



DATE: March 24, 2015

CATEGORY: New Business

DEPT.: Community Services

TITLE: **Recreation Financial Assistance Program**

RECOMMENDATION

Adopt a Resolution Changing the Recreation Financial Assistance Program from the Current Subsidy of \$800 Per Family to an Individual Subsidy of 75 Percent With a Cap of \$400 Per Person to Offset the Cost of Youth Classes and Programs, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

Program Eligibility

Mountain View families may qualify for the Financial Assistance Program (FAP) by establishing eligibility through a Community Services Agency (CSA) screening process. During this screening process, CSA verifies income information from every applicant and compares it to the Santa Clara County Housing and Urban Development (HUD) income guidelines to determine eligibility.

Staff met with CSA representatives in August 2014 to discuss potential changes to the FAP and to seek their input on how changes may be received by FAP recipients. CSA representatives support the City in making the program more equitable for eligible FAP youth with a per-individual benefit as well as creating a financial obligation with a percentage-based fee waiver and cap.

Staff is proposing a change to the current FAP structure to align with a new registration and facility booking software program, ACTIVE Net, scheduled to be implemented in phases beginning late spring 2015. This project aligns with City Council goals for Fiscal Years 2013-14 and 2014-15 to “use technology to enhance customer service, efficiency, and advance the mission of the organization.” This new system provides a higher level of customer service and greater staff efficiencies and automates many manual processes. In addition, ACTIVE Net has a scholarship function which will allow FAP

recipients to register online and have their FAP subsidy automatically discounted and tracked on their account. These functions are currently not available on the existing system and are done manually by front desk staff. ACTIVE Net tracks scholarships by individuals, not by families as the current system does. In order to fully utilize the tracking, online capabilities, and user interface of the new scholarship module, staff is requesting a change to the scholarship program from family-based to individual-based.

Parks and Recreation Commission Review

Staff presented the proposed changes for the FAP to the Parks and Recreation Commission (PRC) on November 12, 2014 (staff report and minutes are included as Attachments 2 and 3). The PRC approved the recommendation without modification. The PRC requested staff work with the CSA to evaluate the effectiveness of program changes and report back to the PRC after one year of implementation.

ANALYSIS

FAP Funding Structure

The current FAP is a flat rate *per family* of either \$800 or \$400 (depending on income levels) regardless of the number of youth in the family. Funds are not available for golf, tennis, lap swim, special events, facility bookings, or adult classes. Staff currently monitors FAP accounts manually using an Excel document. ACTIVE Net automates this process through a scholarship function which allows staff to assign a percentage discount to eligible individuals with a maximum credit amount or “scholarship cap.” Once an individual has reached their scholarship cap, the individual would need to pay additional costs out-of-pocket. Families with multiple children currently receive less benefit per child than a family utilizing the FAP for one child. By shifting to a per-individual program, this will allow all eligible youth to have equal access to FAP funding and the family does not have to decide which child will receive more or less of the available funds. By changing the fee waiver to a 75 percent subsidy with a cap of \$400, staff believes this will create ownership of the registration as there is a financial obligation to attend the registered program. Without a financial obligation, staff has noticed a number of FAP students not attending their registered programs. Staff believes that if the FAP registrant contributes a portion of the registration cost, it would increase attendance and participation in programs. Should the changes be approved, staff is recommending to implement the new FAP at the beginning of the 2015 allocation period, which starts September 1, 2015.

The FAP was last reviewed by City Council in 2004 and by the PRC in 2008. In the last five years, 2,400 families (which includes over 4,600 youth) have participated in the FAP

and have received over \$1.3 million in financial assistance. In Fiscal Year 2013-14, approximately \$307,000 was provided to 489 families to offset the cost of recreation programs. This represents approximately 7 percent of the adopted Fiscal Year 2013-14 Recreation operational budget and approximately 42 percent of total families served. During this time, the average assistance used per family was \$628, or \$328 per child. The data indicates that a majority of families (76 percent) using the program list one or two children. Less than 6 percent of families in the program have a \$400 cap due to their income levels. Table 1 in Attachment 4 provides a breakdown of the past five years of funding through the program.

Comparisons of FAPs in Other Cities

In a 2014 survey of neighboring cities, 10 out of 12 cities have an FAP (Attachment 4, Table 2). Of these 10 cities, 7 have a percentage-based fee waiver program and 2 have a flat-rate cap per child. Several cities with a percentage-based program also include a cap per child.

Of the 12 cities surveyed, Mountain View has the largest dollar value of \$307,000 for the 2013-14 allocation period. San Mateo's FAP is the most comparable in size with \$236,000 allocated this past fiscal year. Other cities range from \$870 to \$35,000 in total annual financial assistance provided.

CDBG Funding

Staff reviewed Community Development Block Grant (CDBG) funding to see if the FAP qualifies as a funding source for this program. It was determined Public Service CDBG funds could be used; however, using CDBG funds for this activity would impact the other agencies who receive those funds to serve the homeless, elderly, and other very low-income, at-risk populations. This type of CDBG funding is very limited and the anticipated budget for this coming year is \$96,000. Ten (10) nonprofit agencies, including the CSA and InnVision Shelter Network, have applied for funding to provide basic-needs services, such as food and shelter.

FISCAL IMPACT

The cost of the FAP during Fiscal Year 2013-14 was approximately \$307,000, which represents approximately 7 percent of the entire Recreation Division's operational budget. At current levels, if FAP participants paid 25 percent of the FAP value, it would equate to approximately \$60,000 to \$70,000 in revenues annually. Staff anticipates a slight increase in total youth participants should the changes be approved. If 1,000 youth fully utilize the updated FAP compared to the current 936, the total cost is

estimated to increase by \$100,000 to approximately \$400,000 in subsidies with correlating revenues estimated at \$125,000.

ALTERNATIVES

1. Change the FAP subsidy incrementally over the next three years: 90 percent subsidy in year one, 80 percent subsidy in year two, and 75 percent subsidy in year three.
2. Change the FAP to a subsidy of 100 percent of registration fees up to a cap of \$350 per child. (Cap is based on the average usage per child from the Fiscal Year 2013-14 allocation; Attachment 4, Table 1.)
3. Make other changes to the FAP as determined by Council.

PUBLIC NOTICING

In addition to agenda posting, staff sent a notification to the CSA and FAP recipients from Fiscal Year 2013-14 to present.

Prepared by:

Kristine Crosby
Recreation Supervisor

John R. Marchant
Recreation Manager

Approved by:

J.P. de la Montaigne
Community Services Director

Daniel H. Rich
City Manager

KC-JRM/RK/3/CAM
240-03-24-15CR-E

- Attachments:
1. Resolution Approving Changes to the Recreation Financial Assistance Program
 2. [Parks and Recreation Commission Memo – November 12, 2014](#)
 3. [Parks and Recreation Commission Minutes – November 12, 2014](#)
 4. Program Data Tables