



**MEMORANDUM**

Community Services Department

**DATE:** November 13, 2019

**TO:** Parks and Recreation Commission

**FROM:** Kristine Crosby, Recreation Manager  
John R. Marchant, Community Services Director

**SUBJECT:** Review Recreation Financial Assistance Program

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**RECOMMENDATION**

Receive an update on the Recreation Financial Assistance Program (FAP).

**BACKGROUND**

On November 12, 2014, the Parks and Recreation Commission (PRC) received a presentation regarding proposed changes to the FAP to align with the Recreation Division's then-new registration software, ActiveNet, and address the issue of FAP participants not attending registered programs. The PRC approved and forwarded a recommendation to City Council to update the FAP from a subsidy of \$800 per family to an individual subsidy of 75 percent with a cap of \$400 per child. On March 24, 2015, the City Council approved the PRC's recommendation and adopted Resolution No. 17948 to change the Recreation FAP.

Following a year of implementation of the new FAP, the PRC received a program update on November 9, 2016 and reviewed proposed changes to create a two-tier program offering a 90 percent subsidy up to \$500 or 75 percent subsidy with a total of \$400 based on family income levels. The PRC approved and forwarded the recommendation to the City Council to update the FAP to a two-tier system. In addition, the PRC recommended that staff submit future adjustments to the FAP benefits through the annual budget process based on program pricing. On December 13, 2016, the City Council approved the PRC's recommendation and changed the Recreation FAP to a two-tier system. Changes to the program were implemented starting with the September 1, 2017 through August 31, 2018 allocation period in coordination with the Community Services Agency (CSA).

The Recreation Division continues to work with CSA to establish eligibility for financial assistance through CSA's screening process. Eligibility is established annually based on the U.S. Department of Housing and Urban Development income limits for Santa Clara County. Residents can apply for the FAP any time during the allocation period between September 1 through August 31 of each year. Once a family is determined to be eligible, CSA notifies the Recreation Division and staff generates the FAP scholarship for each eligible child in ActiveNet. Parents are notified by e-mail, phone call, or letter from the Recreation Division when their scholarship is available for use, typically within 24 to 48 hours of CSA determining their eligibility. Parents can review their child's scholarship information from their online account and register for programs online, in-person, or by e-mailing/ mailing a registration form to the Recreation Office.

The 2018-19 FAP allocation period ended on August 31, 2019. This was the second allocation period since migrating to an individual-based FAP in which the City offered a two-tier subsidy. The Recreation Division is currently in the early months of the third allocation period of the two-tier system.

## **ANALYSIS**

The two-tier system was implemented with the September 1, 2017 to August 31, 2018 allocation period. During that period, 351 families qualified for financial assistance. Of these families, 671 individual youth were eligible for financial assistance in the amount of \$320,100. Of the youth enrolled, 154 qualified for the 75 percent subsidy tier and 517 qualified for the 90 percent subsidy tier. Of the financial assistance amount awarded, \$126,710 of financial assistance was utilized (equating to 40 percent utilized). Of the 671 youth awarded financial assistance, 57 percent of the youth used some or all of their financial assistance.

In addition to implementing the new system, staff meets with CSA on an annual basis in August to review the success of the previous allocation period and prepare for the upcoming period. In August 2018, staff and CSA identified the following opportunities for improvement for the 2018-19 allocation period:

- Providing parents with a one-page information sheet on the FAP and how/when they may begin using their FAP once they qualify;

- CSA has offered to assist families with selecting and registering for programs. If a parent makes an appointment with CSA, a Case Manager will walk the parent through selecting appropriate programs for their child and help them fill out a registration form and/or walk them through how to register online; and
- To increase awareness of the FAP, CSA recommended staff make a general flyer to advertise that financial assistance is available for Recreation youth classes and camps.

Of the above suggestions, an information sheet was created and CSA began assisting families with the registration process. Both improvements were implemented for the 2018-19 allocation period. The Recreation Division is currently in the process of making a flyer to advertise the FAP program more broadly in the community as recommended.

During the 2018-19 FAP, 332 families qualified for financial assistance. Of these families, 624 youth were awarded financial assistance in a total of \$290,600. For the 2018-19 FAP, 214 youth qualified for the 75 percent subsidy tier and 410 youth qualified for the 90 percent subsidy tier. Of the financial assistance amount awarded, \$133,840 of financial assistance was utilized (equating to 46 percent utilized). Of the 624 youth awarded financial assistance, 62 percent of the youth used some or all of their financial assistance, which is up by 6 percent over the previous year.

Compared to the 2017-18 FAP, the number of families and youth participating in the 2018-19 FAP decreased by 19 families and 47 youth. However, the dollar amount utilized increased from \$126,710 in 2017-18 to \$133,840 in 2018-19 (5.6 percent increase). Staff and CSA have worked more diligently over the last year with educating participants how to register and how to maximize usage of the FAP. Through these efforts, more youth utilized all of their FAP year over year (130 youth in 2018-19 compared to 117 youth in 2017-18).

Staff evaluates the FAP on an ongoing basis as well as cost recovery for Recreation programs. Through the 2019-20 budget process, the City adjusted Aquatics class fees to align closer with the Recreation Cost Recovery Policy, City Council Policy J-2. This fee increase, approved through the budget process, triggered the Division to review the FAP and develop an ongoing review process moving forward to update the maximum FAP per child. Upon the completion of the third year under the two-tier system, the Division will review the FAP and adjust the maximum dollar amount per child based on trending analysis provided by the City's Finance and Administrative Services Department. Changes to the maximum amount per child would then be adjusted through the City's budget process of updating the Master Fee Schedule. Based on this plan, the Division would review the FAP at the completion of the 2019-20 allocation

period in August 2020 and recommend changes to the FAP maximum amount per child through the Fiscal Year 2021-22 budget process.

### **FISCAL IMPACT**

The FAP provided \$133,840 in financial assistance to participants in the 2018-19 allocation period. The City received approximately \$28,800 in revenue through the 10 percent and 25 percent out-of-pocket costs.

### **PUBLIC NOTICING**

In addition to agenda posting, staff sent a notification to the CSA and FAP recipients from 2017-18 to present.

KC-JRM/6/CSD

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Attachment: 1. Three-Year Financial Assistance Program Comparison