

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
DEPARTMENT OF COMMUNITY INITIATIVES**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

THROUGH: Terry M. Brechtel, City Manager

COPIES: Frances A. Gonzalez, Assistant to the City Manager; Councilmember David Carpenter, District 10; City Attorney's Office; Finance Department; Office of Management & Budget; File

SUBJECT: AN ORDINANCE ACCEPTING ADDITIONAL FUNDING FROM THE ANNIE E. CASEY FOUNDATION AND AUTHORIZING THE EXPENDITURE OF HUMAN DEVELOPMENT SERVICES FUNDS FROM COUNCIL DISTRICT 10 FOR USE AS MATCH FUNDING FOR STUDENT INDIVIDUAL DEVELOPMENT ACCOUNTS

DATE: May 1, 2003

SUMMARY AND RECOMMENDATIONS

- a. This ordinance authorizes the acceptance of a grant and execution of an agreement with the Annie E. Casey Foundation for the Saving for School program for the period of October 1, 2002 through December 31, 2003 bringing the total award to \$25,000. This ordinance also approves an amended budget for the Families SAVE Individual Development Account (IDA) program.
- b. This ordinance amends the Human Development Services Funds (HDSF) Guidelines to include IDAs and authorizes the expenditure of \$15,000 of HDSF from Council District 10 for use as match funding for student IDAs for college scholarships.

Staff recommends this ordinance be approved.

BACKGROUND INFORMATION

For the past two years, the Department of Community Initiatives has operated the Families SAVE IDA program through an Assets for Independence Act (AFIA) grant from the U.S. Department of Health and Human Services (HHS). This grant matches participants' savings through IDAs for the establishment of a business, buying a home or attaining higher education.

- a. The Annie E. Casey Foundation (AECF) makes minigrants available annually to its 49 Children and Family Fellowship members. The Director of DCI is a Children and Families fellow and submitted a minigrant application to the AECF in support of the Saving for School Program. The minigrant being accepted represents the second \$25,000 minigrant the AECF has

awarded the City. The first minigrant, received in January 2001, supported an intergenerational project to engage seniors in the City's Kindergarten Readiness Initiative.

The AECF has now decided to make an additional financial investment in the implementation of the Saving for School Program. By working in coordination with the San Antonio Education Partnership (SAEP), this program assists students who live at 200% of the federal poverty level or below to receive and benefit from Individual Development Accounts (IDAs) and financial literacy training as a means of reducing their level of student loan indebtedness.

Students participating in Saving for School will be asked to save between \$100 and \$500 within the next year. Once the participants have reached their predetermined goal, the amount saved will be matched at a four to one ratio. Half of the match will be provided through AFIA funds and the other half will be provided through this funding provided by the Annie E. Casey Foundation. Participants will also receive 12 hours of financial literacy training including six hours that will specifically pertain to financing higher education. It is estimated this award, along with the \$6,500 already accepted for this program, will be available to match the savings of 50 students.

b. Councilmember David Carpenter has also expressed commitment to invest \$15,000 in Human Development Services Funds for a program similar to Saving for School for students at Mac Arthur, Madison, Reagan, and Roosevelt High Schools. This effort will also be matched with \$15,000 from the AFIA grant. The \$30,000 will provide eligible high school students the opportunity to save for their college education and receive valuable financial literacy training.

POLICY ANALYSIS

This action is a continuation of existing City policy to provide human development opportunities and serves as a public purpose by enabling high school students to co-finance their college education through IDAs. It also supports human development by assisting San Antonio residents in raising their education and skill levels as a means of promoting self-sufficiency.

Ordinance No. 93078, passed and approved on December 14, 2000 authorized the acceptance of an initial \$100,000 Assets for Independence Act (AFIA) grant from the U.S. Department of Health and Human Service for the development and implementation of the Families SAVE IDA program. Ordinance No. 97399, passed and approved on March 27, 2003 authorized the acceptance of an additional \$900,000 from HHS as part of the AFIA grant.

a. Utilizing IDAs to finance higher education further strengthens family economic security by increasing the financial literacy of youth, thereby impacting future families and generations. By working with multiple partners and funding sources and helping participants achieve the goals of saving and increasing financial literacy, IDAs transforms the system by which students finance higher education by decreasing reliance on student loans. This concept was presented and received the endorsement of the SAEP Board of Directors on October 8, 2002. Ordinance No. 96714, passed and approved on November 14, 2002 authorized the acceptance of an initial grant of \$6,500 from the Annie E. Casey Foundation Fellow's Network for implementation of the Saving for School Program.

b. IDAs are not specified as an allowable activity in the FY 2003 HDSF guidelines. It is requested that this action amend the guidelines to allow further HDSF investments in IDAs. The municipal public purpose that is served by the award of said expenditure is to: 1) promote the professional needs of the City, 2) prepare the workforce for productive employment and 3) promote family, social and economic stability.

FISCAL IMPACT

The ordinance authorizes the acceptance of an additional \$18,500 from the Annie E. Casey Foundation to support the Saving for School Program. This amount, in addition with the initial \$6,500 awarded for this program in 2002, bring the grant to a total amount of \$25,000. The grant does not require a match from the City or other additional general funds. This ordinance authorizes the transfer of the original \$6,500 contribution into the IDA program budget.

This ordinance also authorizes the expenditure Human Development Services Funds from Council District 10 in the amount of \$15,000 to be used at match funding for student savings in IDAs.

COORDINATION

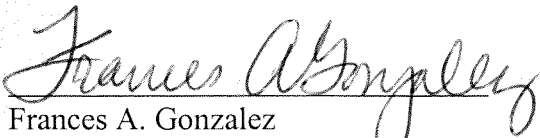
Coordination has occurred with the San Antonio Education Partnership, City Attorney's Office, Finance Department, and Office of Management and Budget.

SUPPLEMENTARY COMMENTS

Provisions of the Ethics Ordinance do not apply.



Dennis J. Campa, Director
Department of Community Initiatives



Frances A. Gonzalez
Assistant to the City Manager

Approved:



Terry M. Brechtel
City Manager

**Families SAVE Program
Project 26-022095**

Index No.**Revenues:**

076620	HHS Grant #90E10135/01	\$	900,000
076638	Citicorp Contribution	\$	50,000
115923	Casey Foundation 2002	\$	45,000
115964	Casey Foundation 2003	\$	62,850
	Casey-Saving for School	\$	18,500
76216	Casey-Saving for School	\$	6,500
	CD 10 - HDSF	\$	15,000
	TOTAL REVENUES		<u>\$ 1,097,850</u>

Activity 38-12-03**Expenditures:****Object Code**

524462	Administration Fees	02-160	\$	135,000
533398	Direct Welfare - IDA Account	04-276	\$	<u>962,850</u>
	Total Expenditures			<u><u>\$ 1,097,850</u></u>

FUND ONLY INDEX NO. 001568