



City of San Antonio

Agenda Memorandum

File Number: 15-1661

Agenda Item Number: 14.

Agenda Date: 3/5/2015

In Control: City Council A Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT: Renewal of Settlement Agreement and Interlocal Agreement with the Alamo Community College District (commonly referred to as the Alamo Colleges)

SUMMARY:

This item provides for consideration of an Ordinance approving renewal of an Interlocal Agreement for a two-year term which facilitates administration of CPS Energy proceeds encumbered under a settlement agreement pursuant to *City of San Antonio vs. Alamo Community College District (ACCD)*, and approving renewal of the ACCD Settlement Agreement for an additional 15-year term. In coordination and partnership with ACCD staff, EDD recommends a 12 month budget of an estimated \$1,105,360 for the ACCD fiscal year of September 1, 2015 through August 31, 2016, based on estimated future CPS Energy revenues and existing carryover funds. Staff recommends continued funding for: (1) the Alamo Academies; (2) City employee training programs administered by the Human Resources Department; (3) the Economic Development Department Mentor-Protégé and Bonding Assistance Program; and (4) the Department of Human Services Training for Job Success (TFJS) employment skills program. EDD also recommends approval of administrative authority to adjust the budget and programs funded through the Interlocal Agreement for the ACCD fiscal year of September 1, 2016 through August 31, 2017, in consultation with the Economic and Community Development Committee.

BACKGROUND INFORMATION:

In March 2001, as a resolution to the allocation of the City's share of CPS revenues, City Council authorized the City to enter into a 15-year Settlement Agreement (ending in 2016) with ACCD. The Settlement Agreement provided for the establishment of an escrow account for the City's 14 percent share of CPS revenue collected from ACCD's monthly natural gas and electrical billings. The Settlement Agreement is administered by an Interlocal Agreement between the City and ACCD, which sets forth the specific manner in which the funds are spent. The Interlocal Agreement and budget are for a 12-month term in accordance with ACCD fiscal years and renewable annually by City Council and ACCD Board approval. The term of the current Interlocal Agreement

expires on August 31, 2015.

Staff requests City Council consideration to renew the Settlement Agreement for a term of fifteen years and the Interlocal Agreement and the budget for a two-year term from September 1, 2015 through August 31, 2017.

In partnership with ACCD, the Settlement Agreement has proven to be a highly effective workforce and education partnership, which has led to many significant achievements for our community. The Alamo Academies, Advanced Technology Center, West Side Education and Training Center, the Small Business Mentor-Protégé and Bonding Assistance Program, and Training for Job Success workforce development program are just a few of many success stories that have resulted from this collaboration. It has also been an invaluable resource for providing training for our City employees.

Based on projected CPS Energy revenues from ACCD billings and existing carryover funds, the FY 2016 (Year 15) budget is estimated at \$1,105,360, summarized as follows:

Alamo Academies (AAAA, ITSA, ATMA, HPA, HEA)	\$476,910
Training for City Employees (HR)	\$457,350
Mentor-Protégé/Bonding Assistance Program (EDD)	\$88,600
Training for Job Success Scholarships (DHS)	\$70,000
Financial Review and Procedures Audit*	\$12,500
TOTAL	\$1,105,360
*Budgeted \$12,500 for FY 2015	

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 Heavy Equipment Academy (HEA). The Alamo Academies have graduated 1,010 students between 2001 and 2014.
- Department of Human Resources (HR) - The HR department serves to coordinate and develop employee education and development initiatives, including specialized training. 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 882 employees were trained in 82 classes in FY 2013-2014.
- Economic Development Department (EDD) - Utilizes funding to operate the Mentor-Protégé and Bonding Assistance Programs. These programs provide capacity-building educational courses, referred to as the Small Business Boot Camp, specific to the needs of small business (courses include Business Plan, Business Plan Financials, Access to Capital, Credit Repair, among others). 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 2014, 82 businesses participated in the mentor protégé program and 10 participated in the bonding assistance

program.

- Department of Human Services (DHS) - DHS, through its Family Assistance Division, currently administers the Training for Job Success (TFJS) employment skills program, which assists individuals in making permanent improvements in their lives to escape poverty and move toward self-sufficiency. DHS requests funding to provide scholarship opportunities for 30 case management clients enrolling in an Alamo College certificate or degree program to prepare for employment in targeted demand occupations.

ISSUE:

Renewal of the Settlement Agreement and Interlocal Agreement by City Council and ACCD Trustees will allow for continued administration of proceeds encumbered pursuant to the 15-year Settlement Agreement executed in 2001 with the Alamo Community College District.

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 2016 (Year 15) Interlocal Agreement budget will cease and may impact the ability of the Alamo Academies to continue operations.

FISCAL IMPACT:

There is no direct fiscal impact to the City. CPS Energy revenues are placed in an Education and Training Fund escrow account maintained by ACCD. Training credits are then provided by ACCD through negotiated contracts for specific training programs included in the Interlocal Agreement budget.

RECOMMENDATION:

Staff recommends approval to renew a Settlement Agreement for a fifteen-year term effective April 1, 2016, and an Interlocal Agreement for a two-year term effective September 1, 2015, with the ACCD to administer funds for education and training programs.