



City of Sunnyvale

Agenda Item

22-0123

Agenda Date: 6/8/2022

REPORT TO PARKS AND RECREATION COMMISSION

SUBJECT

Recommend Council Approve Modifying the Recreation Fee Waiver Program and Amend Council Policy 7.1.1 to Reflect the Modifications

BACKGROUND

The Recreation Services Division provides a wide range of recreation programs and activities for the community. The majority of these programs and activities have associated fees, ranging from one youth dance program that meets one hour per week for four weeks (\$80/program) to youth summer camps that meet eight hours per day for one week during the summer (\$385/week). To ensure economically disadvantaged Sunnyvale residents have access to recreation programs, the City of Sunnyvale established a Recreation Fee Waiver Program in 1981.

From 1981 to 1996, the Fee Waiver Program was available to youth (17 and under) from economically disadvantaged families. In FY 1991/92, the City expanded the program to include eligible adults and seniors.

In 2006, Council approved staff's recommendation (RTC No. 06-290, Attachment 2) to use a "bundle of services" approach and established an annual maximum per person amount for the recreation fee waiver, equivalent to four representative activities or one camp per year. The specific amount is established and reviewed administratively. Additionally, Council directed staff to modify the eligibility criteria to only serve youth (17 and under), largely due to budgetary constraints.

Currently, to qualify for the Program, families must be Sunnyvale residents and meet income guidelines based on 185% of the federal poverty level as shown in the chart below. This is the same criteria used for the free/reduced lunch program in schools.

| 2022 Annual Family Income Eligibility | |
|---------------------------------------|----------------|
| Family Size | Maximum Income |
| 2 | \$33,874 |
| 3 | \$42,606 |
| 4 | \$51,338 |

Since FY 2018/19, the Fee Waiver Program's annual budget allocation has been approximately \$50,000. The current budget allocation is \$52,818. A service level adjustment increase of \$47,182 was proposed as part of the FY 2022/23 Recommended Budget, which would bring the total Fee Waiver Program budget to \$100,000.

EXISTING POLICY

Policy 7.1.1 - A Fee Waiver system should be provided to allow persons who are economically disadvantaged to participate in and utilize programs, facilities, and services provided by the Community Recreation Fund. The criteria for eligibility in this system shall be established by Council policy.

Council Priority 2021/2022 - Equity, Access and Inclusion

General Plan, Chapter 4 - Community Character

Goal CC-12 Maximum Access to Recreation Services, Facilities and Amenities - The City strives to maximize access to all of its services, facilities and amenities.

Policy CC-12.3 Provide recreation and enrichment programs, services, facilities and amenities to underserved areas and/or populations of the City. Underserved areas and/or populations could be due to factors such as: geography, gender, economics or ethnicity.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

DISCUSSION

There has been low participation and unexpended funds with the current Fee Waiver Program. Many issues make the current Fee Waiver Program challenging for low-income residents to access. The current income guidelines leave many families in need unable to qualify for the Program. A single parent of one child (family of two), working forty hours per week at minimum wage (approximately \$35,600 annually) would not qualify for the current Program. However, this income is considered “extremely low” based on State Income Limits established by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for state and federal programs.

Additionally, the current annual subsidy of \$234 per youth (17 and under) does not cover the full cost of many recreation camps and programs. This may preclude low-income families from accessing the Program.

As a result, fee waiver applications have been on a decline. Demand for the Program was also impacted by County Health Orders and the Sunnyvale Elementary School District offering full-day childcare for summer school students during the pandemic. The chart below displays the funds expended from FY 2017/18 to FY 2020/21:

| Year | Funds Expended |
|---------|----------------|
| 2017/18 | \$47,305 |
| 2018/19 | \$32,787 |
| 2019/20 | \$26,910 |

22-0123

Agenda Date: 6/8/2022

| | |
|---------|----------|
| 2020/21 | \$27,760 |
|---------|----------|

Staff is recommending the following modifications to the Recreation Fee Waiver Program:

| Category | Current | Proposed Change(s) |
|---------------------|-------------------------------|---|
| Program Name | Fee Waiver Program | Recreation Scholarship Program |
| Program Eligibility | 185% of Federal Poverty Level | 80% of area median income as determined HUD |
| Subsidy Level | \$234 per youth | \$500 per youth |

| Fee Waiver Income Guidelines | | |
|------------------------------|--|--|
| Family Size | Maximum Income (185% of Federal Poverty Level) | Maximum Income (80% Area Median Income by HUD) |
| 2 | \$33,874 | \$105,400 |
| 3 | \$42,606 | \$118,600 |
| 4 | \$51,338 | \$131,750 |

Program Name

Staff is recommending changing the name of the program to the Recreation Scholarship Program. For marketing purposes, the public is more familiar with the term “scholarship” than “fee waiver.” Staff is hoping that the name change prompts more residents to seek information and apply. The proposed Amended Council Policy 7.1.1 (Attachment 3) includes the recommended name change.

Program Eligibility

According to the FY 2020/21 free and reduced lunch program data from the California Department of Education, there are over 2,300 Sunnyvale youth (17 and under) that qualify for the Program. Additionally, according to the 2020 U.S. Census data, 16,810 Sunnyvale residents were at 185% of the federal poverty level compared to 22,409 in 2010, a 25% decrease.

Federal poverty level guidelines don’t account for Sunnyvale’s high cost of living. It is a poor measure of socioeconomic status in Silicon Valley. Area medium income is a better indicator to determine economic status. HUD considers families at or below 80% of the area median income (AMI) to be low-income. HUD publishes State Income Limit data by county each year. This data is used by federal, state and local agencies to determine eligibility for programs that benefit low-income individuals and families. AMI adjusts for Sunnyvale’s high cost of living and allows more families to access our recreation programs and activities. As an example, the same family of two (parent of one child) would qualify with an annual income of up to \$105,400.

Subsidy Level

Pursuant to the 2006 Council policy direction, staff are to use a “bundle of services” approach with an annual maximum per person amount of recreation fees waived, equivalent to four representative activities a year or one camp. Using this methodology, the subsidy should be \$500 for youth. This

22-0123

Agenda Date: 6/8/2022

would allow participants to register for one recreation activity each season (fall, winter & spring) or one week of summer camp based on current recreation fees.

The goal of the fee waiver program is to provide increased equity and access for all youth in Sunnysvale. Increasing the individual subsidy to \$500 will provide access to nearly any program or summer camp offered through the Library and Recreation Services Department. Staff projects the ability to serve between 250-300 participants per year, depending on fee waiver usage with a program budget of \$100,000.

Unfortunately, our registration software (Vermont Systems, Inc. - RecTrac) does not have a fee waiver tracking feature, and our historical records are insufficient for reporting purposes. Identifying this issue, staff recently implemented a manual system, using Microsoft Excel, to track weekly fee waiver usage by participant with a running total of program expenditures. With this new tracking system in place, staff will be able to annually report on the success and usage rate of the Fee Waiver Program.

Example of recreation fees:

| Activity | Fee |
|-------------------------------|-------|
| Music Together (11 classes) | \$248 |
| Gymnastics (16 classes) | \$348 |
| Basketball Class (6 classes) | \$189 |
| Musical Theater Camp (1 week) | \$400 |

Update Council Policy 7.1.1

Currently, Council Policy 7.1.1 states, "The criteria for eligibility in this system shall be established by Council policy." However, there is no separate Council policy document detailing eligibility criteria or the scholarship amount. This created uncertainty, as a result, the fee waiver amount has not changed since FY 2013/14.

Staff recommends clarifying Council Policy, Chapter 7.1.1, Section B.5 to reflect Council approved action. The proposed policy amendment would include eligibility criteria and the methodology for annually updating the scholarship amount (Attachment 3).

Staff is also recommending minor language and numbering cleanup identified as part of the policy review and update process. Staff found that Council Policy, Chapter 7.1.1 B.5.2 through B.5.4 were duplicate numbers and should have originally been numbered B.5.9 through B.5.11. Additionally, B.5.10 and B.5.11 have been updated to change the references to the Director of Library and Community Services to the Director of Library and Recreation Services, to reflect the current title.

FISCAL IMPACT

If the proposed program modifications are approved, more residents will qualify. This could result in fewer residents being served based on the current budget allocation of \$52,818. A service level adjustment increase of \$47,182 was proposed as part of the FY 2022/23 Recommended Budget, which would bring the total Fee Waiver Program budget to \$100,000.

22-0123

Agenda Date: 6/8/2022

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Recommend Council approve Modifying the Recreation Fee Waiver Program and Amend Council Policy 7.1.1 to Reflect the Modifications proposed by Staff
2. Take other action as determined by the Parks and Recreation Commission.

STAFF RECOMMENDATION

Alternative 1: Recommend Council approve Modifying the Recreation Fee Waiver Program and Amend Council Policy 7.1.1 to Reflect the Modifications proposed by Staff

Prepared by: Angela Chan, Youth & Family Resources Manager
Reviewed by: Damon Sparacino, Superintendent of Recreation Services
Reviewed by: Jaqui Guzmán, Deputy City Manager
Reviewed by: Michelle Perera, Director, Library and Recreation Services
Reviewed by: Tim Kirby, Director, Finance Department
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. RTC No. 06-290 - Consider the Effectiveness and Efficiency of the Recreation Fee Waiver Program - Study Issue
3. Proposed Amended Council Policy 7.1.1