

# City of Alexandria, Virginia

## MEMORANDUM

DATE: APRIL 16, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: BUDGET MEMO #39 : CAMPAGNA CENTER BUDGET REQUEST FOR FY 2004

In response to the Campagna Center's request for additional City funding, City Council requested that staff provide a report on the request. Their request is to increase the Campagna Center's FY 2004 budget from the proposed \$1,222,000 to \$1,652,585. This represents a \$430,585 or a 35.2% increase. The history of the City's funding of Campagna Kids since FY 1998 is attached (Attachment I). Direct City funding has increased from \$600,000 in FY 1998 to \$1.3 million in FY 2002 (116%). Including City child care subsidy funds, funding of Campagna Kids has increased from \$600,000 in FY 1998 to \$1.5 million in FY 2002 (150%). It should be noted that the discussions in this memorandum cover the Campagna Kids Before and After School Program (including summer and gap camps), but exclude the Tucker Plus program and the Head Start Program (which are separate contracts and not part of the Campagna Kids contract). However, this week, the Executive Director of the Campagna Center called and indicated that she is now requesting to have the Tucker salaries increased to the levels requested in the Campagna Kids program, but does not know yet how much that added cost would be.

In preparing the FY 2004 proposed budget, City staff requested that the Campagna Center submit its budget for FY 2004 to the City in November 2002 (when the City staff was considering all departmental budget submissions). This November submission was aimed at receiving Campagna Center's request earlier than in prior years, so their budget request could be considered at the same time (and in competition) with other funding requests. In recent years, requests by Campagna for additional funding were sometimes made after the proposed budget was established, and reconciling the requests with available funding was a challenge. As a result, an earlier submission was requested by the City and was made by the Campagna Center in November 2002.

### Original November and January Budget Submissions

The original budget request made by the Campagna Center in November for FY 2004 (Attachment II) was for \$1,284,770, but with a budget deficit of \$256,441. The deficit arose primarily from compensation increases that Campagna Center wished to extend to its employees. A confirmation of that basic budget request was repeated on January 15, 2003 when the City met with Campagna staff at our quarterly meeting where FY 2003 issues were mostly addressed. At

that meeting, Campagna provided a FY 2004 budget that indicated a need for City funds at about the same level as in the November original submission. As to the FY 2004 budget deficit which continues to remain at about \$250,000, Campagna did not indicate that they would be requesting additional funds beyond the City making up the projected deficit.

As part of the City's budget preparation, the Office of Management and Budget (OMB) reviews the budget submissions of City departments and makes recommendations to the City Manager of funding levels. In the case of the Campagna Center, the OMB recommended funding level, which is contained in the FY 2004 proposed budget, totaled \$1,222,000. This funding level was calculated in the following manner:

- The budget constraints used were similar to that of City agencies.
- A 3% growth in personnel costs was allowed (this is consistent with that applied of City departments).
- Non-personnel expenses were held level with the prior year (this is also consistent with that applied to City departments).
- A 4.5% vacancy factor was applied to the proposed Campagna staff salaries. This is a deduction aimed at recognition of Campagna Kids staff vacancies during the course of the year which create a budget savings (vacancy factors are also used in the preparation of City department budgets).
- A deduction of 2.7% was also made due to a projected decline in the number of children served.
- Campagna's fee revenue assumptions were accepted. Fee revenues are being reviewed (such as the Summer Camp fee which has not been increased in ten years).

The result was a \$1,222,000 City funding level. This is a \$64,770, or 5 %, reduction from the current year's funding level. It is intended that this amount will be adjusted after the City's budget is adopted by adding a cost-of-living adjustment equivalent to what Council provides for City and School employees, as well as funding for the additional three days of school (mirroring the School Board's proposed increase in the number of school days from 180 to 183 per year).

February Campagna Center Request

On February 20 the City Manager received a letter (Attachment III) from the Campagna Center which indicated that some \$1,888,469 in City support was needed. The purpose of this increase over the prior submission was in order to fund salary and wage increases for Campagna Center staff. The February request was received when it was too late to be considered as part of the City budget process. By February 20 the operating budget analysis of requests had been completed by

OMB staff, funding decisions had been made by the Manager, and the budget was in production stages in order to make the March 11 presentation to City Council.

March Campagna Center Request

The morning after the City budget was presented to City Council and released to the public, City staff held a previously scheduled meeting with Campagna staff to follow up on FY 2003 issues discussed at the January meeting, as well to discuss the proposed level of funding of \$1,222,000 which was included in the FY 2004 proposed budget for the Campagna Kids program. At that meeting Campagna staff indicated that the proposed City funding level was unacceptable, that Campagna could continue its full program in FY 2004 only if City funding was increased substantially, and that absent this substantial increase in funding, major program and service changes would have to be made in FY 2004. In response, City staff requested that Campagna articulate and cost out what those changes would be.

On March 27 Campagna presented in writing five options to the City for consideration (Attachment IV). These options include:

- Option 1: Adds \$430,585. The added City funds would allow Campagna to increase staff wages closer to market conditions. This includes both site staff and administrative staff. Most of the increased monies would end up allocated to site staff where wages would increase 16% to 23%. The current and proposed wage scale is included as the last page in Attachment II.
- Option 2: Adds \$244,777. The added City funds would allow for the adjustment of wages but the staff-to-student ratios would increase to 1:20 from the current 1:15 at non-accredited sites. At the three accredited sites, the current ratio of 1:12 would stay in place.
- Option 3: Adds \$133,572. The added funds would allow for the adjustment of wages but would change the staff ratio at all sites to 1:20. The three accredited sites would no longer be accredited.
- Option 4: Adds \$86,614. The added City funds would increase staff wages, but would shift to the City the responsibility for before and after school care at schools where there are recreation centers (Mount Vernon, Charles Barrett, Ramsay, Cora Kelly and Patrick Henry). The Campagna option cost is incorrect as it omitted Patrick Henry on the list of schools where responsibility for programming would be transferred. Also, the option cost does not include the cost (and lost fee revenue) of adding City staff to the five recreation centers to handle the added responsibility.
- Option 5 : Subtracts \$158,936. This option is the same as Option 4, but it changes the staffing ratio of the Campagna Kids program to 1:20, which would cause the three

accredited sites to lose their accreditation. It also does not include the added cost (and lost fee revenue) to the City of transferring five sites to recreation center staff.

In order to determine which options to pursue, City staff held a meeting last week with Campagna to discuss their proposed options. Since Options 4 and 5, which involve a sizable shift of responsibilities to the Recreation Department, are not fully costed-out, there remains substantial analysis to undertake before any option is selected. Moreover, staff has requested, but not yet received, documentation or other information supporting Campagna's asserted need to increase salaries and showing the program consequences of adjusting current salaries only by the same COLA given City and School employees. We anticipate discussions will occur with Campagna after the budget adoption date to address and reach a staff resolution of these matters. Thus, I recommend that no additional funding for Campagna be approved in the FY 2004 budget for before and after school care as it is too early to determine which of the options is in the best, long-term interest of the City. If an option is selected which requires more funding than the FY 2004 budget can support, staff will return to Council to obtain that increased funding.

Attachments:

- I. City Support of Before and After School Programs Operated by the Campagna Center (Council Request #03-21P)
- II. November 13, 2002 budget request from the Campagna Center
- III. February 13 letter from the Campagna Center to the City
- IV. March 27 letter from the Campagna Center to the City

## City of Alexandria, Virginia

OMB  
ALEXANDRIA VIRGINIA

## MEMORANDUM

2003 MAR -5 P 3:44

DATE: MARCH 5, 2003

TO: COUNCILWOMAN REDELLA S. PEPPER

THROUGH: ROSE WILLIAMS BOYD, <sup>RB</sup>DIRECTOR, CITIZEN ASSISTANCE

FROM: MARK JINKS, ASSISTANT CITY MANAGER <sup>MJ</sup>

SUBJECT: CITY SUPPORT OF BEFORE AND AFTER SCHOOL PROGRAMS  
OPERATED BY THE CAMPAGNA CENTER (Council Request #03-21P)

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In response to your inquiry about the history of the City's financial support to the Campagna Center's before and after school programs, the City has increased its support from \$0.6 million in FY 1998 to \$1.9 million in FY 2003. This includes the before and after school program at Samuel Tucker, which Campagna started operating in FY 2002 and which added \$0.3 million to the City's support of before and after school programs operated by the Campagna Center.

Attachment: City Support of Before & After School to the Campagna Center

cc: The Honorable Mayor and Members of City Council  
Philip Sunderland, City Manager  
Beverly Steele, Acting Director, Department of Human Services  
Carol Moore, Acting Deputy Director, Office of Management and Budget

**City Support of Before & After School  
to the  
Campagna Center  
(\$ in millions)**

	<u>Campagna Kids</u>	<u>City Child Care Funds</u>	<u>TOTAL</u>	<u>Tucker</u>	<u>TOTAL</u>
FY 98	\$0.6	-	0.6	-	0.6
FY 99	\$0.7	-	0.7	-	0.7
FY 00	\$0.7	-	0.7	-	0.7
FY 01	\$0.8	0.05	0.85	-*	0.85
FY 02	\$1.1 budget	0.2	1.3	0.3	1.6
	\$1.3 paid**	0.2	1.5	0.3	1.8
FY 03	\$1.1 budget	0.3	1.4	0.3	1.7
	\$1.3 agreed to	0.3	1.6	0.3	1.9

\* provided by private contractor in FY 01

\*\* budget shortfall covered by City increasing its budgeted and planned payments by \$0.2 million



Head Start

Campagna Kids

Wright to Read

RSVP

November 13, 2002

 2002 NOV 18 A 10:18  
 ALEXANDRIA VIRGINIA  
 OMB

Mr. Mark Jinks  
 Assistant City Manager  
 301 King Street  
 Alexandria, VA 22314

Dear Mark,

We had agreed that we would submit our FY04 budget needs for Campagna Kids by November 15, so you will find it enclosed. As you will see, the amount we estimate to be needed from the City is \$1,916,569 for both the Campagna Kids and Tucker contracts.

This amount represents a 3% COLA for all line items except those detailed below, and a 3% increase for all staff to begin to bring wages up to parity with other school-age child care programs in the region, including those offered by the City Department of Recreation, Parks and Cultural Activities. As you know, it is impossible to provide quality child care without attracting and retaining an experienced, well-trained, caring staff. In the first two months of this school year Campagna Kids has already lost four employees who took positions with the Rec department, and a site leader who accepted a position in Fairfax County. This budget also includes the \$113,000 that we were required to reduce from salaries in the FY03 budget to reflect estimated savings due to employee attrition and unfilled positions.

Other items increased beyond the 3% COLA are food expense for daily snacks, cooking projects and special activities and training; enrichment opportunities, including field trips, based on the Virginia Standards of Learning; supplies; and training. It is clear how each of these line items directly impacts our capacity to have high-quality, accredited programs. Telephone costs are also increased, reflecting our actual costs

Finally, there is a need for other forms of after-school activity, particularly in the apartment buildings in the West End. Although licensed child care like Campagna Kids can only be offered if there is sufficient space, both inside and outdoors, we would be most willing to consider some after-school activities at non-school locations if City support is available. It is unlikely that parents would be able to pay significant fees.

Of course The Campagna Center will continue to seek non-City funds to support the Campagna Kids budget. At present we have applied for U.S.D.A. funds for food, and are waiting to see how much income that will provide. We also have a proposal before the Freddie Mac

Mr. Mark Jinks  
Page Two  
November 13, 2002

Foundation for Campagna Kids enrichment, and are working on a 21<sup>st</sup> Century Learning Center program for Mount Vernon Community School. However, until the City recognizes the need for funds in alignment with the state market rate for school-aged child care and other school-aged child care programs in the region, which would permit us to adequately fund staff salaries and accreditation needs (food, supplies, training), there will be an erosion of quality in the services we are able to provide.

Sincerely,



Katherine L. Morrison  
Executive Director

- cc: Beverly Steele
- Carol Moore
- Jack Powers
- Gail Roberson
- Pam Dawson

Enclosure



**Campagna Kids, Wm. Ramsey & Samuel Tucker**

<b>Children Programs For Fiscal Year 2003</b>		<b>FY03 Total Budget</b>	<b>FY03 Base Program Campagna Kids</b>	<b>FY03 Tucker</b>
<b>SUPPORT AND REVENUE</b>				
Business	\$	775 \$	775	
Foundations		3,000	3,000	
CK Parent Fees		1,038,522	985,522	53,000
Parental Co Pay		7,250	7,250	
Scholarships		20,000	20,000	
CCDF-Payments		332,699	303,699	29,000
City of Alexandria		1,596,814	1,284,770	312,044
School Board		95,142	95,142	
In-Kind Rent		195,500	195,500	
T-Shirt Income		2,500	2,500	
Other		-	-	
<b>TOTAL REVENUE</b>		<b>\$ 3,292,202 \$</b>	<b>2,898,158 \$</b>	<b>394,044</b>

<b>PROJECTED FY2004</b>		<b>FY04 Total Budget</b>	<b>FY04 Base Program Campagna Kids</b>	<b>FY04 Tucker</b>
<b>SUPPORT AND REVENUE</b>				
Business	\$	775 \$	775	
Foundations		3,000	3,000	
CK Parent Fees		1,069,678	1,015,087	54,591
Parental Co Pay		7,250	7,250	
Scholarships		20,000	20,000	
CCDF-Payments		332,699	303,699	29,000
City of Alexandria		1,596,814	1,284,770	312,044
School Board		95,142	95,142	
In-Kind Rent		195,500	195,500	
T-Shirt Income		2,500	2,500	
Other		-	-	
<b>TOTAL REVENUE</b>		<b>\$ 3,323,358 \$</b>	<b>2,927,723 \$</b>	<b>395,635</b>

\*Projected Parent Fees: increased by 3% cost of living rate.

# FY 04 BUDGET

11/4/02

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EXPENSES	FY 03	FY 04	FY 04	FY 04
	Total Budget	Total Budget	Campagna Kids Budget	Samauel Tucker Budget
Salaries and benefits	2,178,717	2,422,440	2,125,450	296,990
FICA expense	166,671	185,317	162,597	22,720
Unemployment Ins.	3,614	4,118	3,613	505
Payroll Service Fees	7,084	7,297	6,473	824
Advertising Expense	82	84	69	15
Duplication Expense	1,985	2,045	1,849	196
Equipment Expense	28,463	29,317	21,077	8,240
Food Expense	66,382	<b>68,000</b>	58,000	10,000
In-Kind Rent	195,500	201,365	201,365	0
Insurance Expense	20,283	20,891	16,771	4,120
Leased Copier Equip.	1,754	1,807	1,664	142
License Expense	4,629	4,768	4,392	376
Criminal Record Search	3,742	3,854	3,236	618
Postage Expense	619	638	555	82
Printing Expense	2,763	2,846	2,774	72
Prof. Membership Dues	1,921	1,979	1,886	93
Enrichment Services	51,531	<b>70,000</b>	54,635	15,365
Program Activities		0	0	0
Program Activities-Field	6,743	<b>8,743</b>	7,243	1,500
Prg Activities-T-shirts	2,695	2,776	2,312	464
Recognition Expense		0	0	0
Recruitment-newspaper	1,466	1,510	1,149	361
Repairs and Maint.		0	0	0
Allocation of Rent Exp.	2,377	2,448	2,114	335
Special Events		0	0	0
Supplies Expense	83,928	<b>90,000</b>	76,500	13,500
Technology Exp.		0	0	0
Telephone Expenses	15,504	<b>18,000</b>	16,500	1,500
Temp Staff	1,940	1,998	1,998	0
Training Staff	48,880	<b>55,000</b>	50,000	5,000
Travel-Local	8,207	8,453	7,397	1,056
Travel-Long distance	3,142	3,236	3,236	0
Subscription Expense	293	302	276	26
Other Expenses	1,018	1,049	925	124
Vehicle-Repair	2,100	2,163	2,060	103
Allocation of indirect costs	378,169	389,514	346,048	43,466
<b>TOTAL EXPENSES</b>	<b>3,292,202</b>	<b>3,611,957</b>	<b>3,184,166</b>	<b>427,791</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-319,755</b>	<b>-286,008</b>	<b>-33,747</b>

2,927,723 new minus

\*Salary increased by 6%: 3% cost of living and 3% salary raise.  
 \*Salary was also increased by \$113,000, as this amount was deducted from FY 03 Budget.  
 \*Budget increases in bold are explained in the Budget Justification, see attached.  
 \*All other expense costs have been increased by 3% cost of living rate.

3,184,166  
 Expense  
 = 256,443

difference 0  
 29,565

**BUDGET JUSTIFICATION  
FY2004**

11/04/02

**OVERVIEW**

The budget for Campagna Kids FY04 programs differs principally from the FY03 budget in three areas, Salaries, Benefits and Cost of Living increases. Cost of Living increases are based on the federal increase given to Head Start and the Consumer Price Index inflation rates for the prior nine months. The rate of 3% was applied before any other salary adjustments. Subsequently, all employees annual salary was increased by 3% to remain competitive with other human service jobs. Also, an attrition amount of \$113,000 was added to salary total, as this amount was deducted from FY 03 budget.

Amounts in this narrative refer to the total cost of each line item in bold, which reflects an increase for both Campagna Kids and Samuel Tucker. All other line items have been increased by a 3% cost of living rate. The summary spread sheet allocates amounts to both cost centers in order to comply with requests to separate the programs.

<b><u>SALARIES</u></b>	<b>\$2,422,440</b>
<b><u>PAYROLL TAXES</u></b>	<b>\$185,317</b>

According to NSACA (National School-Age Care Alliance) Standards, "the program has a plan in place to offer the best possible wages and working conditions in an effort to reduce staff turnover." NSACA Standards also states, "Wages are above the minimum hourly wage and are competitive with other human services jobs."

<b><u>FOOD</u></b>	<b>\$68,000</b>
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Estimate to serve an average of 900 children per day in FY04. This figure is based upon last year's average number of children \$53,648.

12 sites after school x \$696 per site for cooking projects, parent and staff meetings and family special events = \$11,352

Food for Campagna Center meetings = 20 meetings x \$150 per meeting = \$3,000

<b><u>PROGRAM ACTIVITIES Field Trips</u></b>	<b>\$6,243</b>
<b><u>PROGRAM ACTIVITIES-Tee Shirts</u></b>	<b>\$2,500</b>
<b>Total</b>	<b>\$8,743</b>

- Baltimore Aquarium = \$1,250
- Discovery Theater = \$950
- Funfitastic = \$1,500
- Bowling = \$600
- Movies = 800
- Mystic basketball game = \$1.143

**PROFESSIONAL SERVICES-ENRICHMENT** **\$70,000**

- Current Enrichment Activities –
- Dance
- Science and Technology
- Chess
- Sign Language, etc.

12 sites x 3 enrichment activities = 36 x \$35.00 per session = \$1260 x 54 weeks = \$68,040

- Catrina's Castle = \$500
- Blue Sky Puppet = \$460
- Under the Sea = \$500
- Salsa Dancers = \$500

**SUPPLIES** **\$90,000**

There are four sites targeted for NSACA accreditation in FY03; Tucker, James K. Polk, Maury, and Mt. Vernon. These sites will need extra money for supplies to meet NSACA standards.

**SCIENCE AND MATH SUPPLIES:**  
 \$2,000 for supplies x 4 sites = \$8,000

**MANIPULATIVES:**  
 \$2,000 for supplies x 4 sites = \$8,000

**DRAMATIC PLAY, MUSIC AND MOVEMENT**  
 \$2,000 for supplies x 4 sites = \$8,000

**SOFT FURNITURE:**  
 \$2,000 for supplies x 4 sites = \$8,000

**REPLENISHMENT:**

Each site will receive \$3,000 for replenishment of supplies. at  
\$2167 per site x 12. \$26,004

**FIRST AID SUPPLIES:** \$3,500

**PAPER GOODS:** \$7,996

**OFFICE SUPPLIES AND MISC:** \$7,000

**COLLEGE BOOKS:**

Funds to purchase one book per student per year, for staff not eligible for City  
Scholarships=100 students x \$80.00 per book: \$8,000

**CHILDREN'S RUGS:** \$5,500

**TELEPHONES \$18,000**

Telephones: \$660 per month x 12 months = \$7,920  
Cell phones and pagers: \$740 per month x 12 months = \$8,880  
Contingency: 120 x 10 = \$1,200

**TRAINING: \$55,000**

*NSACA TRAINING IN SALT LAKE CITY, UTAH*

6 people will attend.

Flight: 6 people x \$450.00 per person round trip = \$2,700

Per Diem: 6 people x \$34.00 per day = \$204.00 x 4 days = \$816

Hotel: \$150.00 per person x 6 people = \$900 x 4 nights = \$3,600

Conference fees: \$200 fee x 6 people = \$1,200

Grand total: \$8,316

*FIRST STEP ON THE PATH TO CONTINUOUS QUALITY IMPROVEMENT - \$6,888*

*RETREAT FOR ALL STAFF (ORIENTATION TO SCHOOL YEAR) \$5,000 quote*

*CPR & FIRST AID TRAINING FOR STAFF (based on last year's costs) = \$5,000*

*HEALTH SCREENING TRAINING (based on last year's costs = \$150*

*TRAINING HOSTED BY OUTSIDE AGENCIES (Social Services, Applebaum, George Mason University, etc.)*

*\$45.00 per staff x 200 staff = \$9,000*

*BEHAVIOR MANAGEMENT TRAINING (based on last year's costs) = \$2,000*

*ACCOUNTABILITY VS. RESPONSIBILITY*

Target audience: all staff

Proposed session: one

Proposed fee: \$1,950

*CULTURE, ALIGNMENT, AND COMPETITIVE ADVANTAGE*

Target audience: site directors, sr. group leaders, and site coordinators

Proposed sessions: four

Proposed fees: \$2,970

*TEAMWORK*

Target audience: all staff

Proposed sessions: two

Proposed fees: \$1,575

*MANAGING CHANGE/COACHING & FEEDBACK*

Target audience: site directors, sr. group leaders, and site coordinators

Proposed sessions: four

Proposed fees: \$2,980

*CAMP KIDS AND THE COMMUNITY COLLABORATIVE EFFORTS*

Target audience: all staff

Proposed sessions: two

Proposed fees: \$1,875-out

*VALUING DIVERSITY*

Target audience: all staff

Proposed sessions: two

Proposed fees: \$2,700

*COMPUTER TRAINING FOR STAFF AND CHILDREN*

Proposed fee: \$4,596

**Campagna Kids  
Childcare Programs  
For Fiscal Year 2003**

	FY03	
	Base Program	
<b>SUPPORT AND REVENUE</b>	<b>Campagna Kids</b>	
Businesses	\$	775
Foundations		3,000
CK Parent Fees		985,522
Parental Co pay		7,250
Scholorships		20,000
CCDF-Payments		303,699
City of Alexandria		1,284,770
School Board		95,142
In-Kind Rent		195,500
T-Shirt Income		2,500
Other		-
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>2,898,158</b>
<b>EXPENSES</b>		
Salaries and benefits	\$	1,913,440
FICA expense		143,538
Unemployment insurance		3,288
Payroll service fees		6,284
Advertising expense		67
Duplication expense		1,795
Equipment expense		20,463
Food Expense		56,382
In-Kind Rent		195,500
Insurance expense		16,283
Leased copier equipment		1,616
License expense		4,264
Criminal Record Search		3,142
Postage Expense		539
Printing expense		2,693
Professional Membership Dues		1,831
Enrichment services		36,166
Program activities-Field trips		5,743
Program activities-Tee Shirts		2,245
Recruitment-newspaper		1,116
Allocation of rent expense		2,052
Supplies expense		70,428
Telephone expense		14,004
Temporary Staff		1,940
Training-Staff		43,880
Travel-local		7,182
Travel-Long distance		3,142
Subscription expense		268
Other expenses		898
Vehicle-Repair		2,000
Allocation of indirect costs		335,969
<b>TOTAL EXPENSES</b>		<b>2,898,158</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b>(0)</b>

*taken from  
signed CK's contract*



Head Start

Campagna Kids

Wright to Read

RSVP

February 13, 2003

Attachment III

FEB 20 A 9:38

MANAGER'S OFFICE  
ALEXANDRIA, VA

247

25 9/2/03  
OMB

Phil Sunderland, City Manager  
City Hall  
301 King Street  
Alexandria, VA 22314

Dear Phil,

As you prepare your FY04 budget recommendations for submission to City Council in March, we must once again advise you of our serious concerns about continuing the Campagna Kids program without a significant wage increase. The central issue is our ability to sustain quality care in light of the expanding wage inequity between Campagna Kids and other childcare programs in the region. As you know, based on our salary survey of programs in Alexandria, Fairfax, Falls Church and Arlington in 2000, even at that time Campagna Kids was more than \$500,000 behind in wages alone, not including other compensation.

The Virginia Department of Social Services establishes a Maximum Reimbursable Rate for Alexandria for school-age child care. If Campagna Kids were funded at that level we could pay more adequate wages (please see computation which follows). With projected annual parent fees of \$869,000, estimated Child Care and Development Fund reimbursement of \$221,243, the Alexandria City Public School contribution of \$95,142 and \$9,750 in miscellaneous fees, a City contribution of \$1,888,469 is needed to achieve the Maximum Reimbursable Rate for FY03 (compared to the \$1,304,770 City allocation in the FY03 budget). The state's Maximum Reimbursable Rate establishes the acceptable costs for child care and must be the basis on which Campagna Kids is funded every year.

Although this is an increase of almost \$600,000, it would be a great deal more expensive for the City to have to provide this care entirely with your own staff. We estimate that the additional annual wages would be at least \$700,000 more, which does not include the much greater benefits package received by City employees. Additionally, under your current philosophy of charging no fees for licensed Rec programs, \$869,000 in parent fees and



Phil Sunderland, City Manager

Page Two

February 13, 2003

\$221,243 in CCDF funds would be lost. Consequently, the increased annual cost to the City to provide this care with City staff would exceed \$1,790,243. This does not include the loss of other funds raised by The Campagna Center for Campagna Kids, which total more than \$75,000 so far this year.

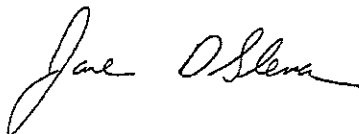
If you are unable to recommend an increase to the Maximum Reimbursable Rate for Campagna Kids in the FY04 budget, The Campagna Center's commitment to maintaining program quality means that we will have to work with you to consider possible program changes, including reducing the number of Campagna Kids sites, limiting the number of children served (perhaps only the primary grades), eliminating enrichment and accreditation cost, and/or collaborating with the Rec Department so that a portion of wage expense can be borne by that budget.

Our goal will always be to provide the safest, highest quality care to the children of Alexandria with the most efficient and effective use of public facilities and taxpayers' dollars. We know that you share those goals and request the opportunity to meet with you as soon as possible to consider ways we can reach them together.

Sincerely,



Katherine L. Morrison  
Executive Director



Jane Sleeva, President  
Board of Directors

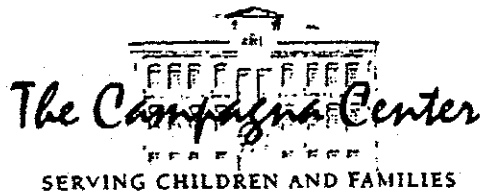
cc: Mark Jinks, Assistant City Manager  
Bev Steele, Interim Director, DHS  
Campagna Center Board of Directors

Virginia Maximum Reimbursable Rate  
(provided by Alexandria DHS staff 2/13/03)

	Per Day/Child	Per Week/Child
Before school care	\$8.80	\$44.00
After school care	\$14.00	\$70.00
Both	\$18.40	\$92.00
Full-day care (summer and gap camp)	\$28.60	\$143.00

Maximum Reimbursable Rates applied to Campagna Kids FY03 enrollment:

Before school	377 x \$44.00 x 38 weeks:	\$ 630,344
After school	761 x \$70.00 x 38 weeks:	\$2,024,260
Full day	300 x 143.00 x 10 weeks:	<u>\$ 429,000</u>
		\$3,083,604



Head Start

Campagna Kids

Wright to Read

RSVP

March 27, 2003

BY FAX

Mr. Mark Jinks  
Assistant City Manager  
301 King Street  
Alexandria, VA 22314

Ms. Bev Steele, Interim Director  
Department of Human Services  
2525 Mt. Vernon Avenue  
Alexandria, VA 22301

Dear Mark and Bev,

I'm writing to follow up our March 12 meeting concerning Campagna Kids' FY 04 budget. As partners to the City and contributors to the success of this program since 1977, it is The Campagna Center's goal to provide the highest quality, most cost effective child care possible to the children of Alexandria. It is also our goal to work with you to find the best way to do that within our collective resources, including those secured by The Center (such as the \$30,000 annual USDA reimbursement for food and the \$40,000 grant from the Freddie Mac Foundation for enrichment).

When we submitted our proposal for FY04 in November 2002 we expected it to be the basis to begin budget discussions. Since the school year program starts in September, in November we have very little experience with parent fees, enrollment and other data on which to make projections for future years, and this year circumstances changed markedly. The wage disparity, which The Campagna Center has reported to you regularly, has become acute to the point where our ability to operate at existing service levels in FY04, while maintaining the high quality of care that we all value, is compromised.

Our recommendation to the City Council at the budget hearing on April 2 will be that the City and The Campagna Center commit to seeking a long-term vision for this program and that, as we work toward that vision, we maintain the existing service level. In the event that the City's ability to support maintenance of the existing program level is unachievable, we understand that changes will be necessary. With the active involvement of our Board leadership, we have identified five alternative arrangements for discussion, if it must come to that outcome. We believe that, together, we can find the financial resources to sustain existing care and enrichment levels for our City's children and families who are served by this Campagna Kids, and we look forward to working with the City to this end.

### The Campagna Center School-age Child Care Options

Assumptions made for the following options:

- \$1,222,000 in City funding
- use FY03 actual enrollment 2/28/03 as basis
- rely on anticipated FY03 year-end revenues for CCDF (\$250,000) and parent fees (\$990,000)
- continue to offer enrichment at current levels at a cost of \$161,000/year
- freeze nonpersonnel costs at FY03 level or reduce based on lower enrollment
- reflect 7% vacancy rate in salaries
- adjust wages to the lowest range of the 2001 market survey for child care providers in Northern Virginia
- does not include school-age child care at Samuel Tucker, which is under a separate contract but which also requires wage adjustments

#### **Option #1. Continue Campagna Kids at FY03 service level, adjust wages**

This option reflects before-and-after-school programming at all present sites, and current staffing ratios (1:15 for nonaccredited sites, 1:12 for accredited sites, anticipating that Maury and Polk will be added to Jefferson-Houston, George Mason, Ramsay, and Charles Barrett as accredited sites). **Budget adjustment: \$430,585 (Column F)**

#### Benefits

- ▶ Accreditation maintained/expanded
- ▶ Lower child-to-staff ratio
- ▶ No disruption to families by changing providers
- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

#### Issues

- ▶ Does not provide for citywide equity in fees, wages or programming

#### **Option #2 Continue Campagna Kids at FY03 service level, adjust wages, differential staffing ratios**

This option reflects before-and-after-school programming at all present sites (11 with before-and-after care, Cora Kelly with just before-school care), preserves staffing ratio of 1:12 at accredited sites but changes nonaccredited sites to 1:20, the ratio required by the Virginia Department of Social Services. ). **Budget adjustment: \$244,777 (Column G)**

#### Benefits

- ▶ No disruption to families from changing providers

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

Issues

- ▶ Freezes accreditation at existing sites (seven of 13)
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality

**Option #3 Continue Campagna Kids at FY03 service levels, adjust wages and change staffing ratio program-wide**

This option reflects before-and-after-school programming at all present sites, but changes staffing ratios from 1:15 for nonaccredited sites and 1:12 for accredited sites to 1:20, the ratio required by the Virginia Department of Social Services. ). **Budget adjustment: \$133,572 (Column H)**

Benefits

- ▶ No disruption to families from changing providers
- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

Issues

- ▶ All accreditation lost
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality

**Option #4 Continue Campagna Kids only at schools without Rec Centers, maintain current staff ratios and adjust wages**

This option reflects before-and-after-school programming at Lyles-Crouch, Maury, MacArthur, Jefferson-Houston, George Mason, Polk, Patrick Henry, John Adams. Where there are recreation centers attached to the schools (Mount Vernon, Charles Barrett, Ramsay and Cora Kelly) the before-and-after school care would have to be provided by another entity. Staffing ratios remain 1:15 for nonaccredited sites and 1:12 for accredited (which would be Jefferson-Houston, George Mason, Polk and Maury). **Budget adjustment: \$86,614 (Column I)**

Benefits

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff.
- ▶ Maintains some accreditation
- ▶ Higher staff/child ratio increases program quality

**Issues**

- ▶ Families at Mount Vernon, Charles Barrett, Ramsay must change providers
- ▶ Accreditation lost at Charles Barrett and Ramsay
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ City must expand services at four sites and incur additional compensation costs

**Option #5 Continue Campagna Kids only at schools without Rec Centers, change staff ratios to 1:20 and adjust wages**

This option reflects before-and-after-school programming at Lyles-Crouch, Maury, MacArthur, Jefferson-Houston, George Mason, Polk, Patrick Henry, John Adams (Tucker is a separately-negotiated contract). Where there are recreation centers attached to the schools (Mount Vernon, Charles Barrett, Ramsay and Cora Kelly) the before-and-after school care will be provided by another entity. This option also changes staffing ratios from 1:15 for nonaccredited sites and 1:12 for accredited sites to 1:20, the ratio required by the Virginia Department of Social Services. **Budget adjustment: \$158,936 surplus (Column J)**

**Benefits**

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

**Issues**

- ▶ Accreditation lost at all sites
- ▶ Families at Mount Vernon, Charles Barrett, Ramsay must change providers
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality
- ▶ City must expand services at four sites and incur additional compensation costs



**FY04 TCC Budget Options for Campagna Kids Program**

**Legend**

**FY04 Campagna Kids Budget Options**

**Column**

**B FY02 Actual**

Actual Program Expenses for 12 months per The Campagna Center's (TCC)  
Audited Financial Statements

**C FY03 Budget**

Contracted amount between TCC and The City of Alexandria

**D Estimate: FY03 to EOY**

Estimated FY03 Year End income and expense based on current trends

**E Preliminary FY04 to City, Nov-20**

Early estimates of program income and expenses based on Nov. 2002 enrollment and FY02 actuals

**F FY04 Estimated income and expenses at current operating levels:**

Including: Four Accredited Sites; Staffing 1/12 (Sm. Tucker not included in this budget)

Eight Non-Accredited Sites with Staffing ratios of 1/15

Enrollment based on FY03 actuals at February, 2003

Wages increased to 2001 Salary Survey lowest levels

Benefits increased by 25%-per insurance carrier

Other expenses held to FY03 contract amount

Exceptions: Enrichment increased by \$30,000 funded by  
other sources

Decreases based on lower enrollment or fewer staff:

Food expense decreased to reflect lower enrollment

Supplies expense reduced to reflect lower enrollment

Allocation of administrative expenses decreased: fewer staff

**G FY04 Budget as in #5 changed by:**

Increasing ratio of Children to Staff at non-accredited sites-1/20

**H FY04 Budget as in #5 changed by:**

Increasing ratio of Children to Staff at all sites-1/20

**I FY04 Budget as in #5 changed by:**

No Campagna Center services offered at locations with Recreation Centers

**J FY04 Budget as in #5 changed by:**

No Campagna Center services offered at locations with Recreation Centers

Increasing ratio of Children to Staff at all sites-1/20

All Options may be reduced by \$161,166 if Enrichment activities are eliminated



*The Campagna Center*

**Current and Proposed Campagna Kids Wage Scale  
Campagna Kids-Main Program**

Site	CK Position	Current FY03 Hourly Rate	Proposed FY04 Hourly Rate	Difference in Hourly Rate	% Increase
<b>Administration</b>	Office Assistant	16.10	18.00	1.90	11.80%
	Office Manager	18.26	19.00	0.74	4.05%
	Site Supervisor	17.78	20.00	2.22	12.49%
	Site Coordinator	20.47	21.00	0.53	2.59%
	Assistant Director	24.12	25.51	1.39	5.76%
	Program Director	28.43	29.71	1.28	4.50%
<b>Site Staff</b>	Assistant Group Leader	7.70	9.50	1.80	23.38%
	Group Leader	9.75	11.50	1.75	17.95%
	Senior Group Leader	11.80	13.50	1.70	14.41%
	Site Director	16.42	19.00	2.58	15.71%
<b>Enrichment</b>	Enrichment Coordinator	18.87	19.00	0.13	0.69%
	Dance & Drama	13.00	14.00	1.00	7.69%
<b>Curriculum Specialist</b>	Curriculum Specialist	17.44	19.00	1.56	8.94%
<b>Food Service Worker</b>	Food Service Worker	8.21	8.50	0.29	3.53%
<b>Summer Bus Drivers</b>	Bus Driver	14.00	14.00	-	0.00%