



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

TO: Board of Supervisors

**FROM: Philip A. Ginsburg, General Manager
Recreation and Park Department**

DATE: April 25, 2023

SUBJECT: California Department of Parks and Recreation Grant Performance Periods

Recreation and Park Department (RPD) capital projects frequently rely on State funding administered through the State of California, Department of Parks and Recreation (DPR). This funding usually comes to RPD through specified or competitive grants and is approved through State budget appropriations.

Grants agreements from DPR typically state that RPD may use grant funds to pay for covered work that occurs during a specified “performance period.” To ensure grants can cover pre-development work and to align grants with the State budget process, DPR often identifies the performance period as beginning on the 1st day of the Fiscal Year in which the funds have been appropriated.

For example, if DPR were to award RPD a grant using funds appropriated during Fiscal year 2022, it usually identifies the grant performance period as beginning on July 1, 2022 – even though DPR’s might not have actually awarded the grant until later during that Fiscal Year.

DPR’s practice regarding the performance period has raised questions about whether Board of Supervisors approval of such grants constitutes a “retroactive” approval. We have understood that the concept of “retroactive” approval would apply if we had actually signed an agreement or accepted funds without the approval of the Board of Supervisors, and then sought those approvals after the fact.

Most RPD grants from the state come from DPR or the Natural Resources Agency. Staff at those agencies typically begin the process of creating applications, awarding and finalizing these grants months after the state budget is approved. This, in combination with the identification of the performance period as the fiscal year gives the appearance, on paper, that the grants are retroactive. In practice, no money has been transferred or spent before the Board approves.

It is important for RPD Capital Projects to move forward on essential construction timelines, and for RPD to seek legally required approvals in advance rather than after the fact. We hope that this memo will help the Board understand the circumstances for how RPD negotiates and seeks approval for these grant agreements.