levels of tracking or nontracking. And I think when you look at the base recommendation, the first recommendation to do tracking waivers citywide and creating a financial system, I think that will go a long way to allow those five departments to track the fee waivers, flag them that they are indeed affordable housing fee waivers and provide the appropriate reporting. Just getting everyone on the same platform and whether that is the existing city financial system or through Amanda, I think those are things that will be worked on between now and I believe that date of -- was it April? April of 2018. Working with the budget office. So I think having the budget office involved on a global level will really help neighborhood housing to identify and work with these other departments to track the waivers. >> Mayor Adler: Thank you. >> Troxclair: Councilmember pool. >> Pool: The loss of the funds and it not being tracked and captured, that isn't a piece of information that our annual audit picks up; is that correct? And can you talk about that? >> So our understanding the external auditors looks at [inaudible] In the financial system and this is an unrealized revenue so it's not like audited by them. >> Greg canally, that's correct, our external auditor is looking at our overall practices and how we're going through our -- having realized revenue and expenses and how we're tracking all those and making sure they are following our audit rules.

[10:20:30 AM]

So these are not on that. I think adding to what Joe said, it's important what we'll do with existing tools and that's why I think we're not looking at -- we have our tools with our financial systems, with our micro strategy reporting, we're going to be able to collect this data and create a regime that can be used for any type of fee waiver. Affordable housing is one we want to make sure we're tracking because the

way it's disbursed. I think we can get that up and running to capture all of that. But currently right now our external audit wouldn't look at these unrealized captured issues. >> Pool: Right. So Corey, I want to ask you this question. Do you think that the 16 million that was the estimated fee waivers, and that was for -- was that for one year? Can we extrapolate that over time? >> I would say not necessarily because they do vary. We did -- we actually were trying to collect through -- it was really two and a half years at the time we were doing the work. >> We tried to -- like we asked the department to provide the numbers for three years, but since the numbers was not like completed, so we reported only fiscal year 16. But fiscal year 14 and 15 -- but it's like difficult to see the trend of the fee waivers from these numbers if their departments are not tracking those fee waivers. >> Pool: I guess we could look at how often smart housing program was actually used in the past 10 or 12 years, and my understanding it hasn't been used very much at all. The developers have not chosen to use it. >> But the problem is like for smart housing because the departments are not, like, tracking those fees and it's not identifiable so it may not be possible to see that for ten years. 2002 and 2015, but it's not

[10:22:33 AM]

implemented yet. >> Pool: Well, I do think this particular audit is really informative and it's really important and I would like to emphasize and I think I share the sentiment of my fellow committee members that we really need to get on top of this, especially since it's something that the audit office has turned up in the past. And we put a little bit of money toward a system in this current budget cycle, but it's not enough. Yes. >> That was for the income restricted units, tracking the millions of dollars youth through Amanda -- module through Amanda. It's going to be important to identify the platform and if it is Amanda, the identification of possibly resources to do additional programming. Regardless of the platform, there's going to be some role-out training and new processes identified to make sure people are aware this information does need to be flagged in their systems. >> Pool: Have you all come to agreement on which department would be the point of contact or the primary owner since it crosses so many different -- >> As far as the affordable housing, I've asked Rosie Truelove and her staff to be more or less the project manager. Certainly as the administrator of the program that they do have that kind of project management responsibility. So they will be involved in working closely with me and with the budget office on the citywide system which we will then spring board off of. >> Councilmember, I would add to that, I think we want to create a system that can capture everything so we don't get back into a place where we're having, again, systems -- we need to create a system that can have permanence to it and that can last beyond any current people working on, you know, whether it's a spread sheet based system or even kind of

[10:24:34 AM]

a quick and dirty, you know, access data base, we need to get something that is repetitive. And so we'll have a regime in place and everyone will have to be part of that regime so we can track it, whether it's a fee waiver in a parks or something not related to affordable housing or smart housing and we have to get it in place. That's our marching orders. We'll be working on it. >> Pool: There's a sub set on the housing case that I've been hoping to find money for or at least policy direction so that staff will undertake it, and I think staff is also interested in doing this and that is to track in those instances where the city has an agreement with a developer to provide lower mfi type housing, where are those units, like literally where are they, and have that be accessible online in a sustainable platform that out lasts all of us in this room. So newcomers to town or people who find themselves in a situation where they can't afford -- they can't afford a regularly priced apartment can go online with the city and find where those units are available. I realize that's not the waiver piece, but there should be some common elements that could feed into a subset data base that uses the waiver piece. It would be important for 2 public to know the waivers we say and we have agreements with developers to provide and that will create a level of accountability that's missing currently. When we approve zoning and reduce -- and provide density bonuses in exchange for a small percentage, in my mind, way too low percentage number of units that are lower cost, we still can't -- we don't have a place I don't know line for someone in the community to go see where those are and we don't track them very well. Maybe this can help with

[10:26:35 AM]

that -- with that effort as well. >> Certainly I think we can look at that and see, again, the system that Greg talked about, you know, how we could make that maybe linked to a gis or something where you could easily identify that on a geographical basis. There may be challenges in just data tracking. Something we can look at. >> Pool: I think there are probably lots of challenges but no less rewarding in the end if we were able to do it. Thanks. >> Troxclair: Councilmember alter. >> Alter: Thank you. I had questions on the audit I wanted to follow up on. In the housing committee and funding we did allocate for city up, that is the first step in doing what you are talking about in terms of tracking where that money is going is to be able to track it not just for the city properties but for all of those affordable properties or city involved properties, but also other affordable properties. And so I think that is the first step in the extension of the Amanda is a goal that we're moving towards and we did allocate some money in the budget to begin that. >> Pool: I think it was 25,000 out of 128. >> Alter: We did two parts. There was the Amanda system extension and there was the city up which was 25,000. But you need both of those parts because they work together, but it is something that we're working towards in the housing and planning and I would invite you to -- >> Pool: That's really great and I would also ask that those continue to be connected up with all the city systems so that that doesn't get lost in the private sector or the nonprivate sector. >> Alter: So I kind of find this whole thing kind of astounding that we don't know what we're waiving fees on. So I have a lot of questions and I'm glad that we're taking additional steps to move in the right direction. First of all, I was

[10:28:35 AM]

wondering what are we using as our unit of analysis? How many different cases do we have fee waivers for? You know, is it -- because smart housing we don't have that many, is my understanding, folks using it. So what is the universe of cases that we're looking at across all of these waivers? This audit to look at [inaudible] Fee waivers but saw there was no processing -- we look at the fees who are the departments who are charging the fees. And from that we [inaudible]. And asked them and -- so based on the information we just gathered from the departments, we are relying on that. Like 13 departments. But what type of fees they are waiving, we did no look at that in this audit. >> Alter: I'm trying to ask it from a different side which is not, you know, are the departments waiving fees, we know they are waiving fees, but how many -- like I don't even know what the unit of analysis is because it's for smart housing it would be the number of developers or the number of developments. For a special event it would be the number of events, you know. What is events. You know, what is the universe that we are talking about? Because I don't know what the number of the developer is for smart housing. If that's millions and millions of dollars, and it's ten developers, then why can't we come up with that money? That's just -- I mean, to understand what that money is. It doesn't make any sense to me. So I'm trying to understand what is the unit of analysis and why that is so difficult, because if so few developers are using that program, we ought to be able to go in and do that.

[10:30:37 AM]

It just shouldn't be that hard. So I'm not sure -- you know, yes, you're telling me that they don't track it, but why can't we go back and audit it and track it? Because if they've paid the fees or not, the auditors noted this is something this is something we've been trying to do since 2002. So can you help me understand that other part of the equation? >> I think for smart housing, we could go back and look at what were all the improved projects and what were all the possible waivers. I think one of the issues we have is some of those are tracked online, some offline, some aren't tracked at all. And so I think we would have trouble getting to what we thought was an accurate number, but I think that's something we can certainly look at, specifically for the smart housing projects. I think on the other side, the answer to your question about what is the universe, the universe is huge. And it's because we looked at any -- basically anywhere where council has authorized or authorizes a waiver of fee. So that can be pet adoption fee. So the number of pet adoptions or it could be microchipping fees at animal services. Every single one of those transactions is a potential waiver. How many waivers are actually occurring is something that's not tracked. So can we back into that number, we probably could, but we felt on this audit in particular that it was appropriate to stop and say this data doesn't exist. So rather than us as the auditors saying we need to create this, this data needs to exist. >> Alter: If we have some programs

where they're larger dollar amounts, larger dollar amounts being waived, couldn't be do a -- I mean, I think that's part of what's being proposed for nhcd. But, you know, how many -- I mean, maybe nhcd can tell me how many developers are taking tonal of smart housing in any given year, and then if it's ten or something like that, I just I'm

[10:32:44 AM]

smart housing in any given year, and then if it's ten or something like that, I just I'm not really understanding why why we can't figure out what we've waived for those ten specific developments, if that's the universe. I don't know. I don't know that. I would very much like to. Do you know how many? >> We can certainly ask neighborhood housing to get that population of those developers that are Taing advantage of the fee waivers to you. And I think you're exactly right. Knowing that data, or that family of participants, you know, for example, with Austin energy, they track all their transactions, as do a lot of these departments. It would be a matter of whether it's by address or by site plan or what have you, being able to go and look backwards on their data, because it's just a matter of it's not flagged as affordable housing. So I think that's where the real work is. If you're going to do a backwards look at past transactions, it would take some level of resources to get that data set, send it over to Austin energy, or whether it's the water utility or real estate, and mine the data out. But because it's not flagged as affordable housing, you don't have that reported capability. I think that's the recommendation on a day forward process in developing it, that as the transaction is recorded and whatever system it's currently being done in, that somewhere there's a box that says affordable housing. There's a box that says what the original fee would have been or the amount of the discount, so you can extract that. I think that's the problem right now, that in some of these -- whether it's an excel database or in Amanda or in power plant system that Austin energy uses, you have the reduced fee amount captured, but there's no way of just looking at the data that you see that as a reduced fee. It's just a dollar amount. >> Alter: I understand that there's a plan in place to move forward. I'm concerned about our ability to look at the most recent past,

[10:34:45 AM]

because smart housing is one of the few tools that we have to encourage affordable housing, and if we don't know how much we're spending on it, we don't know whether it works. We don't know anything about it, and it's one of our very few tools. It seems to me that this audit is showing us that we need that, and if we have only a few developers who are doing it, I mean, this is basic research. I mean, you know, I just -- to get a magnitude of that doesn't seem that difficult, and I would like to see the next steps happen for that. Not sure about the follow-up of those. This is one of our few tools, and this is

something that's true totally across the city in all of our efforts. You know, our ability to make good decisions and to allocate our resources depends on the data that we have available, and so I'm very concerned about that. More broadly, on the waivers, we've talked about the tracking part of it, but there's another piece of it, which is what are our procedures for waiving things so that the residents who might want or need a waiver that they know under what circumstances do we grant waivers. Is there a consistent policy, or is it just somebody waiving a wand. I think in many of these cases, there is consistency. In other cases, there may or may not be, and I think that beyond the tracking, we also need to be looking at that. For the specific case of the special events, can you tell me, of the 1.28 million what portion of that were the south by southwest fees? >> I don't have those numbers in front of me, but we can share the numbers which was provided

[10:36:46 AM]

by Austin center of special events. >> Alter: Okay. Because I believe through the special events task force and the numbers that we saw, and also the numbers that we saw with the waste management with respect to special events, there's a lot of those waivers that are just for south by, and we just did some reallocation of money and visit Austin is now covering some of those fees. So I think that we should just keep in mind that that may be a lot from one particular event, and again, that should be trackable and maybe in your data, if that 1.28 million includes -- it was over 800,000. Do you remember exactly how much? >> No, not off the top of my head. >> Alter: It was over 800,000 that was just the police fees for south by, and another larger amount for resource recovery. In terms of understanding the numbers, I think that is a useful lens. For the convention center, do you have any more information about those fee waivers and how -- I think when we were looking at the convention center and trying to understand the economics of it and not having data on those few waivers is a barrier to doing that. >> The convention center has good data on their fee waivers. They waive fees for a number of reasons. If a convention comes in the off-season, if it's using the time of the week, which is unpopular. If they book three conventions in a row, in the fee schedule, they're given the authority to make those decisions, and they're tracked by the convention center, and we saw that data. They also look into the occupancy tax coming in, and we did follow up with them that they are verifying hotel rooms, occupancy rates, things like that. I think it was about 1.8 million

[10:38:49 AM]

in '16, and they don't wave fees for south by. >> About 1.7 million. >> Alter: But that does or doesn't include south by? >> That we did not verify. >> Alter: Moving forward, I do think it would be important to maybe focus their attention on the larger fee waivers. Less concerned about whether we're waiving

the fee on the license for the pet as I am on whether we are waiving the Austin water fees for installing a pipe that costs millions of dollars, and from the data that we're given, it's hard to understand where to focus our attention, and I don't think they're equal, and we shouldn't treat them equally. We should target the larger amounts first in terms of where we're approaching it so we really understand how we're allocating big resources first. >> And I guess my follow-up, I share some of the concerns that council member alter raised. But it is -- and I know that y'all aren't the same people who were in charge of implementing the recommendations that you made in 2012 or 2015 -- in 2002 and 2015. This is the first of two audits that we're going to hear today that have had the same recommendations made to city council not once, not twice, but three times. So at some point, how do we trust city management's ability to follow through on the issues

[10:40:49 AM]

that the city auditor is raising? I'm sorry to put you on the spot, but I feel like it's a question that has to be asked and answered because there has to be something different about the response this time around. I don't see that in the written management response of why -- what happened and why the recommendations weren't implemented the past two times, and what will be different about this time. >> I the. It is a large organization. What I can tell you in terms of this audit and specifically in the next one that you'll be hearing from soon is that interim city manager has made clear that we need to get this worked on and all the resources will be put in place to address these, and I think part of that effort will be looking back and saying what occurred when an audit from 2015, if there's something that didn't get implemented, what happened? I think it will be part of our exercise when we come back, we put a regime, a system of tracking in place. We need to understand the people involved in that, roles and what happened in the past, so that we don't replicate those going forward. In terms of -- I mean, I can sit here in my role and speak on behalf of the city manager has us come down here, our focus will be on implementing the audit results. >> Thanks. I know that your work regularly involves following up on previous audits, but can we ask that we do a check-in next year on this topic?

[10:42:50 AM]

>> Certainly. I would say it's relatively easy in the audit scheme, so it may be that 2015 recommendation had not been reported as implemented, but didn't know until we went in and did this work that really there hasn't been any folks. I think that's certainly something we keep an eye out for, and that's why we're reporting it here, when we go into an audit area, we look to have recommendations implemented. If not, we're reporting that out to you. >> I'm particularly interested in smart housing because we're considering the code because we've had other discussions and because we have such a scarcity of

resources as we discussed earlier in our audit in our services on home lesser vises. I'm interested in getting that information sooner, so I don't know whether that happens through an ifc, but I would like to get a sense of what the smart housing outlay has been in terms of fee waivers for the last couple of years and line that up to the number of units created, because we waive all the fees on a project for market rate as well as income restricted units. It may be when we look at those dollars, that that's not the most effective use of our resources, that we would be better off and we could create more units, the we took all of those -- the equivalent of that fee waiver money and put it toward building units. >> What we can do is certainly the auditor collected information for the past year, and they reported that three million was -- council member alter requested, something we could compile and get back to you before the deadline for this audit. >> What is the deadline for the audit? >> For affordable housing, I believe November of next year, so certainly we can -- >> Tovo: I think if we already know the amount, the other piece

[10:44:52 AM]

I would want to know is how many units were created that were income restricted versus the total number of unit, and that's something that you likely have readily available. That would give us a good start. I know it has come up multiple times in the past year, and certainly is something I'm looking at regard with codenext, because the consultants have not proposed any changes so that mechanism of how fees are calculated for smart housing. If the consultants aren't going to look at it, that's an area I'm going to look at. Thank you. Council member alter. >> Alter: Sorry. I'm noticing a pattern across a lot of things where we don't necessarily have the infrastructure we need to be able to get the data that we need. You know, we're seeing this not just here, but we have the time sheet issue where we have electronic time sheets. And I know that it's not sexy to be investing in those kinds of things, but it seems like we may be in need of making more of those kinds of investments, and I was just wondering if staff might speak a little bit to what you need in order to be able to provide this data and to be able to use this data and it just -- you know, this is Austin, and we're supposed to be a technology capital, and yet our systems don't seem up-to-date, and we may need to be making some investments in order to be able to do that. I'd like to hear a little bit more from you, your thoughts on that. >> Sure. Thank you. I think in terms of this specific -- you know, getting the system up in place, I think part of that effort to ramp it up will be looking at our resource needs. Our hope is to leverage some of the systems we have. We do have some -- we were tracking I think in front of this body back in the late summer to talk about some of the financial systems that we have stood up.

[10:46:52 AM]

Vendor connection, things like that. So we know we have the capability to stand these up, but we will certainly -- that will be part of the assessment process. Certainly citywide, as we go through our annual fiscal plan, we look at always our resource needs throughout the organization and balance those with where the policy objectives are of the council, and we certainly know there's areas that can't always get fully funded as we have processes in place, especially on it, we have it governance process in place that looks at these efforts, and we certainly know there's lots of needs out there, and -- but when we come to specific issues like this, we will -- fake, our goal is not to look at buying a brand-new system. Oftentimes, getting the system up and running takes time beyond this issue going away. So we want to look at the systems that we have, and we believe we have some good financial systems in place with work we've had with Amanda, the interconnection between our financial system and Amanda. We want to look at leveraging those opportunities in the most cost efficient way. I think what we'd be looking at is staff resources, if there's a way to make sure we're we're tracking these and there's people on point on it. I think that will be part of the analysis on this effort. >> Alter: Thank you. >> Tovo: Okay. Thank you so much. We will move on to item number 3 now, the audit of the workforce development that looked at our contracting efforts. >> Can we get acceptance? >> Tovo: Oh, yeah. I always forget that part. Motion to accept, and a second. Okay. All those in favor of accepting the audit? Unanimously accepted. Thanks for the reminder.

[10:48:53 AM]

>> This workforce development audit was managed by Katie Houston and Michael Miguel was the auditor in charge, and Katie will be presenting. >> Good morning. The objective of this was to determine if efforts were effective at achieving outcomes and preparing individuals for Austin jobs. We looked at workforce development contracts for adult occupational training for fiscal years 2013 through 2016. Our testing for the most part focused on fiscal year 2016. We reviewed nine contracts that were agreed to with five different contractors and they cover an amount of about \$6 million. A little bit of background on workforce development. These are essentially training programs designed to assist low-income community members with literacy, adult basic education, job readiness, and occupational training. The city's largest workforce development contracts are managed by Austin public health and the economic development department. You can see in this graphic here, this is sort of the training continuum that splits the two departments' areas of focus. On the left, Austin public health that focuses a little bit more on the literacy, English as a second language, basic education type issues, and on the right, in the blue there, that's the economic development department area focus. Those are like the multi-semester certification and associates degree type training. In the middle there, there's the short-term occupational training, and there's some overlap between the two departments. Our work here focused on the two areas, short-term training and long-term, where there's an overlap between the two departments. Overall, we found at a high level here that first the city lacks a comprehensive workforce development plan and has not established citywide priorities to use to guide contracting decisions.

Second, we found that the city does not have reliable data to measure the impact of workforce development programs. And third, while participants

[10:50:55 AM]

benefited from these programs at the individual level, it does not appear that the city prioritized contracted services to meet its own targets or the needs of Austin employers, and we'll discuss each of these in a little bit more depth in the next few slides. First, like I said, the city has historically lacked a comprehensive workforce development plan, and as a result, we haven't really had those priorities established to drive our contracts decisions. Notably, workforce solutions recently developed a master regional workforce development plan, and that effort coordinated some assistance from the city, the county, and some of the service providers. At a high level, that plan sets forth a goal of helping 10,000 low-income individuals get into or secure middle skill jobs by 2021. However, this plan wasn't in place during the period we reviewed in this audit and it hasn't been formally adopted by the city. Also, we found that workforce development contracts are not centrally managed, and oversight of contractors is not coordinated amongst the various departments that oversee these contracts. So specifically, there are at least eight city departments that manage workforce development contract, and there's not really a lead department tasked with coordinating all of that, even though imagine Austin calls for one. And lastly, contractors are largely reimbursed for expenses rather than outcomes achieved. We found that performance measures differ across the city, and so it's really difficult to compare the programs citywide. Additionally, performance measures do not always measure program impact, and they may not be effectively used. So this graphic here shows the fiscal year '16 workforce development performance measures for the two departments we reviewed in this audit. On the left, there's the economic development department measure, and the sole measure for fiscal year '16 was cost per client trained. And that could be a useful measure, but it doesn't really effectively evaluate the impact

[10:52:57 AM]

of the program, and it's limited really just to short-term workforce development programs, managed by EdD. It wouldn't include the short-term programs managed by Austin public health and it wouldn't include the long-term programs managed by EdD. On the right, you can see Austin public health three performance measures for fiscal year '16, and the first one, the number of individuals served, again, could be a good measure, but it doesn't really tell you anything about kind of the substance of the training and how beneficial the training is to the participants. The last two measures there are a little bit better I think at evaluating the success of the program. The first one would be percent of individuals demonstrating improved life skills. That's not really effectively measured. We didn't really see evidence

where there was maybe like a pre-training type test and a post-training type test where you could kind of compare the two and see if someone did improve their skills. The last one listed there, the percent of individuals who maintain or increase their income. Again, could be a good measure, but this is an aggregate report on numerous sub measures. Some of those sub measures include things like affordable care act enrollment or tax return assistance. Things that are not really related to workforce development, so because it includes those additional sub measures, you really can't use it to evaluate workforce development specifically. For finding two, we found that the city does not have sufficient read reliable data to determine the effectiveness on programs. And this is because key data on some of these programs is not tracked. Specifically, we found that unduplicated clients served is counted differently by the various service providers. A good example of that is some service providers would say they would count a person in this figure immediately after they sign up for the training, and the other service providers would say that someone needed to attend three days of training to be counted in that figure. Secondly, income data before and after programs is inconsistent, and there's an example of kind

[10:54:58 AM]

of the problem with this -- in this graphic on this slide. We saw one case where a person reported that their income before the program was about \$400 per month, and after the program, they were earning \$10 an hour, and that could be useful information, but you really can't compare the two unless you know the number of hours a person is working. So in this case, if this person was working more than ten hours per week, they probably had an increase in income, maybe you'd consider that to be a success. If they were working less than ten hours per week, then there wouldn't be an increase in income. So the differing data collection methods makes it difficult to evaluate the programs. Lastly, programs were not always contacted following the workforce development program, so there isn't really complete information on some key outcomes, like whether people got jobs or whether they did indeed experience an increase in income. Even if data was reliable, it appears that some key outcomes were not achieved. Looking at this chart here, you can see we tested specifically 108 participants, and the graduation rate appears favorable, about 73 of these individuals or 70% graduated from the program, but the employment and income rates appear less favorable. So of the portion that graduated, a little less than half were employed at any time following the workforce development program. And of those who were employed, we could only see evidence that 11 of them, or 15% actually experienced an increase in income. It's important to note there were certainly more positive outcomes achieved, so maybe there were more people who got jobbed or got better paying jobs, but because of the data reliability issues we noticed, we couldn't really determine that on a broader scale. For finding three, we found that it appears participants benefited from these programs at the individual level.

[10:56:58 AM]

But it doesn't appear that the city prioritized or contracted services to meet our own targets or the needs of Austin employers. And when we say targets, we're talking about the economic development department's target markets established in their target market assessment. Those targets are listed there, and the table on the right, those seven areas there. And to do this testing, we looked at participants who attended adult occupational training in fiscal year '16, and this was as reported by the service providers. There were 834 trained, but only 19% appear to have been trained in one of these seven targets. The vast majority were trained in other things that don't align well or are too generic to align with these target markets. You can see the breakdown of the 161 there on the right, starting with life sciences, and going down to zero waste. Note that there were two categories, fashion and zero waste where there were no participants trained in those targets. Going a step further, we also looked at in-demand certifications in the Austin area, and we found that there were only 29 people of the 836 who were trained in an area that trained them to attain one of those top certifications, which might be like a commercial driver's license or an osha certification. So in addition to our finding, we had a few additional observations, two of which are listed here. To start, programs may not always expand the labor supply due to outside constraints. This is specific to licensed vocational nurses and registered nurses. We learned that folks seeking those designations need to attend a certain number of clinical observation numbers, but there may not always be healthcare facilities and staff available to provide those observation opportunities, so even if we do offer a bunch of

[10:58:59 AM]

trainings to those individuals, it may not make it so that there are more licensed vocational nurses and registered nurses available in the Austin market. And secondly, the federal medicaid funding program does not appear cost effective, as we spent approximately \$657,000, but it appears that only 16 individuals graduated under the terms of that agreement. That's a cost of about \$41,000 per participant. Where the cost of the ACC program, where those individuals were trained only cost about \$9,400. Funding for this program has since been discontinued, but the city continues to contract with the spender for other workforce development trainings. So in light of these findings, we made several recommendations to the city manager. One to the economic development department and one to Austin public health. Essentially, we recommend that the city designate a lead department and develop citywide goals and performance expectations for workforce development, and that we align our contracts with the city priorities and the areas of high demand, or the needs of Austin employers, and ensure that contracts have clear and consistent performance measures, so that we can use that information to really evaluate the impact of these programs. And lastly, after those contracts are renegotiated and we established our citywide priorities, we recommend that Austin public health and the economic development project enhance their monitoring efforts so we can really evaluate the success of service providers over time. That concludes my presentation and I'm happy to answer any

questions you have. >> Tovo: Council member pool. >> Pool: Do we have a way to use as a metric what it was that the participant in the training program was hoping to train for and then determine at the end that that person actually did achieve that training and then get a job in that field? >> I would say when we

[11:00:59 AM]

renegotiate these contracts, that might be a good thing to add in. We can certainly build a requirement that service providers maybe track the type of jobs that folks are getting and whether they align to the training they receive. With our current work and contracts, none of the contracts reviewed included a measure like that. So you really couldn't determine if individuals got a job in the training that they received. >> Pool: Isn't that one of the goals of the training, the skills training, is to train somebody in skills that will then have an outcome of getting a job and an income in that area? >> Certainly one of the goals of this is to train individuals and then hopefully have those individuals get jobbed on the back end. The question of whether they should land in a job that relates to the training they receive, there's kind of mixed reviews on that. Some best practice information indicates yes, but then there's other folks that would say, some training really in any form that helps individuals get jobs, even if they get jobs in fields that don't relate to that training, is still a positive outcome. So kind of mixed reviews there. >> Pool: That's really interesting, and I'd like to have more discussion on that piece. I recognize that there are some degrees, for example, that give you a rounded education that make you able to function in an array of job types, but if this is skills training and it's targeting specific skills other than the ged preparation or the bilingual preparation, it seems at the front end that there's an expectation that if you're going in, looking to be a plumber's assistant or apprentice, that you would then end up as one. So it seems like we need to have some follow-on efforts to make sure that whoever enters in a certain track stays on the track and that everything lines up so

[11:02:59 AM]

that there's an expectation that they can get the job at the end. I think that is actually what we're trying to do, to the extent that it can be rather broader at the end to check the box in a number of different places. I think that's okay, too, but I think along the way, we need to make sure that there is something out there for that person to end up with a job. This one really -- this one really hurts. I'm really concerned about the outcome of this. I feel like this has probably been going on for a long time and I am concerned that the city hadn't figured out previously that we weren't doing a very good job in the spending of the money, as precious as the resources are whenever we put them toward an effort, I want to make sure that the designated effort is actually released in the target range, if we're not hitting a

bullseye, we have to do this better. I appreciate that EdD is taking the lead on this. I think part of the problem is the dispersion of authority, and I'm seeing that as a pattern in the three audits that we've had here today, that there isn't any clear ownership. Hopefully, we can take a lesson from these audits and look elsewhere to make sure that we have the authorization and actual owner of an effort so that we can have some more and better accountability and transparency. >> I'll just chime in quickly. I feel like this is completely unacceptable. As stewards of limited tax dollars to see that we're spending, you know -- well, probably well in excess of \$6 million a year for really no tangible results is a major problem. So I really appreciate the work that you did on this audit, and I look forward to hearing

[11:05:00 AM]

management's response and what we're going to do to fix it. But first, I'll ask the mayor what questions he has. >> Mayor Adler: Yeah, I agree with that, too. I think this is really important. We talk about affordability, and there are two ways to address affordability. We help make things cost less. Things that we're doing when we subsidize things. The other way that you addressed affordability is to help give people more money to spend, which is jobs, job training, and we live in a city where we create more -- you know, if we have 30,000, 40,000 people in the city that are looking for work, then we have 30,000, 40,000 jobs available for people looking for work, and they don't match up. We create more middle income jobs than any other city does, but we have to import people in to take those jobs because we have them train the people that live here to take those jobs. And that exacerbates other problems that the city has. I think that what you report in this audit is something that many of us had a feeling, and it has come up in our budget conversations where we're trying to get a handle on how do we measure, what is the metric that we're trying to address with the money we put against workforce development and workforce training, and we've never had a real good feel for what that is, what is the metric that we're driving against, and without that, we continue to invest money on outputs as opposed to outcomes, and we can't make the relative decision on what programs we invest and what programs we don't invest in. So saying we have to stop for a second and figure out what is it we're trying to do, how do we measure that, and then how do we best invest money against that I

[11:07:01 AM]

think is critical. This points to several other issues, too, where there's a certain number of service providers and they're not only coming to us for funding, they're coming to workforce solutions for federal funding, and they're going to the county for funding. We're all funding. We're not jointly measuring or jointly evaluating, and it's really difficult to tell when we even see whether that was our investment or was that the county's investment. We have different departments within the city making

investments and we don't know which department in the city's investment is doing stuff. So it is a big concern, but what I would like to hear from, if it's possible, in part because of these things, and the statutory rule I had with county judge eckhart, we asked the workforce community to get together and start trying to answer those questions. Is there a single metric? Everybody's bringing in money. Is there a way we could agree as a community that we should be measuring that or evaluating that, and I know that over the last year, they've gone through a moderated process to try to answer those questions, and bringing in a lot of the employers in the city, all of the workforce development stake holders in the city. I think the city and the county have participated in that to try to answer those questions. Because we need to be doing better than this. There was a report that came out that I think we're all aware of that came out this summer. You mentioned it in your report, that it's just coming out. I think it may have addressed some of these questions, or at least tried to look at them, these same kinds of questions.

[11:09:02 AM]

I know that that report was supposed to be considered by our planning commission, something that we might want to consider adding to the strategic plan. It was set up to be considered this week and it got postponed. But I know that the economic development or opportunity commission looked at that report here in the past week, and I think approved the report and recommended its adoption. So it's a report that will eventually come back to the council after we go through the planning commission. And Tamara is here, who did that report, and it might be helpful to at least hear if there's any progress or any focus on this, that -- I'm concerned about giving this to a city staff department. I don't think we need to do that. That would be kind of recreating the wheel, if that's already been something that's -- if there's been any advances. And I think that may better -- may help inform this conversation, because I continue to share the same concerns that you guys mentioned right after this report. We have to do a better job. I don't know if that report addresses these kinds of things, or whether that puts us over, but it might be helpful for our community to hear that. >> Thanks. That probably is very important information, but I want to give our staff the ability to respond first so that they can talk about what their plans are. >> Thanks. I have some questions about the audit. I thought we were going to do our questions for the auditor, and the response. But go ahead. The first question I have has to do with the program described on page 14, the one where medicaid funding was used, and the auditor has come to the conclusion that it was likely not cost effective because it

[11:11:08 AM]

was about \$657,000 that was awarded to the contractor and only 16 individuals graduated from a program that costs \$9,408 per person. I'm sorry? The ACC. It was noting that the cost per individual was more than 41,000 where the cost of the program at ACC was in the \$9,000 range. Who was the contractor on that? >> That contractor was -- >> Tovo: And in the discussion of the different programs, it seems to me that they may be working with different populations of individuals, and so that it seems to me might make a difference in terms of the cost per student, and so I wondered if anywhere -- I'm not seeing in here a breakdown of -- you've talked about the programs generally, but not in a disaggregated fashion. Is it possible to get some more in-depth information about how each of those programs perform relative to the issues you've identified? >> Yes, we could. Our work and our testing primarily focus on the short-term occupational training, so some of the populations that you're talking about that maybe would have different needs or maybe wouldn't be well-suited for some of these metrics, maybe those who went to a ged program or English as a second language was not so much the focus of our testing. We have contracts that we would call workforce development that would still include those types of services, but our testing focused more on folks going to short-term or long-term trainings, like an eight-week course in a specific field to then go get a job presumably related to that field. But we can provide a breakdown like the 836 individuals that were as reported by the third party providers.

[11:13:09 AM]

We can provide that breakdown to you. >> Tovo: I had another question that may have just gone out of my mind. Oh, I know. It had to do with the areas that the chamber of commerce identified as in demand certifications. Is there any chance that the that had been identified had shifted from the time of the start -- this refers to page 13. And the conclusion was that in fiscal year 2016, only 25 individuals graduated from a workforce development training that prepared them to attain one of the top ten demand certifications in the Austin area. Did the chamber of commerce's report shift much from 2015 to 2016? Is it possible that those individuals were enrolled in the top areas as identified in 2015, but it had undergone a shift in 2016? >> Sure. So we looked at that kind of trend data, and for the most part, the 2015 in demand certify kathss were substantially similar to those 2016. I think there was only one -- nine of them overlapped entirely. I think there was only one that didn't overlap. >> Tovo: Thank you. That's helpful. Thanks. >> Troxclair: So, thanks for asking about who that contractor was, because I had the same question. I guess I have a few other questions for the auditor as well. Do we ever audit contracts of contractors? I mean, even when they give us information about how many people, what their outcomes were that they've reached, is that information audited ever, or is it also self-reported? >> I would say that that maybe varies by contract, but I believe many of these contracts are monitored by the department,

[11:15:12 AM]

so that information will be reported to the department and the department will periodically request additional information or verify that. >> Troxclair: The city department? >> Yes. And then from our perspective, we have -- we do from time to time take a specific contract or look at our monitoring process overall to see how that's working by department. >> Troxclair: So -- okay. So the first part of your answer was that the city's staff department will monitor it, but not necessarily the audit. There aren't necessarily audits done of those results. I'm concerned because clearly there is -- there are some issues with the way that we're managing these contracts to begin with, so it doesn't give me a whole lot of confidence to know that the department is overseeing the results that are given to us. This is an example of where we did select specific contracts and try to verify the information reported to the city. >> We actually have a contracting series on our audit plan this year to look at specific contracts, but generally, we don't pick out, say, one specific contract, but we really look more at the process. So what is the process for monitoring contracts, either in a specific department or in multiple departments, or we pick a topic such as workforce development, that would be a good example of one, and look at all the contracts or a selection of contracts in that area. >> Troxclair: Okay. It may not be a bad idea at some point to do kind of intermittent audits of our contracts, but I guess I'll leave that to you. Who is responsible -- this might be a city staff question. But who is responsible, when we do go into contracts, like this

[11:17:15 AM]

one was specifically Austin public health that was mentioned on page 8. These contracts are generally either under economic development or public health, right? So the person who is responsible for making sure that the metrics that are put in place are outcome-based, not input or output based is the manager -- the director of that department? >> That probably is a question for management. I believe it involves multiple departments, including purchasing as well as the direct department. >> Troxclair: So why don't I finish my questions then to them, because I know that you probably have more to say about this. I want to give you the opportunity to lay out your response before having to answer that question. The \$6 million that's highlighted in this audit, I'm assuming that these are kind of the larger contracts that we have specifically for economic development, but it doesn't necessarily represent the total amount of money. Or does it represent the total amount of money that the city is spending on economic development? Sorry, on workforce development. >> Sure. No, it doesn't. The \$6 million is really just what we looked at in this audit. One of the problems that we ran into very early on in this project is kind of defining workforce development, and so without a good definition of that, then it's a little bit subjective on what you would include in that bucket. So we know that there are at least eight city departments that have workforce development contracts, and so there would be probably a lot more than just what's listed here out there. Just in terms of contracted dollars. But there's also questions about the city, city hr has internship type programs, kind of internal city functions that you might also

consider to be workforce development. So if you're going to add all of that into the equation, then it would be considerably more than what's listed here. The 6 million is really just what we focused on. >> Troxclair: Okay. But we don't really have I guess

[11:19:17 AM]

a number to put on the scope of how much we're spending in total on workforce development programs at this point. Or from your perspective. And then my last question is -- well, I guess maybe that is also whether or not these contracts are competitively bid. But that might be a question for staff as well. To you know? Okay. >> Michael Miguel, office of the city auditor. I would say that a number of them were developed in 2014 as a part of the rfa for social services as well as the one that was conducted by EdD, and that would be -- that would satisfy the competitive process. Since that time, there's multiple amendments of the contract to be reviewed if there was an amendment process. So those are not necessarily competitively bid. >> Troxclair: Okay. Sorry, I had lots going on at the end of that. What was just the last part of what you said? >> Since that time, since the award of the contracts, every contract we reviewed has gone through at least one amendment and those are not necessarily -- >> Troxclair: Right. Yeah, I think I saw -- oh, I guess it was an item on this week's agenda. We're adding like another -- I don't even remember. It might not even be under workforce development, but we're adding another \$1 million to some contract, but the total contract is like \$20 million. That's crazy that contracts kind of start out as these small contracts all of a sudden turn into over years you continue to amend them and add to them, and I know that's what council member Houston likes to refer to as kind of our legacy contracts, but that's -- that was really concerning to me when I saw that on our agenda. Okay, a couple other questions from council member pool, and then council member alter. >> Pool: This was a question that the pro tem wasn't able to

[11:21:17 AM]

ask, so I told her I'd ask. Page 4, regional workforce development, it's talking about the city's efforts in partnering with Travis county, and I think mayor -- the question was, is this the work that you've been talking about with county judge eckhart or is this something different. And I note down here with the footnote that the workforce solutions board of directors, city council, and the commissioner's court haven't yet approved this regional workforce development plan, and do we know what the status of that is, and whether there's overlap in duplication, or if this is completely separate, and if there is some duplication or overlap, why would that be? >> Mayor Adler: To be clear, this wasn't work that I did or the judge did. All we did was just say somebody needs to get everybody on the same page. But I think that this refers to that work. What does it look like when everybody gets on the same page. >> Pool:

Corey, do you know anything more substantive? >> I think management will have more information on that, but at least as of October, the plan has been published, but has not gone through the various city boards. >> Pool: Okay. So the piece on here that I think would be really help that this audit has highlighted, is whatever regional workforce development efforts that we may be working with the county and the state on, that it reflects the specifics and the actual concrete measurements that we've been talking about here at the very least, to make sure that the outcomes are more than just outputs, which is what the mayor was talking about earlier today. I think this would give us a really good opportunity to make sure that we're doing this right, a significant amount of

[11:23:19 AM]

money. And it needs to be put to good use and sustainable, long-term good use as well. I think this year's budget drove home for me even more than the last year with the admonitions that we were running low on money out there. The prosperity bonus that we had our first year in office back in the budget for '16, it was really different in doing the budget for '18. It's just going to get tighter. So to the extent that we do have this money to invest, because that is part of our community values and our mission and our goals, is to make sure that people are able to take the jobs that are available here and that we're not just always importing new people into town, but that we hire effectively and sustainably hire people who are living here. We need to make sure that this money is being spent effectively. You know, I'm going to hold a little bit back on saying efficiently, because the effectiveness is the part that really matters. So here's another opportunity with the regional development workforce template to do it right, and to have it be reproducible and transparent. >> Pool: Council member alter. >> Alter: Thank you. I wanted to call attention to finding number 3 in the highlights. I mentioned there's a typo and instead of saying, but it does not appear that the city does not prioritize to meet its own targets, it should be that the city does not prioritize that, and I think that -- I highlight that also because when we talk about the city's own targets, we've talked a lot here about the targets for meeting the broader workforce goals, but we as a city have a challenge of hiring our own workforce. And I think that we should be looking at whether some of these programs can help us as well to

[11:25:20 AM]

fill our own workforce needs, and that was sort of implied and sort of not, and so I just wanted to flag that. You know, we need -- there are different jobs that we as a city need, and it might be a more effective loop sometimes for us to be investing in training for jobs that we need to fill as well, and I'm not aware of us focusing in that way in the past. I think we have a real opportunity here to drive towards an evidence-based approach towards workforce development. In doing that, I think we're going to need

to make sure that we understand that sometimes we're doing job readiness and sometimes we're doing workforce development, and those are not always the same thing and the measures are not going to be the same, and it's okay to invest in one versus the other, but the measures are going to be different. Evidence, though, doesn't always mean just because you measure it it's the right measure, and so I'm a little bit concerned about the implications that people will draw from the nursing situation, and I see that Steve Jacobs here from capital idea. My understanding and my understanding of how academia works is what you charge the student isn't necessarily what it costs you to run the program, and what you pay in tuition is only a fraction of what it actually costs to educate the student. And then on top of that, with nursing, there's a capacity issue that we face in that our institutions of higher education don't have the capacity to train the nurses that we need, even if we had all the people who were ready to go into the system. And so we may be comparing apple to oranges, and I believe that capital idea and what they're doing is adding capacity, and so it costs more to add capacity than it does to just send a student into a program where you've already got that built capacity. But the problem we have and the

[11:27:21 AM]

problem we're trying to solve is to increase the capacity of our higher Ed institutions to train those nurses, because they can't take on more nurses with the current resources that they have, and you have the pipeline. And so it's a combination. I don't know if my colleagues will indulge me to allow Mr. Jacobs to speak to that, but it -- you know, it implies things that I think that may not be true when you actually look at the data, when you actually go beyond what you're able to simply measure. And I for one have a very strong affinity for investing in these nursing programs. People who are looking to transition to a higher level income understand what it means to be a nurse. They don't understand what it means to be a tech support person, and there's a whole lot of people who dream about being a nurse for the rest of their life, and so it's something that we could fill. It's a broad need that affects our entire city, it affects our healthcare delivery, and so I think we need to make sure that we're actually understanding the economics of providing that and not making assumptions comparing the number that we have available. So if you would allow Mr. Jacobs to speak for just a few minutes on that, I think that might be useful. I know we have limited time, so I'll leave that to the discretion of the chair. >> Troxclair: Obviously, with the information that was included in this audit, I think there are probably going to be a lot of people who have an interest in speaking about it. If we have time, I want to give our management a chance to respond. I also know that councilmember pool needs to leave at 11:30, so we're about to lose quorum here, so -- and I know that the mayor also wanted somebody from the workforce solutions to be able to speak, so we'll just have to see how much time we have, and if not, we can put this back on

[11:29:21 AM]

the agenda another time or schedule individual meetings with people to dig into the topic a little bit more. And I am I would like to be able to make a motion to give you a direction to continue to work on the roadmap, not allocate any additional funding towards workforce development programs and in the meantime, until we're able to review the contracts, and to make sure any money allocated, we have clear outcomes. I don't remember if the mayor and I -- if we're the only two left, if we should -- or if I should just go ahead and make the motion, unless you have any issue with receiving that direction from us. Okay. I'll go ahead and make that make sure, then we can hear from you. Okay. Motion and second.

>> Mayor Adler: My concern with that is, I don't think our staff has the expertise to be able to answer the question that the auditor has put, kinds of questions that we're having on the dais are the kinds of questions that have been going on in this community for the last year and a half. So these questions have -- and with ACC sitting at the table, talking about nursing capacity and what would be good investments for us to make in order to be able to increase that kind of capacity. So I think that if we can -- my sense is that, ultimately, what I would like the staff to do would be to take a look at the workforce solutions report and see if that meets the questions that came from the auditor and if so, then to join forces with the county and with workforce solutions to be able to implement that plan, that strategic plan, because I think it answers those questions or was intended to answer those questions. So if the direction -- so I'm okay with the direction, not having a motion, my first

[11:31:24 AM]

request would be, rather than having to recreate the work that's been done by the community over the last year and a half, would be to see whether or not that work, in fact, answers those questions. And it's going -- the whole workforce strategic plan is going to be coming back to us here, I think, as a council, once it gets past the planning commission, within the next 30 to 60 days. So I think the broader issue is going to be coming back to us really quickly. >> Troxclair: I have in problem with directing the staff to read and collaborate and evaluate the workforce solutions plan. I am definitely not prepared to give them the direction to go implement that plan. I feel like we're -- I feel like it's really good to know that there is that work -- that a lot of work that is already being done, and I'm sure that, of course, it's important that we corroborate on those efforts. I think it's a little bit longer of a conversation that I'm -- that we haven't -- that we're not having right now. >> Mayor Adler: No, no, and I didn't mean to imply that, because the strategic plan has to come back to the council for us to debate and decide whether or not that's the direction we want to go. I'm just saying that's didn't that's going to come back to us in the next 30 to 60 days. I like your motion but I would like -- I guess I'm just saying that I think a good place to start that look might be to take a look at that because independent of this review associated with the audit, that workforce plan is going to be coming back to us as a council, and I would really like to get our staff's view on that plan when it comes to council in the next 30 or 60 days. And I would like the auditor to take a look at it too to see if whatever it is that's coming back for them, if it, in fact, addresses some of those concerns, or if there are suggestions that, coming out of this audit report, as Leslie said initially, would be additional things that we might

[11:33:26 AM]

want to say to those people, here are things that were identified in our audit report that are not included in the workforce plan that ought to be. So I'm supportive of your motion. I'm supportive of your motion. >> Troxclair: Great. Councilmember pool. >> Pool: Yes. And I think that the regional workforce development plan draft is a concrete entity that hasn't -- doesn't sound like it's even been part of the conversation here, and so they're not integrated. And I think that we have to -- to the extent that this exists, we certainly should look at it to see if it helps fill any of the gaps that we have currently with contracts, that doesn't change the facts that we've got issues with these contracts and we really need to figure these things out, too. So to the extent that we can bring both of these together, but my focus really would be on, what do we have on the ground with current contracts, where have we not been tightly monitoring them and aligning them to actual community needs with real reproducible outcomes. And then depending on what we get out of that it may be that the regional workforce development draft can be informed by that as well and be made possibly even a better product because I don't have any idea what's in this, and I sort of have an idea what's in this, and I want to fix the pieces that I sort of under -- the pieces of I sort of understand part, which is what the audit looked at. >> Mayor Adler: Would you repeat your motion in. >> Troxclair: Okay. ? >> Troxclair: The motion was to direct the staff to continue with your development of the workforce development roadmap, to return to council no later than June 1st with that information that we do not allocate any additional funding for workforce development contracts until the -- until the roadmap has been reviewed and approved by council, and that if any additional funding is included -- is needing to be

[11:35:28 AM]

approved in the meantime, that we put in place specific and tangible outcome metrics. And I'll add to it, for you to, I guess, review the information provided in the workforce solutions plan and to use that information in your evaluation and development of your roadmap. Does that -- >> Mayor Adler: It comes to me, some question, I have some questions about that. >> Troxclair: Okay. >> Mayor Adler: The first is the time deadline because I think we're going to be involved in a broad workforce conversation here as part of the strategic planning commission as early as February, assuming it doesn't get to us in December. So I'm not sure that the June period is necessary to put it out that far because I think that it's going to come back to us more quickly than that, and I want -- I don't want to -- I want them both to come to us at the same time. So I don't want the workforce plan to come to us if staff's not ready to deal with it yet, but if they're ready for that and it comes back in February, then I would like to deal with both our recommendation -- or staff's -- at the same time. My sense is, it doesn't take till June. That's the first thing. The second thing is, I just -- I don't -- if we're not -- you're saying no further allocations. You're not

talking about cutting off anybody's funding at this point. >> Troxclair: No additional allocations. >> Mayor Adler: So our current budget we'd continue, we're not making a budget amendment here. >> Troxclair: Right. Right. Yes. Thank you for clarifying that. >> Just one more point of clarification, just to we know, the ones you may see coming forward are the council-approved cost of living increases. As you recall, council-approved cost of living increases for some contracts, so some of those may be coming, so I want to be real clear that that's going to be coming forward, whether council approves them or not, but those are items that will be coming forward. And if I'm not mistaken, I think there's some coming forward in December.

[11:37:28 AM]

>> Mayor Adler: But that's not an additional allocation, that's part of the budget work we've already done. >> Yes. Not additional money but cost of living increases from council approved previously. >> Pool: I would want to look at that. >> Troxclair: I don't know that I'm good with that, but thanks for the heads up. Yeah. Councilmember pool. >> Pool: Two things. One, the planning commission I guess completely absorbed and nearly overwhelmed with the work it's doing on codenext so I don't actually know what band width we're going to have to spend at the level of detail that we really rely on them to provide. So it may be that -- so that just -- I just wanted to point that out. And maybe what we could say instead of just June 1, we could say as soon as possible, but no later than? Could we do that? >> Mayor Adler: That would work. >> You said may 1. >> Troxclair: We'll amend it to say as soon as possible, but no later than may 1st. >> Pool: Do you want to make it June -- >> Troxclair: They can do may. Okay. >> Alter: One tiny -- it's really important to me that this is not only based on the stakeholder input but also based on the evidence-based research for what works for workforce development. So if we can maybe qualify that and say, you know, the evidence-based roadmap, because what we're trying to drive towards here is to use data to be able to allocate our resources wisely, but there is research that shows that certain programs work and certain programs don't, and this is a broader issue that we have over all of our non-profit... >> Mayor Adler: So councilmember -- >> Troxclair: I just know that councilmember pool is needing to leave. Can we take a quick vote on this motion or -- >> Mayor Adler: Oh, I forgot. >> Troxclair: Okay. Okay. Great. [Laughter]. >> Troxclair: So I think the motion was made and seconded, and we're all generally on the same page about getting this

[11:39:29 AM]

addressed as quickly as possible. So all those in favor of the motion? All right. It passes unanimously with mayor pro tem off. Thanks so much. I would love to give y'all a chance to respond to the information that's in this audit. >> Sorry once again, but can we move acceptance of the audit as well while we still

have councilmember pool here? >> Troxclair: Yes. Councilmember pool? >> Mayor Adler: I move acceptance -- >> Troxclair: Okay. He's moving acceptance to the audit. Do you second? >> Pool: Yes. >> Troxclair: All those in favor? That passes unanimously. Thank you. One of these days Greg is going to get to speak. >> It's his turn now. Maybe. >> Mayor Adler: And I think -- what we need to hear, I think that the process is that workforce solutions and the community college and university of Texas and the chamber was not -- was wasn't an evidence-based approach, it was a mediated evidence biased approach, so I think you will see the answers to some of those questions. >> Troxclair: Okay. Thanks. Mr. Canally. >> Thank you, councilmember. I'm fortunate to have Sarah here with me. I think we're both in a unique position of being somewhat new to this area of city investment, and I think we can kind of bring you a different lens to it. First I want to thank the auditor for this thorough audit, I think it Teed up some good issues. I think they mentioned, but we do concur with the findings an recommendations, specifically in terms of trying to house this under one department, under the economic development. We think that is -- alliance really well with the direction we're going as a city, especially in the strategic planning that we're in the midst of with the city council, and certainly the area of contracts,

[11:41:31 AM]

making sure the contracts -- obviously, getting performance metrics in place, but also aligning the contracts from a time perspective, I think, are really important, councilmembers, so we can get away from the idea of they are repetitive and they are aligned with how we are moving forward as a city. But - - and Sarah and I were talking about this, in addition to concurring to those really -- kind of viewed in ad borrower perspective, we think this is a unique opportunity now, if the city does invest \$7 million in these areas, just putting on my fiduciary hat, we need to make sure that these investments effective and that they are aligned internally as well as externally with all of our partners. We think it's a great time right now because of the effort we're going through on the city's strategic plan. You know, we have had an opportunity to sit around tables like this over the last sick last sixmonths and move ward through a challenging but ultimately rewarding process to get to outcomes that the city will be moving forward on. Most recently we sat down and had discussions about challenge statements, and part of those challenge statements were workforce, how we -- some of those workforce could help enhance our economic opportunity, affordability and opportunity strategic outcome. And in fact if you recall, education has -- we kind of moved it back and forth into some of the outcome statements, and I think we're going to have some elements of it in the economic opportunity strategic outcome. So it's a great time to have this alignment discussion so that we can move forward. Within two weeks are we're going to be coming back to have a metric discussion are you, a metric on where the metrics need to be. So as we look at this, we think the idea of having a roadmap is a really good starting point to move forward. And just to clarify what that means, it does not mean starting from scratch. We have great partners in the community. We have great staff members working on these issues who

[11:43:32 AM]

have -- who really do have the capacity to look at these issues and help us with our external partners, move forward with a roadmap plan. So for example, we've been talking today about the workforce solution community workforce plan. I've had a chance to just briefly look at it. We know there's been some input from city staff and around. We think it can be a really good foundational effort to move forward as from a city perspective, from a city investment perspective, where we're going to have our own investments. There may be other areas outside of this work plan we want to invest. This is not starting with a new effort. We want to build on all of the work that's happened in the community over the last year and work with our partners in the community, both the ones we contract with, as well as our other partners, that would be including our school districts and ACC as well, so we do have a comprehensive approach that works both regionally but also works for Austin residents and Austin citizens and for what we need to accomplish as a city as well. So that is in addition to concurring to the auditor's recommendations, is looking at a higher lens because we think when we're looking at an investment of \$7 million, it deserves a higher lens as we move forward. >> I concur with you. >> Troxclair: Thank you. I appreciate it. And I trust that you understand the severity and the breadth of the issues that that were outlined here, and the job ahead of you as you try to address it. And I look forward to having you be our partners in helping to make sure that we choose -- we choose an effective path moving forward. >> And just to add to that, Sarah and I have talked about this, the timing, we will certainly try to get back, but we also want to be thorough and make sure -- I think there's a lot of outreach and community input. The city is an investor but we

[11:45:33 AM]

know there's other investors in this area as well, so we will work through it but we want to be rigorous as we work through it as well. >> Troxclair: Thank you. I know that there were other people who came to the meeting who were hoping to speak. I don't know if this is the most effective place for them to do that at this point, or if it is more effective for the people from workforce solutions and capital idea to set up individual meetings with the committee members, or if you'd like to -- I know that -- or if they'd like to come up for a few minutes. I'm happy to indulge the request. I just -- I'm going to have to go to the capmetro meeting that starts at noon to speak on behalf of my district about public transit, so I'm just worried about timing here. But -- >> [Off mic] >> Would you like me to speak? >> Troxclair: If you can just come up, and if you can keep it brief that would be great. >> My name is Steven Jacobs. To provide more information and laker of the cost of the medicaid program, and we provided information to the auditors office yesterday evening and talked with the auditor and they will be reviewing our calculations. But rather than a \$9,000 cost, the actual cost of preparing a nurse at ACC is somewhere around \$74,000. Because it's an expensive program, it's a very high-value program. Nurses make a lot of money once they finish and people's lives depend on them getting the right kind of training. So ACC may

have a tuition cost of 9,000, which is one size fits all, but underneath it, they're putting what we estimate to be \$60,000 of property tax revenue and state aid to supplement the tuition. So we provided that information to the auditors and they'll be able to take a look at that and

[11:47:33 AM]

come back to you with their judgment of that actual cost. Thank you. >> Troxclair: Thank you. I appreciate that. Yes. Tamara? Yes. Thanks for being here and for your patience and for keeping your comments short. >> I'm CEO of workforce solutions. I just want to thank you for the opportunity. It is true workforce solutions on behalf of the community has launched a master community workforce plan. I will tell you that I believe that this plan, as thoroughly created as it is, it addresses many of the issues this audit has brought up. It establishes a common agenda, common goal for where we need to go not community. It puts business needs first insofar as the workforce development program needs to align with the skill needs in the targeted industries that are growing our economy and seeks to reach those most vulnerable in our community. Workforce solutions is the neutral convener that is charged with policy, guidance, planning, oversight, and evaluation, and in working with UT's ray Marshall center, I believe we've got the right platform to be able to assist the city in the goals of closing the skills gap so that we can create local jobs for local people. And I look forward to continuing the conversation and further presentations when it's time. So thank you. >> Troxclair: Thank you. Appreciate it. >> Mayor Adler: Can you give a copy of that report to everyone on the council so that everybody can see it? And can you take a look at it and in light of this audit, and see whether or not it speaks to the issues that were raised, or if there were issues raised that -- and I'm sure there were, that were not addressed by that report, either because they're internal for the city, in the city focus, or just take a look at that in light of the work that was done, to point out things that could make that better. >> Certainly. We can take a look at that and I think that's probably something

[11:49:33 AM]

that [indiscernible] is planning to do. But we can coordinate on that. >> Troxclair: Thank you so much. I really appreciate it. >> One of the things we could suggest, as we go through this effort, we're obviously going to have some good discussions with all the staffs as we move the internal process, but the external is, perhaps earlier than our final, come back and have a progress update sometime in February, come back, kind of where we are, where we stand with the work, work product, how we're building off all the good work we're doing. >> Troxclair: Thank you. Appreciate it. We do have one more agenda item, which was the approval of the dates for 2018. Do we have -- it's November. Do we have a December meeting? >> Yes. We currently have a December meeting. >> Troxclair: Oh, you were -- if

there's not going to be a lot on it, then -- >> That's right. We may or may not have a full agenda, so we would need to discuss that, I suppose. >> Troxclair: Okay. So -- >> But we can -- seems like we would need to have a December meeting because you can't take action without the quorum to approve the dates for 2018. >> Troxclair: Yeah. At some point I thought we were told that we could take action if -- we just need majority present, but I don't know. Either way, posted in, I think it was backup, was the dates for the committee for 2018, so we'll go ahead and vote on them, and then if we want to change them in January or the next time we have a quorum, we can. There was only a question about August 22nd, the August meeting, and the November meeting and the December meeting. August, we could propose 8/8 or 8/22. I am going to be at a conference on 8/8 and won't be here, but you could still meet if necessary. 8/22, I worry it's going to be in the middle of a budget -- >> Mayor Adler: I won't be able to make that meeting. >> Troxclair: So let's not plan on an August meeting, I guess.

[11:51:34 AM]

If we get to that point where we really need to meet, we can find a date. Perhaps councilmember alter will be on our committee at that time and we'll have fewer quorum issues. November 28th is the week after Thanksgiving. I just don't know if we're going to need to meet that day, but I think we -- we do either need to have a November or December meeting, so I guess if there is a preference from the mayor, we could either -- we could either meet on November 28th or December -- or we could skip December, or we could propose 12/12. And my staff notes say I could do 12/12 but not November 28, so that would probably be my preference, but again, I understand if you have a different preference. >> Mayor Adler: That would be fine by me, move November 28 to 12/12, I think would be fine. >> Troxclair: Okay. We'll plan on that, and if we need to adjust in January, we can with mayor pro tem tovo and councilmember pool. >> Mayor Adler: And I think they could just move those schedules that way and next time we're together, you can affirm that. Does that mean we're not going to meet then in December? >> Troxclair: I don't think -- I think the preference of the committee is to not meet unless there is a necessity. >> Right. And the situation that we have for December is that we have one of the key managers on an audit that we plan to present, as not available on the date that we're scheduled for, and so we need to figure that out. But we do -- at this point, we really only have one audit item, not counting the one that we don't -- may not have a manager present for. >> Mayor Adler: What is the key audit on? Because I'm going to miss -- I'll be out on the January 24th meeting, so the first one I'm going to miss. >> That that is the neighborhood centers audit that looked at Austin public health, various neighborhood centers across the city. >> Mayor Adler: Okay. >> Troxclair: Okay. And if the mayor can -- I don't

[11:53:35 AM]

know what the follow-up was for getting councilmember alter appointed, but if we can do whatever we need to between now and January in order to get her appointed, I think that would be really helpful to the committee. >> Mayor Adler: Okay. >> Troxclair: Okay. Thanks so much. I guess we will, let's see, adjourn at 11:53. Thank you.