

The background of the top half of the page is a photograph of the Austin skyline, featuring several tall skyscrapers and a river in the foreground. The image has a teal or cyan color overlay.

SUPPORTING A MORE EQUITABLE, COMPETITIVE, AND RESILIENT AUSTIN

Use funds to scale economic recovery
and resiliency through Workforce
Solutions Capital Area

Prepared for City of Austin

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EXECUTIVE SUMMARY

After a year of the pandemic, Austin is shifting focus from response to recovery. Economic recovery means quality jobs. Central Texas industries are growing and hiring, but local workers remain out of jobs, many lacking the skills for the good jobs.

Building back an equitable, affordable, safe Austin will require investments in workforce development now.

Workforce Solutions Capital Area (WFS) supports and connects local people to local jobs. It cuts through the job training confusion with individualized action plans. It is jointly overseen by a combination of leadership appointed by the City of Austin and Travis County. Under the existing partnership agreement tied to the Intergovernmental Agreement with both the City of Austin and Travis County, **WFS proposes a combination of evidence-based job (re)training and placement services, plus out-of-the box workforce innovation — with underserved communities — while addressing food insecurity.** WFS is “shovel-ready,” thanks to the long-standing experience through decades of partnerships with the City and County together.

This proposal addresses City Council priorities¹ for American Rescue Plan funding:

- Addresses **homelessness** by providing prioritized client enrollment from organizations serving individuals experiencing homelessness
- Addresses **jobs for working-class Austinites** impacted by COVID including (and measuring) good wages, benefits, and job-success supports
- Addresses **food insecurity** through jobs and training partnerships with grassroots nonprofits providing local meals through local restaurants
- Addresses access to **childcare that is high quality and affordable** by leveraging existing and new contracts for childcare through City, County, and Texas Workforce Commission

This proposal addresses recommendations from the **March 21, 2021 Economic Recovery Strike Team’s City of Austin’s Economic Recovery and Resiliency Framework.** The proposal builds on the Framework’s intent to “reinvigorate our local economy by creating more pathways to economic mobility and security... fortifying our local economy to withstand the impacts of future economic shocks.”

- Addresses **Employee and Business Assistance Opportunities** through workforce development collaborations, access to affordable and quality childcare, and training scholarships to un/underemployed local individuals
- Addresses **Financial Support Opportunities** by providing additional financial assistance to individuals, households, employees, non-profits, and small businesses within COVID-impacted sectors

¹ City Council Resolution No. 20210325-111, March 25, 2021

Finally, this proposal accelerates and scales the City and County’s workforce strategic plan, entitled the **Community Workforce Plan**, to move people out of poverty and into quality, middle-wage jobs.

Between 2021-2024, WFS proposes:

Workforce Development Programs

A. Scale RE:WorkNOW and other workforce programming targeted to eligible Austin/Travis County residents economically impacted by COVID

- **2,885** individuals will receive professionally-managed career training **scholarships** through Austin Community College, local Community-Based Organizations, and other qualified educators.
- **1,200** individuals will receive **cash stipends** while in training.
- **900** individuals will receive **support services** such as **childcare** scholarships, **emergency housing** support, and work-related payments.
- **555** individuals will receive **subsidized employment** while in work-based learning and apprenticeship programs.

Total cost: \$25,000,012

B. Scale RE:WorkNOW and other workforce programming targeted to eligible Austin/Travis County residents economically impacted by COVID + ***focus on the priority population of individuals experiencing homelessness or transitioning out of homelessness***

In addition to the outcomes above, WFS proposes:

- **830** individuals experiencing homelessness will receive professionally-managed career training **scholarships** through Austin Community College, local Community-Based Organizations, and other qualified educators.
- **240** individuals experiencing homelessness will receive **cash stipends** while in training.
- **300** individuals experiencing homelessness will receive **support services** such as **childcare** scholarships, **emergency housing** support, and work-related payments.
- **300** individuals experiencing homelessness will receive **subsidized employment** while in work-based learning and apprenticeship programs.

Total additional cost for priority population scope: \$5,000,200

Additional Innovative Opportunities: Cross-Sector Partnerships

- **Public Sector Academy:** Creating a pipeline for Austin residents to enter careers in City and County agencies
- **Local Jobs + *Local Food* for Local People:** Addressing both food insecurity + job access and training

Total cost: \$2,000,000

PROOF OF CONCEPT IN COVID: RE:WorkNOW

SCALABLE TRAINING PROGRAMS AND WRAPAROUND SERVICES

With an eye to a better future, Austin City Council and Travis County Commissioners Court partnered to pilot a \$3.1 million Phase 1 plan through Workforce Solutions Capital Area (WFS) to help our lower income, unemployed workers use this difficult time to retrain safely for higher paying jobs.

In the pandemic era, **WFS is experiencing a 10-fold increase** in demand for our training offerings. And WFS is working hard to meet the demand. Since RE:WorkNOW launched in October 2020, **WFS has enrolled more people in training in four months than it typically accomplishes in one year.**

With additional funds, WFS expects to scale and expand the scope of our programmatic offerings.

Supporting Austinites each step of the way.

RE:WorkNOW Phase 1 was designed to help WFS transition to full-time, safe training in courses ranging from JAVA programming to plumbing pre-apprentice at Austin Community College, Local 285, Skillpoint Alliance, and Tech Talent South, and others. WFS proactively recruited job seekers, simplified their ability to make an informed choice on training and supports through reworknow.org/austin to link them to WFS as the digital “front porch” to entering a job training program.

Enrollment supports were tailored for pandemic times: an additional \$200 per week stipend and, if requested, subsidized childcare, transportation vouchers, a laptop and internet access.

1



Proactive Outreach

Target UI, underemployed, HS grads through partner promotion, digital ads, email, radio

2



Get to Know Resident's Background & Interest

Create a custom action plan. Digitally nudge.

3



Safe Job Training & 360° Services

\$200/week stipend, full scholarship, childcare, transportation, digital inclusion, career guidance

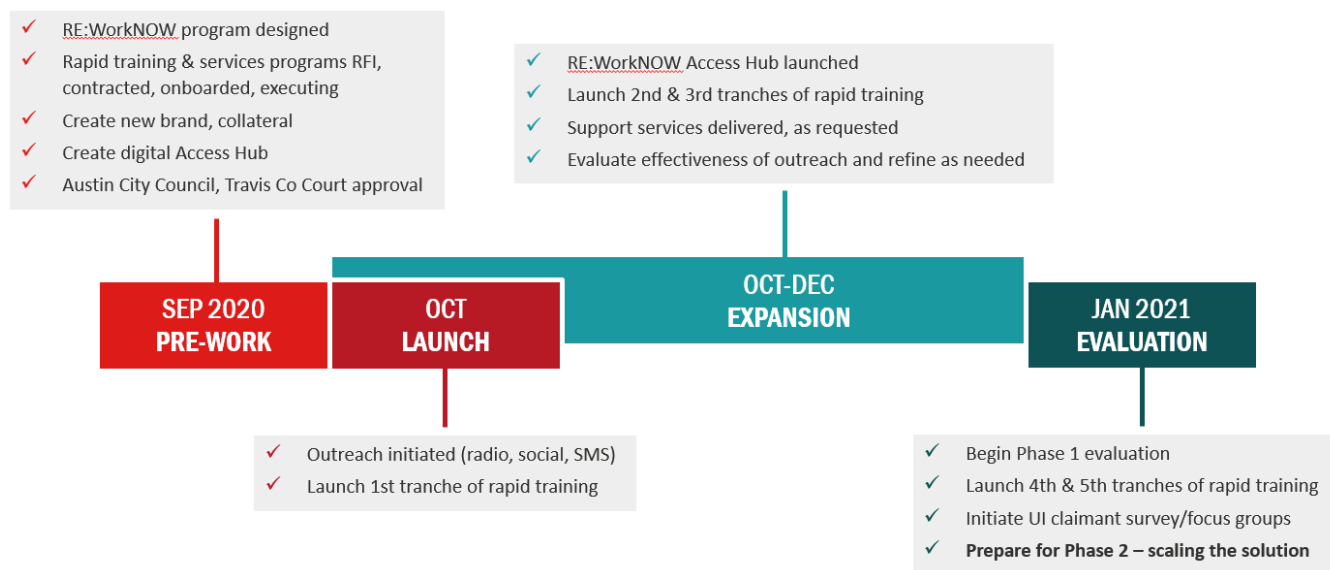
4



Jobs At Better, Livable Wages

From concept to ready-to-scale in 120 days.

With Phase I funding, WFS moved at the speed of the need. WFS designed, branded, and evaluated a program that allows us to proactively outreach local people, help them choose their next step and equip them to take that next step. WFS also successfully worked with training providers and Austin Community College to restructure curriculum so that workers can enroll and learn what they need to start a different career in a growing field at a higher wage.



Strong employment outcomes in first 150 days.

The bold RE:WorkNOW partnership launched approximately 150 days ago to help the working poor prepare for the future workplace, earn more, and ease slightly the affordability challenge. A clear majority of those who have completed or are being trained are people of color, in line with WFS' other training programs. Post-program earnings gains after RE:WorkNOW training average more than \$20,000 per person, with the first completers being hired in the skilled trades, IT, healthcare, and manufacturing.

RE:WorkNOW Outcomes

90K+

Outreached
Through digital
ads; Goal: 20K by
EOY

585

Engaged in
pipeline

224

Enrolled
Goal: 260 by EOY

184

Started Training

66

Completed
training

28

Found
employment

Average Wage Increase

\$10,261

Pre-program

▲ \$20,086

Post-program

\$30,347

New Total

100%

Immediate Increase

Creating a digital “front porch” into partners’ training and support services through targeted digital marketing.

In Phase I, WFS proactively reached out to job seekers to make them aware of the RE:WorkNOW rapid training opportunity through radio, email, and social media. WFS’ efforts included:

- **Targeted messaging** to Travis Co/City of Austin lower-income population
- **Established new brand** with radio, supported by targeted email, social, display ads (phone and computer apps), and digital communications
- **Weekly optimizing** to the images, wording, and distribution channels

WFS has also just completed a survey and two focus groups to ask and listen to local, lower income unemployed residents about how to improve both the program offerings and what information up front would encourage more people into start rapid training and future higher earnings. WFS has funneled those learnings toward improving its services.

THE SOLUTION: BUILDING ON WORKFORCE SOLUTIONS' SUCCESS

Workforce Solutions will build on its strong infrastructure and track record to scale what works in meeting the increased current need.

RE:WorkNOW has established name recognition. Workforce Solutions Capital Area (WFS) is a dynamic agency with numerous managed programs to serve Austin-Travis County's diverse residents. Through an array of services and supports to bridge the gaps from career advising, to training enrollment, to employment, additional funding under RE:WorkNOW and other programs would allow WFS to build on the foundation created through RE:WorkNOW and scale related programs' impact to further meet demand.

WFS programs increase the number of working-class people by preparing them for higher-paying careers, and supporting some residents who are experiencing homelessness and who are striving for hope and stability through new skills and work.

Program Design Process

- WFS will use existing policies and procedures for open procurement and contracting, scaling technology and staffing support proportionate to meet need. This approach allows WFS to leverage systems, physical, and digital infrastructures to rapidly launch the job training solutions.
- WFS uses unparallel data intel from our vast client database to target specific populations with specific, individualized messages about opportunities.
- WFS will measure outcomes using gold-standard employment and wage verification sources.
- WFS will be a single-source accountable entity, reporting quarterly.

Outcomes

- A. Scale RE:WorkNOW and other workforce programming targeted to eligible Austin/Travis County residents economically impacted by COVID
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In addition to the outcomes above, WFS proposes:

- **830** individuals experiencing homelessness will receive professionally-managed career training **scholarships** through Austin Community College, local Community-Based Organizations, and other qualified educators.
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THE INNOVATION OPPORTUNITY

The opportunities below represent **out-of-the-box thinking** which marries job training and employment with other community needs. There is no baseline or track record for these in the Austin community. These concepts have roots in other communities and States, but have never been offered in Austin. Therefore, these concepts would be considered start-up opportunities to pilot new models that respond to the COVID-changed times of today.

Workforce Solutions Capital Area (WFS) calls these Cross-Sector Job Creation Programs.

Public Sector Academy

Creating a pipeline for Austin residents to enter careers in City and County agencies: pre-employment training matched with on-the-job paid training

- Work with City of Austin and Travis County HR to identify municipal departments with critical projected employee shortages due to retirement or lack of community awareness
- Provide pathways for Austin residents to enter into City and County positions with low barriers to entry that offer good wages, health benefits, pensions, and upward mobility
- Give trainees continued opportunities for professional development that will help them move up the career ladder using scholarships to community college, dual enrollment, and articulation agreements
- Increase employee diversity by targeting recruitment in key neighborhoods, people of color, women, and bilingual residents
- Provide City and County agencies with qualified candidates to fill in-demand positions by helping to create a skilled talent pool that matches hiring needs
- Public Sector Academy graduates will be screened, pre-trained, and qualified to meet the specifications of agency leadership for positions where broader candidate pool is needed

Program Design Process

- Collaborate with department heads and HR team members to examine job openings across departments to identify requirements and technical skill needs
- Understand employer expectations such as job readiness, professionalism, licensing, and certification
- Identify career ladder opportunities, including the potential for linking training and jobs to post-secondary education

Workforce Solutions' Role

- Partner with area grassroots, non-profit, and faith-based entities to promote and raise awareness among underrepresented and un/under-employed individuals
- Provide easy application processes for training candidates
- Negotiate and contract with education agencies offering the training

Outcomes: TBD

Local Jobs + Local Food for Local People

Addressing both food insecurity + job access and training

- WFS would identify and meet with governmental and non-profit groups seeking to address food insecurity.
- One such entity may be Good Work Austin, a non-profit with more than 50 participating locally owned and operated restaurants. Their mission is to create a supportive environment for employers who want to do the right thing for their workers, the economy, and the environment.
- Good Work Austin has taken on addressing food insecurity by making and delivering thousands of meals each week to area residents and children.
- Good Work Austin is building a Community Kitchen to get employees back to work while addressing food insecurity.
- They provide access to subsidized mental health counseling and to a direct primary care clinic.
- Representatives from Good Work Austin have shared with WFS that one of their limiting constraints is workers.

Program Design Process

- WFS proposes to partner with Good Work Austin and/or other grassroots non-profits to understand local restaurant and hospitality sector worker sourcing and development needs.

Workforce Solutions' Role

- Matching employees to subsidized employment and job skill training that align with career pathways
- Target outreach to individuals receiving SNAP and experiencing homelessness in order to prioritize clients who may have personally experienced food insecurity and desire to have a job addressing it for their community

Outcomes: TBD

THE ECONOMIC RECOVERY DILEMMA

Unemployment is still two times worse than pre-pandemic levels.

Austin's seasonally unadjusted unemployment rate for February was 5.6%, according to Texas Workforce Commission data released March 26. That compares to a seasonally adjusted rate of 2.6% in January 2020 and a rate of 12.7% in April 2020, the peak of the pandemic's impact on jobs.

Austin metro job market

5.6%

Unemployment rate for Metro Austin and Travis Co as of February 2021
rose from 5.4% in January 2021

8.9%

Black unemployment rate, **5.9%**
Hispanic rate, **4.7%** White rate
vs. 5.4% overall rate in January 2020

20,623

Job postings in Feb 2021
-4,828 *fewer than Feb 2020*

Sources: TWC; Estimates based on American Community Survey; Burning Glass Labor Insights

COVID-19 economic damage in Austin-Travis County is concentrated among already challenged groups and low-wage workers.

According to Workforce Solutions Capital Area (WFS) unemployment insurance claimant data, the unemployed in Austin-Travis County are disproportionately persons of color; younger (ages 16–34); have less education than an associate's degree; previously worked in “face-to-face” Leisure and Hospitality jobs; and lower-income workers.

March 2020 –January 2021

169,960

Travis County residents applied for jobless benefits (including gig workers)

53%

Of jobless claimants are **ages 16-34**

44%

Of jobless claimants have a **high school degree or less**

50%

Of jobless claimants previously earned less than \$30K

78%

Of jobless claimants previously earned less \$50K

37%

Of jobless claimants previously in “face-to-face” Food Service, Retail, and Personal Care jobs

Sources: TWC; Workforce Solutions Capital Area

The number of people experiencing homelessness in Austin-Travis County increased by 11% from 2019 to 2020.

The results of the 2020 Point in Time count demonstrate the need to expand resources and efforts to reduce homelessness in Central Texas, according to the Ending Community Homelessness Coalition. Experts project a new wave of economic insecurity due to the pandemic that will put more people at risk of falling into homelessness.

African-Americans represent more than one in three people counted this year but represent less than one in 10 individuals in the total population of Austin-Travis County, according to the report.

Of note: Austin-Travis County's per capita rate of homelessness has held relatively steady since 2011, and is about 0.2% of the county's population. That proportion or that percentage of the population has remained fairly constant.

Austin-Travis County homelessness, Jan 2020

11%

Increase in the number of people experiencing homelessness in Austin-Travis County from 2019

2,506

People experiencing homelessness as counted by volunteers in January 2020

1,574

People had no shelter, an increase by 45% from 2019

63.4%

Of those counted first became homeless in Austin

930

People were in shelters the night of the count, a decrease of **20%** from 2019

36.5%

Of people experiencing homelessness are Black compared to an **8%** share of the population

Sources: 2020 Point in Time count; Burning Glass Labor Insights

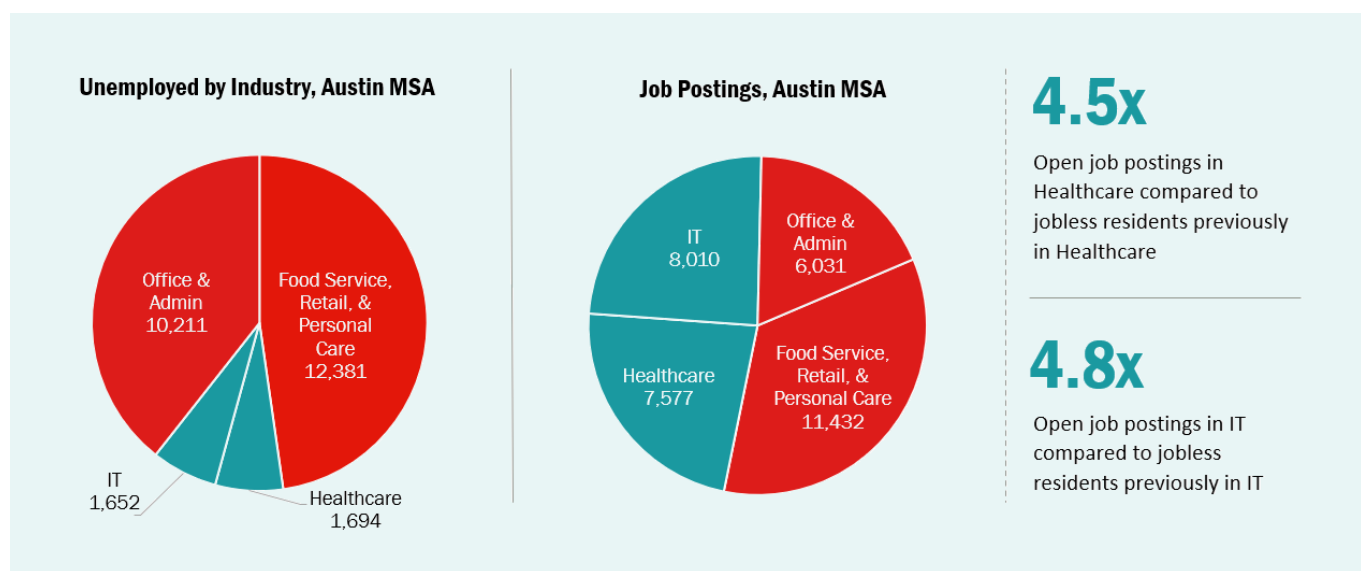
Unemployed residents need training to secure high-demand jobs.

WFS targets its funding to training programs in Targeted Occupations, which are in-demand or emerging in the local economy; are experiencing growth; and provide opportunities for high-skill, high-wage jobs. These jobs are largely within the Austin-Travis County's workhorse industries: IT, healthcare, skilled trades, and manufacturing.

IT and Healthcare

Comparing January's jobless talent (latest available) in Austin MSA to available jobs as of January 31, there is a much larger need for talent in the high-demand Healthcare and IT sectors than hospitality jobs. WFS also sees a pronounced need to retrain entry-level workers previously in face-to-face jobs into higher-wage jobs in growing industries.

- **IT:** There were **4.8x** more open job postings than jobless residents previously in this sector.
- **Healthcare:** There were **4.5x** more open job postings than jobless residents who previously worked in this sector.
- **Office and administrative:** There were **1.7x** more jobless residents than open job postings in this sector.
- **Food service, retail, and accommodation:** There is nearly a **1:1** ratio of unemployed people to open job postings, although gig workers are not included in this estimate.
 - The greatest number of job losses, and greatest percent change, over the last year in the Austin metro happened in leisure and hospitality (21.8% or 29,300 jobs).

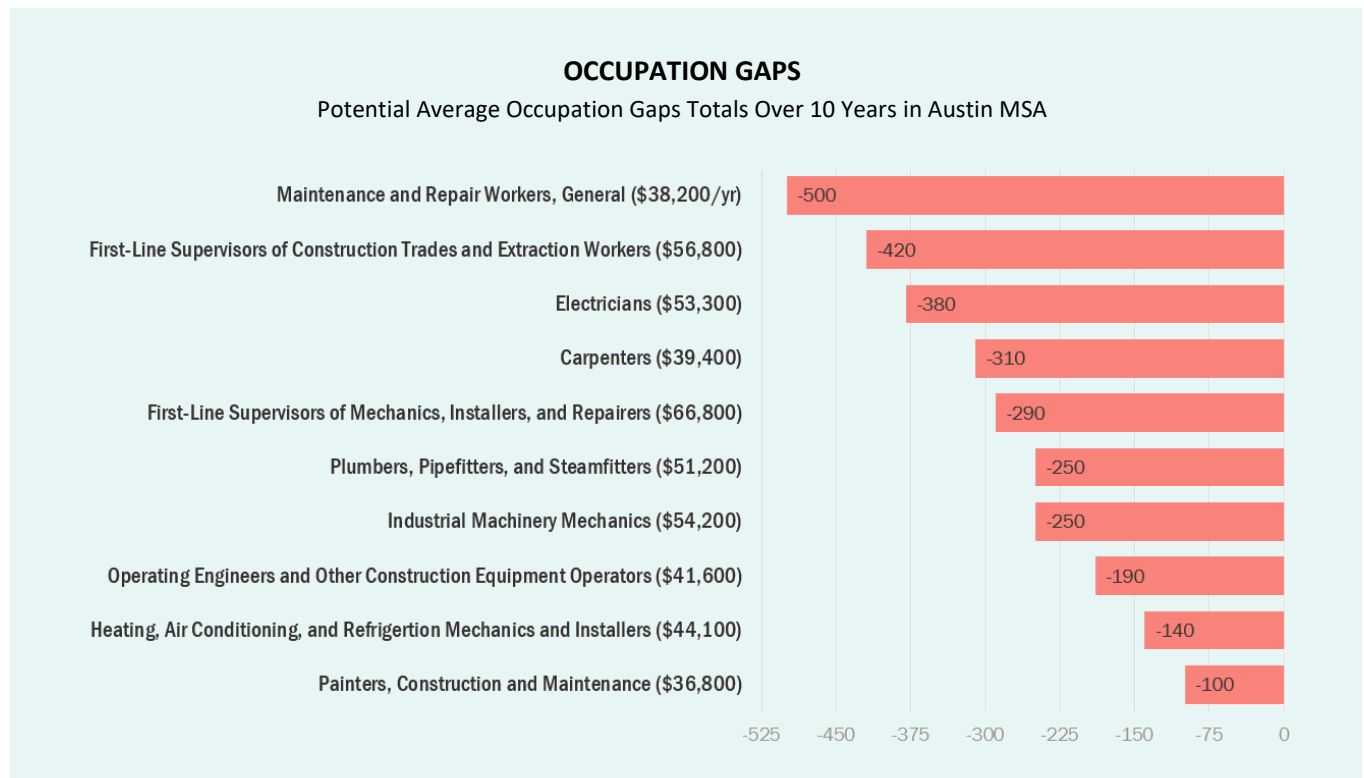


Sources: TWC; Estimates based on American Community Survey; Burning Glass Labor Insights

Skilled Trades and Manufacturing

A significant talent supply shortage is projected for Austin skilled trades and manufacturing occupations.

- A JobsEQ projection over the next decade shows Austin's ten most in-demand trade and manufacturing occupations will be short **2,830** skilled workers.
 - In other words, these jobs are projected to grow quickly, but since there are not enough residents earning certifications to meet the hiring demand, there is a shortage of talent.

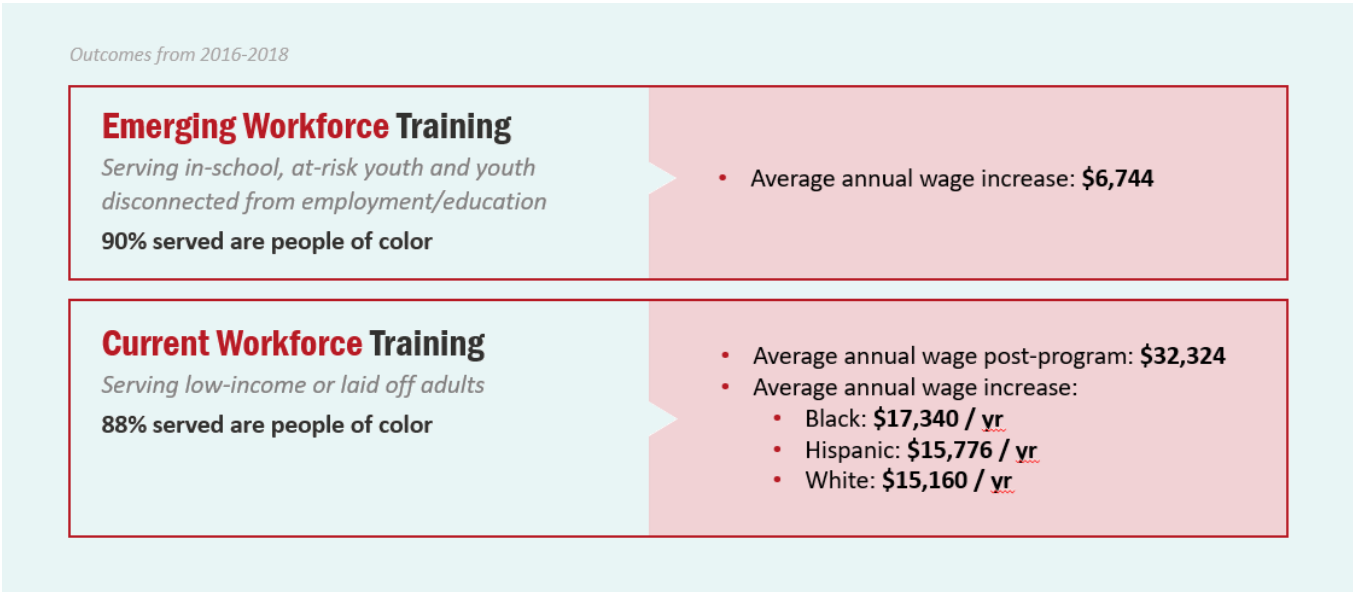


Source: Burning Glass Labor Insights

WHY WORKFORCE SOLUTIONS?

Workforce Solutions Capital Area (WFS) is uniquely positioned to meet the workforce needs of our community, serving our local businesses, labor force, and vulnerable children and parents.

Workforce Solutions focuses on equitable outcomes.



Workforce Solutions is turn-key, managing workforce contracting, client management, and reporting for the City and County.

- WFS openly and competitively procures vendors, including Community-Based Organizations, education entities, and related vendors. It is a public entity, subject to open records and open meetings acts.
- WFS ensures accountability for outcomes. WFS requires and contracts with successful programs, measuring outcome success from training attachment, to completion, to job attachment, to job retention.
- WFS braids together funds so that funding from the City and County extends impacts.

Workforce Solutions serves individuals who are homeless at high pre-COVID employment rates.

WFS is uniquely positioned to assist low income and unsheltered residents and students during the entire transition from program to career. Often times, unskilled or unsheltered individuals complete job training but still lack the skills to successfully interview with employers.

WFS proposes to join with agencies addressing homelessness, focusing in on jobs and educational connections that WFS is uniquely qualified to address. Effort includes supporting a working team centered around key industries where recent program graduates could work in a collaborative environment on short-term projects. The experience gained working with the team will assist in making unskilled and unsheltered individuals more attractive to local businesses.

July 2018 – June 2019

631

individuals that identified themselves as homeless served through all of Workforce Solutions Capital Area services, **10%** of our total customers served

65%

Employment rate for homeless individuals

Workforce Solutions is the hub for workforce development in Austin-Travis County.

WFS convenes experts from workforce, economic development, and education in the Austin-Travis County community. WFS has strong relationships in place in critical areas like college/career guidance, community-based training; Austin Community College and education providers; child care; transportation; and evaluation/accountability.

Our strategic plan laid the foundation for what is now a recovery map to help our community economically prosper out of COVID. Launched in 2017 by Mayor Adler, City Council, Judge Eckhardt, and Travis County Commissioners' Court, the Community Workforce Plan created the first-of-its-kind framework. The plan has successfully served as a "north-star" — guiding our local leaders, board of directors, and broader education ecosystem to focus on the most resilient industries and jobs driving the region's economy, pre- and post-pandemic.

Who Workforce Solutions Served (2020) · October 2019—September 2020

13,208

Current Workforce
Adults ages 18+

245

Emerging Workforce
Youth ages 14-24

5,846

Future Workforce
Children ages 0-12

3,789

Business & Industry
Employers

Adult Customer Characteristics (2020)

684

With disability

1,273

Criminal Justice

635

Veteran

63

Foster Youth

28%

Black / African-
American

63%

Hispanic
(ethnicity)

Training Effectiveness (2020)

78%

Found employment in the
field in which they trained

▲ \$35,062

Average post-program wage
increase for those that
obtained training-related
employment

\$56,669

Average wage for those that
obtained training-related
employment

3x

Return on investment (\$3.59
for every \$1 invested in
training)

Austinites are better off after receiving Workforce Solutions' services.

WFS has strong positive impact on (re)connecting local people to local jobs & helping them retain employment.

Last 5 Years (2016-2020)

16,292

Travis County residents directly
supported by WFS, indirectly impacting
41,927 family members & **17,698**
children

93%

Employment rate for laid-off workers

92%

Employment retention for families
participating in our childcare program

\$317M

Total post-program wages earned by
our customers

▲ \$103M

Total post-program wage increase
compared to pre-program earnings

▲ \$9,807

Average post-program wage increase
per customer

Proven ability to leverage funds and can match your funding to extend impact.

WFS is the only workforce board in the State approved by the Texas Workforce Commission to “match and draw down” federal funding when specific clients are provided employment-related services with non-federal funds. This program, entitled Third Party Reimbursement, is uniquely set up to allow WFS to grow the locally available funding for job training by strategically leveraging current funding.

The Third Party Reimbursement program (TPR or SNAP 50/50) was designed as a way for communities to increase their efforts in serving individuals through programs that are similar to SNAP Employment and Training (SNAP E&T). Although the Board receives funds to operate the SNAP E&T program, the funding received is not nearly enough to serve all of the individuals that receive SNAP in our community. The goal of the program is to provide case management, training, and job search assistance to enable individuals receiving SNAP benefits to enter the workforce and attain self-sufficiency.

To date, WFS has matched over \$100,000, thus creating additional funding in Austin-Travis County for the provision of workforce services

Additionally, ***WFS can draw down additional federal funding for childcare services by matching local dollars invested.*** For the period of October 1, 2020 through September 30, 2021, WFS will draw down an additional \$2,859,796 due to local matching investments made by our community partners.

NOW IS THE TIME TO SCALE THE SOLUTION

Workforce Solutions Capital Area (WFS) is a learning, adaptive organization and a foundational part of Austin/Travis County's employment ecosystem. As WFS continues to improve operations, because of the recently enacted \$1.9 trillion federal stimulus, the City of Austin and Travis County are now in a position to act at the scale needed to address the chasm between COVID-impacted workers and the jobs that are waiting for them if only they have the right skills and support.

2021-2024 Budget

	2021/2022 Year 1	2022/2023 Year 2	2023/2024 Year 3	Total
Operations Program Staffing and Management, Technology, Facilities, Admin	\$2,377,344	\$2,346,320	\$2,421,128	\$7,144,792
Scaling Program Design Training, Stipends, Support Services, Subsidized Employment	\$5,953,390	\$5,953,390	\$5,948,440	\$17,855,220
Total Operations + Scaling Program Design				\$25,000,012
Scaling Program Design + Additional Priority on Individuals Experiencing Homelessness Training, Stipends, Support Services, Subsidized Employment	\$1,658,400	\$1,683,400	\$1,658,400	\$5,000,200
Total Operations + Scaling Program Design + Homeless Population Priority				\$30,000,212
Additional Innovative Opportunities: Cross-Sector Partnerships Public Sector Academy, Local Jobs + Local Food for Local People				\$2,000,000
Total Operations + Scaling Program Design + Homeless Population Priority + Additional Innovative Opportunities				\$32,000,212