

# Memorandum

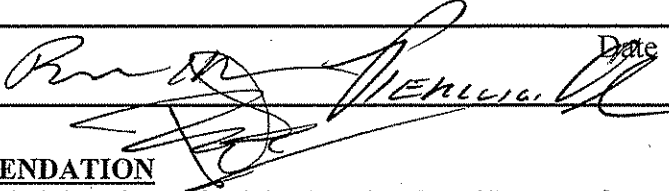
**TO:** Rules Committee

**FROM:** Councilmembers  
Rose Herrera, Pete Constant, Pierluigi Oliverio

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

**DATE:** January 28, 2009

Approved

 Date 01/28/09

## 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 the Rules Committee send this memo to the HNVF Committee for their review at the next HNVF meeting on February 19, 2009 and simultaneously agendize this memo for full Council consideration for the evening meeting on February 24, 2009.

## 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 HNVF is comprised of the money the City receives from a settlement with the tobacco companies. The HNVF 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 HNVF 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 HNVF 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 HNVF monies. The HNVF 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 HNVF 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 HNVF). After the three programs have been funded, the remaining monies are then used for the HNVF competitive grant process. Therefore, as a result, approximately \$4 million is left after these three groups have been funded for the HNVF 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 fact, 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. Let's take care of the problem by providing a secure funding source for crossing guards.

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.