

April 11, 2019

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the March 27<sup>th</sup> 2019 hearing before the Committee of the Whole on the Fiscal Year 2020 Proposed Budget for the Managing Director’s Office. At this hearing, the following questions were asked:

**Councilman Domb:** For the four Office of Workforce Development performance measures, provide unit costs (for example, the cost of transitioning one person from temporary to permanent work).

FY20 Performance Measures					Unit Cost as of April 2019
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target	
Number of individuals who have transitioned from temporary/seasonal work to permanent employment through City as Model Employer <sup>1</sup>	154	20	25	25	\$2,413 per individual (plus existing resources invested by partner departments)
Number of employers that have engaged in the Model Employer Campaign <sup>2</sup>	N/A	16	50	150	N/A, as the initiative has not yet launched
Number of learners enrolling in adult education classes after completing myPLACE <sup>SM</sup> initial intake and assessment process	2,177	1,155	1,900	2,000	\$189 per individual assessed and enrolled in adult education course(s)
Number of individuals who received digital literacy training through KEYSPOt training programs <sup>3</sup>	1,769	N/A	1,900	1,900	\$37.31 per individual receiving digital literacy training

<sup>1</sup> The three-year goal for this performance measure is 200 permanent placements. CME realized 154 placements in FY18. The goal for FY19 and for FY20 is 25 placements (an additional 25 each year).

<sup>2</sup> One hundred and fifty employers will engage in the City’s new Model Employer Campaign designed to advance practices that support career progression and improve business outcomes. OWD was established in February 2018, so this is a new measure for FY19. OWD hopes to achieve 150 by 2020; this is inclusive of the 50 expected in FY19.

<sup>3</sup> This is an annual measure, and FY19 data will be available at year-end.

**Response:**

In general, there is no simple way to calculate the cost per individual for any of OWD’s performance measures. Specifically, the calculations below do not account for the presence of existing infrastructure and resources essential for success (ex. space, departmental and partner expertise, etc.). The calculations provided below are primarily derived from fixed costs. OWD wants to caution against any assumption that the unit costs provided can be simply multiplied or divided to accurately determine the cost of scaling up or down any specific initiative. For each program, the calculation does not show what the cost of adding an individual would be.

- **City as Model Employer (CME)** is directed by one full-time exempt staff member who consults directly with operating departments on how best to build or strengthen a career pathway program that connects individuals with employment barriers to permanent employment.

In FY18, the City received a \$250,000 grant from the Lenfest Foundation to support CME. Those funds have been used to cover the cost of CME outreach and graduation events, as well as curriculum and training materials. A portion of the funds were used to bring on a full time Workforce Development Program Administrator in October 2018. This individual will transition to the OWD budget in FY20.

To calculate a “per person” cost for CME over the past two years, we added the salary of 1 FTE at \$85,000 and \$250,000 in private funding and divided it by the number of individuals connected to permanent employment.

$$[(\$85,000 \times 2) + \$250,000] / 174 = \underline{\$2,413 \text{ per individual}}$$

Note, this cost does not include existing resources invested by operating departments that cover participant wages as well as on-site supervision and technical training.

- The **Model Employer Campaign** has not yet launched, and is not intended to provide direct service to individual job seekers. Instead, it will focus on building the capacity and skill set of employers to adopt best practices tied to recruiting, maintaining and advancing a diverse workforce.
- **myPLACE<sup>SM</sup>** is a centralized information system designed to assess an individual’s skills and interests, and connect them to an appropriate, available and convenient Adult Basic, Adult Secondary, English as a Second Language, and/or career development training program offered by a partner organization.

To calculate a “per person” cost of assessing and connecting an individual to the appropriate adult education course, we took 50% of 2 FTE (1 @ \$45,000 and 1 @ \$60,000) and the cost of operating 5 myPLACE<sup>SM</sup> Campus (\$360,000) and divided it by the number of individuals connected.

$$[(\$105,000 * .5) + \$360,000] / 2,177 = \underline{\$189 \text{ per individual}}$$

- **KEYSPOT** is a network of public, private, and nonprofit organizations that provide technology, training, and other opportunities through more than 50 community-based public access centers. KEYSPOt computer labs are free to use and are conveniently located in all regions of Philadelphia. In FY18, 6 organizations received contracts to provide digital literacy training programs as well as services intended to increase clients’ digital access and connection to related resources.

To calculate the “per person” cost of providing digital literacy training through a KEYSPOt training program, we calculated 60% of the total contract amount awarded to partner organizations (\$18,333 per contract) and divided that by the number of program participants.

$$[(\$18,333 * .6) * 6] / 1,769 = \underline{\$37.31 \text{ per individual}}$$

**Councilman Domb:** How many people have been helped by Office of Workforce Development programs thus far, and what did these efforts cost?

**Response:** The Office of Workforce Development was established in March 2018 to drive and support the work required to achieve the ambitious goals outlined in our citywide workforce strategy, *Fueling Philadelphia’s Talent Engine*. To do this effectively, our efforts necessitate working in close partnership with a broad cross section of entities, including multiple City agencies, the School District of Philadelphia, the Chamber of Commerce for Greater Philadelphia, Community College of Philadelphia, Philadelphia Works, Philadelphia Youth Network, employers, institutions of higher education, workforce intermediaries, national and local policy experts, nonprofit organizations, labor unions, and philanthropy.

Rather than focus on direct delivery of workforce development services, OWD serves as a convener, coordinator and champion of comprehensive efforts to increase and improve the impact of workforce development services citywide. On March 22<sup>nd</sup>, we released our Year One report, which can be found at [www.phila.gov/workforce](http://www.phila.gov/workforce). Key accomplishments highlighted in the report include:

- Launched 2 new industry partnerships – in information technology and in hospitality and entertainment
- Provided 4,000+ Philadelphians high-quality skills training or work-based learning opportunities
- Engaged more than double the number of opportunity youth, 16 to 24, in quality career pathway programs from 840 in 2017 to 2,030 in 2018
- Engaged 12,695 young people, 12 to 21, in quality work experiences, including summer and year-round opportunities
- Enrolled 1,259 Philadelphia high school students in college courses at the Community College of Philadelphia
- Connected 176 Philadelphians to permanent jobs through the City as Model Employer career pathway initiative
- Secured \$3 million through Governor Wolf's PAsmart initiative to expand high school computer science education, advance industry partnerships, and grow pre-apprenticeship and registered apprenticeship opportunities

In addition, the Office of Workforce Development launched two new initiatives of its own over the past year.

- **Greater Philadelphia Technology Partnership, launched June 2018:** This initiative is specifically focused on strategies to manage the impact of rapid digital innovation on the workforce. This includes identifying and testing specific interventions to help workers at the greatest risk of losing their jobs to automation to build the skills necessary to be competitive in the digital economy.
- **Workforce Professional Alliance, launched March 2019:** This partnership of 19+ workforce development agencies is committed to building the capacity of the field to prepare Philadelphians with the skills employers need. In its inaugural year, the WPA will focus on increasing opportunities for peer learning among workforce development providers and practitioners, building an informed advocacy agenda to improve service delivery, and leading collaborative development of common language, definitions, and standards to assess and enhance quality and effectiveness of workforce development services.

Finally, the Office of Workforce Development funds EducationWorks to operate PowerCorpsPHL. In FY20, PowerCorpsPHL will engage 120 young adults (18 to 26) in AmeriCorps service that includes foundational workforce development training designed to support post-service transition to employment, post-secondary education and/or more specialized workforce training. In addition to the new individuals engaged each year, PowerCorpsPHL maintains a strong alumni network, frequently helping graduates from previous program years connect to more advanced job and/or training opportunities. In FY20 OWD's investment of \$750,000 will be used to leverage \$750,000 in federal grants. PowerCorpsPHL will also be supported by investments from Parks and Recreation (\$100,000), Philadelphia Water Department (\$246,000), and the Department of Human Services (\$300,000). Taken together, these resources support significant environmental service aligned to the priorities outlined in *GreenWorks* and *Green City, Clean Waters*, while simultaneously contributing to an ongoing talent development infrastructure that helps young adults prepare for work that is connected to a career pathway and provides ongoing opportunities to advance.

If you have any additional questions, please feel free to contact my office.

Thank you,



Sheila Ireland  
Executive Director