



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3

Agenda Date: March 25, 2025

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Workforce Development Office

DEPARTMENT HEAD: Michael Ramsey

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Professional services agreements between the City of San Antonio and San Antonio Ready to Work Pledged Employers to provide On-the-Job Training and Incumbent-Worker Training.

SUMMARY:

The City seeks to enter into 105 professional service agreements to reimburse 77 Ready to Work Pledged Employers' expenses relating to Incumbent-Worker Training (IWT) in the aggregate amount of \$3,080,410, and On-the-Job Training (OJT) in the aggregate amount of \$2,901,350. A total of 61 employers will offer IWT to 1,153 existing workers, and 44 employers will offer OJT to 1,379 newly hired workers.

BACKGROUND INFORMATION:

San Antonio Ready to Work (RTW) is the City's premier education and job placement program. The overarching goal of RTW is to open opportunities for San Antonio residents to training and education aligned with well-paid jobs in high demand. Work-based learning programs, such as

On-the-Job Training (OJT) and Incumbent-Worker Training (IWT), are win-win programs for residents and employers because proprietary training offered by local employers is targeted to meet their exact needs, while simultaneously increasing the marketability of residents in the local economy. OJT and IWT programs offer the additional benefit of paying workers while they learn.

RTW offers tuition support and wrap-around services for eligible participants to attend courses and apprenticeship programs offered by more than 70 RTW-approved colleges and training providers. By expanding training opportunities to local employers, OJT and IWT programs can shorten the distance between qualified workers and existing skills gaps, resulting in career growth opportunities for workers and increased job retention for employers.

The City conducted a second open invitation for local pledged employers to apply for OJT and IWT funding in January and February of 2025. Applications provided detailed explanations of employer needs and planned training programs.

ISSUE:

The City seeks to enter into professional service agreements for terms of up to 18 months to implement work-based learning programs.

Incumbent Worker Training (IWT) for up to 1,153 current, full-time workers – The City will reimburse 61 employers for incumbent-worker training expenses up to \$3,080,410. Each employer is capped at \$100,000 total funding, which is limited to up to \$5,000 per worker. Under this program, employers will provide training according to specific plans approved by the City's Workforce Development Office (WDO), remove barriers for trainees that impede the successful completion of training, make at least \$20/hour, maintain training logs and report program outcomes.

On-the-Job Training (OJT) for up to 1,379 newly-hired workers – The City will reimburse 44 employers for on-the-job training expenses up to \$2,901,350. Each employer is capped at \$100,000 total funding, which is limited to up to \$10,000 per worker. Under this program, employers will provide training according to specific plans approved by WDO, support and train newly hired SA Ready to Work graduates, making at least \$20.00/hour, not displace currently employed individuals, and maintain training logs and report program outcomes.

FISCAL IMPACT:

The total estimated cost to reimburse all employers to implement work-based learning programs is \$5,981,760. Of that amount, \$3,080,410 is for incumbent-worker training and \$2,901,350 is for on-the-job training. Funding for these contracts is from the SA: Ready to Work Fund.

ALTERNATIVES:

N/A

RECOMMENDATION:

Staff recommends moving forward for full council consideration to enter into professional services agreements between the City of San Antonio and various employers to implement OJT and IWT programs.