



DATE: December 5, 2023

TO: Mayor and City Council

FROM: Chief Economic Development Officer

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreements with The Friends of Chabot College and California State University East Bay Foundation Inc. for Program Management Services for the Tuition Assistance Program Each for a Total Additional Not-To-Exceed Amount of \$200,000

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to execute an amendment to the professional services agreements with The Friends of Chabot College and California State University East Bay Foundation Inc. for program management services for the Tuition Assistance Program each for a total additional amount not-to-exceed of \$200,000 through December 31, 2024.

SUMMARY

As part of the City of Hayward COVID-19 Economic Recovery Plan that was reviewed by the Council Economic Development Committee in June 2021, the Tuition Assistance program was included as one of the nine programs utilizing ARPA funding to assist the business community by providing tuition assistance for Hayward residents that attend courses at Chabot College, California State University East Bay, and other technical schools offering certificate and professional training to enhance their overall competitiveness in the marketplace due to the negative impacts of the COVID-19 pandemic. The total budget for this workforce development program is \$400,000. An update was provided to the Council Economic Development Committee on November 6, 2023, on the current status of the Tuition Assistance Program

BACKGROUND AND DISCUSSION

Before the COVID-19 pandemic, employers in the San Francisco Bay Area faced challenges in finding qualified workers due to a tight job market. The situation was exacerbated by high housing costs, impacting employee retention and recruitment, particularly for Hayward employers. The pandemic further complicated matters, leading to business closures, furloughs, and a shift in employment preferences. As the economy recovers,

businesses encounter difficulties filling both previous and new positions, intensifying competition for skilled workers. Despite layoffs in the tech industry, a shortage persists in qualified applicants for skilled technical and advanced manufacturing positions.

Tuition Assistance Program

The Tuition Assistance Program is tailored to aid Hayward residents affected by COVID-19 economic impacts or those seeking skill improvement for enhanced employability. Grantees must attend courses at designated institutions, including Chabot Community College, Cal State East Bay (CSUEB), or other accredited programs. The program managers and partners - Chabot College, CSUEB, and Eden Area ROP - manage recruitment, application review, and fund disbursement. The total budget for this program is \$400,000. The microgrants range from \$500 to \$2,000, considering factors such as the program of study, cost, duration, and other aid received.

To date, \$67,000 has been dispersed to 134 grantees. The grants prioritize high, medium, and low priority programs, addressing industries with labor shortages, and providing flexibility based on individual needs.

Staff recommends City Council adopt the attached resolution authorizing the City Manager to amend the agreements with the Tuition Assistance Program fiscal partners, The Friends of Chabot and California State University East Bay Foundation Inc. by increasing each contract amount by \$200,000, for a total of \$400,000, which is the program's allocation budget.

STRATEGIC ROADMAP

This agenda item is associated the Grow the Economy section of Council's Strategic Roadmap, which directs staff to "Design and Implement the ARPA Tuition Assistance program and job fair series with CSU East Bay, Chabot, Eden Area ROP and Hayward employers" (Project E8).

FISCAL IMPACT

There is sufficient budget to cover the costs of amending the agreements with The Friends of Chabot and California State University East Bay Foundation Inc. to continue managing the Tuition Assistance Program through December 2024. This program is funded through the economic recovery allocation of ARPA program dollars.

NEXT STEPS

If authorized, the City will amend the current agreements with The Friends of Chabot College and California State University East Bay Foundation Inc. to continue managing the Tuition Assistance Program through December 2024. Economic Development staff will provide CEDC regular updates on the program's performance and outcomes as data becomes available.

Prepared by: Daniel Mao, Economic Development Specialist

Recommended by: Paul Nguyen, Chief Economic Development Officer

Approved by:



Kelly McAdoo, City Manager