

CITY COUNCIL TRANSMITTAL


July 22, 2020 10:21 MDT

Lisa Shaffer, Chief Administrative Officer

Date Received: July 17, 2020

Date sent to Council: July 22, 2020

TO: Salt Lake City Council
Chris Wharton

DATE: July 2, 2020

FROM: Mary Beth Thompson, Finance Director
Katie Lewis, City Attorney


Mary Beth Thompson (Jul 2, 2020 13:42 MDT)


Katherine Lewis (Jul 2, 2020 13:51 MDT)

SUBJECT: Public Benefits Analysis Re: Required Fee Waiver for Youth Participating in YouthCity Programs Under Department of Workforce Services Grant, Per the Requirements of Utah Code Section 10-8-2

SPONSOR: NA

STAFF CONTACT: Randy Hillier, Policy and Budget Analyst (801) 535-6606,
Kim Thomas, Youth & Family Division Director (801) 535-6129
Melyn Osmond, Payroll Accounting Manager (801) 535-6671 or Megan DePaulis, City Attorney (801) 535-7685

DOCUMENT TYPE: Public Benefits Analysis and Recommendation

RECOMMENDATION: The Administration recommends that a public hearing be held on the matter of the Public Benefits Analysis and to consider adopting a resolution waiving programming-related fees for youth who otherwise qualify for free lunch and offer a sliding fee scale for youth who qualify for reduced school lunch.

BUDGET IMPACT: NA

BACKGROUND/DISCUSSION:

Salt Lake City Public Services applied for and has received grants from the Utah Department of Workforce Services. While the City Council has appropriated the Grant funds for its intended purposes, under the Grant's requirements the City must waive programming-related fees for youth who otherwise qualify for free lunch and offer a sliding fee scale for youth who qualify for reduced lunch. Prior to offering such a reduced programming fee structure to the qualifying youth, the City must also perform a public benefit analysis per the requirements of Utah Code

10-8-2.

Utah Code 10-8-2 (1) (a) (v) states that after first holding a public hearing, *a municipal legislative body may authorize municipal services or other nonmonetary assistance to be provided to or waive fees required to be paid by a nonprofit entity, whether or not the municipality receives consideration in return.*

While a study is not required under Utah Code 10-8-2 before the City can enter an agreement for a below market value lease, it is beneficial to consider whether such an agreement will meet the public benefit requirements under Utah Code 10-8-2.

The attached memo to Rachel Otto, Mayor's Chief of Staff, outlines the public benefits identified by the Administration that the City will realize from the waiver of programming-related fees for youth who otherwise qualify for free lunch and by offering a sliding fee scale for youth who qualify for reduced lunch.

PUBLIC PROCESS: Public Hearing

MEMORANDUM

DATE: June 22, 2020

SUBJECT: Required Fee Waiver for Youth Participating in YouthCity Programs Under Department of Workforce Services Grant.

INTRODUCTION

Salt Lake City Public Services applied for and has received grants from the Utah Department of Workforce Services (collectively the “Grant”). While the City Council has appropriated the Grant funds for its intended purposes, under the Grant’s requirements the City must waive programming-related fees for youth who otherwise qualify for free lunch and offer a sliding fee scale for youth who qualify for reduced lunch (the “Fee Waiver”). Failure to do so may result in termination of the Grant.

Additionally, the Grant allows the City to maintain a sliding scale for YouthCity program participants who do not qualify for free school lunch. YouthCity enrolled a total of 362 participants between September of 2018 through August of 2019. Of those, the number of children who qualified for free school lunch and was 169.

By waiving fees for youth who qualify for free lunch and taking advantage of the DWS funding resources, the City is able to offer school break, afterschool, and summer programs that are focused on building life skills, resiliency, and increased academic competencies. The City’s YouthCity program provides opportunities over-and-above recreational programs offered by Salt Lake County, which are particularly focused on increasing healthy lifestyles.

LEGAL FRAMEWORK

Utah Code section 10-8-2 states that municipalities may appropriate funds for “corporate purposes only.” Utah Code § 10-8-2(1)(a)(i). Those purposes are, in the judgment of the municipal legislative body, any purpose that “provides for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the city.” Utah Code § 10-8-2(3). A municipal legislative body must make a determination that the “net value received for any money appropriated” is “measured on a project-by-project basis over the life of the project.” Utah Code § 10-8-2(3)(a). The municipal legislative branch “may consider intangible benefits received by the municipality in determining net value received.” Utah Code § 10-8-2(3)(c). Moreover, a “determination of value received, made by the municipality’s legislative body, shall be presumed valid unless it can be shown that the determination was arbitrary, capricious, or illegal.” Utah Code § 10-8-2(3)(b).

Before appropriating any funds for a corporate purpose, the legislative body must hold a public hearing. If the entity receiving the benefit from the City is anything other than a nonprofit corporation, then a study (“Study”) that demonstrates the purpose for the appropriation must be undertaken and posted for review by the public at least 14 days before a public hearing on the issue. Utah Code §10-8-2(3)(e). The factors to be considered in the Study are:

- (i) what identified benefit the municipality will receive in return for any money or resources appropriated;
- (ii) the municipality’s purpose for the appropriation, including an analysis of the way the appropriation will be used to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality; and
- (iii) whether the appropriation is necessary and appropriate to accomplish the reasonable goals and objectives of the municipality in the area of economic development, job creation, affordable housing, blight elimination, job preservation, the preservation of historic structures and property, and any other public purpose.

Utah Code § 10-8-2(3)(e)(i)-(iii).

ANALYSIS OF THE PUBLIC BENEFITS OF THE FEE WAIVER OF YOUTHCITY PROGRAMMING FEES

The City has identified benefits provided by accepting the Grant with its fee waiver requirements, including free to low-cost afterschool and summer programming alternatives for youth, greater student achievement opportunities, and reductions in criminal behavior among the YouthCity program participants.

By waiving fees for youth who qualify for free lunch and taking advantage of the DWS funding resources, the City may offer school break and summer programs that are focused on building life skills, resiliency, and increased academic competencies. Numerous studies have demonstrated the benefits of effective afterschool and out-of-school programs:

- Attending afterschool programs can improve students’ academic performance. A national evaluation found that over 40 percent of students attending 21st Century Community Learning Center programs improved their reading and math grades, and that those who attended more regularly were more likely to make gains (Naftzger et. al., 2007).
- Effective afterschool programs can improve classroom behavior (Wisconsin Department of Public Instruction, 2010), school attendance, academic aspirations, and can reduce the likelihood that a student will drop out of school (Huang, Leon, La Torre, Mostafavi, 2008).
- Participation in afterschool programs has been associated with reduced drug use (Investing in Our Young People, University of Chicago, 2006) and criminal behavior

(UCLA National Center for Research on Evaluation, Standards and Student Testing, 2007).

- Afterschool and summer break programs can play an important role in encouraging physical activity and good dietary habits. Participation in afterschool programs has been associated with positive health outcomes, including reduced obesity (Mahoney, J., Lord, H., & Carryl, 2005).
- Working families and businesses also derive benefits from afterschool and summer break programs that ensure that youth have a safe place to go while parents are at work. Parents concerned about their children's afterschool care miss an average of eight days of work per year, and this decreased worker productivity costs businesses up to \$300 billion annually (Brandeis University, Community, Families and Work Program, 2004 and Catalyst & Brandeis University, 2006).

ACHIEVING THE CITY'S GOALS

Grant-supported YouthCity programs advance the City's priorities related to education, public safety and economic development through academic, arts and culture programming. The City's goals include ensuring all Salt Lake City youth have an opportunity to be academically successful by providing the tools necessary. Research indicates that youth who regularly attend after-school and out-of-school programs demonstrate academic growth and the social emotional competencies necessary to become successful contributors to the City's overall workforce. After school and out-of-school programs also decrease the rate of high-risk behaviors that can lead to youth involvement in crime. YouthCity programs focus on arts education, and as such promote the next generation of consumers and creators of the Arts.

Both the Mayor and Council have identified economic development as a key priority. Programming such as YouthCity provides indirect economic support for working parents by offering a cost effective after school and out-of-school alternative, and ensuring their children are safe and engaged in quality learning activities.

CONCLUSION

The benefits described above help the City achieve its goals. The YouthCity programs contribute significantly to providing those benefits. YouthCity cannot function as effectively if the City doesn't receive the Grant. The City cannot receive the Grant if it doesn't provide the Fee Waiver. Therefore, it is in the best interest of the City to provide the Fee Waiver and the City benefits significantly from what follows from providing the Fee Waiver.