



City of San Antonio

Legislation Details (With Text)

File #: 17-2075

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 3/30/2017

Title: An Ordinance authorizing a funding agreement in the amount of \$82,000.00 with the San Antonio Education Partnership to be used for the Upgrade initiative. [Ben Gorzell, Chief Financial Officer; Rene Dominguez, Director, Economic Development]

Sponsors:

Indexes:

Code sections:

Attachments: 1. 17-2075.pdf, 2. Ordinance 2017-03-30-0187

Date	Ver.	Action By	Action	Result
3/30/2017	1	City Council A Session		

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:

The appropriation and authorization of \$82,000 for Upgrade, an SAEP initiative.

SUMMARY:

An ordinance appropriating \$82,000 from the Economic Development Incentive Fund balance and authorizing a total investment of \$82,000 in Upgrade, an initiative through the San Antonio Education Partnership (SAEP) which focuses on matching adults to career pathways and to employers who have committed to job interviews.

BACKGROUND INFORMATION:

The 2015 SA2020 Talent Pipeline Report highlighted the shortage of trained individuals to fill the open middle skill jobs and identified a solution by focusing on two populations: opportunity youth and adults who have completed some college. Upgrade is a specific strategy that targets adults and is based on a national model called the "Graduate Network." It is a demand-driven model that matches adults to career pathways and to employers who have committed to job interviews. Upgrade is done in collaboration with SA Works, housed within café college and operated by the San Antonio Education Partnership.

ISSUE:

In Bexar County, there are nearly 300,000 adults that have some college but no degree. Alamo Colleges has identified over 10,000 students who have left in the last two years without completing their degree. The majority of this adult population is employed and has already secured a number of credit hours that could put them on a path to qualify for higher skill, higher wage jobs. SA2020 estimated that just a 1 percent increase in the number of bachelor's degrees would represent an estimated \$1.38 billion increase in personal income for the San Antonio region. This example shows the importance and potential of certification and degree attainment.

Momentum for the initiative began in 2016 when Mayor Taylor and Judge Wolff hosted a business forum to engage local employers to partner with Upgrade. Businesses who participate and potentially have tuition reimbursement programs are perfect collaborative partners. Several case studies have shown the benefits to companies who effectively use their tuition reimbursement programs including 129% return on investment and 43% higher incremental wage gains.

In addition, the City of San Antonio seeks to be a model employer by demonstrating the benefits of the program to other local employers considering participation in Upgrade. EDD staff has been working with the City of San Antonio Human Resources department to identify ways Upgrade can benefit City employees.

The Human Resources department has found that nearly 1,700 City employees have some college but no degree. With such a large pool of potential adults that could benefit from additional training, staff is requesting authorization to fund an additional staff person with Upgrade that would focus solely on the City pilot program. This staff person will oversee the pilot with City employees that will include: onsite career counseling, career pathway identification within the City, maximization of tuition reimbursement program outcomes, and assistance with college enrollment.

Specific metrics and outcomes will be determined after City employees are surveyed to further define potential obstacles to degree/credential completion and to gauge overall interest in participating in Upgrade.

A total of \$40,000 is allocated to staff for a community wide effort and additional \$42,000 is allocated for an additional SAEP staff position to focus specifically on City of San Antonio employees as a pilot demonstration to identify opportunities and develop career pathways to provide a model to other potential Upgrade business partners.

ALTERNATIVES:

The City could consider not funding Upgrade but that would make it difficult for Upgrade to launch effectively and there would be no staff dedicated to assist City employees finish their degrees.

FISCAL IMPACT:

This ordinance appropriates \$82,000 from the Economic Development Incentive Fund and authorizes a total investment of \$82,000 in Upgrade. Funds are available in the Economic Development Incentive Fund through economic development agreements that have included company contributions towards workforce development programs.

RECOMMENDATION:

Staff requests appropriation of \$82,000 from the Economic Development Incentive Fund (EDIF) balance and authorization of an investment of \$82,000 in the Upgrade program.

The Upgrade initiative was presented to the Economic and Human Development Committee and unanimously endorsed for full council consideration on March 7, 2017.