



Staff Report

File #: 23-0417

REQUEST FOR CITY COUNCIL ACTION

DATE: 05/03/2023

TO: Honorable Mayor and City Council Members

FROM: Community Services Department

SUBJECT:

RESOLUTION REVISING THE CITYWIDE MASTER FEE RECOVERY SCHEDULE TO ADJUST THE KIDS CLUB AFTER SCHOOL RECREATION PROGRAM FEE EFFECTIVE JUNE 2, 2023

EXECUTIVE SUMMARY:

This staff report asks City Council to select a funding option to close the gap between the revenue and expenditures for Kids Club After School Program for Fiscal Year 2024.

RECOMMENDED ACTION:

That the City Council:

Review and approve one of the following options for the Kids Club Afterschool Program fees for Fiscal Year 2024:

- a. Maintain Existing Fees - \$52 per week (\$62 Temescal). Increase the City's subsidy for the program from 35% to 51% in the additional subsidized amount of \$133,200 annually.
- b. Increase Program Fee by \$13.00 a week (\$3 Temescal) per participant for a total of \$65.00 per week. Program maintains an average 20% subsidy. This option will also:
 - i. Approve an estimated revenue increase of \$133,200 for Fiscal Year 2024 bringing the total projected revenue to \$683,200 in the General Fund for the Community Services Department.
 - ii. Adopt Resolution No. 2023-023 to update the Citywide Master Fee Schedule.
- c. Phased Fee Increase - Increase program fees by \$6.00 a week per participant in Fiscal Year 2024 and by \$7.00 a week (\$3 Temescal) per participant in Fiscal Year 2025. The program maintains an average 20% subsidy upon year 2 of implementation. This option will also:
 - i. Approve an estimated revenue increase of \$59,940 in Fiscal Year 2024 bringing the

total project revenue to \$609,940 in the General Fund for the Community Services Department.

Adopt Resolution No. 2023-036 to update the Citywide Master Fee Schedule.

BACKGROUND & HISTORY:

The Kids Club Afterschool Program is a longstanding City-run recreation program that operates in the Corona Norco Unified School District (CNUSD). The program is operated by the City at the request of CNUSD and represents one of many options parents have for after school engagement. Schools may elect to have Kids Club on site one year and decline the following year, thus the number of sites may fluctuate each year. Kids Club is an affordable recreation program with organized activities and homework help in a positive social environment. The program currently serves grades 1 through 6. Kids Club is not a higher cost licensed childcare provider but serves a mid-tier program and moderately priced option for families seeking supervised after school activities.

Kids Club operates on a first come, first serve basis, at nine elementary school locations. Sites include Benjamin Franklin, Corona Ranch, Eisenhower, Foothill, Lincoln, Orange, Prado View, Susan B. Anthony, Temescal Valley, and Wilson. Enrollment opens in the spring for each following 38-week school year (August-June). Demand for the program is high, and when the program enrolls to capacity, applicants are placed on a waitlist. Children are enrolled for the entire school year to provide predictability and continuity for the staff and the students. Parents are billed monthly. Kids Club also operates a full-day Adventure Camp program as an option during fall, winter, spring, and summer break as a separate add-on fee.

Annually, City staff review and recommend adjusted program fees to help ensure the program costs are minimally offset to help keep costs low. Presently, the City subsidizes this program at approximately 20% for \$52 per week at school sites within the City limits. Temescal Valley Elementary School, which is in an unincorporated area of Riverside County within the Corona sphere of influence, is priced slightly higher at \$62 per week. Staff last increased participation fees in 2018. In 2019 new transaction charges were introduced as part of the City's recreation software system that allowed for cashless transactions and online access to account information. In 2020, the pandemic forced City staff to modify operations and hold off on any fee changes out of respect for the families impacted by uncertain environmental and academic circumstances. Under more stable conditions, staff are prepared to return to the standard fee review and recommendations as part of the City's annual budgetary process.

ANALYSIS:

In preparation for the Fiscal Year 2024 budget, staff prepared recommendations to sustain the current gap between program fees and City subsidy at approximately 20%. The Kids Club program is not a licensed childcare service and operates on a recreation model. This helps keep costs low. However, staffing, program supplies, and administration costs have all increased since 2018. An increase in fees would ensure that the City offsets costs at the same level as the 2018 subsidy threshold.

On April 19, staff recommended that Council approve a fee increase to \$65 per week (from \$52 at 8 incorporated sites, \$62 at Temescal) for the program to help offset the anticipated increase of staff and administrative costs associated with providing this service. This increased assessment is in line

with the Consumer Price Index of 2.7% each year. The \$65 fee per week is moderate compared to other local options that may be available.

Organization	Program Name	Facility	Weekly Price
City of Corona	Kids Club	Various Sites (10)	\$52
City of Riverside	STAR	Various (7) - Schools	\$30 + \$10 Early Release
	Kids in Action	Various (2) - City Bldgs.	\$50
Corona Norco Unified School District (CNUSD)	ASES	Various (15)	\$0 - Income Qualified + Transit Options
Jurupa Area Recreation and Park District	SPARK	Vandermolen	\$50
Jurupa Community Services District (JCSD)	Kids Zone	Various (5)	\$75 week
Tutor Time of Corona	School Age	Magnolia Ave.	\$172 (Includes Transit)
YMCA (Corona-Norco)	Child Care	Various (3)	\$140 + \$85 Annual Reg. + Transit Options

Note: Each of the above programs has different operation models and may also include subsidies, scholarship, and scaled pricing options. This is not a comprehensive list but an aid to illustrate different program options.

Council feedback from the April 19, 2023, meeting surrounded the accessibility of this program for Corona families. The discussion acknowledged that increasing fees by 25% for the first time in 5 years, could create financial hardships for the families served by this program. The discussion further explored the service-based nature of these programs, scholarships, and free childcare options.

Kids Club currently operates at the request of CNUSD elementary schools and their principals who determine site availability, size, and the variety offerings invited to participate at the school. Many schools have more than one after school option for consideration. Schools may elect to have Kids Club on site one year and decline the following year. This on campus service is solely at the School's discretion.

The City's Kids Club After School Program has traditionally been a moderately priced option to ensure enrolled families regularly attend but not so expensive to deter enrollment. Kids Club staff work closely with interested families to ensure they find the right after school opportunities. These may include the CNUSD's free income qualified After School Education and Safety (ASES) program, City and non-profit programs, or commercially licensed facilities. The City has also worked with CNUSD ASES and the Family Resource Center to provide scholarship placement for income qualified families. In a survey conducted of current participating Kids Club families, 89% of respondents ranked this service as "A Good Value."

COMMITTEE ACTION:

The Park and Recreation Commission was made aware of the proposed fee increases to the Kids Club After School Program on Tuesday, April 11, 2023. This was presented as an information update. The Commission did seek clarification on the program operation, but no concerns were expressed regarding staff's recommended fee increase.

This item appeared before City Council on Wednesday, April 19, 2023, with discussion and recommendation to bring back alternative recommendations at the May 3, 2023, meeting.

FINANCIAL IMPACT:

Based on the April 19, 2023, City Council meeting, staff has prepared three options for Council to consider addressing the current subsidy level:

- a. Maintain Existing Fees - \$52 per week (\$62 Temescal). Increase the City's subsidy for the program from 35% to 51% in the amount of \$133,200 annually.

Approval of this option will increase the City's subsidy by 16% and will have no impact on participant fees.

- b. Increase Program Fees by \$13.00 a week (\$3 Temescal) per participant for a total of \$65.00 per week. The program would maintain an average 20% subsidy.

Approval of Option B will result in an estimated revenue increase in the amount of \$133,200 in Fiscal Year 2024 bringing the total projected revenue to \$683,200 in the General Fund. The Kids Club Program fee will become effective thirty (30) calendar days after Council approval, or June 2, 2023.

- c. Phased Fee Increase - Increase program fees by \$6.00 a week per participant in Fiscal Year 2024 and by \$7.00 a week (\$3 Temescal) per participant in Fiscal Year 2025. The program would maintain an average 20% subsidy upon year 2 of implementation.

Approval of Option C will result in an estimated revenue increase in the amount of \$59,940 in Fiscal Year 2024 bringing the total projected revenue to \$609,940 and an additional revenue increase of \$73,260 in Fiscal Year 2025 bringing the total projected revenue to \$683,200. If this option is selected, the City will lower the subsidized amount to \$244,590 or 29% in Fiscal Year 2024. It is anticipated that if this option is chosen, the subsidy percentage will be back to standard levels by Fiscal Year 2025.

Any changes to the Kids Club Program fee will become effective thirty (30) calendar days after Council approval, or June 2, 2023. The selected policy will be enacted in the next monthly billing cycle effective August 28, for September of 2023. Kids Club registration for the 2023-2024 school year went live on Monday, May 1, 2023, with a deposit for the first month (August) due upon signup. Deposit fees were collected at \$52 per week reflecting the current Council approved fee schedule. The deposit holds the participants' spot in the program and monthly billing will start in the new school year. If a family withdraws a student from the program, the deposit is returned, and the next spot is filled based on the waiting list for the school.

Staff are committed to a high-quality program; the selected funding model will not impact the level of services provided.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is a financial transaction between the State of California Department of Parks and Recreation and the City of Corona, and there is no possibility that adopting this resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: BAILEY WARD, MANAGEMENT ANALYST I

REVIEWED BY: ANNE K. TURNER, COMMUNITY SERVICES DIRECTOR

Attachments:

1. Exhibit 1 - Resolution No. 2023-023 (Option B - Increase Program Fee)
2. Exhibit 2 - Resolution No. 2023-036 (Option C - Phased Fee Increase)