



Memorandum

TO: NEIGHBORHOOD SERVICES AND
EDUCATION COMMITTEE

FROM: Jon Cicirelli
Director

SUBJECT: 2022 ANNUAL COMMUNITY
IMPACT REPORT

DATE: February 20, 2023

Approved

Date

3/2/23

COUNCIL DISTRICT: CITYWIDE

RECOMMENDATION

Accept the annual report on Parks, Recreation and Neighborhood Community Impact, including the transition of programming from cost recovery to equitable access from 2021-2022.

SUMMARY AND OUTCOME

The annual report will inform the Neighborhood Services and Education Committee of the Department of Parks, Recreation and Neighborhood Services' performance, accomplishments, and results in achieving its goals during the 2021-2022 fiscal year.

BACKGROUND

The Department of Parks, Recreation and Neighborhood Services continues to advance its mission and vision in alignment with the ActivateSJ strategic plan, which the City Council approved in December 2019. The plan is a people-first, service-driven strategy with five guiding principles: stewardship, nature, equity & access, identity and public life.

The City's Parks, Recreation and Neighborhood Services Department is essential to building strong, vibrant communities. The department makes a positive impact on the people of San José's mental and physical health on a regular basis and has taken great steps this year to make those benefits available to more people of all ages, abilities, and communities.

This year's Community Impact Report provides an overview of the Department's commitment and key efforts as "We Rise Up" for San José in providing essential places, people, services, and community. This report also meets the Department's commitment under City Council Policy 1-

21, *Pricing and Revenue Policy*, to issue a report about how it has fared in meeting the policy's goal to establish a financially sustainable approach to delivering services.

ANALYSIS

2022 Community Impact Report

The 2022 Community Impact Report highlights the Department's involvement in improving the lives of people who live, work, and spend time in San José. With the Department's commitment to working for people and communities of the City, the Report's theme is "We Rise Up," highlighting the Department's record of meeting challenges and breaking barriers to improve San José for everyone by:

- Providing recreational programs, including camps and classes, for 12,563 children, youth, teens, and active adult participants
- Providing access to active, safe spaces to children of working parents through 3,958 scholarships
- Providing meals to an average of 30,000 seniors every month at 14 different sites at no cost
- Hosting 289 volunteer events, with more than 7,000 volunteers, and over 11,000 bags of trash collected
- Engaging the community with over 57 Viva Parks events, activating neighborhood parks throughout San José

The full report can be viewed at: bit.ly/prms-cir2022.

2021-2022 Financial Report

The Department continues its focus on financial stewardship with a view towards cost recovery as a key component in our ability to offer high-quality programs, services, and facilities amid rising costs. To that end, the Department regularly assesses and adjusts program pricing each year to remain affordably priced within the context of what other service providers offer in our local market. At the same time, the Department continues to emphasize the need to ensure equitable and affordable access for our community's most vulnerable populations through various subsidies, scholarships, and pricing discounts.

In 2021-2022, the Department began its re-emergence from the pandemic with improved revenue and cost-recovery performance, relative to the prior two fiscal years of pandemic lock-down, with \$27.4 million in various revenues received or generated from sources including inter-fund transfers, fee activity programs, and other created revenue opportunities (such as sponsorships and grants). In terms of cost recovery, the Department was able to offset 27.9% of its General Fund operating expenses, relative to the 24.4% cost-recovery rate achieved in 2020-2021. With that, the Department maintained its focus on ensuring equitable and affordable access for the

City's most vulnerable populations by leveraging American Rescue Plan Act (ARPA) emergency funds and other sources to extend 3,958 scholarships totaling \$2.45 million.

Prospectively, the Department anticipates continued growth in revenue in 2022-2023, as we seek to return to pre-pandemic operating conditions (including staffing) and attendance.

Equity, Access and Scholarships

In 2022-2023, the Department remains committed to promoting access to vulnerable populations and residents, as evidenced by the \$2.45 million in scholarships awarded throughout the 2021-2022 fiscal year. And prospectively, staff will continue its efforts to balance cost-recovery objectives with the need to foster equitable access. To this point, at the end of 2021-2022, the City Council approved changes to remove the 100% cost-recovery target required of Fee Activity programming related to child and youth services. This change will provide greater latitude in setting pricing and revenue targets in conjunction with the City's annual budget development process. And with that in view, the Department will continue to work with the Budget Office and the City Manager's Office to articulate current-year needs to sustain our programs' existing scholarship levels into summer 2023, as well as the resources needed to extend the same levels of program subsidy throughout 2023-2024, as ARPA funding is exhausted.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/

JON CICIRELLI
Director of Parks, Recreation
and Neighborhood Services

For questions, please contact Daniel Lazo, Public Information Manager, at daniel.lazo@sanjoseca.gov.