



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 4

Agenda Date: May 8, 2025

In Control: City Council A Session

DEPARTMENT: Workforce Development Office

DEPARTMENT HEAD: Michael Ramsey

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the San Antonio Ready to Work proposed Fiscal Year 2026 Annual Operating Budget, including the personnel complement and post-solicitation for local training and education providers.

SUMMARY:

This item includes a briefing on the San Antonio Ready to Work (RTW) program, the proposed Fiscal Year 2026 Annual Operating Budget and personnel complement, and a post-solicitation for local training and education providers to perform in-house training, intake, and case management services.

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 April 30, 2025, 11,286 participants have enrolled in an approved training aligned with well-

paid, in-demand occupations. Of these individuals, 5,929 are currently in training and 3,528 have already completed their training, which reflects a 67% successful training completion rate. Local employers of all sizes have hired 2,163 participants in quality jobs, with 57% 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 \$21.06, and the mean annual salary is \$44,096, 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 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 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.

On February 17, 2022, City Council approved agreements with four local workforce development providers for implementation services for the Ready to Work program. The four organizations, often referred to as the 'prime partners' are Alamo Colleges, Project Quest, Restore Education and Workforce Solutions Alamo. Agreements with these four organizations include an initial three-year term, with three additional one-year extensions.

RTW aims to achieve the following goals: assist 39,000 applicants through intake and initial assessment; enroll 28,000 participants in training programs; and place 15,600 training completers into quality-paid, in-demand jobs. The RTW initiative seeks to expand its prime partner organizations to scale service delivery and streamline the process between participant intake and enrollment into training. These enhancements will better position RTW to meet the stated program goals.

On November 6, 2024, City Council received a B Session pre-solicitation briefing on a Request for Proposals from local education and training providers. This RFP was released on November 27, 2024.

The estimated cumulative contract value is \$32,500,000 for a term beginning July 1, 2025, and ending on June 30, 2028, with one, one-year option to renew. On January 17, 2025, ten proposals were received. Two responses were deemed non-responsive for failure to meet the 5% M/WBE subcontracting requirement of the RFP. The remaining eight proposals were deemed responsive for evaluation.

On March 25, 2025, the evaluation committee met to discuss and score the eight responsive proposals. The evaluation committee short-listed the four highest-ranked respondents and recommended them for interviews which were held on April 8, 2025. After interviews were held and final scoring was completed, the committee recommended awarding contracts to the two highest-ranked respondents.

ISSUE:

Staff will brief City Council on the proposed Fiscal Year 2026 Annual Operating Budget and associated personnel complement as well as the education and training provider post-solicitation.

Below is an overview of the RTW Proposed Annual Operating Budget for FY 2026 to include major program areas:

| Operating Expenses and Transfers | Proposed FY 2026 Budget |
|---|--------------------------------|
| 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 | \$1,908,731 |
| 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 absorbed in FY2025 by the Workforce Development Office 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.

Both the RTW budget and the proposed education and training provider contracts are set for Council consideration on May 29, 2025.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff does not recommend any action.