

# City Council Agenda Memo

**From:** Paul M. Briseno, City Manager

**Council Meeting:** January 11, 2022

**Subject:** Proposed Scholarship Program

**Presenter:** Paul M. Briseno, City Manager

## **Summary:**

A scholarship program for Brookings area youth is presented for City Council consideration. Approximately \$100,000 annually for five years would fund the scholarships from the Brookings Municipal Liquor Store reserves. If approved, staff recommends annually \$80,000 would be committed to the South Dakota State University Foundation and \$20,000 towards South Dakota Technological Colleges. Details of the plan are attached and provided below.

## **Background:**

An initial scholarship concept was presented to the City Council in October 2021. Staff recommended a pilot program funded from the Brookings Municipal Liquor Store reserves. Approximately \$100,000 annually for five (5) years is available. There are no municipalities within South Dakota which provide a scholarship program for youth to pursue additional education. However, there are peer Midwest college towns with such programs.

The program's focus assists Brookings area families' attainment of additional education for youth beyond high school. According to an economic impact study by the South Dakota Board of Regents:

- Additional education
  - Increases annual median earnings 67.3% (Bachelor's Degree \$64,896 – High School Diploma \$38,792)
  - Decreases crime and associated costs
  - Increases longevity and quality of life
- Economic impact of \$936.3 million to the state & \$561.8 million to Brookings County
- Employment of 4,848 in the state & 2,909 in Brookings County
- Local & Tax Impact of \$31.6 million to the state & \$19 million in Brookings County

According to the South Dakota State Foundation, on average 212 students graduated from Brookings High School between 2019-2021.

- 65% of the students attended a four-year college
  - South Dakota State University enrolled 30% of the graduating class

- 18% attended technical schools
- 17% Did not seek a two or four-year education (worked/joined the armed forces/other)

#### **Item Details:**

Staff recommends the following for the proposed scholarship program:

- Program available to Brookings area students
- Increase educational attainment and income of Brookings area families
- Scholarships target workforce needs of Brookings area businesses
- Provide funding to those who may not select SDSU as their 4-year college of choice or cannot attain additional education beyond high school due to financial reasons
- \$100,000 annually for the next five (5) years committed from the Brookings Municipal Liquor Store reserves
  - \$80,000 a year will be directed to the SDSU Foundation to Administer
  - \$20,000 a year will be directed to South Dakota Technical Schools
- Annual Report provided to City Council from each entity.
- City Council will approve funding for the subsequent year based on the report

The South Dakota State University Foundation proposal is included in the packet. If approved, staff will work with a similar funding mechanism representing the South Dakota Technical Colleges. A January decision is necessary if Council desires scholarship awards for the 2022-2023 school year.

#### **Legal Consideration:**

There are no legal considerations at this time.

#### **Strategic Plan Consideration:**

The Brookings area scholarship program impacts many areas within the Council's strategic plan. The program is fiscally responsible as it utilizes reserves and does not commit beyond existing resources. Scholarships are available to all Brookings area students and therefore inclusive. The increase of education is an investment for economic growth, income, and community.

#### **Financial Consideration:**

Approximately \$100,000 will be directed annually from the Brookings Municipal Liquor Store reserves for the next five years.

#### **Options and Recommendation:**

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / Table

Staff recommends approval of the resolution as presented.

**Supporting Documentation:**

Resolution

South Dakota State University Foundation Scholarship Proposal

South Dakota Board of Regents Economic Impact Study