



City of San Antonio

Agenda Memorandum

File Number:19-6136

Agenda Item Number: 26.

Agenda Date: 9/19/2019

In Control: City Council A Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

An Ordinance approving the renewal of an Interlocal Agreement between the City of San Antonio and the Alamo Colleges District.

SUMMARY:

An Ordinance approving the renewal of an Interlocal Agreement (ILA) between the City of San Antonio and the Alamo Colleges District (ACD) for a two-year term, effective September 1, 2019 through August 31, 2021, which facilitates administration of "CPS Energy proceeds" (the City's 14% share of CPS Energy revenue collected from ACCD's monthly natural gas and electrical billings) encumbered under a settlement agreement to *City of San Antonio vs. Alamo Community College District* (ACCD). The ILA funding consists of an estimated \$1,087,710 for ACD's 2020 fiscal year based on estimated future CPS Energy revenues and existing carryover funds to support the following: (1) the Alamo Academies; (2) City employee training programs administered by the Human Resources Department; (3) the Economic Development Department Mentor-Protégé Program; and (4) the Department of Human Services Training for Job Success Program.

In addition, the request in the amount of \$154,218 from the ACD for the initial year of Alamo Promise will be funded as a part of the first year ILA budget through a grant in the amount of \$154,218 from the Economic Development Incentive Fund (EDIF). The combined budget for the ILA is \$1,241,928.

EDD also recommends approval of administrative authority to adjust the budget and programs funded through the ILA for ACD's 2021 fiscal year in consultation with the Economic and Workforce Development Committee (EWDC).

BACKGROUND INFORMATION:

In March 2001, City Council authorized the 15-year Settlement Agreement pursuant to *City of San Antonio vs. Alamo Community College District*, which was renewed in April 2016 for an additional 15 years. The settlement agreement utilizes funds deposited in escrow from the City's 14% share of CPS Energy revenue collected from ACD's monthly natural gas and electrical billings. Based on projected CPS Energy revenues from ACD billings and existing carryover funds, the FY 2020 estimate of \$1,087,710 will be allocated as follows:

Alamo Academies (AAAA, ITSA, ATMA, HPA, HEA)	\$485,416
Training for City Employees (HR)	\$438,294
Small Business Mentor-Protégé (EDD)	\$94,000
Training for Job Success (DHS)	\$70,000
TOTAL	\$1,087,710

Projects Funded:

- Alamo Academies - An innovative training and educational partnership providing education, experience, and job opportunities for high school students seeking to jump-start their careers and make a seamless transition from high school to college and/or the workplace. The Alamo Academies include the Alamo Area Aerospace Academy (AAAA), the Information Technology & Security Academy (ITSA), the Advanced Technology & Manufacturing Academy (ATMA), the Health Professions Academy (HPA), and the Diesel Technology Academy (DTA). In 2019, Alamo Academies graduated 104 students.
- Department of Human Resources (HR) - The HR Department coordinates and develops employee education and development initiatives including specialized training. This request includes funding for the Workplace Education Programs (G.E.D. Exam Preparation and CDL Exam Training), project management and process improvement training (Fundamentals of Project Management, Workflow Analysis and Project Management Professional Certification), and the City Leadership Programs (Supervisor/Management and Leadership Development Programs). A total of 1,818 employees were trained in 133 classes in FY2018.
- Economic Development Department (EDD) - Utilizes funding to operate the Small Business Mentor-Protégé Program. This program provides capacity-building educational courses, referred to as the Small Business Boot Camp, specific to the needs of small business (courses include How to Write a Business Plan, Managing Your Financials, Access to Credit, and Marketing). The program provides individualized business counseling and facilitates mentor-protégé partnerships, which allow small businesses to learn successful business practices from experienced industry leaders. In FY2019, 48 companies participated as protégés and 31 companies provided mentors. Ten protégé companies will graduate in October 2019. Additionally, businesses that participated in the Mentor-Protégé Program increased annual revenue on average by 98%.
- Department of Human Services (DHS) - The Family Assistance Division of DHS currently administers the Training for Job Success (TFJS) education/employment skills training program, which assists individuals in making permanent improvements in their lives to move toward self-sufficiency. Funding will provide scholarship opportunities for 47 case management clients enrolling in an Alamo College certificate or degree program to prepare for employment in targeted demand occupations. In FY2018, 37 case management clients enrolled in Alamo College programs. TFJS graduates demonstrated 418% annual earnings increase or an average increase from \$11,556.96 pre-TFJS to \$48,343.32 post TFJS. A total of 141 household members transitioned out of poverty.

In addition, the ACD has requested funding for the City of San Antonio for Phase 1 of the Alamo Promise initiative. Aimed at increasing the college enrollment and long-term career outcomes for first generation, underrepresented, and underserved students without creating unmanageable college debt, Alamo Promise

represents a collaborative approach to equitable workforce development and will require public and private support. The City proposes to provide grant funding from the City's Economic Development Incentive Fund in the amount of \$154,218 for the initial year, which is included in the Interlocal Agreement budget. Any future City funding for Alamo Promise will be subject to City Council approval after briefing and discussion during a City Council B Session in November 2019.

EDD along with ACD presented to the ACD Board of Trustees on July 16, 2019. On July 23, the ACD Board approved authorization for the Chancellor to execute the ILA with the City. On August 6, the Economic and Workforce Development Council Committee supported the ILA following a staff briefing. However, neither briefing included consideration of the City's funding for Alamo Promise. The ACD Board of Trustees will need to reconsider this Interlocal Agreement and budget, inclusive of this additional funding.

ISSUE:

City Council approval of the Interlocal Agreement will allow for continued administration of proceeds encumbered pursuant to the renewed 15-year Settlement Agreement executed in 2016 with the Alamo Colleges District. Additionally, the grant from the Economic Development Incentive Fund will support the initial year of Alamo Promise.

ALTERNATIVES:

If City Council does not approve the renewal of the Interlocal Agreement, the authority to administer these funds under the Settlement Agreement will terminate and funding for the proposed programs in the FY 2020 (Year 4) Interlocal Agreement budget will cease. This may impact the ability of the Alamo Academies and the Mentor Protégé Program to continue operations. The number of residents participating in the Training for Job Success Program and City employee participation in training will also decrease. Further, not approving the EDIF grant to ACD will delay or prevent initial implementation of Alamo Promise.

FISCAL IMPACT:

An Ordinance approving the renewal of an Interlocal Agreement (ILA) between the City of San Antonio and the Alamo Colleges District (ACD) for a two-year term, effective September 1, 2019 through August 31, 2021 which facilitates administration of "CPS Energy proceeds" (the City's 14% share of CPS Energy revenue collected from ACCD's monthly natural gas and electrical billings) encumbered under a settlement agreement to *City of San Antonio vs. Alamo Community College District* (ACCD). The ILA includes an estimated \$1,087,710 for ACD's 2020 fiscal year based on estimated future CPS Energy revenues and existing carryover funds. CPS Energy revenues are placed in an Education and Training Fund escrow account maintained by ACD. Training credits are then provided by ACD through negotiated contracts for specific training programs included in the Interlocal Agreement budget.

Funding in the amount of \$154,218 is available in FY 2019 Economic Development Incentive Fund to support the recommended grant to ACD for the initial year of Alamo Promise.

RECOMMENDATION:

Staff recommends City Council approve the renewal of the Interlocal Agreement with Alamo Colleges District effective September 1, 2019, to administer funds for education and training programs in accordance with the renewed ACD Settlement Agreement in the amount of \$1,087,710. Staff also recommends approval of an EDIF grant in the amount of \$154,218 to ACD for the initial year of Alamo Promise for a total of \$1,241,928.00 \$1,241,298 (updated September 13, 2019)

