

City of San Antonio



City Council Special Session

No in-person access to this meeting

Tuesday, August 11, 2020

9:00 AM

Videoconference

ROLL CALL

Acting City Clerk Tina Flores took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

1. Briefing on a proposed ballot initiative to provide a 1/8 cent sales tax for workforce development and higher education under Chapter 379A of the Texas Local Government Code. [Carlos Contreras, Assistant City Manager; Alejandra Lopez, Director, Economic Development]

City Manager Erik Walsh stated that the meeting would be a continuation of the presentation to City Council last week regarding a proposed 1/8 cent sales tax initiative to fund workforce training and higher education. He noted that a follow-up email was sent to City Council regarding some of the issues addressed last week. He added that representatives from the Mayor's Leadership Task Force were present to assist with any questions. He reminded City Council that this item was scheduled for City Council consideration on Thursday, August 13, 2020, to place it on the November 2020 Election Ballot at the next City Council A Session.

Alejandra Lopez reported that the proposed initiative would support workforce training, two-year degree programs, and four-year degree programs. She added that participants would receive wraparound services and referral services for social services, child care, rental assistance, and emergency financial assistance. She stated that Chapter 379A of the Texas Local Government Code provided for the use of a Municipal Development Corporation (MDC) to undertake a variety of functions. She noted that City Council authorized the creation of the San Antonio Early Childhood MDC, referred to as the Pre-K 4 SA Board, in 2012 and voters approved a 1/8 cent sales tax to fund the MDC that same year. She added that City Council called for an election for the extension of the tax for an additional eight years, starting in 2021. She explained that municipalities were limited to creating only one MDC; therefore, any proposed sales tax revenue would still flow through the existing MDC. She added that for implementation purposes, the Pre-K 4 SA Board would contract with the City, the City would directly

set policy associated with the workforce training program, and the City Manager would be responsible for its implementation.

Ms. Lopez reported that a valuable collaborative network of workforce partners was established for the proposed workforce initiative and included Café College, Workforce Solutions Alamo, Alamo Colleges District, and specific industry training programs. She stated that the initiative would include intake, assessment, and referral services with an approach focused on the participant's unique experiences and potential for skill development. She added that job placement would be offered.

Ms. Lopez reported that the workforce initiative was intentionally designed to serve residents in need of workforce training prior to the COVID-19 Pandemic. She identified targeted populations as participants with high school or equivalency background and some college but with no degree. She stated that there were approximately 44,000 residents that earned less than \$10,000 per year pre-COVID-19, and 24,000 residents that earned between \$11,000 - \$21,000 per year pre-COVID-19. She noted that the Federal poverty level was \$13,000. She referenced the Workforce and Education Leadership Task Force (WELTF) that included representatives from COPS Metro and the United Food and Commercial Workers Union who provided valuable feedback as voices for the workers and families in San Antonio to ensure the initiative was designed to promote participant success in completing the program and in accessing careers and economic mobility.

Ms. Lopez reviewed expected outcomes for the workforce initiative. She stated that the WELTF recommended very aggressive goals with the understanding that degree completion would take time and depended on the participant's previous completion of college credits. She noted that apprenticeship programs were a combination of paid, on-the-job training with classroom instruction and included an option where employers would receive allocated funds to provide such training. She projected an 80%-90% job placement rate which would be measured one year after a participant completed the program. She added that there was a high expectation for wage increases and to lower the poverty rate. She noted the opportunity for the target population to emerge from the COVID-19 Pandemic stronger than ever.

Ms. Lopez reviewed proposed expected outcomes for participants: Residency within City limits, demonstrated progress towards training and degree completion goals, and repayment of tuition if training or required working time was not completed. She noted that the WELTF was not supportive of penalizing participants for failure to complete training as numerous barriers could still prevent participants from completing training, even if provided with wraparound services. She further noted that meaningful employment opportunities could arise and the financial burden of repaying tuition should not prevent participants from accessing such opportunities.

Ms. Lopez reviewed the need for industry commitment to accompany the public investment in the workforce initiative. She stated that in initial WELTF meetings, industry leaders collaborated with training providers to identify training programs that would address their specific needs. She added that the WELTF would hire program participants.

Mayor Nirenberg acknowledged and thanked the industry partners that were present at the meeting to answer any questions.

Councilmember Gonzales asked of targeted efforts for high school dropouts that made up 20% of the population that lived below the poverty level. She asked of the success rate of the Opportunity Youth Program. She asked if Toyota representatives present at the meeting could discuss their internal training programs. She asked if Project Quest, Alamo Colleges District (ACD) and University representatives

present at the meeting could discuss available certification programs. Assistant City Manager Carlos Contreras reported that the COVID-19 Community Recovery and Resiliency Plan approved by City Council on June 4, 2020 focused on targeting 5% of residents with a high school equivalency and below. Kevin Voelkel, President, Toyota Motor Manufacturing, Texas, Inc., stated that Toyota was committed to hiring participants from the workforce initiative and noted the flexibility of the initiative's framework that featured wraparound services and connectivity. He spoke of the growing needs and unlocked potentials to be attained with supply base companies that would be coming to the area.

Taylor Eighmy, President, University of Texas at San Antonio (UTSA), stated that UTSA offered training and certification opportunities through its continuing education program launched in May 2020 as part of its COVID-19 response and currently had an enrollment of 1,000 students. He added that UTSA, TAMUSA and ACD offered 4-year granting institutions with an initial focus upon college completion at the four-year degree level, using wraparound services offered to students and the initiative's targeted population.

Cynthia Teniente-Matson, President, TAMUSA, stated that TAMUSA was excited to build on stackable certification programs and 4-year study degrees which would allow displaced workers with some college credits to move through their programs. She stated that TAMUSA would provide unique opportunities for south Bexar County residents that would allow for them to move forward through certification programs and on to two-year and four-year degree programs.

Mike Flores, President, ACD, stated that ACD was committed to meeting the participants where they were at academically. He noted the sizable population of potential participants that were limited in job opportunity and observed that by attaining their first credential, they would create sustenance for their household and each participant could earn a stackable, market verifiable credential in two-weeks. He added that ACD would scale GED participants to a credentialed program.

Councilmember Andrews-Sullivan asked of educational advancement opportunities for individuals that were formerly incarcerated, learning disabled, or medically disabled. She asked if ACD had seen an increase in summer session enrollment. Ms. Lopez replied that the proposed initiative included the establishment of specific goals to address specific populations. President Flores reported a 15% increase in summer enrollment from 2019. He noted that ACD had provided scholarships for up to three courses for a large percentage of the students to enable their continued enrollment from the previous Fall and Spring Semesters. President Teniente-Matson reported a 23% increase in summer enrollment from 2019 and offered scholarships for books and emergency COVID-19 relief assistance.

Councilmember Treviño asked if the ballot initiative would be a Type A or Type B tax under State law. He asked if undocumented students were eligible for college services. He noted that the sample ballot listed the proposed initiative cost at \$2 million annually and he asked for an itemization of costs. He cited the \$67.3 million allocated from the General Fund for workforce development and asked if City Council could vote to divest a portion of the funds to other pillars, such as housing security. He asked how the emergency \$500 grant process would work. He asked how the wraparound \$1,000 support process would work. He voiced concern for the need to prioritize basic shelter for residents following the lift on eviction moratoriums for CARES Act protected properties. He recognized that many residents lived in crisis prior to COVID-19. He asked if there was an alternative tax plan that could be implemented to assist the local housing market and cited Chapter 505 of the Texas Government Code that enabled residents to call for an election to use a sales tax for the development and expansion of affordable housing.

Councilmember Perry noted the urgent need for immediate job placement and asked of the amount of funds dedicated for apprenticeships versus long-term 2-year and 4-year degree programs. He asked of available apprenticeships and training opportunities in the construction industry. He noted that the construction industry was a large industry that could assist with COVID-19 recovery. He expressed concern about the sizeable public investment and requested more detail about the allocation of funds. Ms. Lopez replied that the ballot initiative would allocate approximately 60% of funds towards workforce training as an option for participants, rather than just classroom instruction. She added that the City had good collaborations with the construction industry and noted that Beldon Roofing had partnered with Project Quest to provide a robust training model.

Mayor Nirenberg asked for a clarification of the timeline for the proposed allocation of the 1/8 cent sales tax. Assistant City Manager Contreras reported that the funds would begin to accrue over a four-year period beginning in April 2021 and would become available in December 2025. He emphasized that staff would collaborate with the Association of General Contractors and other construction trades to identify potential on-the-job training opportunities as part of the Workforce Development Pillar under the CARES Relief Act and would continue to establish construction trade partnerships as a part of the ballot initiative.

Councilmember Courage stated that detailed answers needed to be provided to the public as part of the show of commitment by the City and the partnering organizations that the funds would be well spent. He recognized that it was to the benefit of the City to raise the skill sets and education levels of many workers in the community. He voiced concern that some participants would be allowed to accrue stackable credentials and pursue multiple opportunities instead of allowing for as many participants as possible to receive training opportunities. He voiced concern for the assurance of voters for the City's continued commitment to protect the aquifer and to develop the trail system.

Councilmember Pelaez noted that 80% of construction firms nationwide and 85% of constructions firms in Texas reported difficulty finding employees that would show up to work on time. He voiced concern for the dismantling of many vocational and technical education programs in high schools and the many funds and resources allocated to higher education. He stated that millions of Americans could realize higher returns on the investment of funds towards training to be welders, electricians, or machinists and he urged City Council to be mindful to include the trades industries in the ballot initiative. He stated that it was important to recruit trade industry partners ahead of time. He voiced his support for the ballot initiative upon the assurance for aquifer protection.

Mayor Nirenberg stated that staff would be formulating an ordinance to be presented to the Edwards Aquifer Conservancy Board before September 2020.

Councilmember Sandoval made the recommendation to appoint Robert J. Potts to the San Antonio Water System (SAWS) Board of Trustees in support of continued advocacy for the protection of the Edwards Aquifer and noted his ample, three years of experience as the Executive Director of the Edwards Aquifer Authority. She requested a review of the proposal in written form that provided further detail regarding wraparound services. She requested a timeline for the next steps of the implementation process for the ballot initiative and for a place on the timeline to allow for workers and users to have their voices heard and provide input for the program. She observed that so long as the City had the Alamo, the Riverwalk and the Henry B. Gonzales Convention Center, there would always be service jobs available and requested that the City do all that was possible to create dignified jobs that provided livable wages.

Councilmember Cabello Havdra asked for the deadline to call the election. Deputy City Attorney Ray Rodriguez replied that August 17, 2020 was the required deadline. She requested a review of the proposal in written form in advance of the August 17, 2020 deadline to call the election.

Councilmember Rocha Garcia requested the formation of focus groups as part of the implementation plan. She requested the formation of a subcommittee or the convening of the Economic and Workforce Development Council Committee to discuss trades and apprenticeship programs.

City Attorney Andy Segovia stated that answers to questions regarding tax authority, type of tax designated and a full analysis would be provided to the City Council.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 10:37 a.m.

APPROVED

RON NIRENBERG
Mayor

Attest:

TINA J. FLORES
Acting City Clerk