

Memorandum

TO: Rules Committee

FROM: Councilmembers
Pete Constant and Pierluigi Oliverio

SUBJECT: Use the Healthy Neighborhood
Venture Fund to Finance the
Crossing Guard Program

DATE: February 13, 2009

Approved

Date

2-13-09

RECOMMENDATION

Direct the Administration to fund the Crossing Guard Program from the Healthy Neighborhood Venture Fund (HNVF) in the amount of \$1.9 million for each of the three fiscal years (2009-2010, 2010-2011, 2011-2012) in order to keep the City of San Jose crossing guard program, which currently consists of 1 Sergeant, 3 Supervisors, 196 crossing guard positions and equipment, intact. The funding source for the Crossing Guard Program will be re-evaluated in 2012.

We respectfully request that the Rules Committee agendaize this memo for consideration at a city council meeting during the 2009-2010 budget process.

PURPOSE

The purpose of our memo is to ensure that the crossing guard program remains funded without being subject to budget cuts every fiscal year.

CROSSING GUARD BACKGROUND/INFORMATION

The Crossing Guard program has been under the direct supervision of the San Jose Police Department since 1945. Crossing guards are essential to providing a safe passage for thousands of children as they walk across busy streets and cross dangerous intersections going to and from school. The uniformed crossing guards are highly appreciated by parents, school personnel and the community at large for being a visible presence on a daily basis during the school year for commuters and children. In addition, crossing guards provide an additional set of "eyes and ears" for suspicious persons, vehicles and/or activity's in our neighborhoods.

The crossing guard program works in partnership with the Department of Transportation (DOT) and the Pedestrian Safety Committee (PSC). Citizens and school administrators can call DOT and/or the School Safety Unit to request a crossing guard for specific locations. For a location to receive approval to have a crossing guard present, the location needs to be approved by the PSC which is comprised of representatives of the school districts. Before an intersection is voted on by the committee, the intersection is surveyed by DOT with regards to a variety of conditions such as, traffic signals, age of the children, traffic, etc. Each condition carries a certain amount of points. If the intersection meets the number of points necessary to support a crossing guard, it is then voted on by the PSC. If the want for a crossing guard is high but the points do not warrant the need, then an appeal process is available. Also, if a crossing guard is no longer needed at a location, then the guard is relocated.

The City of San Jose currently employs crossing guards that are stationed at over 100 authorized intersections city-wide. Crossing guards are paid an hourly rate and are classified as part-time unbenefited employees. Therefore, the City does not incur any additional funding for health benefits for the crossing guards.

HNVF BACKGROUND/INFORMATION

The HNMF is comprised of the money the City receives from a settlement with the tobacco companies. The HNMF began in March of 2000 before the collapse of the economy when the City's finances were lucrative, and prior to the terrorist attacks of September 11, 2001. At that time, the Mayor and City Council set up the HNMF instead of having these monies go directly to the General Fund to pay for core services. Other municipalities that receive tobacco monies have these funds go directly to the general fund to pay for services like public safety and city infrastructure. San Jose, instead, set up the HNMF for tobacco monies to be used for "healthy neighborhoods for future generations." As a result, a committee was formed and the City hired staff (which costs \$900,000 each fiscal year which does not include the cost of additional consultant work which has cost thousands of dollars) to allocate the HNMF monies. The HNMF is divided into the following categories: Tobacco-Free Community; Health/Education; Health and Senior Services. The City anticipates receiving over \$250 million from the national settlement with tobacco companies.

The HNMF currently provides funding for three programs "automatically" and/or "off the top" from its funding cycle. The three programs that are funded "off the top" are: \$900,000 for city staff, \$2.1 million for children's medical insurance; \$2.4 million for homework centers. (In addition, there has been discussions for the Parks Recreation Neighborhood Services Senior Nutrition Program to be funded "off the top" in the amount of \$663,000 for fiscal year 2009-2010 from the HNMF). After the three programs have been funded, the remaining monies are then used for the HNMF competitive grant process. Therefore, as a result, approximately \$4 million is left after these three programs have been funded for the HNMF competitive process.

Although the March Budget message directed the Administration to review the efficiency of the crossing guard program and to review alternate service delivery models (to be reported out in 2009 at the Public Safety Strategic Support Committee), we believe that the residents of San Jose support crossing guards and want to see crossing guards stay intact. In the 2008 Budget Survey, residents were asked how they ranked reducing the number of school crossing guards where 69% found the idea of reducing the number of crossing guards unacceptable. When city management proposed to cut crossing guards in the 2008-2009 budget, Mayor Reed reinstated the funding.

Most recently, the results of the 2009 Community Budget Survey were reported to the city council in a memo dated January 29, 2009. It identifies a number of community funding priorities for fiscal year 2009-10. The crossing guard program is among the highest rated funding priorities. Specifically, 64% of respondents stated that it would be unacceptable to them if the city reduced the number of crossing guards. The survey results also identify cuts that would be acceptable to residents. 62% of residents surveyed responded that it would be acceptable to them if the city reduced funding to non-profit community based organizations. The recommendations in this memo reflect the community's stated priorities.

The Community Budget Survey is a key element of the city's recent effort to formally involve the public in identifying funding priorities. This report together with the results of the Neighborhood and Youth Priority Setting Session informs the Council on giving direction to staff regarding the annual operating budget priorities. The city council has affirmed time and again that in tough budget times it is critical to ensure that our budget priorities match those identified by our residents.

We admire and laud San Jose's foresight in setting up a fund to support non-profit groups. However we do see a need to use some of the HNVF funding for the crossing guard program on a temporary basis which will help keep our children safe as they go to and from school. Important to keep in mind is that this fund was set up during one of the most lucrative times in the history of San Jose. Today, San Jose suffers from a \$65 million budget deficit. We doubt that if the tobacco settlement was decided today, and the City received millions of "extra" dollars a year, that an HNVF fund would be set up instead of using these additional millions for core services.

NOVEMBER 20, 2008 COMMUNITY BASED ORGANIZATION AUDIT AND SOLUTION

On November 20, 2008 the City Auditor audited the City of San Jose Community Based Organizations known as CBO's and or non-profits. The audit uncovered that the City of San Jose gives approximately \$30 million to CBO's every fiscal year. The auditor also noted that the City severely lacks oversight for the \$30 million that is distributed each year. For instance, the City has no way of knowing if the money given to the CBO's is being used for appropriate uses; nor does the City know how much money each non-profit is receiving in totality.

For example, let's say that "ABC Non-Profit" received two different grants from the City of San Jose totaling \$3 million. One grant from the Parks Department was \$1.5 million and one from Housing was \$1.5 million. The City currently would not know that ABC Non-Profit received \$3 million overall because the City lacks a central database. As a result, ABC Company receives grants from the City without the City knowing how much money it gives to each non-profit in totality. In an effort to correct this problem, the City Auditor recommended that the City invest in a central database that will keep track of all the monies that are given to non-profits in totality.

The City of San Jose receives approximately \$9 million every year from tobacco monies which make up the HNVF. After the City funds the "off the top" expenses the fund is left with \$4 million to distribute to non-profits. This \$4 million is only a fraction of \$30 million that non-profits receive from the City of San Jose every fiscal year. Therefore, diminishing the current HNVF by \$1.9 million dollars will leave the HNVF with approximately \$2 million dollars to distribute in its competitive process and, additionally, approximately \$28 million for the City to distribute to non-profits city wide. Therefore, when we weigh the decision to eliminate the crossing guard program which equates to firing over a hundred crossing guards and putting school children at risk vs. using part of the HNVF funds to secure the crossing guard program (which has been in place for over sixty years) and, in our opinion, is a core public safety service, keeps people employed and children safe on city streets in addition to leaving \$2 million in the HNVF fund for non-profits, we believe that the latter is in the best interest for the residents of San Jose.

Providing public safety within our neighborhoods, especially for our young children, is essential and should be viewed as a top priority for the City of San Jose. For a City who strives to be known as a safe city, pedestrian friendly, encourages exercise and promotes children walking to school, we should do everything within our power to keep our children safe when they walk, bike and play.

We support Councilmember Pyle's efforts to allow volunteers to become crossing guards. We believe that it is important to simultaneously ensure that the City of San Jose Crossing Guard Program, which has been in existence for over sixty years, has a strong volunteer component as well as an on-going revenue source. We respectfully request that you support our recommendation.

**CORRESPONDENCE RELATING TO THE
PROPOSAL TO FINANCE THE CROSSING GUARD
PROGRAM OUT OF HNVE**

Silicon Valley Council of Nonprofits



Sobrato Center for Nonprofits - San Jose
1400 Parkmoor Ave, Suite 130
San Jose CA, 95126

Phone 408.260.3915 Fax 408.249.3496
www.svcn.org

February 2, 2009

**Memo to Rules and Open Government Committee-Mayor Reed, Vice Chair
Chirco and Members Constant, Nguyen, Pyle**

Re Memo from Councilmember Oliverio, Herrera and Constant

The City of San Jose Rules Committee has received a formal request from Councilmembers Oliverio, Herrera and Constant asking for \$1.9 million in HNVF funding to be shifted to fund crossing guards. We believe this memo is outside the budget process and planning the City is already conducting to evaluate cut targets and planning. We are formally requesting the Rules Committee not forward this request to the HNVF Committee.

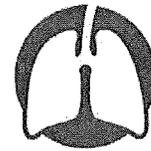
Though SVCN shares the value of public safety at our schools, we believe during this time of decreasing public funding there may be other alternatives to support crossing guards. We understand a report on the efficiency of the crossing guard program and alternative service delivery models is to be presented at the Public Safety Strategic Support Committee. SVCN is also conducting informal research on how other cities, the catholic school system and private schools utilize volunteers or student leader crossing guards. The City can also consider asking school districts or the local PTA programs to reimburse the City of San Jose for this service.

We know the City views Community Based Organizations as vital partners in delivering an array of services throughout the city. SVCN believes the Rules Committee should carefully review this memo and its intent before any such sweeping recommendations are moved through the process. The City should list the array of senior and youth services delivered through HNVF, calculate the match funds that all these nonprofits provide to match their HNVF funding which results in the City receiving additional services, and calculate the number of full time and part time benefitted positions that would be lost in our city by eliminating these programs.

In addition, there are many points in this memo that draw serious concerns from SVCN including the statements that the "*City has no way of knowing if the money given to the CBO is being used for appropriate uses.*" Since the City employs numerous staff to oversee and monitor our programs and approves all invoices for our funding we are very concerned about this section of the memo. For the HNVF system, there are trained Program Analysts, who provide excellent oversight and these analysts all received training in nonprofit financial systems to better improve the City's ability to oversee the

financial obligations for these contracts. Furthermore, the City is developing a Citywide Grants Database of nonprofit contracts. There are many oversight activities conducted by the City towards ensuring accountability and effective grant management.

We will be meeting and discussing this entire issue with Councilmembers as well, but we wanted to provide this information to the Rules Committee



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City of San Jose
Rules & Open Government Committee
200 E. Santa Clara St.
San Jose, CA 95113

February 3, 2009

Dear Committee Members:

While we can understand the need for the City to explore various funding sources for all of its programs in this depressed economy, we must strongly protest the diversion of HNVF funds at this time to pay for crossing guards.

The Healthy Neighborhoods Venture Fund (HNVF) was established under Council resolution and has been upheld, through numerous challenges, to be best-utilized for its original purposes. San Jose has tried to respect the purpose and source of the funds by ensuring that anti-tobacco programming continues to be included, and currently requires each HNVF funded agency to include an anti-tobacco component although that "fund" has been discontinued under the new RFP. There is now research data to prove that those who used Tobacco Settlement Funds for general purposes instead of respecting the intent of the settlement have increased death and disability from tobacco. Tobacco is still the number one killer in our community. As the County discontinued community tobacco control grants and the State reduced its support to one grant in our community, and less and less funding has been available through other sources, our youth tobacco use has increased from 9.5% to 13.9% the last few years. Taking more money from HNVF will erode health in our community at a time when health is already suffering from decreased funding.

There have been numerous changes over the years to fine-tune the distribution and management of HNVF Funds. The entire community has just undergone a two-year long, very comprehensive planning phase to transition the management of these funds to a Results Based Accountability model. This has involved literally thousands of hours of commitment from our community's nonprofit organizations, in addition to hundreds of hours of work from the Parks and Recreation staff and paid consultants. HNVF funded-agencies are now "training" for this transition and completing the types of evaluation instruments that will be required in the RBA system. The HNVF staff has been inclusive and transparent in its process. To suddenly divert almost half of the money from those goals that were just hammered out in such a long and meticulous process, before they have even been implemented for the first time through the recent RFP, is an outrageous affront to the HNVF Committee, the staff, and the hundreds of City residents who have participated in the RBA process (not to mention all the agencies who spent agency resources to apply for funds).

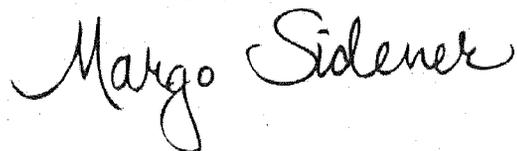
We can empathize with the immediate reaction to the death of a child walking to school, and an impulse to do something to avoid this ever happening again. However, we do not agree that increasing crossing guards will automatically have the effect proponents seek. Our agency is on Park Avenue, a few blocks away from where another child died, and we have a crossing guard at our corner. We have lots of observations and ideas of how to decrease the likelihood of future accidents, as I imagine many others do. It would seem a rational approach to first study the situation, look at data on other accidents, and investigate how other cities and school districts handle their traffic safety issues before simply throwing money at the crossing guard program. While this might entail missing this year's budget as a fix, isn't that the normal process for using public funds? (On the other hand, the RBA process of HNVF has elaborate safeguards to ensure efficiency.)

There might also be longer-term solutions to the crossing guard problem that will become evident with more thorough consideration. It is everyone's best guess that this economic depression is only beginning. Let's think about reducing costs of each program instead of raiding one program to fund another. As an agency that has utilized youth volunteers in numerous capacities, we can even envision that a sister nonprofit which primarily conducts youth programming would take on the challenge to train and manage youth as crossing guards (a practice still widespread in other parts of the country). Having been a volunteer student crossing guard in my youth, I can attest that it builds developmental assets.

Finally, you must give due consideration to the many programs that will be lost to the community if you raid HNVF funds to pay for crossing guards. You must answer, "Is attempting to prevent accidents--which might NOT be preventable-- worth losing the many programs that build resiliency in our youth and independence in our seniors?" You should at least view the HNVF evaluations to become informed of the accomplishments of HNVF funded agencies. AND you should consider that the City gets an immediate 20% return on its investments in HNVF funded agencies. Each agency must provide that match to even be eligible to apply. Taking \$1.9 million from the fund will, therefore, lose \$380,000 for City programs. That would be a very expensive crossing guard program.

Please do NOT advance this proposal from Rules Committee to Council for consideration.

Sincerely,

A handwritten signature in cursive script that reads "Margo Sidener". The signature is written in black ink and is positioned above the typed name and title.

Margo Sidener, MS, CHES
President & CEO
Breathe California of the Bay Area

Troy Kenyon

Jan. 23, 2009

The Hon. Chuck Reed
200 E Santa Clara St
San Jose, CA 951143

Dear Mayor Reed:
Re: Traffic Control For High Schools

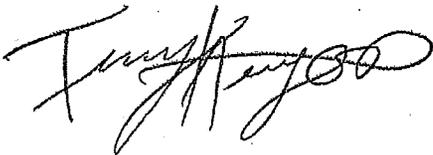
Let me ask you a question. Have you been near a high school lately? Well, I bet you have been and you have noticed how bad the traffic is and how dangerous for the students. It is so dangerous for all of the kids to be walking around when all of these cars are all over the place.

There were many kids that were hit by cars last year and that is unacceptable. There has to be some solutions to this to this problem that we are having. One of my solutions to this problem is more cross guards around the school. It seems to me that teen drivers act a lot more careful when there are adults watching them. We currently have only two crossing guards - which does little good for the kids walking around the area.

My next solution to this problem is having more cops around the schools. Teens drive very fast but with cops around I bet that would change because they do not want to get a ticket.

Those are just two solutions to this problem. I hope you keep both of them in mind next time you see this problem around a school.

Sincerely,



Troy Kenyon



Feb. 3, 2009

To Mayor Chuck Reed
Re: Healthy Neighborhoods Venture Fund (HNVF)

Dear Mayor Reed,

We urge you to consider the powerful, positive impact HNVF funding for Children's Musical Theater has on thousands of San Jose's teens and children, as you consider using the funds for other purposes.

Children's Musical Theater (CMT) this year will receive \$58,576 in HNVF funds. These funds, which we leverage to generate additional dollars, represent the most critical contribution to our school outreach programs, which primarily target under-served communities.

HNVF funds have enabled us to produce free school assemblies that reached more than 15,000 students in the past three years, carrying powerful lessons about the harmful aspects of tobacco and promoting healthy living. Students and educators alike have found the shows entertaining, engaging and informative. Next year HNVF funds will help us provide production workshops to some 1,000 students and produce shows that will reach nearly 10,000 students from San Jose schools.

CMT's production workshops play a vital role in helping thousands of the area's youth bridge a significant gap in their education. They offer the only real chance for meaningful arts enrichment activities for the majority of our performers. In addition, they foster development through a committed focus on the Developmental Assets Framework. Physical fitness and group play activities are key components of each production.

About 10 percent of our performers first learn of CMT through our student matinees. In our workshops they learn important life lessons – responsibility, teamwork, the importance of hard work and the pursuit of excellence – and gain self confidence.

The response from educators has been consistently positive. As Maria Chichizloa, counselor at San Jose's Grant Academy, wrote to us: "As an educator, I am particularly grateful for programs like CMT's student matinees that provide students with a memorable art education experience without undue intrusion on classroom time. ... (With) budget cuts to art and music programs, it is critical to the overall development of our students that they are exposed to theater arts through the CMT program. ... We are extremely appreciative and hope to continue in our partnership in providing a quality and well-rounded educational experience to our students, who are labeled under-privileged and are often under-estimated and overlooked by the larger community."

We, too, appreciate our partnership with you through HNVF funding and hope to continue to be able to serve these important constituencies. Without this critical funding, thousands of San Jose's students would miss these powerful life experiences that, for many, are transformational.

With best regards,

Michael Mulcahy
President, Board of Directors

Ann Hurst
Managing Director



Asian Americans
for
Community
Involvement

Santa Clara County, Incorporated

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February 10, 2009

The Honorable Chuck Reed and San Jose City Council
City Hall
200 E. Santa Clara Street
San Jose, CA 95113

Dear Mayor Reed and City Councilmembers:

On behalf of Asian Americans for Community Involvement (AACI), I am writing regarding the recent proposal to reduce the City of San Jose's Healthy Neighborhood Venture Fund (HNVF) by \$1.9 million. As an HNVF-funded organization, we are concerned about the negative impact that this proposal may have on an array of important services for San Jose residents.

AACI's Senior Wellness Program is currently funded by HNVF to provide culturally competent services to low-income seniors. Our HNVF-funded services are offered at AACI's main office located in Council District 6, but our programming is available to residents from all San Jose districts. Through our services, we keep San Jose seniors healthy and safe. Our Senior Nutrition Program offers a hot meal four days a week to ensure that our seniors receive at least one healthy, balanced meal during the day. Dancing, tai chi, ping pong, and health education workshops help our seniors stay active and mobile, while English and citizenship classes help seniors adjust to life in the United States. The majority of our seniors live alone, and through their participation in AACI's program, they learn important skills such as how to take public transportation and how to understand their bills from the utility companies. Our award-winning multilingual staff help the seniors navigate the complexities of health care, from applying for benefits to figuring out Medicare Part D to finding a doctor who speaks their language.

AACI also participates in the City of San Jose's Senior Companion Program, where we supervise seniors who are paired up with frail or homebound seniors to serve as companions. While we no longer receive funding for this program from the City, we continue to participate because of the benefits to some of our most vulnerable community members.

With HNVF funding, we are able to secure grants from other funders, and we provide match funding every year that exceeds the HNVF grant amount we receive. In addition, the City of San Jose HNVF staff provides comprehensive oversight of our program, evaluating our use of city funds and evaluating the services we provide. In Council memos written to the Rules Committee (1/28/09 and 2/5/09), it was stated that the City has "no way of knowing if the money given to CBOs is being used for appropriate uses." However, city staff closely monitor the use of HNVF funds through quarterly reporting, site visits, and meetings with fiscal, program, and

management staff at our organization. HNMF has also provided quarterly evaluation and compliance trainings for community based organizations receiving funding.

We understand that this is a challenging budget year, but we hope that you will carefully consider the important services that HNMF-funded organizations provide to San Jose residents. Programs like ours help keep San Jose residents safe and healthy.

Thank you for your consideration and if you have any questions, please do not hesitate to contact Anne Im, our Director of Community Programs and Advocacy, or me at (408) 975-2730.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Lew". The signature is written in a cursive, flowing style.

Michele Lew
President and CEO