

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 21, 2004  
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*  
SUBJECT: BUDGET MEMO #: 70 ADDITIONAL QUESTIONS ABOUT CAMPAGNA CENTER PROGRAMS

This memorandum is in response to Councilwoman Woodson's request for information on the amount of funding for the before and after school program at the Samuel Tucker Elementary School, and for information on a process audit of the Campagna Kids program.

Before and After School program. This enhanced before and after school program was started by the City at the time the Tucker school opened in the fall of 2000. The original contract for this program was competitively bid in FY 2001, and a private for-profit vendor was selected by the City. That vendor's program management and delivery did not meet expectations, and the contract was rebid in FY 2002 and awarded to the Campagna Center. The amount of the contract has been budgeted at \$300,000 with the structure of collected fees being used to finance the program first and then City funds.

The amount of expenditures by this program are as follows:

FY 2001*		FY 2002		FY 2003		YTD FY 2004**	
Budget	Expend.	Budget	Expend.	Budget	Expend.	Budget	Expend.
\$300,000	\$350,614	\$300,000	\$262,292	\$300,000	\$171,049	\$300,000	\$73,951

\* - The FY 2001 contract was awarded to a different vendor, not the Campagna Center.

\*\* - Year to date through March 31, 2004.

The Tucker contract was originally issued on August 1, 2001 with the City reserving the right to renew the contract for a period of four additional years, one year at a time. Automatic contract renewals are prohibited. The Campagna Center and the City can renew the current contract for the summer of calendar year 2004 and 2005 before it needs to be re-bid. The Campagna Center submits a budget for the before- and after program at Tucker annually, which is reviewed by City staff prior to the renewal contract being issued by Purchasing.

The principal sources of revenue for the Campagna Center before and after school programs are parent fees (paid on a sliding fee basis based on parent's income), dollars from the federally funded Child Care and Development Fees program (CCDF), and the contribution from the City. The underspending at Tucker has been due to the enrollment of children from higher income families who pay the full cost of care and the identification and enrollment of more families who qualify for CCDF funds.

It should be noted that the Campagna Kids program at locations other than the Tucker School routinely has budget shortages due in most part to lower than budgeted parent fees. These revenue shortages are made up by the City, as part of our contractual agreement. Budget shortfalls were approximately \$200,000 each year for the years FY 2002 and FY 2003. The Department of Human Services General Fund budget has absorbed each of these shortfalls, in part by using unspent funds from the Tucker contract. It is expected that this shortfall will occur in FY 2004 and FY 2005, so it is likely that funds freed by underspending at Tucker will be available to cover the over expenditure need at other Campagna Kids sites.

When there is an excess of General Fund operating money in one account, funds can be reallocated within a department (with OMB approval) to meet an unforeseen budget need, or can be reallocated to another department with City Council authorization. If excess operating funds remain within a department's budget at year's end when the City's books are closed, those funds lapse from the department's budget and become part of the year-end General Fund balance.

Process audit. During FY 2003, Campagna staff agreed to an audit of its and DHS's processes. The City's Internal Audit staff conducted this audit and the draft finding and recommendations have been shared with the Campagna staff who have implemented all of the key recommendations (most of which related to Campagna's fee billing system).