



City of San Antonio

Agenda Memorandum

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In Control: City Council B Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on a proposed 1/8 cent sales tax ballot initiative to provide for workforce development and higher education under Chapter 379A of the Texas Local Government Code.

SUMMARY:

This item provides a briefing on a proposed 1/8 cent sales tax ballot initiative to provide for workforce development and higher education under Chapter 379A of the Texas Local Government Code. This initiative would build on the COVID-19 Recovery and Resiliency Plan workforce development pillar that served as the immediate response to the substantial and urgent need to assist San Antonio residents unemployed as a result of the COVID-19 pandemic. Building on this short-term intervention, the ballot initiative will continue the path to a strong, resilient economic recovery by investing in a combination of training and education programs that leads to a robust talent pipeline for high demand and high wage careers.

BACKGROUND INFORMATION:

Prior to the outbreak of the COVID-19 virus San Antonio experienced a relatively low unemployment rate, yet poverty rates in our community were among the highest in the country. Also prior to outbreak, the City completed various reports, including the Status of Women Report and the Poverty Report that disaggregated data and included specific recommendations to affect change. The unprecedented economic impacts of COVID-19 on the San Antonio economy have resulted in an estimated 160,000 displaced workers, further

compounding the various financial burdens faced by residents.

Low post secondary educational attainment rates in San Antonio have resulted in a lack of skilled workers and an abundance of lower wage, low skill jobs. Approximately 51% of San Antonio residents who have filed for unemployment insurance since mid-March have completed high school, or the equivalency. An additional 23% have completed some college course work but have not completed degrees. Only 3% of unemployment insurance claimants have earned a bachelor's degree. Based on 2017 data from the U.S. Bureau of Labor Statistics, weekly earning for workers with a bachelor's degree are 52% higher than workers with some college but no degree. Substantial, continued investment in workforce development and degree completion among our residents is critical to San Antonio's emergence from this public health and economic crisis as stronger and more resilient.

In July 2020, Mayor Nirenberg appointed a Workforce and Education Leadership Taskforce to reassess community workforce development priorities and identify the most effective strategies beyond the immediate crisis. This taskforce includes leaders from education, workforce development, asset-building, business, economic development, and philanthropy. Recommendations from this taskforce have informed the proposed program.

ISSUE:

Building on the immediate COVID 19 Recovery and Resiliency workforce development pillar creates an opportunity to further help residents by providing a comprehensive and holistic approach to workforce development and education training. The proposed initiative will include a two-pronged effort of workforce training certificates and higher education degree completion, both combined with wraparound support and emergency financial assistance. This four-year initiative is estimated to generate \$38.5 million annually through the 1/8 cent sales tax and will serve for up to 10,000 participants every year.

The workforce training associated with the initiative will focus on high-demand occupations with immediate job openings that create career pathways for residents to grow wages. Examples include logistics associates, maintenance/repair technicians, certified nurse aids and child development associates. These occupations have nominal barriers to entry, with stackable short-term certificates ranging from 2-12 weeks that enable residents to reenter the workforce and upskill within that field to increase their earning potential. Local industry leaders have anticipated the continued need for trained worker in these types and similar occupations. The initiative will serve approximately 60% of participants with this type of short-term training.

The second prong will focus on promoting completion of two or four-year degrees in targeted industries, as identified in the SA Works COVID Jobs Report released in July. These industries include manufacturing and aerospace, bioscience and healthcare, financial and professional services, technology and cybersecurity, and construction and trades. Focusing resources to support college degree completion prepares residents to pursue careers with substantially higher wages. The initiative will serve approximately 40% of participants with last-dollar tuition assistance to promote degree completion.

Participants pursuing either type of training will also receive wraparound case management services to help navigate barriers that may prevent training completion and support job placement post training and education completion. While case managers will assist participants in accessing available support services, participants will also have access to emergency financial assistance for unanticipated and immediate expenses, such as car repairs and utility assistance. This type of emergency financial assistance will be available on a case-by-case basis, as needed by program participants.

This initiative will build on the existing infrastructure associated with this work. For example, higher education institutions already make support services available to students. These services include academic and career advising, tutoring, social service referrals, and mental health and medical services. They also currently provide emergency financial assistance. While higher education institutions will continue to provide these services, this initiative will supplement these services, creating lower participant to case manager ratios that promote more substantial engagement and training or degree completion. In addition, the long-standing and newly developed collaborations with workforce development community partners can be leveraged to facilitate implementation, including a rigorous evaluation component to understand the efficacy and impact of the program.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This 1/8 cent sales tax initiative is projected to generate approximately \$38.5 annually. Modeling for anticipated number of participants served are based on this figure and a four-year program duration.

RECOMMENDATION:

Staff recommends City Council consider during the August 13 City Council meeting ordering a special election for the proposed 1/8 cent sales tax ballot initiative to provide for workforce development and higher education under Chapter 379A of the Texas Local Government Code.