



STAFF REPORT

Meeting Date: August 5, 2014

To: Honorable Mayor & City Council

From: Nancy Hunt-Coffey, Assistant Director of Community Services

Subject: Community Services Department Scholarship Program

Attachments: None

INTRODUCTION

The Community Services Department seeks direction from City Council regarding proposed modifications to the low income scholarship program, particularly relating to afterschool care. Additionally City Council is asked to provide direction as to how to use a private donation of \$30,000 to the scholarship fund of the Beverly Hills Charitable Foundation by Rick Ghazy.

DISCUSSION

At the April 22, 2014 City Council meeting, the Community Services Department scholarship program was discussed. The particular focus of the discussion was the relationship between the scholarship program and the afterschool enrichment programming that the City provides.

The Department has been offering a scholarship program for over 20 years. It was created to assist families who may not have the financial means to allow for a discounted fee on a week of summer camp, a session of swim lesson, or an afterschool enrichment class for their child.

As it was originally conceived, the scholarship program was not intended to provide services to low income families at no cost to the family. Rather it was intended to partially offset the cost of a camp or class, requiring the recipient family to pay at least 50% of the cost of the class or program. For example, an enrichment class for \$100 per session requires the recipient to pay \$50 and the City subsidizes the remaining \$50. The current scholarship program limits are \$200 per child and \$400 per family per year.

Scholarships are awarded based on family income. Income levels are based on the "extremely low income" guidelines as established by the U.S. Department of Housing and Urban Development for Los Angeles County. These guidelines vary based on household size. For example, in 2014 the gross income limit for a family of 4 is \$25,600. A study by the Southern California Association of Governments, published in July 2011 showed that of the 14,415 households in Beverly Hills, 11% or 1,518 households, fall into the category of extremely low income.

At the April City Council meeting, the focus of the discussion was on afterschool programs offered at the local K-8 schools. For many years the City provided staff to supervise the playgrounds after school until 5 pm. In the fiscal year 2009-10, the City ceased providing the Afterschool Playground Program which was a \$72,900 annual cost. This program was provided by the City in addition to the Joint Powers Agreement with the School District.

When the City's Afterschool Playground Program was eliminated, the School District expanded the hours of the playground aides until 5pm to compensate for the loss of the City's program. However, at the start of the 2013/14 school year, the School District advised parents that the Playground Aides would remain on-site only until 4pm. This decision provided parents with two options for on-site childcare beyond 4pm: the City's Adventure Camp or City contracted afterschool enrichment classes. As a result, these programs experienced an unexpected increase in enrollment, and the Recreation division needed to hire new staff and request additional rooms from the School District.

Staff has contacted other local cities and school districts to investigate the types of low cost or afterschool programs that are offered. If offered at all, scholarship programs through cities are similar to the one currently offered in Beverly Hills with a discount of few hundred dollars per year per family. Local school districts, particularly in lower income areas, offer more complex scholarship programs for before and afterschool programming on an ongoing basis.

At the April 22nd City Council meeting, Council asked staff to examine the possibilities of raising the family income level and/or the annual scholarship cap for families. City Council also directed staff to approach the Beverly Hills Community Charitable Foundation about establishing a fund where donors could give money to help pay for scholarships for participants in recreation programs. Additionally, City Council directed staff to discuss the possibility of the School District assisting with the need for afterschool care.

Staff attended the May 5, 2014 meeting of the Beverly Hills Community Charitable Foundation where the Board voted to establish an account to accept donations for scholarships for low income participants in recreation programs. The first donor to step forward was Charitable Foundation Board member Kathi Rothner with a donation of \$100. Recently Rick Ghazy generously donated \$30,000 to the Charitable Foundation. There are no conditions attached to Mr. Ghazy donation other than it benefit children who come from households of need. As a result of these donations, Council is asked to provide direction on how they would like these funds used.

It should also be noted that staff met with a School District representative who indicated that while the District would continue to have the aides stay on the playground until 4 pm in the upcoming school year; it is unlikely that they will be able to contribute further toward afterschool supervision as their budget is still recovering from the recessionary cuts.

Based on direction given at the April City Council meeting, staff recommends that:

- the scholarship amounts for Adventure Camp be changed, and that the amounts for all other programming remain unchanged (i.e. maintain the 50/50 split and \$200 per child/\$400 per family cap for all other programs/classes).
- the annual family income level for the entire scholarship program be raised to the “very low income” level or the “low income” level as defined by the U.S. Department of Housing and Urban Development for Los Angeles County. The very low income level for a family of four is \$42,700 and the low income level for a family of four is \$68,300.
- initially the discount should be 25% of Adventure Camp fees. While the monthly fee for Adventure Camp varies depending on the number of holidays in a month, the cost for a month with few holidays for a child who attends 5 days per week is approximately \$400 per month. As a result, the monthly discount per child would be approximately \$100.
- initially for Adventure Camp the per child per year cap be set at \$1,000, which is approximately 25% of the annual cost for one child, and the per family cap be set at \$2000. As the existing scholarship program would be retained, the maximum annual scholarship that could be achieved would be \$1,200 per child and \$2,400 per family.
- scholarships be based on a first come first served basis
- initially the City establish a Citywide annual cap of \$15,000 plus any funds received through the scholarship fund with the Charitable Foundation.
- some portion of the already donated Charitable Foundation funds be used to provide free swim instruction for children of low income families, as was recently suggested by Vice Mayor Gold.

It should be noted that one Recreation and Parks commissioner has indicated a preference for having a sliding scale for the scholarship program based on family income. While this is a compelling idea, for the first year of the program, staff recommends keeping the scholarship program streamlined and simplified.

Finally, staff feels that as the family income limits and annual caps are raised, that there may be increased desire by families to have their children participate in Adventure Camp. Limitations on space are an important consideration with this program as the number of classrooms that can be used for the program is dependent on availability from the School District. As Adventure Camp begins as soon as kindergarten ends, an Adventure classroom needs to be available starting at 1 pm. This current school year, Adventure Camp was held in two classrooms at El Rodeo, Hawthorne and Horace Mann, and three classrooms at Beverly Vista. While it varies from school to school, there was a wait list at one time or another during the school year at most of the schools this past year. Additional applicants to the program could result in longer wait lists for children to participate in Adventure Camp. Based on discussions with a representative of the school district, it does not appear that the District will be able to make any additional classrooms available for the upcoming school year; however, they committed to verifying this before school begins.

FISCAL IMPACT

Based on staff recommendations above, the annual fiscal impact to the City’s general fund would be around \$15,000.

RECOMMENDATION

City Council is asked to consider the staff recommendations listed above and provide direction on changes to the recreation scholarship program related to afterschool care.



Nancy Hunt-Coffey, Asst. Dir. Of
Comm. Svcs

Approved By