



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jon Cicirelli

SUBJECT: RECREATION PROGRAM
SCHOLARSHIPS

DATE: May 31, 2023

Approved

Date: 6/1/2023

BACKGROUND

In response to an information request directed by a memorandum from Councilmembers Davis, Torres, Ortiz, Doan, and Batra, that was included in the City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024, this Manager's Budget Addendum provides information related to the maintenance of scholarship funding for recreation programs.

ANALYSIS

The Parks, Recreation and Neighborhood Services Department receives an annual base budget for scholarships and historically has provided program fee subsidies of up to 75% for eligible families. However, since the COVID-19 pandemic began, the large amount of external funding made available for scholarships increased subsidy levels from 75% to 100%. In 2020-2021, approximately \$2.9 million was available for scholarships due to the City's use of both General Fund and federal funding sources, including Coronavirus Relief Fund (CRF) and Community Development Block Grant funding. Scholarship support continued in 2021-2022 and 2022-2023 with the further assistance of the American Rescue Plan (ARP). In 2022-2023, the total number of youths served is estimated at 3,013.

The 2023-2024 General Fund Base Budget includes \$866,000 (\$716,000 for general recreation programs and \$150,000 from Safe Summer Initiative Grant) for recreation scholarships¹. In response to the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, the 2023-2024 Proposed Operating Budget adds an additional \$1.0 million in the General Fund for scholarships in 2023-2024, of which \$500,000 is ongoing.

The table below provides a comparison of scholarship funding in the 2022-2023 Modified Budget, the 2023-2024 Proposed Budget, and on an ongoing basis. Due to the wind-down of

¹ Excludes \$32,000 for aquatics scholarships.

one-time American Rescue Plan Funds partially offset by funding increases in the General Fund, total scholarship funding decreases by \$1.0 million from 2022-2023 to 2023-2024. Due to the depletion of all American Rescue Plan funds and the one-time contribution of \$500,000 from the General Fund, scholarship funding decreases by a further \$1.3 million on an ongoing basis.

As a result, the total number of youth provided 100% scholarships across summer camps, leisure programs, preschool, R.O.C.K. afterschool, and school holiday break camps would drop from an estimated 3,000 in 2023 to approximately 1,250 beginning in 2025, though this figure will vary depending on how scholarships are spread across programs. For reference an additional \$500,000 of funding would provide 100% scholarships for an additional 400-450 youth, depending upon the spread across programs.

	2022-2023 Modified Budget	2023-2024 Proposed Budget	Ongoing Budget
<i>Ongoing General Fund – Scholarships</i>	\$716,000	\$1,216,000	\$1,216,000
<i>Ongoing General Fund – Safe Summer Initiative Grant (SSIG) Funds for Summer Camp Scholarships</i>	\$150,000	\$150,000	\$150,000
<i>One-Time General Fund Adjustment</i>	\$300,000*	\$500,000	
Previously Allocated American Rescue Plan Funding	\$2,454,000	\$800,000*	
Total Recreation Program Scholarship	\$3,620,000	\$2,666,000	\$1,366,000

* \$300,000 in the General Fund and \$800,000 in ARP were allocated as part of the 2022-2023 Mid-Year Report to support the 2023 summer youth programs.

COORDINATION

This memorandum was coordinated with the City Manager’s Budget Office.

/s/
JON CICIRELLI
 Director Parks, Recreation and Neighborhood
 Services