



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 12

**Agenda Date:** May 29, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Workforce Development Office

**DEPARTMENT HEAD:** Michael Ramsey

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

SA Ready to Work (RTW) FY 2026 Annual Operating Budget and associated Personnel Complement

**SUMMARY:**

Ordinance approving the SA Ready to Work (RTW) Fiscal Year 2026 Budget for the fiscal year beginning July 1, 2025, and ending on June 30, 2026, in the amount of \$42,936,292 and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 21, 2025.

**BACKGROUND INFORMATION:**

In November 2020, San Antonio residents approved the San Antonio Ready to Work (RTW) initiative, which is designed to promote economic mobility by increasing access to education, training, and wraparound services for San Antonio residents; and by aligning with the talent needs of local businesses. RTW is funded by a 1/8-cent sales and use tax collected through December 2025 estimated to generate approximately \$235 million.

As of May 9, 2025, 11,391 participants have enrolled in an approved training aligned with well-paid, in-demand occupations. Of these individuals, 5,970 are currently in training and 3,539 have

already completed their training, which reflects a 67% successful training completion rate. Local employers of all sizes have hired 2,213 participants in quality jobs, with 58% of graduates finding quality employment within six months of training completion and 74% finding employment within 12 months. Of those placed, the mean hourly wage is \$21.07, and the mean annual salary is \$44,106, which reflects an approximate \$30,000 annual increase in salary for the household.

RTW continues to implement various workforce development strategies for participants providing opportunities such as the Pay it Forward internship program, which assists in connecting participants with limited experience in their field of study with internships. RTW has a Job Board designed specifically for participants, which showcases local job postings within the 83 target occupations. RTW is also deploying a workforce cohort model, which allows employers to select RTW participants they want to hire before the participant completes training. This allows for employers to establish a relationship early with the participant and ensures an increased commitment from employers to hire participants they have selected.

Additionally, the City is also funding on-the-job training (OJT) and incumbent-worker training (IWT) for employers to directly engage in the training process, which will help increase the earning capacity of more than 2,516 newly hired and incumbent workers, of which up to 1,366 will be new hires from the RTW participant pipeline.

RTW continues to demonstrate a significant return on investment. Based on a study performed by Dr. Steven Nivin and Dr. Belinda Roman of participants that had enrolled through June 30, 2023, every dollar spent on the program is projected to yield \$61 in local economic impact. Thus, relative to the total amount of planned spending on training and supports for those enrolled by June 30, 2023 (\$27.91 Million), the projected economic impact equates to \$1.70 Billion. Such impact stems from increased earnings of RTW participants, indirect impacts of spending, and reduced social spending.

#### **ISSUE:**

During the May 8, 2025 City Council “A” Session, staff provided a programmatic update and informational briefing of the proposed FY 2026 Annual Budget and Personnel Complement to City Council. Below is an overview of the RTW Proposed Annual Operating Budget for FY 2026 to include major program areas:

<b>Operating Expenses and Transfers</b>	<b>Proposed FY 2026 Budget</b>
Intake and Assessment	\$3,640,906
Wraparound/Case Management	\$10,342,865
Tuition / Training	\$21,536,890
Emergency Services	\$2,269,235
Outreach, Engagement & Communications	\$1,450,160
Support Programs	\$1,277,704
Administration	\$1,908,732

Sales Tax Collection Fee	\$509,800
Total Budget	\$42,936,292

The proposed Fiscal Year 2026 Annual Operating Budget reflects anticipated expenses and City personnel costs for July 1, 2025, through June 30, 2026. The Fiscal Year 2026 total expenses are proposed to be \$42,936,292, which includes funding for Intake and Assessment (\$3.6 Million), Case Management (\$10.3 Million), Tuition / Training (\$21.5 Million), Emergency Services (\$2.3 Million). The personnel complement currently consists of 22 authorized positions for Fiscal Year 2026; three of which were re-organized in FY2025 from the Economic Development Department (1 Workforce Administrator, 1 Workforce Development Manager, and 1 Compliance Lead Analyst). No additional personnel requests are included in this budget.

The proposed Budget includes \$200,000 in annual contributions to the DHS emergency childcare fund to serve RTW participants on the childcare services voucher waitlist; \$2.1 million to support AlamoPromise/RTW dual enrolled participants; \$200,000 for Pay It Forward internships; and \$6 million to support OJT and IWT training pursuant to professional services agreements to be approved by City Council.

#### **ALTERNATIVES:**

City Council could choose to not approve the FY 2026 SA Ready to Work Budget and request changes to the budget. In this event, the Board of Directors would need to amend their adopted Budget and forward to the City Council for approval.

#### **FISCAL IMPACT:**

This ordinance will approve the SA Ready to Work FY 2026 Adopted Budget and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors (Pre-K 4 SA Board) on May 21, 2025. This Fiscal Year 2026 SA Ready to Work Budget as adopted by the Board of Directors is \$42,936,292 and includes a personnel complement of 22 authorized positions. This action will not impact the City's General Fund Budget.

#### **RECOMMENDATION:**

Staff recommends that City Council approve the SA Ready to Work (RTW) Fiscal Year 2026 Budget and personnel complement as adopted by the San Antonio Early Childhood Education Municipal Development Corporation Board of Directors on May 21, 2025.