

Project QUEST: San Antonio's  
systemic approach to workforce development

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**This paper presents a brief overview of the origins of Project QUEST and discusses the program’s structure, its dual customer focus and its role in San Antonio’s economic development strategy. It also explores the key collaborations and funding relationships that make it possible for QUEST to operate as an effective labor market intermediary for the city of San Antonio, Texas.**

## **Introduction**

Sectoral approaches to workforce development view the services provided by most employment and training programs as necessary but not sufficient interventions to bring about real opportunities for poverty alleviation. Many traditional programs try to connect individuals to work as quickly as possible, regardless of job quality or potential for advancement. Others focus more on improving basic or technical skills, but may fall short of helping students match their skills to specific job opportunities. Sometimes it is not the lack of job opportunities or skill deficiencies that hinder individuals, but rather a lack of childcare, transportation, self-esteem, “people skills” or some combination of the above that prevents successful entry, retention or advancement in the labor market. In any case, the nexus of intervention for traditional workforce development programs remains focused exclusively on delivering resources to individuals to help them access employment.

Sectoral interventions—so called because they embed training and other workforce and economic development activities within an industry and occupational context—take individual barriers into account when designing their services. In addition, they investigate industry employment practices, employer needs, and the quality of jobs and existing training practices in order to understand any “demand-side” issues that can impede an employer’s or industry’s ability to recruit, retain and reward workers. By pursuing “dual customer” strategies that intervene on both supply-side (issues involving individuals’ needs) and demand-side (issues involving industry and workplace dynamics) of the labor market, sector practitioners strive to strengthen employment and financial outcomes for economically disadvantaged individuals.

Project QUEST (Quality Employment through Skills Training) is a sectoral initiative that began providing San Antonio's unemployed and low-income residents with employment training and job placement services in 1993. The program represented a real turning point in San Antonio's approach to workforce development in the way that workforce is conceived of and funded. QUEST is funded primarily through local government dollars, and city officials clearly think of QUEST's contributions to training and human development as part of the city's economic development strategy. QUEST acts as the honest broker, investing city funds directly in people with low skills and low income, and putting pressure on the existing educational institutions to provide the caliber of training that employers demand. Through its work, QUEST contributes to raising the city's standard of living and quality of life, and at the same time enhances the city's ability to attract and retain businesses that rely on a skilled workforce.

Project QUEST's approach to training took shape through a process of community inquiry that was led by two local affiliate organizations of the Industrial Areas Foundation, COPS (Communities Organized for Public Service) and The Metro Alliance. The approach is based on four key principles that members of San Antonio's poor neighborhoods and its business leadership identified:

- The program must tie-in strongly with the occupational demands of local employers
- The program must be selective and target training only for those careers that offer good pay and advancement opportunities (“demand occupations”).
- The program must incorporate intensive client services to help economically disadvantaged participants overcome financial and personal barriers to skill acquisition
- The program must leverage the training resources already operational in the community.

In the early 90's, an acute skills mismatch was emerging as San Antonio's economic base began shifting from manufacturing to service- and technology-driven industries. In the new economy, jobs were becoming increasingly divided between those that required specialized skills and those that did not. While 14,000 manufacturing jobs had been lost

over a 10-year period, over 19,000 new jobs had been created. Many of these were good paying jobs, but they required skills and expertise that were in short supply among San Antonio's low-income residents. For people who lacked advanced skills—and the resources needed to acquire them—the work and wages they could obtain were incapable of supporting a family, and there were very few pathways for advancement. Project QUEST was designed to bridge this gap between skill and opportunity.

## **Project QUEST as a Sectoral Initiative**

Project QUEST has training tracks for numerous occupations within multiple industries. This multi-sector strategy is different than most sectoral initiatives, which tend to concentrate on improving employment opportunities and the quality of employment within a single industry or occupation. Four characteristics that are commonly used to identify sectoral initiatives are presented<sup>1</sup> below, along with brief explanations of ways in which Project QUEST adheres to and diverges from this model.

### **Targets a particular occupation or set of occupations within an industry.**

QUEST currently targets 3 industry sectors: (1) health services, (2) business systems/information technology, and (3) maintenance, repair and overhaul. Within each sector, several occupational training tracks are sponsored by QUEST. Occupations are targeted based on their demand by local firms. Selection criteria also includes wage rate, availability of benefits, and career mobility potential. One benefit of a multi-sector approach is that QUEST can offer a wider range of occupational training and employment choices to its low-income participants, thus enabling it to assist a larger and more diverse pool of individuals. The approach also raises the question, however, of how deeply embedded QUEST can—or must—become within each industry in order to be effective.

### **Intervenes by becoming a valued actor with the industry that employs that occupation.**

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<sup>1</sup> For an explanation of this definition see: Peggy Clark and Seven L. Dawson, *Jobs and the Urban Poor: Privately Initiated Sectoral Strategies*, The Aspen Institute: Washington, D.C., November 1995.

A growing number of employers in San Antonio think of QUEST as a valuable extension of their human resource capabilities. QUEST's efforts to develop local talent to fill demand occupations reduce costs associated with recruitment and turnover. In some cases, QUEST's occupational analysis has helped employers restructure positions to make them more attractive to local workers. QUEST has also performed Return on Investment calculations to show how an investment in targeted training for low-skilled workers contributes to the long-term health of the local economy.

**Works toward creating systemic change within that occupation's labor market.**

The change Project QUEST has spawned resides first and foremost at community and labor market system levels. Its effort to create access to promising career paths for San Antonio's poor has been accomplished primarily through improvements in the linkages between employers and community colleges. In addition, QUEST has changed the way the community college approaches remedial skills development, facilitating easier access to degree granting programs for those who first need basic skills education.

Project QUEST's occupational foci can change as the local economy evolves over time. This approach is somewhat more opportunistic than that of sectoral initiatives that operate within a single industry or occupational context. Because of this, there may be questions as to how permanent or pivotal a role QUEST plays in shaping an industry's demand for—or compensation of—labor. But if QUEST can be criticized for lacking industry embeddedness because of its broad reach across sectors, it can also receive praise for the way it has helped the city understand the importance of investing in human development to create a prosperous future.

**Exists for the primary purpose of assisting low-income people to obtain decent employment.**

Despite San Antonio's low unemployment rates in the 90's, over 22% of residents continue to live in poverty. QUEST structures training to address the financial and social needs of the working poor as they participate in occupational training. To be eligible to participate in Project QUEST, individuals must demonstrate economic need (defined as

earning less than 50% of the city's median income). Almost half of QUEST participants receive some form of public assistance. QUEST only supports training for career tracks that can lead to self-sufficiency, and the average wage achieved by a program graduate in 2000 was approximately \$10 per hour.

### ***Staffing and Student Characteristics***

From the beginning, QUEST paid particularly close attention to recruiting both staff and students that exhibit certain types of qualities. Some of the relevant criteria and characteristics of both groups is discussed below.

#### **Project QUEST Staff**

*The original staff was put together with one thing in mind: That they did NOT have the baggage that comes with working in other job training programs... We wanted people who could think outside of the box.*

-Mary Pena, Executive Director, Project QUEST

*I've worked in many places, but this is the first where the staff is this dedicated. I can stop any one of them, at any time, to ask about any student, and they know.*

-Linda Caraway, Director of Client Services

*We are very customer oriented. We treat everyone how we want to be treated, respectfully and conscientiously. Participants notice. They say they have never been treated like this.*

-Felipe Tamez, Senior Counselor

When San Antonians told COPS and Metro Alliance about their negative experiences with existing job training programs and social service agencies, the message had a strong impact. As a result, QUEST was set up as an employment and training program that looked and felt different than the others from start to finish. Much of the reason for this difference is due to the attitudes and philosophy of the staff.

In Project QUEST's start up phase, COPS and Metro Alliance hired an executive director for the program whose experience and management style was somewhat uncharacteristic for job training programs that serve the poor. Jack Salvadore was a retired Air Force

general and former commander of the USAF Recruiting Service. QUEST's second Director, Jim Lund, came from a similar military background. Both men had extensive experience in systems creation and organizational development. They recruited many staff members—counselors, case managers, and occupational analysts—who were also former military personnel. The staff infused the culture of Project QUEST with a working style that emphasizes self-reliance and accountability.

The systems and structures that Lund put in place enabled the organization to continue to operate smoothly even through the leadership transition that occurred when Lund passed away. His replacement as Executive Director, Mary Peña, is a long-time member of the QUEST case management staff. Along with Peña, about 1/3 of Project QUEST's staff members began working with the project in its first year of operation. The staff's continuity and their dedication to empowering participants to succeed are reasons Peña cites for QUEST's sustained success.

Peña also attributes high rates of staff retention to QUEST's commitment to paying staff members what they would be worth in the private sector. She explains her strategy as follows. "You cannot draw professional people to your staff if you pay nonprofit wages. It doesn't matter how compelling the mission is, the bottom line is that if we don't compensate people for what they are really worth, we get into the trap where people are coming to work but leaving a lot of their energy and talent at home."

## Participants

*I'm looking forward to financial freedom. I'm in debt right now, robbing Peter to pay Paul. I can't wait to have a good job and the funds to put braces on my daughter's teeth—to have health insurance. I'd love to have a car that starts and a roof that doesn't leak.*

- QUEST Registered Nursing Student

*I applied for help from other training programs and they turned me down and said that I was making too much. I wondered how because I wasn't even working at the time, but they said my wife was making money. I asked, "How poor do you have to be to get help?" And they said you have to be really poor. I don't know*

*how much poorer we could be, but they turned me down, they wouldn't help me out.*

–QUEST Computer Network Administration student

Project QUEST has expanded the number of students it works with annually since inception. In 1999, QUEST served about 600 students. In 2000, the goal was to serve 790 students, and the target number in 2001 is 900. Each participant's story is unique, and yet there are many similarities. Although typical QUEST participants face immense financial and personal challenges, they are not, in general, standing on the lowest rung of the economic ladder. In a sense, many participants are in a frustrating but increasingly common bind in America—too rich to get help from most training programs, but too poor to be able to come up with either the time or money to get ahead on their own.

People who enroll in QUEST must demonstrate economic need. Rather than use the federally defined poverty level as its guideline, however, QUEST defines economically disadvantaged individuals as people whose income is less than 50 percent of the median income for the city's population. In 1999, for example, the threshold would be \$18,850 for a family of three.<sup>2</sup> Even so, over 65 percent of QUEST enrollees fall below 150 percent of U.S. poverty guidelines, and roughly 50 percent receive some sort of public assistance such as housing subsidies, welfare or food stamps. Almost 80 percent of participants have been unemployed at some point during the year when they apply to the program.<sup>3</sup>

The majority of participants in Project QUEST—roughly 70 percent—are Hispanic, and 75 percent of participants are women, many of whom are single mothers.<sup>4</sup> The participant profile is changing somewhat, however, as QUEST begins to expand enrollment and offer more types of training; more young applicants, as well as married women, and married and single men, are applying to the program. Eighty percent of

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<sup>2</sup> [Http://www.huduser.org/datasets/il/fmr99rev/hud99revtx.txt](http://www.huduser.org/datasets/il/fmr99rev/hud99revtx.txt) Less than 50 percent of the area median income is the same criteria used by the Department of Housing and Urban Development as its very low income guideline.

<sup>3</sup> Sectoral Employment Development Learning Project 1998 Program Monitoring Profile. This data is self-reported by participating programs.

<sup>4</sup> *ibid.*

participants are between the ages of 20 and 40. Many of the individuals have some work experience, but in general employment experiences have been sporadic and have not led to career or income mobility. Data collected in QUEST's Applicant Information Management System shows that 44 percent of students who enter Project QUEST worked for one month or less in the 6 months prior to enrollment.

### ***Maria's Story***

Maria is a single, 45 year old Mexican immigrant who has lived in the United States for 8 years. Maria has earned her living in the United States primarily as a domestic worker and a caregiver. Although she completed high school, she lacks the work and language skills necessary to find more lucrative jobs. She enrolled in Project QUEST to become a Licensed Vocational Nurse.

In the year before joining Project QUEST, Maria worked over 50 hours per week at three jobs, with wages ranging from \$4.75 to \$6.25 per hour, and her personal income totaled \$12,134. She had no health insurance. After completing training through Project QUEST, Maria found work as an LVN at a nursing home with benefits and a \$10.50 per hour wage. She was unhappy with the working conditions, however, and transferred quickly to a position at a rehabilitation clinic where she is paid \$10.50 per hour to administer medications and monitor residents. She has also taken on a weekend position as a nurse at an AIDS treatment facility that pays \$12.50 per hour plus benefits. She likes the weekend job more than her main job because she feels she is getting better opportunities to practice her nursing skills.

In addition to holding two jobs, Maria is already enrolled in an advanced chemistry class at San Antonio College that will count toward her Registered Nursing degree course requirements. She plans to complete her Registered Nursing degree as quickly as possible. When she looks back at what she's accomplished over the past two years, Maria explains that she feels she is living "another life" than the one she used to have. "I was doing another kind of job, and now I have a new life."

Economic need is not the only criteria for enrolling participants. QUEST also requires that its students have completed high school or obtained a GED, and that they have good grasp of the English language. The staff also looks for some degree of emotional and social stability in applicants. This is not to say that individuals have no problems, but it does mean that they are not experiencing crippling addictions or personal crises that would make it impossible to follow through with a commitment to the program. Linda Caraway, Director of Client Services, explains it this way: "We like for people to think through what they are getting ready to commit to and to identify any barriers. There are a lot of barriers we can help with. But some things—drug addiction, the midst of a messy

divorce—should really be dealt with before starting a huge new commitment. We want people’s expectations to be realistic. We hate to see them setting themselves up for failure.”

### ***Tiers of Training***

Project QUEST partners with the Alamo Community College District (ACCD) to provide training that leads to accredited occupational certificates and associates degrees.

Although all participants have a high school diploma or a GED, QUEST finds that many students need basic skills training in reading, writing and math before they can pass the college entry exams required by the state of Texas and begin their course curriculum. ACCD provides remediation courses, but QUEST discovered over time that the courses were not well suited to the special needs of QUEST participants or to the program’s budgetary constraints. In an effort to address the problem, QUEST began to conceptualize a tiered training program that would take students from where they were to where they needed to be (skill-wise) in order to be admitted to degree-track courses.

The first training tier developed in partnership with ACCD was the Workforce Development Academy (WDA). WDA is an intensive program held on the college campus that is designed to raise participants’ reading, writing and math skills from ninth grade to twelfth grade levels in ten weeks. Once participants complete the program and successfully re-take the college entry exams, they enroll in the occupation-specific course curriculum that was previously selected.

The success of WDA has recently led Project QUEST to develop a second tier of training designed to reach a group of applicants who, despite possession of a GED or high school diploma, displayed basic reading and math levels below a ninth-grade level in assessments. “These folks have been coming to QUEST all along,” Client Services Director Caraway explains, “but we were never equipped to help them because our programs stopped at the ninth grade level.” The new BET (Basic Education Training) program was designed in collaboration with San Antonio Learning Centers to work with

applicants to improve their skills from sixth- to the ninth-grade level so they can move onto the college campus to enter the WDA.

QUEST has also recently added customized training to its options in order to deepen relationships with certain employers in the health care sector and to serve the population in San Antonio who is affected by the “work first” paradigm that accompanied welfare reform. They are also exploring the feasibility of “mobility” training programs that would help establish industry-specific career ladders based on continuing education.

### ***Organizational Features***

Project QUEST is organized into 5 main units, Administration, Accounting, Information Management, Occupational Analysis and Client Services. Within these units, there are currently 38 full-time staff members. The structure and the positions in the organization reflect QUEST’s service to two primary customer segments—employers in strategic sectors of the local economy, and participants from economically disadvantaged communities. Hence, Occupational Development and Client Services employ the majority of Project QUEST Staff, and the two departments form the heart of what Project QUEST does.

It is Occupational Developments’ job to undertake labor market research that identifies industry-specific employment trends in San Antonio. Based on research findings, the Occupational Development staff makes recommendations about the type of industry and occupational focus that QUEST should incorporate in its participant training portfolio.

Project QUEST’s innovative Information Services unit has developed a specially tailored MIS system that facilitates efficient transfer of information between departments, allowing individuals to work more efficiently and facilitating internal evaluations of organizational progress.

Project QUEST's Client Services unit works to connect the unemployed and working poor of San Antonio with the education and resources needed to obtain good jobs in targeted occupations. To do this, counselors and case managers integrate the research and recommendations from the Occupational Development team into a service strategy that generates motivated, reliable, and competent program graduates that will be in high demand in the labor market.

### **Individualized Counseling**

When an individual begins with Project QUEST, she is assigned to a case manager/counselor who works with her to provide information, support, and guidance. Counselors keep track of all of the myriad private and public assistance programs administered by local, state, and federal entities. They strive to stay abreast of the complicated eligibility criteria for these services. With this knowledge and an understanding of each individual's circumstances, case managers are able to help participants design a support strategy that includes all of the services they are eligible for, such as federal Pell Grants, child care, food stamps, housing subsidies, and Medicaid. The strategy is reminiscent of the "one stop" system, except the goal is reversed: Rather than facilitate access to resources that help move an individual into work as soon as possible, QUEST streamlines access to resources in order to help a person hold off on (or minimize) work for the length of time it takes to earn their degree or certificate that will qualify them for a *good* job.

The primary strategy counselors use to teach participants about work performance, work ethics, self-esteem, study habits and other "soft skills" is the VIP session (Vision, Initiative and Perseverance). VIP sessions are recognized by counselors and participants as the defining feature of QUEST's service strategy. As one student explains, "they teach you things in the VIP that—if you were just going to school—you wouldn't be taught. I wouldn't be taught about self-esteem, or how to handle a job interview. But QUEST does a good job of helping us to understand the kinds of things that are going to affect us before, during, and after our programs." A program director at one college where QUEST nursing students train commented, "counselors work magic in those weekly VIP sessions to cheerlead, encourage, motivate. They know when to use a crying towel and when to use a boot, but it's always done with love and respect. I end up getting a better student because I have someone doing this for them on the outside."

## **Key Relationships**

Along with its internal strengths, QUEST's relationships with external partners have also been significant factors contributing to the program's effectiveness. In particular, there

are three areas where partnerships have been critical to the program's success—funding, training, and job development.

## Funding

*Our unique funding stream allows us to do more for our participants than we could if we were strictly funded with federal JTPA or WIA funds.*

- Mary Pena, Executive Director

Project QUEST's mix of funding sources is unique among employment and training programs, sectoral or otherwise. Of the current 3 million dollar annual budget for Project QUEST, the city of San Antonio underwrites over 50 percent of the total with money from its general fund. Even within San Antonio, no other employment and training program has developed a similar relationship with the city.

The local financing was initially secured through the COPS and Metro Alliance lobbying efforts during the design and planning phase of Project QUEST. COPS and Metro have continued to be heavily involved in yearly budget negotiations with the city ever since. "We are so fortunate," Peña explains. "We [QUEST] write proposals and do negotiations, but the big money is negotiated by our board members. Half of our board is comprised of COPS and Metro Alliance leaders. The other half is made up of local business leaders. COPS and Metro are constantly meeting with the city council to explain QUEST's importance and its budget needs. On the other side, we've got our business leaders calling the mayor, and the mayor will take their calls. So the city's government is getting pressure to support us in two different ways—from the community and from business leaders."

Local funding is one of the primary reasons that QUEST has been able to be innovative and adopt a flexible and comprehensive program strategy. Along with the lobbying efforts of its Board, QUEST also has developed ways to demonstrate to the city that its investment is worthwhile. QUEST's in-house Applicant Information Management System—AIM—is used extensively to track participant outcomes and to demonstrate to the city that the return on its investment in employment training is more than recouping

itself in the long run in terms of increased tax revenue and decreased drains on other types of city-funded social services.

## Training

*We have become credible at all levels with the college, from Chancellor to worker bee.*

- Mary Peña

Almost all of QUEST's training is conducted through a partnership with the Alamo Community College District's (ACCD) four affiliate campuses. This relationship came about early in QUEST's development in the early 1990's when the ACCD was under attack for not serving the training needs of the local population, and for not being responsive to local employers.

The relationship that developed between QUEST and ACCD was symbiotic. ACCD needed to improve its performance within the community, and QUEST needed to ensure that its participants received training that prepared them for careers with local employers. QUEST's approach to dealing with ACCD became similar to its strategy for dealing with participants: Make them accountable, and help them to develop to a standard that meets employers' needs. QUEST's early work with ACCD helped to revamp course curriculum for Diesel Mechanics and other programs that had not been meeting the needs of local employers.

More recently, as ACCD has become more self-directed in working with local employers, the main way that QUEST helps the community college is through recruitment. The population that Project QUEST serves has always been under-represented at the community college. In Dr. Homer Hayes' view (ACCD's Dean of Workforce Development), "If it weren't for the wrap-around services that QUEST provides to its participants beyond tuition, my guess is that these students wouldn't be here. Project QUEST is attracting for us a population that is problematic for us to reach. They are providing us and their participants with a real benefit."

QUEST's relationship with ACCD was also instrumental in the formation of the Workforce Development Academy. The Academy has cut considerable time and cost from QUEST training, has improved in-program retention in QUEST, and has opened up the college to many community residents who were not typically represented among the ACCD student population.

## Job Development

The other set of key relationships that are integral to Project QUEST's sectoral strategy are the ones it develops with employers in the industry sectors for which it supports training. The two primary ways that QUEST develops these relationships are through its Occupational Development department and through participant placement. Chapter 3, Making a Sector Focus Operational, presents the details of the ways in which the OA unit works with employers to develop and sustain productive relationships. The other way in which QUEST develops relationships with employers is simply through employer satisfaction with QUEST graduates. In the industry sectors—such as information technology—where there are many small and diverse, loosely organized employers, one of the best ways to build relationships is by letting students serve as ambassadors of the program. Ad hoc relationship building is hard to predict or to plan, but it should not be overlooked as an important means of making inroads into hard-to-reach employment sectors in a local economy.

## Performance Outcomes

Table 1 outlines participation, termination, job placement and hourly wage rates for both graduates and non-graduates of QUEST's traditional (non-remedial) training tier during fiscal years 1997 – 1999. Unlike many programs, QUEST expends the effort to follow up on employment and earnings outcomes for its non-graduates as well as its graduates. The information gives the staff a way to check to see if training completion results in better outcomes for participants than would otherwise be the case.

Table 1

<b>QUEST Traditional Program Participants                      Graduation, Placement, Wages and Retention                      1997-1999</b>			
	<b>1999*</b>	<b>1998</b>	<b>1997</b>
<b>Graduates</b>	168	263	265
Average Months Enrolled	16.9	16.1	18.0
Graduation rate (as percent of terminations)	67.2%	74.7%	73.4%
Graduates placed in jobs	151	219	219
Placement rate (as percent of graduates)	89.8%	83.2%	82.6%
Average hourly wage at placement	\$10.12	\$10.38	\$10.01
90-day retention rate at original job	82.1%	86.9%	89.1%
<b>Non-Graduates</b>	82	89	96
Average Months Enrolled	15.9	16.7	16.5
Non-graduates placed in jobs	27	33	30
Placement rate (as percent of non-graduates)	32.9%	37.0%	31.2%
Average hourly wage at placement	\$9.50	\$8.38	\$7.36
Number of non-graduates still working at 90 days	78.5%	90.9%	80.0%

\*Calculations are based on data collected in 12-month cycles ending in June of each year. For 1999, the data recorded here goes through March and thus accounts for only 10 months of activity. Graduation, termination, employment and other measures will likely improve as more participants graduate in May and June.

The data can also be compared to see if there are any glaring demographic or other differences between those who finish and those who do not.

Comparing the hourly wage data, it is clear that graduates earn significantly higher wages than employed non-graduates after leaving Project QUEST. But the yearly averages seen in Table 1 mask some of the wage variation that goes along with QUEST’s strategy to train in multiple sectors and occupations. When wages are broken down by occupation, we see that graduate’s earnings compare favorably to the industry and occupational starting wages recorded in table 2.

The average length of training time for non-graduates is not substantially different to that of graduates, and that groups average well over 15 months of training. Counselors confirm what the data reveals—they lose the majority of their students toward the end of the program leading up to final exams and graduation. Counselors recalled many

instances where students have missed exams or left the program due to domestic violence. It seems not to be uncommon for a male spouse or boyfriend to feel threatened and become disruptive or violent when he realizes that his partner will be earning a higher wage than himself and be independent. In other cases, it is the student's own fears and self-sabotage that cause the eleventh-hour dropout trend.

Students who struggle academically and have to repeat classes are also prone to dropping out after an extended amount of time. Course repetition and lack of advancement may frustrate them beyond measure, or they may begin to feel that the profession for which they are training isn't a good match after all.

Another surprisingly similar outcome shared between employed graduates and non-graduates is a very high 90-day job retention rate. Given the amount of exposure both groups have had to VIP sessions that cultivate self-esteem, accountability, and soft skills, these on-par job retention rates may be partially attributable to program interventions.

*Table 2*

<b>Sample of QUEST Graduate's Placement Wages by Occupation and Industry</b>			
<i>Career Track</i>	<i>Number of Placements</i>	<i>Starting Wage</i>	<i>Industry Benchmark*</i>
Computer Operator	1	\$13.58	\$13.00
Computer Programmer	4	11.24	13.40
Computer Technician	1	9.50	11.00
Data Entry Technician	1	12.00	13.00
Licensed Vocational Nurse	139	9.73	9.62
Medical Secretary	11	7.63	N/a
Network Administrator	18	11.87	20.00
Office Systems Specialist	35	7.66	N/a
Registered Nurse	79	13.46	14.40

\*From the Department of Labor's 1998 Occupational Handbook, which reflects national averages. Information Technology and Registered Nurse statistics reflect starting salaries for those with bachelor's degrees rather than associates degrees, so averages will be higher.

## **Sector principles and regional workforce development**

While most successful sectoral programs are effective because of their unwavering focus and depth in one specific industry and occupation, QUEST demonstrates that sectoral strategies are also highly effective when used to inform regional approaches to workforce development.

Like other sectoral programs, Project QUEST sought out and identified ways to take advantage of industry trends for the benefit of San Antonio's disadvantaged population—it carefully researched local employer dynamics, hired industry experts, developed staff's ability to think outside the box, cultivated employer relationships, and convened groups of employers around key issues. Unlike other programs however, QUEST did not focus narrowly on one industry, but rather focused on multiple industries that are vital to San Antonio's current and future economic stability.

The worker supply and demand problems—and opportunities—that define San Antonio's labor market result from systemic shifts and changing skill needs *between* industries. These same labor market transformations are occurring in urban and rural areas around the country. Project QUEST provides a powerful testament to the type of outcomes that can be achieved when sectoral strategies are used by local stakeholders to align workforce and economic development agendas.

### ***Creating Local Political Support***

Organizing efforts by two strong community organizations in San Antonio—COPS and METRO Alliance—were the impetus for the formation of Project QUEST. Thus the organization arose due to political pressure developed through organizing efforts in low-income communities. Project QUEST needed on-going political support, however, in order to succeed. The founding organizations continued to provide some of that. In addition, QUEST attracted the support of key business leaders, who furthered the local base of political support for the organization. The support of the business community was most likely due to the fact that QUEST operates in such a manner as to make clear to

businesses that they are a valued customer of Project QUEST—the organization expects its services to be of use to local businesses just as much as it expects to be of use to low-income workers. By treating local businesses as important clients, QUEST gained the support of the business community, and was able to attract and retain prominent local business people on its Board of Directors. This combination of strong support from the local business community and from two powerful community-based organizations has helped Project QUEST maintain its high positive profile in the San Antonio community.

### ***Value of Flexible Funding***

This strong political support has been instrumental to continued funding from the San Antonio’s Mayor and City Council. The majority of Project QUEST’s funds come from local government funds that are appropriated by the city council and dispersed to the program through the Department of Community Initiatives. Local support and funding has given Project QUEST stability and freedom to design systems and deliver services that are tailored to the needs of the community, but that do not duplicate the services offered by others. Thus, for example, if an individual needs help paying heating bills, he may be referred to an organization that provides people with money for that purpose. If this same individual needs help paying his rent, however, Project QUEST may provide that directly because there is not another organization that can help. In addition, Project QUEST may help some of its participants with day care issues, while others may be eligible for assistance from another organization because they currently receive TANF or other public income support. While the city does demand accountability, and requires Project QUEST to report performance outcomes, there are few restrictions on how project QUEST achieves those outcomes for participants.

This flexible funding arrangement that serves QUEST—and allows QUEST to serve—so effectively is in marked contrast to the conditions that are placed on monies received from other government funding streams such as the Workforce Investment Act (WIA). In fact, while Project QUEST did receive funding in earlier years under the Job Training Partnership Act (which was replaced in 1998 by WIA), it has chosen not to apply for

funds from WIA in recent years. QUEST's decision to cease applying for WIA funds was due in large part to the fact that such funds cannot be applied to the costs of long-term training. Through outcome tracking, QUEST can demonstrate that the job quality and economic returns to its approach to training are notably stronger than other types of less intensive approaches. Local support and unconventional funding streams are the keys to QUEST's ability to do its work.

### ***Managing Transitions in Leadership***

Since inception, Project QUEST has had three Executive Directors, all of whom have been strong and effective leaders for the organization. The transitions between these leaders have been facilitated by the initial development of strong management systems. QUEST has an excellent management information system that is integrated into the work of many staff people. Thus information about current operations is captured and stored in such a way that it does not disappear when a particular individual leaves. In addition, job descriptions are well defined and staff members are clear about their roles. Project QUEST management has always felt that it is important to attract high quality professional staff to the organization, and that in order to do that, one needs to pay individuals accordingly. Just as Project QUEST does not want employers to hire its graduates on some appeal to social justice, so it does not want its staff to consider their jobs as charity. By developing strong staff and strong management systems, Project QUEST has been able to weather changes in leadership, and has developed new leaders from within its existing staff.

### ***Mass Customization***

QUEST is designed around a core process that involves assessing an individual's interest in a particular career track, guiding the individual through a course of study relevant to that career track, and matching the individual with an appropriate job opportunity. Certain elements of the process, such as initial assessment, selection of a degree track, participation in the VIPs, and job placement, are common to all. Other elements, such as more intensive counseling, transportation money, emergency rent assistance, or remedial education services, might be added on depending upon the needs of the client. This

ability to take a standard procedure and customize it is a direct result of the flexible funding described above and it facilitates both ensuring that services meet the specific needs of individuals and enabling staff to serve multiple individuals efficiently. Much of this efficiency relies on the underlying MIS through which client data is collected and progress can be easily monitored. This system of organizing individualized service around a particular core service delivery mechanism should prove helpful to project QUEST as the organization seeks to achieve greater scale.

### ***Challenges of Scale***

One of the challenges ahead for Project QUEST will be the degree to which it can rely on its well-developed methods of service delivery as it seeks to serve greater numbers of individuals. While Project QUEST is stepping up recruitment to bring in more individuals, the organization is also considering new lines of services. For example, the organization is now developing a method of working with incumbent workers and their employers in order to upgrade skills, providing career paths for low-wage workers and meeting employers' needs for higher skilled workers. While this avenue of expansion seems promising, it represents a different way of working than the traditional QUEST model of service, and new issues arise. These issues include determining how much time in training should be paid work time, how employees can balance work, school, and family responsibilities, how employers can maintain their operations while their employees receive training, etc. Such issues may put QUEST in a whole new role of mediating between employers and the their current workforce. In addition, Project QUEST has considered working with individuals who are pursuing a four-year college degree, as well as with individuals who need more intensive remedial services. Expanding up and down the education spectrum will also bring new organizational challenges. For example, at present, Project QUEST only considers individuals who complete a degree or certificate program as graduates. Individuals who improve their basic skills, and are able to get a better job, but did not finish a program, are not considered graduates. Project QUEST will have to consider whether and how they should modify their approach to performance tracking if they begin working with

individuals whose needs for remedial education are greater than those of the population they currently serve.

Project QUEST faces many challenges as it increases its scale and scope, but the program appears to be well positioned to take on these challenges. Due to the high quality of service that the organization has provided both to low-income individuals and to employers, Project QUEST enjoys an excellent reputation and high levels of public support. Project QUEST has built strong partnerships with a number of organizations, most importantly the Alamo Community College District, that have been instrumental to the organization's success thus far and will continue to play important roles as QUEST seeks to expand its services. And finally, QUEST has developed strong management and organizational systems and a professional, mission-oriented organizational culture, assets that have proven to be important in managing in the past and should continue to support the organization as it meets the challenges ahead.

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