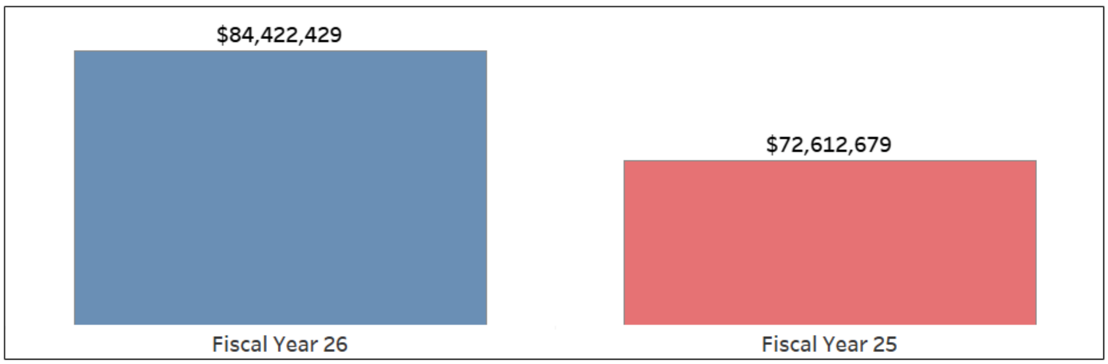
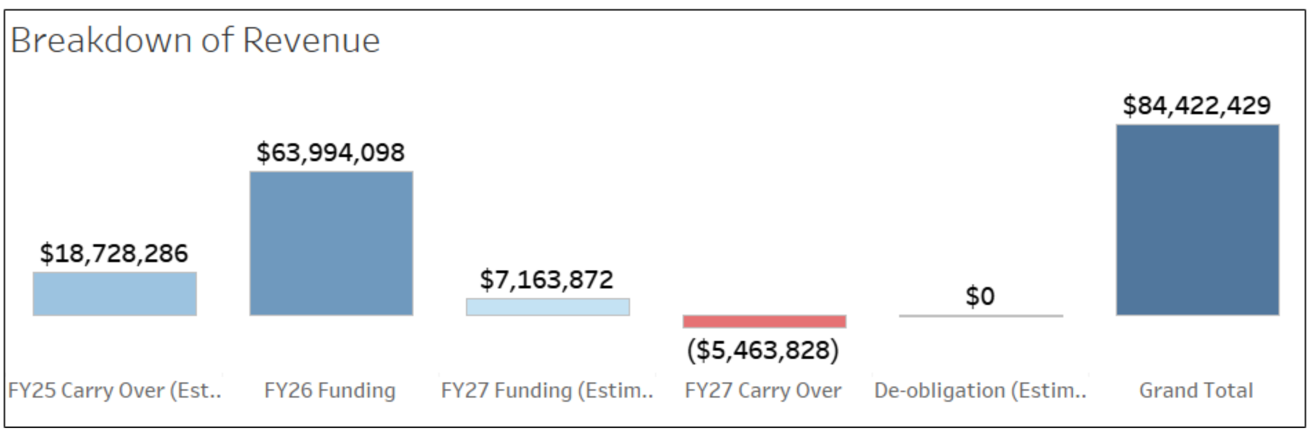
FY26 Board Operating Budget

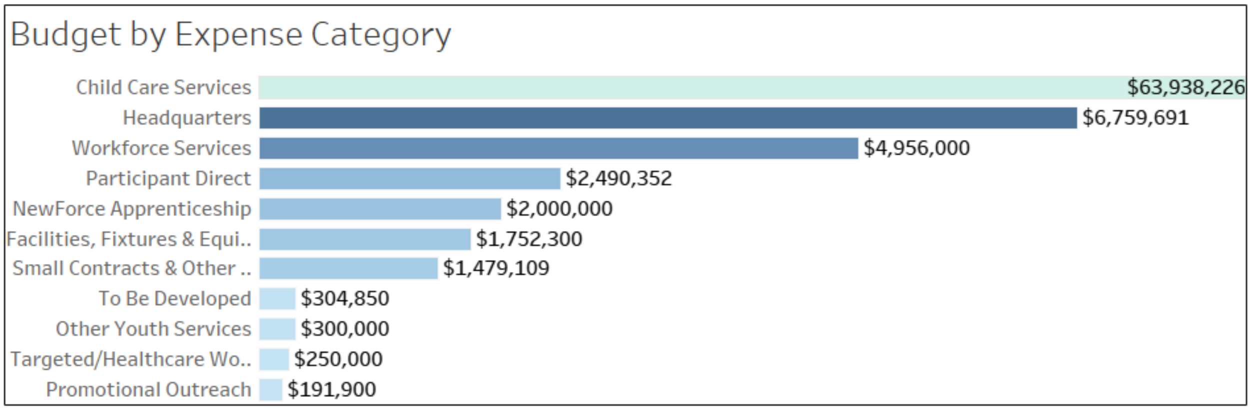
Revenues

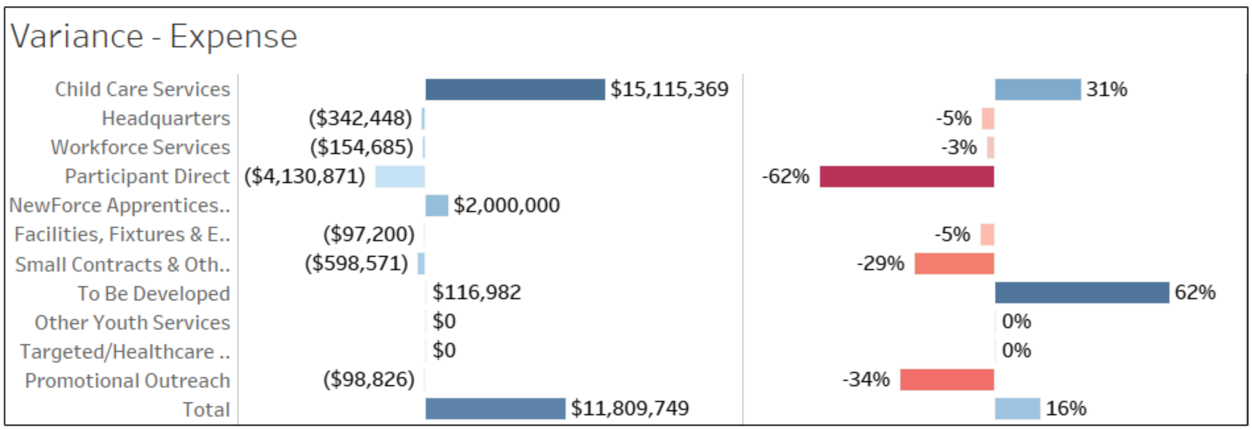
Our FY26 total available funding is projected at $84.1 million, a 16% increase compared to FY25. Childcare resources are expected to increase by 31%, reflecting expanded investment in this critical service. At the same time, workforce program funding faces reductions. DOL-funded resources decline significantly with the conclusion of the *Pathways for Heroes* grant in early 2026 and an 8% cut in TWC Formula programs. In addition, the expiration of several locally funded grants further reduces available revenues in these areas. As a result, although the overall revenue picture shows growth, this increase is solely attributable to childcare funding, while formula workforce programs experience notable decreases.

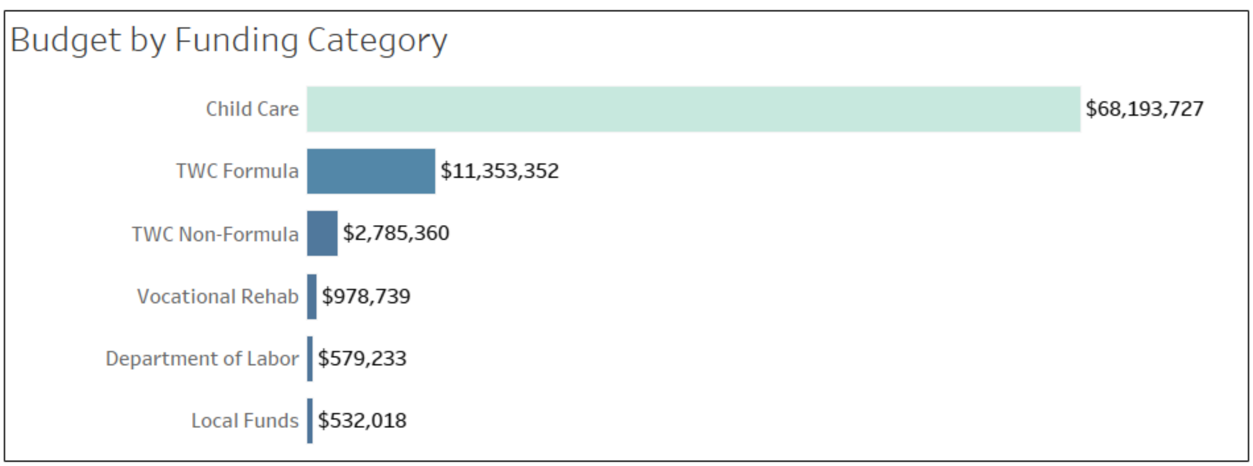


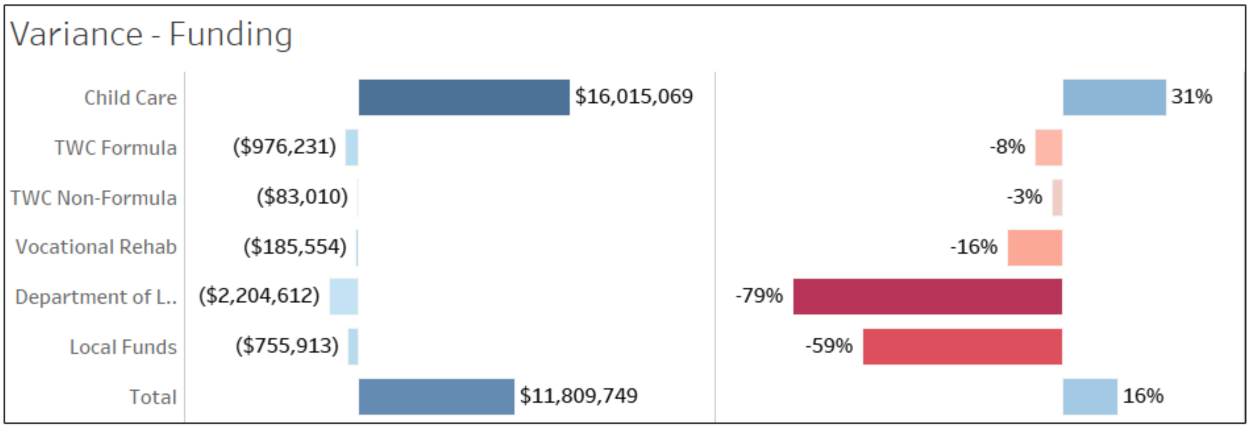


Expense Allocation





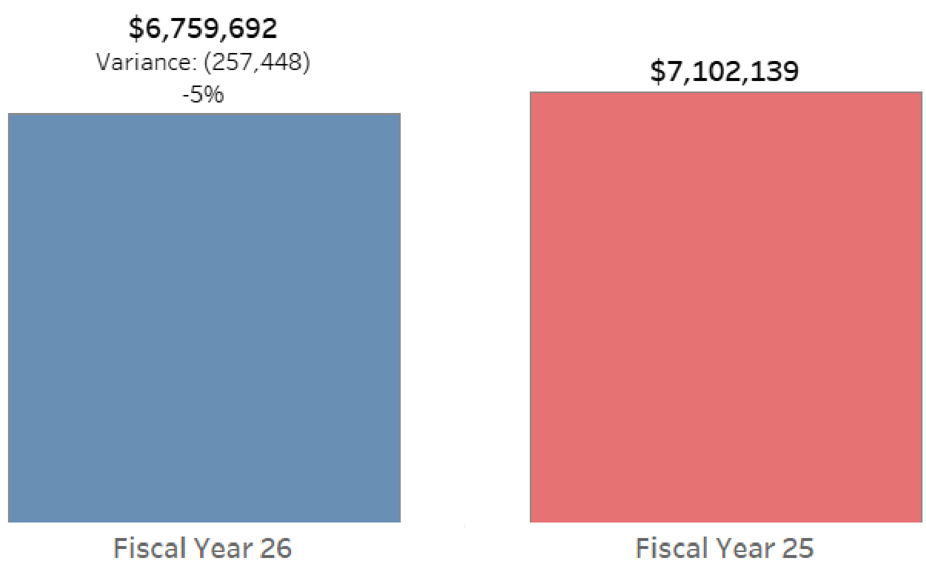




Headquarters

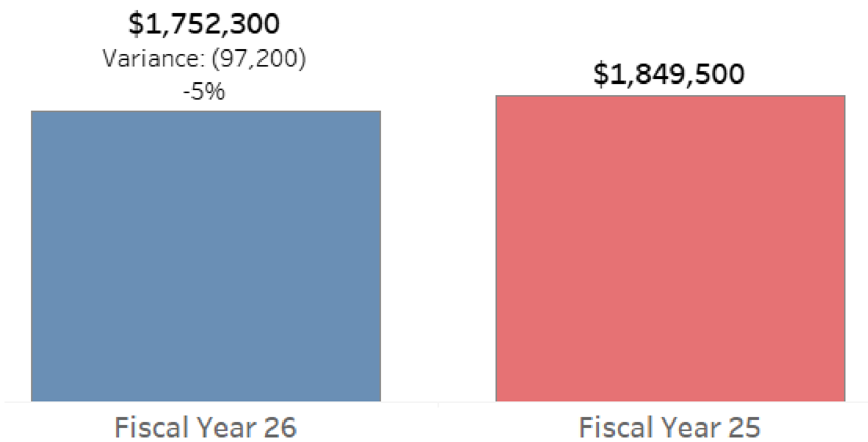
The Headquarters operating budget totals $6.7 million, accounting for 8% of the overall budget, down from 9.8% last year. This is a deliberate 5% reduction achieved by streamlining operations, phasing out temporary grant-funded positions, and automating several administrative processes. The HQ budget reflects:

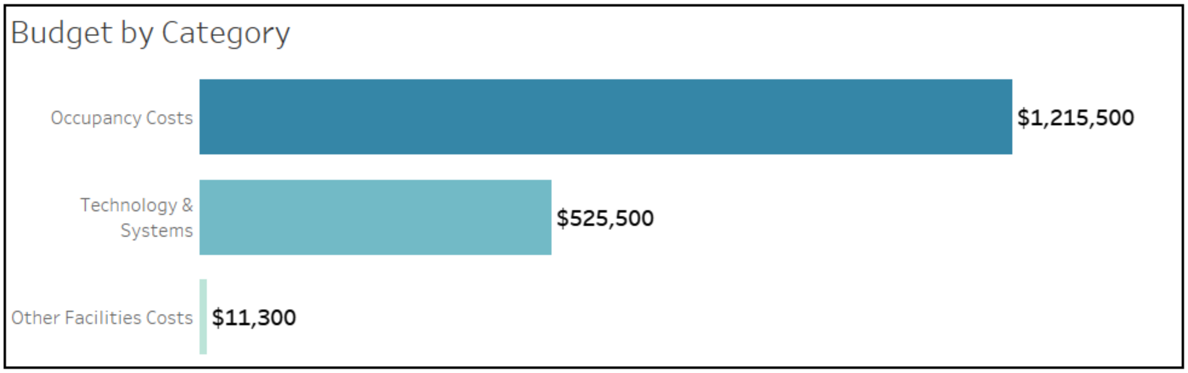
- FTE count reduced from 63.5 to 58.7.
- 3% Cost-of-Living Adjustment (COLA)
- Employer-paid benefits rise 4%, primarily attributable to healthcare premiums.



Facilities, Fixtures, and Equipment

This category provides for the physical infrastructure that supports operations, including office space, utilities, maintenance, and technology. Investments in facilities and equipment help maintain safe, efficient, and welcoming environments for both staff and customers at our workforce centers and administrative offices. The FF&E budget totals $1.7 million, accounting for 2% of the overall budget and reflecting a 5% reduction from FY25.





Direct Client Services

Direct client workforce and childcare services total $73.89 million, 88% of the total budget. This includes childcare, support for training, subsidized wages, case management, and specialized initiatives in strategic priority sectors listed below.

Aerospace Industry Development
In partnership with El Paso County, WSB will co-lead workforce components of the Texas Space Commission planning grant. The initiative coordinates talent-development strategies between Midland, El Paso, and statewide partners to support orbital launch, aerospace manufacturing, and advanced R&D supply chains.

Other Targeted Industry Investment
Consistent with Governor-identified growth sectors, WSB will concentrate discretionary training dollars in healthcare, information technology, advanced manufacturing, aerospace & defense, and energy & infrastructure. Funding will prioritize short-term credentials, registered apprenticeships, and employer-validated micro-badges.

Apprenticeship & Work-Based Learning Expansion (NewForce)
In anticipation of federal administration priorities, WSB will double the number of active Registered Apprenticeship programs by 2027, from 100 to 200, emphasizing IT, skilled trades, and healthcare. On-the-job training reimbursements and incumbent-worker grants will help employers defray the cost of upskilling. We have set aside $2M in “participant funds” to be utilized for wages (stipends) while workers/students participate in the apprenticeship programs.

Focused Youth Workforce Development (NextForce)
WSB will sustain investment in mentorship and outreach models, such as Big Brothers Big Sisters, to reconnect opportunity youth. FY26 funding supports paid work experiences, leadership development, and career exploration aligned with hot-jobs data.

Military Workforce Strategy – Fort Bliss Focus
WSB will deepen its presence at Fort Bliss, aligning credential pathways with defense-focused manufacturers and cyber-security firms. Transitioning Service Members, spouses, and recently separated veterans will access dedicated case managers, AI-enhanced skills assessments, and direct referral pipelines into high-demand apprenticeships.

AI Integration
WSB will establish a Board-level AI Oversight Committee empowered to set policy for responsible adoption across administrative and programmatic systems. AI competencies will be embedded in every participant’s curriculum, ensuring that job seekers graduate with foundational prompt-engineering, data-literacy, and automation skills. Finally, WSB will expand technical assistance to regional employers, guiding them in selecting, implementing, and upskilling for AI-enabled workflows.

Small Contracts and Initiatives/Special Projects

Small contracts decreased by 24% from the prior year, attributed to the conclusion of several one-time projects and cost-cutting efforts. We retain our commitment to partner and collaborate with several local community organizations to help us reach our target industries and priority populations through outcome-based service agreements with the El Paso Chamber, Hispanic Chamber of Commerce, Project Amistad, and UTEP.

Small Contracts			
Vendor/Project Description	**FY25**	**FY26**	**% Change**
IC - Data Analyst	$ 16,900	$ 97,500	477%
IC - IT Consulting	$ 8,000	$ 4,800	-40%
IC - Journalism Services	$ 2,500	$ -	-100%
IC - Live Sketch	$ 2,500	$ -	-100%
Business EDC Partnerships	$ 208,500	$ 80,000	-62%
Business EDC Partnerships (Quality)	$ -	$ 50,000	
Lightcast (LMI Dashboards)	$ 43,200	$ 8,700	-80%
External Monitors	$ 84,835	$ 105,435	24%
Local Match	$ 140,000	$ 140,000	0%
Orientation Services	$ 100,000	$ -	-100%
Power Partner Facilitator	$ 60,000	$ -	-100%
Project Amistad - Power Partner Collaboration	$ 60,000	$ 60,000	0%
Rio Grande COG	$ 60,000	$ 30,000	-50%
UTEP El Paso Collaborative for Academic Excellen	$ 50,000	$ -	-100%
Workshops Professional Trainer	$ -	$ 60,000	
Total Small Contracts	**$ 836,435**	**$ 636,435**	**-24%**

Initiatives and Special Projects decreased by 32% to $842k, aligning with regional innovation and infrastructure goals. Key investments include an increase in aerospace & defense training and new energy and infrastructure projects to build talent pipelines for anticipated federal funding. Additionally, $70k was dedicated to rural focus projects to expand our commitments to serve the rural areas. Funds may or may not be passed through the Prime Contractor, but rather contracted through other partners, and/or managed at the Headquarters level.

Initiatives/Special Projects			
Vendor/Project Description	FY25	FY26	% Change
Aerospace & Defense Training	$ 100,000	$ 125,000	25%
Bank of America	$ 26,000	$ 20,000	-23%
BEERS	$ -	$ 4,000	
City of El Paso ARPA	$ 546,102	$ 203,555	-63%
City of El Paso - Research Project	$ 75,000		-100%
Cost of Living Research Project	$ 4,000	$ 4,000	0%
Energy Projects	$ -	$ 100,000	
Healthcare Initiatives	$ 80,000	$ 70,000	-13%
Infrastructure Projects	$ -	$ 100,000	
Master Card	$ 75,000	$ 37,260	-50%
Microsoft	$ 85,000	$ 65,000	-24%
MSFW Youth Forum	$ 30,000	$ 30,000	0%
Navigator - Hireability Events	$ 7,000	$ 5,716	-18%
Re-Entry Projects	$ 50,000		-100%
Regional CTE Conference	$ 5,000	$ -	-100%
Rural Focus Projects	$ -	$ 70,000	
Special Populations Training	$ 100,000	$ -	-100%
Youth Foster Initiatives	$ 50,000	$ -	-100%
WCI - Foster Care Conference	$ 1,143	$ 1,143	0%
WCI - Jobs Y'all	$ 7,000	$ 7,000	0%
Total Initiatives	**$ 1,241,245**	**$ 842,674**	**-32%**