City of San Antonio

Agenda Memorandum

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Agenda Item Number: 5

Agenda Date: April 26, 2022

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Office of Innovation

DEPARTMENT HEAD: Brian Dillard

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Provide a briefing on the American Rescue Plan Act (ARPA) Funds for Digital Inclusion/Digital Literacy.

SUMMARY:

This item provides an overview of efforts the City has undertaken to address digital inclusion including programs funded in the COVID-19 Recovery and Resiliency Plan approved by City Council in June 2020. This briefing will also highlight some of the COVID-19 impacts on digital inclusion and digital literacy and future funding alignment opportunities at the state and federal level.

Staff also requests feedback from Economic and Workforce Development Committee (EWDC) on priorities for investments in digital inclusion/literacy programs and initiatives.

BACKGROUND INFORMATION:

On March 11, 2021, Congress signed into law ARPA which included resources to support local government's response to and recovery from the COVID-19 pandemic. The City of San Antonio was awarded $326.9 million in State and local Fiscal Recovery Funds. As part of the FY 2022 Budget process, City Council approved $97.50 million to support the city budget and address community needs. On November 18, 2021, Council approved an additional $30.0 million for utility assistance. The remaining $199.4 million remained unallocated and was intended to be awarded following a community engagement process that began in the fall of 2021.

On October 20, 2021, City Council was briefed and presented with a potential spending framework, strategic guiding principles, and a community input plan for the use of the ARPA State and Local Fiscal Recovery Funds. In November 2021, the City held community meetings and launched a survey to obtain feedback on the use of the ARPA Funds. Additional meetings were held in December 9, 2021 and January 26, 2022 to obtain further policy direction from the City Council and to discuss community input. Finally, on February 3rd, City Council approved a spending framework. This Spending framework supports the continued response to the COVID-19 pandemic, addresses community priorities, and allocates funds for City employee compensation/benefits/retention.

Included in the spending framework are seven categories that will be further discussed at three Council Committees to develop plans and expected outcomes for each of the categories. The table below reflects these categories.

City Council Committee	Spending Category	Amount (In Millions)
Economic and Workforce Development	Small Business	$30.9
	Youth	$10.0
	Digital Inclusion	$6.9
Community Health, Environment, and Culture	Arts	$5.0
	Seniors	$5.0
	Non-Profit Social Services	$4.0
Public Safety	Mental Health	$26.0

According to the 2020 Digital Inclusion Survey and Assessment (DISA), about twenty percent of San Antonio households don't have access to reliable broadband internet in the home there by creating disparities between those that are connected and those that aren't. COVID-19 has only aggravated those disparities especially for traditionally underserved communities.

On June 4, 2020, as part of San Antonio's Recovery and Resiliency Plan, City Council approved $27.3 million to support digital inclusion efforts across the city due to the impacts of COVID-19. As a result, the Office of Innovation and the Information Technology Services Department developed and administered several digital inclusion efforts in collaboration with key stakeholders to meet immediate needs and to set up San Antonio with a long-term digital inclusion strategy.

On May 28th, 2021, House Bill 5 was passed in the 97th Legislative Session. The bill establishes the broadband development office within the office of the comptroller of public accounts and tasks the broadband development office with preparing, updating, and publishing a state broadband plan; serving as a repository for information relating to broadband service and digital connectivity in Texas and engaging in community outreach; creating, annually updating, and publishing a broadband development map to classify areas in Texas as eligible for broadband expansion assistance; and establishing a broadband development program to award grants, low-interest loans, and other financial incentives to applicants in the areas classified as eligible for assistance on the map for the purpose of broadband expansion. The Broadband Development office opened in September 2021 and in November 2021 Governor Abbott signed Senate Bill 8 that allocated $500 million in ARPA funding to broadband infrastructure.

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was officially enacted. The IIJA provides $973 billion over five years from FY 2022 through FY 2026, including $550 billion in new investments. $65 billion of that amount is committed to broadband with the goal of ensuring that every American has access to affordable, reliable, high-speed internet.

This will be a once in a lifetime opportunity to strategically prepare for potential funding alignment from the state and federal level.

ISSUE:

The Economic and Workforce Development Committee will begin discussions to develop a plan for the allocation of the $6.9 million allocated to Digital Inclusion/Literacy. The Economic and Workforce Development Committee will provide policy direction to City staff to develop a plan that:
1. Identifies a COVID-19 impact
2. Includes programs/ strategies that will benefit community members affected by the impact identified in Step 1
3. Defines desired equitable outcomes with metrics to measure those outcomes
4. Provides a not-to-exceed, 4-year implementation plan

FISCAL IMPACT:

The ARPA – Local Fiscal Recovery Funds Spending Framework approved by City Council on February 3rd allocated $6.9 million to Digital Inclusion/Literacy.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.