



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Donna Dodgen
Seguin City Council

CC: Steve Parker, City Manager
Samuel Aguirre, City Attorney

From: Josh Schneuker, Director of Economic Development

Date: February 7, 2023

Subject: High Demand Job Training Grant Program MOU

High Demand Job Training Grant Program - Background Information

The Texas Workforce Commission's (TWC) High Demand Job Training Program was created using Workforce Innovation and Opportunity Act ("WIOA") funds to address skill gaps and ensure a talent pipeline to address industry needs, through collaborations between Local Workforce Development Boards and local Economic Development Corporations. Collaborations must engage in allowable WIOA activities, focusing on high demand occupational job training determined by the Workforce Development Boards in the local workforce areas. The intent of the High Demand Job Training Program is to support Workforce Development Boards in partnering with local EDCs that use their local economic development sales taxes for high demand job training. To achieve this purpose, the TWC wants to enable Workforce Development Boards to collaborate with local EDCs and leverage funds from their local economic development sales tax funds to jointly support the provision of such training. Grant funds awarded cannot exceed \$150,000 per Workforce Development Boards per fiscal year and require EDC's to leverage one dollar (\$1.00) for every one dollar (\$1.00) of grant funds awarded.

SEDC HDJT Grant Program Application and MOU

On October 31, 2022, the SEDC Board of Directors approved a Resolution authorizing the submission an application for the HDJT Grant Program to help offset costs for the purchase of equipment necessary to support the TX FAME – Lone Star Chapter. The HDJT Grant request is for an amount up to \$300,000, with the Seguin EDC leveraging up to \$150,000 (required EDC leveraged funds) and Workforce Solutions Alamo (Workforce Development Board, as Described Above) granting up to \$150,000 for the purchase of equipment necessary to support the TX FAME – Lone Star Chapter. Equipment to be purchased with using HDJT Grant Funds includes industrial controls, phase convertors, tool cabinets, drill presses, sheet metal brakes, horizontal band saws, hand tools, measurement kits, heavy duty metal tables, arbor presses, tool cabinets, bench grinder and sheet metal shears.

The TX FAME – Lone Star Chapter AMT program equipment identified will assist with filling a skills training gap that does not exist in the South-Central Texas region due to lack of instruction. The equipment requested has been vetted by Texas State Technical College, the education provider for the TX FAME Lone Star Chapter. The acquisition of this equipment will provide FAME AMT Program Students with the opportunity to “earn while they learn”, engage in a minimum of 1,800 work based learning hours, gain an associate degree of Applied

Science in Advanced Manufacturing, graduate debt free, and attain employment in a high-wage-high-demand occupation in the field of industrial maintenance.

Before the SEDC is able to formally submit the HDJT Grant Application, an Memorandum of Understanding between the SEDC and WSA needs to be formalized. Staff has been working with WSA to finalize the MOU and both parties have come to terms on the language within the MOU. The MOU addresses the following items related to the Grant:

- The SEDC will Provide up to \$147,976.39 for capacity building in the Manufacturing Industry; and provide \$144,367.20 in leveraged funds and 50% of the HDJT Grant Administrative Fee assessed by TWC (approximately \$3,609.18), for a total contribution of \$147,976.38.
- The SEDC will work with TSTC to ensure that all equipment is ordered and installed by TSTC, by the end of the contract period.
- WSA will match up to \$144,367.20 of funds on a dollar-for-dollar basis for capacity building in the Manufacturing Industry and 50% of the HDJT Grant Administrative Fee assessed by TWC (approximately \$3,609.18), for a total contribution of \$147,976.38.
- WSA will provide periodic reports to TWC using the Agency-provided format; and
- WSA will report expenditures to TWC using the Cash Draw and Expenditure Reporting System.

Staff and SEDC Board Recommendation

Staff and the SEDC Board of Directors recommend approval of the Resolution authorizing a Memorandum of Understanding between the Seguin Economic Development Corporation and Workforce Solutions Alamo required for the Texas Workforce Commission's High Demand Job Training Grant Program Application. The SEDC Board approved the item at their meeting on February 2, 2023.