



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 54

Agenda Date: September 21, 2023

In Control: City Council A Session

DEPARTMENT: Workforce Development Office

DEPARTMENT HEAD: Michael Ramsey

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

An Ordinance approving the renewal of an Interlocal Agreement between the City of San Antonio and the Alamo Colleges District funded by CPS Energy Settlement proceeds.

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 ending August 31, 2025. The agreement facilitates the administration of CPS Energy proceeds encumbered under a settlement agreement relating to City of San Antonio vs. Alamo Community College District. The ILA includes a 12-month budget of an estimated \$1,065,000 for each of ACD's 2024 and 2025 fiscal years based on projected future CPS Energy revenues and existing carryover funds to support current programming and an annual audit. Additionally, staff recommends approval of administrative authority to adjust the budget and programs funded through the ILA for ACD's 2025 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 an Education and Training Fund escrow from the City's 14% share of CPS Energy revenue collected from ACD's monthly natural gas and electrical billings. The settlement requires that the City and ACD update an ILA regularly to approve the budget. The current ILA was approved by City Council on September 30, 2021 (Ordinance number 2021-09-30-0737).

ISSUE:

Staff seeks to renew the ILA to allow for continued administration of proceeds encumbered pursuant to the renewed 15-year Settlement Agreement executed in 2016 with ACD. A breakdown of the funding costs per program are below:

- **Annual Audit (\$25,000 budgeted)**
- **Alamo Academies (\$505,627)** – 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, the Information Technology & Security Academy, the Advanced Technology & Manufacturing Academy, the Health Professions Academy, and the Diesel Technology Academy. In FY 2023, Alamo Academies trained 89 completers.
- **Training for City Employees (\$421,000)** – The Human Resources 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, and City Leadership Programs. In FY 2023 ACD trained 1,804 employees in 110 classes.
- **Small Business Mentor-Protégé Program (\$113,373)** – The Economic Development Department utilizes funding to operate this program. It 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 also provides individualized business counseling and facilitates mentor-protégé partnerships, which allow small businesses to learn successful business practices from experienced industry leaders. In FY 2022 and FY 2023, 53 companies participated as protégés, and 11 companies provided mentors. Nine protégé companies will graduate in FY 2023. Additionally, small, minority and women owned businesses that participated in the Mentor-Protégé Program increased annual revenue on average by 70%.

On September 19, 2023, the ACD Board will consider authorization for the Chancellor to execute the ILA with the City. The Economic Workforce Development Committee recommended this item for full City Council consideration on August 22, 2023.

ALTERNATIVES:

Should City Council not approve this item, settlement funds would remain in escrow and the City would need to evaluate other options for providing education and training for high school students, City employees, and small businesses which would delay services.

FISCAL IMPACT:

The fiscal impact to the City of San Antonio consists of \$1,065,000 in both revenues and expenses. Revenues consisting of fourteen percent (14%) proceeds from the electric and natural gas billings by CPS Energy to the Alamo Colleges District (ACD) to be placed in an escrow account, maintained by ACD. Expenses relate to the college hours provided by ACD for City employees and programs designated by the City of San Antonio, including tuition reimbursement and/or any other lawful purpose that supports the City's economic development strategies and workforce development in lieu of the City of San Antonio's 14% portion of the proceeds.

RECOMMENDATION:

Staff recommends approval of the ILA. Additionally, staff recommends approval of administrative authority to adjust the budget and programs funded through the ILA for ACD's 2025 fiscal year in consultation with the Economic and Workforce Development Committee (EWDC).