



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 19

**Agenda Date:** April 11, 2024

**In Control:** City Council A Session

---

**DEPARTMENT:** Workforce Development Office

**DEPARTMENT HEAD:** Michael Ramsey

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Professional Services Agreements between the City of San Antonio and Ready to Work Pledged Employers to provide on-the-job training and incumbent-worker training.

**SUMMARY:**

The City seeks to enter into professional service agreements to reimburse Ready to Work Pledged Employers' for expenses relating to Incumbent-Worker Training (IWT) not to exceed \$1,122,630, and On-the-Job Training (OJT) not to exceed \$1,862,940. Employers will offer IWT to 651 existing workers, and OJT to 720 newly-hired employees.

**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 over 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 an open invitation for local pledged employers to apply for OJT and IWT funding in January and February of 2024. Applications provided detailed explanations of employer needs and planned training programs.

#### **ISSUE:**

The City seeks to enter into professional service agreements for terms up to 18 months each to implement work-based learning programs. A list of employers participating in these programs is attached.

#### **Incumbent Worker Training (IWT) - up to 651 current, full-time workers**

The City is to reimburse employers for incumbent-worker training expenses up to \$1,122,630. Each employer is capped at \$100,000 total funding, which is limited to \$5,000 per employee. Under this pilot, employers will provide training according to specific plans approved by WDO, remove barriers for trainees that impede the successful completion of training, maintain training logs and report program outcomes.

#### **On-the-Job Training (OJT) - up to 720 newly-hired employees**

The City is to reimburse employers for on-the-job training expenses up to \$1,862,940. Each employer is capped at \$150,000 total funding, which is limited to \$10,000 per employee. Under this pilot, employers will provide training according to specific plans approved by WDO, support and train newly hired workers making at least \$18.00/hour, not displace currently-employed individuals, and maintain training logs and report program outcomes.

On March 26, the Economic Workforce Development Committee approved the IWT and OJT programs to move forward for full City Council consideration.

#### **ALTERNATIVES:**

By choosing not to enter into work-based learning agreements with these employers, the City could lose the opportunity to efficiently train local residents and close existing skills gaps.

#### **FISCAL IMPACT:**

The total estimated cost to implement work-based learning programs will not exceed \$2,985,570. Of that amount, \$1,122,630 is for incumbent-worker training and \$1,862,940 is for on-the-job training. Funding for these contracts is from the SA: Ready to Work Fund.

**RECOMMENDATION:**

Staff recommends Council approval of professional services agreements between the City of San Antonio and employers to implement OJT and IWT programs.