

EC-21-435




Timothy M. Keller, Mayor

City of Albuquerque
Office of the Mayor

Interoffice Memorandum

Date: June 30, 2021


To: Cynthia Borrego, President, City Council
From: Timothy M. Keller, Mayor 
Subject: FY/21 Goal 8, Objective 15

Goal 8 objective 15 states, "Conduct a cost/benefit review for City Trainings to establish how providing in-house standardized and centralized training for City Employees compares in consistency and quality of services provided to City Departments to trainings provided through an outside contractor. The mandated training curriculum for Sworn Police Officers and Firefighters shall be excluded from the plan."

Please see attached Report.

Title: FY/21 Goal 8, Objective 15

Approved:



Sarita Nair
Chief Administrative Officer

9/10/21

Date

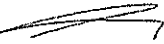
Approved as to Legal Form:

Esteban A. Aguilar 8/23/2021 | 4:02 PM MDT

Esteban A. Aguilar, Jr.
City Attorney

Date

Recommended:



Anthony R. Romero, Director
Human Resources Department

8/23/2021 | 3:49 PM MDT

Cover Analysis

1. What is it?

This is an Executive Communication to City Council as required by FY/21 Priority Objective Goal 8, Objective 15

2. What will this piece of legislation do?

This Executive Communication provides the report for Cost Benefit Analysis for Training.

3. Why is this project needed?

The Priority Objective recognizes the need for a Cost Benefit Analysis for Training.

4. How much will it cost and what is the funding source?

N/A

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

N/A



2021 Training Cost Benefit Review

Employee Learning Center

Introduction:

The Human Resources Departments' Employee Learning Center (ELC) conducted a Training Cost Benefit review and analysis for priority budget objective R-20-99, Objective 15.

Objective 15: Conduct a cost/benefit review for City Trainings to establish how providing in-house standardized and centralized training for City Employees compares in consistency and quality of services provided to City Departments to trainings provided through an outside contractor. The mandated training curriculum for Sworn Police Officers and Firefighters shall be excluded from the plan. Submit the completed plan to the City Council by the end of third quarter FY21.

This report includes the findings of the Cost/Benefit Analysis and summary information for each department's annual training records such as all reported external contracted training and internal training performed by departmental employees. Detailed departmental reports and breakdowns are available upon request.

Standard for Collection

In the collection of data, training courses are listed according to Division, course duration in hours and number of offerings, whether the training is mandatory, and total number of employees trained. For internal courses, a general cost of \$25 per hour was attributed for current employees conducting the trainings during normal work hours. External trainings listed the specific contact where available, number of employees trained, if the training is required to be conducted by certified experts not available at the city, and total cost of the training program.

Most of the training conducted by the Department is done internally by current staff members. Departments leverage the following resources:

- existing certified employees
- Safety/Training Team personnel
- employees with licenses and certifications
- employees with extensive knowledge of the subject matter
- department leadership to deliver department specific mandatory training courses
- ELC for city-wide mandatory operational training required by city policy or the HR Department

These findings result in outcomes that demonstrate the City of Albuquerque is leveraging experienced and qualified employees to conduct training internally that would normally cost hundreds of thousands of dollars annually if contracted outside of the City. As a result of utilizing city employees to conduct training, the organization benefits from high levels of employee engagement in the way the trainings are conducted, learning is attained and delivered.

Overview

17 departments (excluding Sworn Police Officers and Firefighters) were polled and the following data was collected:

2019-2020

Total Training for CABQ Departments (TOTAL NUMBER OF COURSES OFFERED)	
Total number by all departments	644
Total number by the ELC	21
Total number of mandatory courses	394

TOTAL NUMBER OF EMPLOYEE RECORDS	
Total number of departmental training records recorded	20,711
Total number of ELC training records recorded	<u>7,852</u>
Total Training Records Collected in this report:	28,563

External Contract Training*

External Training	
Total number of courses offered externally	311
Total number of employee training records	5,993
Total number of courses requiring outside trainer	305

Total cost for External contract training:

\$277,491.23

Average external training cost per employee trained:

\$46.30

**External training courses include any contract hired out by the department to be delivered by professional entities that cannot be delivered for certification by city staff.*

Internal Training

Department Internal Training	
Total number of courses offered internally	333
Total number of employee training records	14,718
Total number of internal trainer hours	10,451
Total cost saved by using internal trainer at \$25/hr	\$261,275.00

ELC Training

Total number of ELC courses offered internally	21
Total number of ELC training records recorded	7,852
Total number of ELC training hours	1,603.5
Total cost saved by using ELC internal trainer at \$25/hr	\$40,087.50

Total Cost Saved by using internal trainers: \$301,362.50

Average training internal cost per employee trained: \$13.35

Findings

Contextualized and Relevant Training:

Through our research, it was determined that most departmental training utilizes highly qualified internal staff to conduct training for their employees. The reasons cited by departments include cost savings, qualified staff, better employee engagement as a result of leader and peer instruction as well as contextualized learning and content delivered by individuals who do the work on a daily basis. This helps to ensure that the training being delivered is contextualized to the department's needs and specialized application of the learning as well as being more relevant to day-to-day operations.

Cost Savings:

Departments see cost saving advantages to offering internal training by qualified staff. Many departments would not be able to offer training during regular work hours, with employee trainers who are getting paid to train as part of their regular pay and duty hours. The cost savings reported in the previous overview would be up to three or four times the average calculated cost of \$25 per hour if offered externally. The average cost per hour for contract training is between \$100 and \$125 per trainer hour. By offering the training internally from highly qualified staff in each department, the city saves \$75 to \$100 dollars per training hour and employees who are providing the training are not paid extra for training during their normal workday. Some employees who train under collective bargaining contracts are entitled to trainer pay during those training hours.

Empowered Employees:

Many of the employees who train their co-workers have communicated that the training experience allows them to be more engaged in their work. In addition, employees who are able to train co-workers are empowered in their position and improves their quality of work. Employees tend to enjoy training with their supervisors and colleagues because the training is relevant and timely to the work being performed. City departments such as Solid Waste and Municipal Development offer pay incentives for employees who can be certified by the ELC through the *Train The Trainer* Program to become departmental trainers for various topics in their departments.

External Contracts

A number of the external contract trainings found in each department tended to be offered from national associations and organizations that provide standards for performance that cannot be

conducted internally. Solid Waste and Transit, to name a few, require specialized training that must be sought externally. Some departments like Arts and Culture, for example, utilize the Bio Park Society for many of their high-level external trainings for Bio Park employees at no cost to the City of Albuquerque. The Bio Park Society raises funds as a non-profit entity and does not charge the City of Albuquerque for the numerous trainings that the Arts and Culture Department offer each year. This is also true for the public libraries, whose external training is funded by the Friends of the Library.

While external training does cost significantly more than conducting internal training, departments are working diligently to offset costs by finding creative and innovative ways to access training.

Innovating Internal Training for Cost and Time Saving

During the current fiscal year, almost every department at the City of Albuquerque has transitioned its regular, recurring trainings offered by internal trainers into online training with the assistance of the ELC to adjust to the health crisis caused by the pandemic. This transition has also improved the way that employees access recurring training online and at their desk. This innovation has allowed departments to reduce the number of hours employees repeat trainings, while offering high quality content and delivery with consistent results. Offering trainings in the digital environment has allowed departments to standardize their recurring trainings, maintain better records and ensure that employees are receiving the training required in a timely manner.

Since the beginning of 2020, 45 new online versions of recurring training courses have been developed across 10 departments; a number of new training courses are currently under development.

Final Summary

Through the data gathered and compiled during this cost benefit analysis, there have been a number of compelling findings related to the City of Albuquerque's approach to professional development and support for high quality work at the City. Departments are clearly committed to ensuring their employees are participating in mandatory, recurring, operational trainings each year and to maintaining a high-quality workforce in their day to day operations. City departments are leveraging their highly qualified staff to lead training and professional development as well as limiting the number of outside training contracts. Many departments are leveraging their access to nonprofit organizations that in some cases offset training costs. City departments are accessing content from partner organizations that offer training at no cost and are also working toward innovating the delivery options available to their employees to save time and money by offering online courses and receiving support from departments like Human Resources.

This process has also revealed that the City of Albuquerque is demonstrating fiscal responsibility in their professional management of each department in regards to training. The cost savings realized across departments is significant when compared to the cost of offering the equivalent training externally. While the City will always seek the best training options available when required, city departments are demonstrating responsibility, innovation and fiscal balance in their efforts toward building a high-quality workforce.

Please contact Human Resources Department with any questions regarding this report.