

## City of Alexandria, Virginia

## MEMORANDUM

DATE: JUNE 20, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER **PS**

SUBJECT: CONSIDERATION OF AN ALLOCATION FROM CONTINGENT RESERVES FOR THE CAMPAGNA KIDS AND TUCKER CAMPAGNA KIDS BEFORE AND AFTER SCHOOL PROGRAMS

**ISSUE:** City Council consideration of the allocation of monies from FY 2004 Contingent Reserves to the Human Services budget to support the Campagna Center's Campagna Kids and Tucker Campagna Kids before and after school programs.

**RECOMMENDATION:** That City Council:

- (1) Allocate \$184,427 from FY 2004 Contingent Reserves to the Department of Human Services Budget for Campagna Kids and Tucker Campagna Kids employcc FY 2004 wage rate increases as listed on page three of this memorandum; and
- (2) Allocate \$50,000 to the Department of Human Services to hold in reserve in the event that Campagna Center fees and enrollment do not meet expectations during FY 2004.

**BACKGROUND:** During the Fiscal Year (FY) 2004 budget process, the Campagna Center requested an additional \$430,585 in City General Funds above the \$1,522,000 already included in the City's FY 2004 Proposed Operating budget to operate the Campagna Kids (\$1,222,000) and Campagna Tucker Kids (\$300,000) before and after school programs. The Campagna Center stated that Campagna needs to pay its staff higher wages to attract and retain quality staff at the before and after school sites and summer program that they operate, on behalf of the City, at various City public school sites. During the add-delete phase of the budget process, City Council considered and then approved a designation within the budgeted contingent reserve of \$245,000 in City funds. Campagna submitted a revised request in early May indicating a \$248,132 funding gap. City staff was requested to review Campagna's request, and to bring back recommendations to City Council.

**DISCUSSION:** Under a cooperative grant agreement with the City and the City School system, the Campagna Center has been providing before and after school child care in the City since 1977. The program was initiated by the City and the Campagna Center was requested to operate the program. This before and after school program is part of an array of before and after school programs and services offered in the City including those offered by the City's Department of

Recreation. In September 2002, the Campagna Kids and Campagna Tucker Kids programs enrolled 412 children in the before school program and 813 in the after school program at 13 sites. These enrollment numbers generally drop as the school year progresses. As of May 2003, there were 374 children enrolled in the before school program and 671 children enrolled in the after school program. This declining enrollment has an impact on overall program revenues. For FY 2004, based on school enrollment trends, the number of projected children in the Campagna Kids program is projected to drop 3%. Some children are double counted because they are enrolled in both programs. Campagna also provides two weeks of "gap" care during the Schools' December and Spring breaks. In addition, under its City grant agreement, Campagna operates a summer full-day program at five school sites that are chosen each year by the school system.

Between FY 1998 and FY 2003, the Campagna Center has received a substantial increase in City-provided funding for the Campagna Kids programs amounting to 183% (from \$600,000 to \$1.7 million), largely attributed to increased wage rates, increased staffing due to site accreditation and children with special needs which both require lower staffing ratios, higher administration costs, as well as the opening of a site at the new Tucker School. In addition, the trend in declining average parent incomes and sliding scale fees paid have contributed to the need for more City support. At the time of the FY 2004 budget process, City staff provided a budget memorandum (Attachment I) explaining the background and basis for the FY 2004 proposed budget for the Campagna Kids program.

Below is a discussion of the reasons behind the staff recommendation for the allocation of monies from FY 2004 Contingent Reserves to cover increased wages for both the Campagna Kids and Tucker Campagna Kids Programs.

### **CAMPAGNA KIDS BEFORE AND AFTER SCHOOL PROGRAM**

**Wage Rates:** In 2001, the Campagna Center conducted a salary survey of four other organizations: the Arlington County Public Schools Extended Day Program, the Falls Church City Public Schools Extended Day Program, the Fairfax County government SACC (School Age Child Care) program, and the Washington, D.C. YMCA after school program. Campagna also included in the survey the City's Department of Recreation, which provides after school recreation center based programs. While the City's recreation staff wages are not entirely compatible because of each program's differences in job responsibilities, some of the programs are sufficiently similar so that comparisons of certain positions' wage rates are reasonable (such as the after school accountability-based program at the Ramsay Recreation Center). Also, some Campagna employees leave the Campagna Kids programs during the school year for jobs in the City's recreation department.

The chart below, based on data provided by the Campagna Center, shows that over the last two years the turnover of Campagna Kids staff was significant in most categories:

### Campagna Kids Staff Turnover<sup>1</sup> During the School Year

	<u>Positions</u>	<u>FY 2002</u>	<u>FY 2003</u>
Site Director	14	0%	21%
Senior Group Leader	15	19%	0%
Group Leader	53	31%	36%
Assistant Group Leader	42	62%	48%

Since the Campagna survey is several years old, the City's Department of Human Services recently surveyed the Arlington County Schools Extended Day program, the Fairfax County SACC program, and the City's recreation programs. The results, summarized below, showed that Campagna's current wage rates are lower in all categories than the FY 2004 wages for the City's recreation staff and lower in most categories for the existing FY 2003 wages in Fairfax and Arlington. While this situation of a wage rate differential between non-profit organizations and public entities in most jurisdictions is typical, in this situation the wage differential is wider than desired. Specific FY 2004 wage rates for Fairfax and Arlington were not available at the time of the survey, but overall the wage rates in these two jurisdictions will be higher than their FY 2003 rates.

### BEFORE/AFTER SCHOOL ON-SITE STAFF PER HOUR WAGE SURVEY<sup>2</sup>

Position Title	Campagna Kids <sup>3</sup>		Alexandria Recreation	Fairfax County	Arlington County
	FY 2003	FY 2004	FY 2004	FY 2003	FY 2003
Site Director	\$16.42	\$17.00	\$23.42 - \$31.18	\$16.89 - \$28.15	\$17.51 - \$27.89
Senior Group Leader	\$11.80	\$13.50	\$15.22 - \$17.37	\$15.39 - \$25.66	\$13.35 - \$21.27
Group Leader	\$9.75	\$11.50	\$13.23 - \$18.18	\$13.43 - \$22.39	\$10.18 - \$16.22
Assistant Group Leader	\$7.70	\$9.50	\$12.13 - \$14.32		

<sup>1</sup> Excludes promotions, turnover between fiscal years.

<sup>2</sup> Rates are per hour. Hours worked per day and weeks worked per year vary.

<sup>3</sup> FY 2004 wage rates represent proposed rates funded by the \$184,427 proposed allocation. Hourly rate for Campagna is fixed regardless of experience, education or tenure.

Based on the results of the survey, staff supports the wage rates for FY 2004 as proposed by the Campagna Center, particularly for the entry level positions (Group Leader, Assistant Group Leader) where the turnover rate has ranged from 31% to 62% in the last two years, and which comprise the bulk of the site-based positions. While turnover is inevitable at the entry level, due to the non-career, part-time, part-year nature of these jobs, the turnover rate does impact program quality and parent satisfaction. By significantly raising wages from 14.4% to 23.4% for the 109 site-based staff at Campagna Kids 12 school-based sites (and the Tucker school site), turnover should be reduced and the quality of the program enhanced. The wage increase would also apply to the administrative and central program staff of the Campagna Kids program who (depending on the position they hold) would be eligible for hourly rate increases of between 0.7% and 12.5%. The new wage rates would become effective for the regular program year, beginning in September. Because of the need to hire staff for the Campagna Kids summer camp prior to finishing the wage study and City Council consideration of allocating more funds to Campagna, and because of the press of time in order to register children for the summer program, no wage increase was implemented by Campagna and the City for the summer camp staff. This wage rate decision appeared reasonable to the City and to Campagna leadership as it did not delay either hiring or camp registration.

**Administration and Overhead:** One of the concerns of City staff in reviewing the detailed budget of the Campagna Kids and Tucker Kids programs is the number of non-site based staff which are employed by the Campagna Center and charged to these programs directly and indirectly. These charges and other costs create a 25% administration cost. Campagna has 17 full and part-time non-site based staff charged entirely or in part to the programs. The direct (administration, program management, program enrichment of the Campagna Kids and Tucker programs) and non-site based (indirect or overhead costs the Campagna Center claims against the Campagna Kids and Tucker programs) administrative costs proposed by Campagna for FY 2004 are as follows:

Administration Salaries	\$ 72,857
Program Management	334,962
Program Enrichment	107,774
Indirect Costs	<u>305,304</u>
Total	\$820,897

The following chart shows how these administrative costs, if Campagna's administrative and overhead request is fully funded, compare to program costs:

Program Costs <sup>4</sup>	\$2,451,968	75%
Administrative Costs <sup>4</sup>	<u>\$ 820,897</u>	25%
Total <sup>4</sup>	\$3,272,865	

<sup>4</sup> Includes proposed allocation of \$184,427 from Contingent Reserves, and includes \$21,086 in administrative costs not recommended for funding.

The \$820,897 requested for administrative and overhead costs represents an increase of \$21,086 from FY 2003. Instead of increasing the City support of these non-site based costs by the \$21,086, staff recommends the Campagna Center reduce its administration and overhead to the FY 2003 budget level of \$799,811, and work with City staff during the coming year to review these costs with the intent of reducing it further for FY 2005.

**Recommended FY 2004 Campagna Kids and Tucker Kids Budget:** When applying the wage rate increases and other factors such as fees, federal and City School support to the FY 2004 budget, staff recommends that the total City support be \$1,706,427, requiring an allocation from Contingent Reserves to the Department of Human Services budget of \$184,427. The FY 2004 budget of all sources of funds for the Campagna Kids (including summer program and recommended allocation from Contingent Reserves) and Tucker Kids programs is as follows:

	<u>Revenues</u>
Parent and other fees	\$1,113,944
City support - Gen. Fund	1,706,427
City support - CCDF <sup>5</sup>	285,085
USDA - federal	34,500
City Schools	96,728
Other	<u>15,095</u>
Total	\$3,251,779

**Relationship of Campagna Request to Staff Recommendation:** Key to understanding the differences between the \$248,000 supplemental budget request from the Campagna Center upon which the recommendation of the allocation of \$184,427 is based are the following major changes:

- (1) All wage rates requested by Campagna are reflected in the City staff recommendation, except for the Site Director position where Campagna had requested \$19.00 per hour (the proposed accredited site rate), but Campagna used non-accredited wage rates for the rest of their budget submission. When City staff brought this inconsistency to the Campagna Center staff's attention, they indicated that a shift to \$17.00 was acceptable. However, now that it is clear that the resulting wage scales and other budget items do not use up all of the City's \$245,000 contingent, Campagna wishes to amend their request and to increase their wage increase request.
- (2) Limitation of administrative and other overhead costs to FY 2003 levels reduced the Campagna budget request by \$21,086.
- (3) Keeping the enrichment non-personnel line item at \$36,166, which is equal to the FY 2003 City funded level, saved \$30,000. During FY 2003 Campagna received a federal grant of approximately \$40,000 and increased the enrichment non-personnel line item. For FY 2004 Campagna is requesting that the City make up the shortfall.
- (4) Miscellaneous corrections and changes in staff hours to the Campagna budget submission subsequently made by Campagna also impacted the current recommendations for funding by City staff.

<sup>5</sup> A Child Care and Development Fund is made up of federal, state and local funds. Typically, the City's share of such funds is about 10%. Thus, of the CCDF revenue of \$285,085, approximately \$28,508 is provided by the City.

**Fees:** The parent fees are charged on a family income based sliding scale, with discounts applied if a family has more than one child in the program. For FY 2004, the budget reflects a 3% increase in parent fees and a fee discount decrease (if a family has more than one child in the program) from 50% to 25% for the second child. This 25% discount is the same discount rate that Arlington and Fairfax County use. Unlike Fairfax and Arlington, the discount rate would stay at 50% for the third and subsequent children. Given Alexandria's demographics, staff felt applying the 25% discount to all children would be a hardship for larger families.

The Department of Human Services has a \$20,000 scholarship fund to handle hardship cases. In addition to the scholarship fund, if a family is eligible for one of the federal Child Care and Development Fund (CCDF) child care assistance programs then the City covers the cost of the care out of local, state and federal child care fund with parents making a co-pay that is based on their income and family size. For FY 2004 it is estimated that some \$285,085 in CCDF funds will be paid for Campagna Kids enrollees.

For the summer program, where there had not been a fee increase in about ten years, registration has already occurred (with a program start of June 23<sup>rd</sup>), a 10% fee rate increase (at the City's initiative) has been instituted, and the shift from a 50% to a 25% discount for second child has been implemented.

During FY 2003, when Campagna did not want to administer the parent fee program (including collections) for the Ramsay School site, the City accounting staff administered the fee program. What became clear from this experience is the significant fee administration issues associated with the Campagna Kids fee collection processes. Campagna staff agreed to an audit of its and DHS's processes. The City's Internal Audit staff is in the process of finalizing a report with recommended process improvements. Campagna already plans to implement a billing system for next year so that it is clear to parents what they owe and clear to Campagna staff how payments made relate to what is owed by whom. During FY 2003, a new policy of delinquent fee collection (i.e., a policy of removal from the program for non-payment of fees) was instituted, and over \$50,000 in back fees are now being collected by Campagna.

Because of the uncertainty over fee income and enrollment and the fact that the City (i.e., the DHS budget) would need to cover a fee/enrollment driven shortfall, it is recommended that \$50,000 be allocated to DHS to hold in reserve in the event that Campagna fees and enrollment do not meet the expectations reflected in its FY 2004 revenue estimates. Given the programs' declining enrollment and the trend of lower income and lower fee paying families, this reserve will help protect both DHS and Campagna from a mid-year budget shortfall.

### **TUCKER CAMPAGNA KIDS PROGRAM**

The Campagna Center also operates the Tucker Campagna Kids program at the Samuel Tucker Elementary School under a separate contract. This was a new, enhanced before and after school program started by the City at the time Tucker opened in the fall of 2000. The 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. For FY 2004, the operating

budget for the Tucker Campagna Kids program is \$401,797 (including the proposed wage increase), which is a 2% increase over FY 2003. Staff recommends that the proposed changes in the fee rates and wage rates detailed for Campagna Kids be applied to the Tucker Kids program to maintain consistency between the two programs. These funds are included in the recommended allocation from Contingent Reserves to cover the increased wage costs of the Tucker program.

### **CONSULTANT TO STUDY THE CITY'S BEFORE AND AFTER SCHOOL PROGRAMS**

As discussed with City Council previously, it is critical that the City step back at this point in time and review the current City-funded before and after school programs in order to develop a future vision and model of before and after school care in the City. Unlike most jurisdictions where there is one primary provider (such as in Fairfax County where the County government is the primary provider and in Arlington where the public school system is the primary provider), the City has operated under a bifurcated system where Campagna provides a large before and after school program, as does the City Department of Recreation. Also, the Schools conduct a number of after-school activities.

Staff believes it is in the best interest of the City to bring in an outside expert to look at our before and after school care and to recommend a model or models that the City may wish to implement in the future. Such a study would define the roles of the participants (e.g., City, the schools, outside providers) and what the goals should be for a before and after school program. One of the outcomes of the study will likely be a periodic competition among the potential public and private providers for the provision of before and after school care. The study would occur during FY 2004, using monies included in the FY 2004 budget, and would be assisted by a work group which would include City and Schools staff, a representative of Campagna Center and other providers, and members of the community. The recommendations would impact the FY 2005 budget at the earliest. The scope of work for the study is still in the drafting stage. When a final scope is prepared, a more detailed memorandum will be provided to City Council.

**FISCAL IMPACT:** The impact of approving the wage rate changes in conjunction with other Campagna Kids and Tucker Campagna Kids expenditure and revenue budget changes for FY 2004 is a City support of \$1,706,427, which is \$184,427 more than the amount included in the FY 2004 DHS budget. This \$184,427, when combined with the \$50,000 reserve recommendation, totals \$234,427, or \$10,573 less than the \$245,000 Contingent Reserve amount. These funds are available from the Contingent Reserve. For FY 2005 when summer camp wages are raised to the recommended levels, the \$184,427 funding decision made in FY 2004 will need to be raised to approximately \$203,427 in FY 2005.

**ATTACHMENT:** Budget Memo #39 - Campagna Center Budget Request for FY 2004

#### **STAFF:**

Beverly Steele, Interim Director, Department of Human Services  
Jack Powers, Community Programs Director, Department of Human Services  
Carol Farrell, Early Childhood Development Director, Department of Human Services  
Carol Moore, Acting Deputy Director, Office of Management and Budget  
Mark Jinks, Assistant City Manager

## 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

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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

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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

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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>RW</sup>DIRECTOR, CITIZEN ASSISTANCE

FROM: MARK JINKS, ASSISTANT CITY MANAGER ~~WJ~~

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

 OMB  
 ALEXANDRIA VIRGINIA  
 2002 NOV 18 A 10:18

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

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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>\$</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>\$</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	FY04
	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  
29,565  
17

**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>
--------------------	-----------------

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 ACTIIVITIES Field Trips</u></b>	<b>\$6,243</b>
<b><u>PROGRAM ACTIIVITIES-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	
SUPPORT AND REVENUE	Campagna Kids	
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 CKids Contract*



Head Start      Campagna Kids      Wright to Read      RSVP

Attachment III  
24  
FEB 20 A 9 38  
MANAGER'S OFFICE  
ALEXANDRIA, VA  
2. 57 Jan  
OM B

February 13, 2003

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

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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.

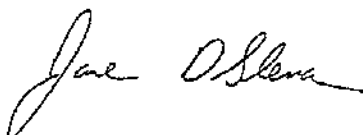
If you are unable to recommend an increase to the Maximum Reimbursable Rate for Campagna Kids in the FY04 budget, The Campagna Center's commitment to maintaining program quality means that we will have to work with you to consider possible program changes, including reducing the number of Campagna Kids 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

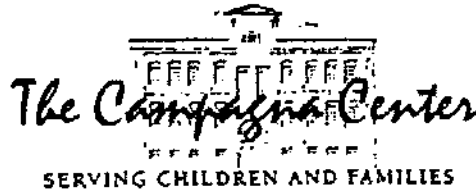


Virginia Maximum Reimbursable Rate  
(provided by Alexandria DHS staff 2/13/03)

	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

The Campagna Center										
Campagna Kids										
FY04 Budget Options for Campagna Kids Base Program										
					As Is		Non-Accredited		No-Rec Cir.	No-Rec Cir.
					To City		Staffing Ratio		Staffing Ratio	Staffing Ratio
					AI Current Reg.		equal to 1/20		equal to 1/20	equal to 1/20
					W/Salary adjs.		W/Salary adjs.		W/Salary adjs.	W/Salary adjs.
					FY04		FY04		FY04	FY04
					Budget		Budget		Budget	Budget
Support and Revenue		FY02	FY03	Estimate	FY04	FY04	FY04	FY04	FY04	FY04
		Actual	Budget	to EOY	Budget	Budget	Budget	Budget	Budget	Budget
9	Contributions	\$ 3,775	\$ 3,775	3,775	3,775	3,775	3,775	3,775	3,775	3,775
10	Temp. Restricted Contributions	4,100								
11	In-Kind Space	195,500	195,500	195,500	195,500	195,500	195,500	195,500	195,500	195,500
12	Daycare Fees	897,664	985,522	990,000	1,015,087	958,713	958,713	958,713	752,794	732,794
13	Other Fees		7,250	7,250	7,250	6,310	6,310	6,310	6,310	6,310
14	Returned Checks	(1,171)								
15	Supplemental Fees-CCDF	297,018	303,699	250,000	303,699	246,246	246,246	246,246	246,246	246,246
16	City of Alexandria	1,146,868	1,284,770	1,284,770	1,284,770	1,222,000	1,222,000	1,222,000	1,222,000	1,222,000
17	Scholarships		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
18	School Board	190,284	95,142	95,142	95,142	95,142	95,142	95,142	95,142	95,142
19	USDA/Campagna Center			34,500		34,500	34,500	34,500	34,500	34,500
20	Foundation Support			40,000						
21	Basket Income	13								
22	Other	168	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
23	Total Support and Revenue	\$ 2,734,218	\$ 2,898,158	2,923,437	2,927,723	2,779,685	2,779,685	2,779,685	2,558,766	2,558,766
24		2,538,718								
25	Expenses									
26	Salaries and benefits	\$ 1,738,622	\$ 1,910,802	1,984,284	2,125,450	2,257,163	2,090,078	1,992,094	1,771,436	1,548,174
27	FICA expense	124,305	146,176	149,782	162,597	158,503	146,797	139,989	124,077	108,999
28	Unemployment Ins.	2,838	3,288	3,000	3,613	3,288	3,288	3,288	3,288	3,288
29	Payroll Service Fees	10,584	6,284	6,000	6,473	6,284	5,844	5,844	4,839	3,726
30	Advertising Expense	50	67	67	69	67	67	67	67	67
31	Duplication Expense	1,519	1,795	1,795	1,849	1,795	1,795	1,795	1,795	1,795
32	Equipment Expense	11,420	20,463	20,463	21,077	20,463	20,463	20,463	20,463	20,463
33	Food Expense	67,980	56,382	56,382	58,000	55,100	55,100	55,100	48,100	48,100
34	In-Kind Space	195,500	195,500	195,500	195,500	195,500	195,500	195,500	195,500	195,500
35	Insurance Expense	23,991	16,283	16,283	16,771	16,283	16,283	16,283	12,538	12,538
36	Leased Copier Equip.	1,160	1,616	1,616	1,664	1,616	1,616	1,616	1,616	1,616
37	License Expense	3,523	4,264	6,304	4,392	4,264	4,264	4,264	4,264	4,264
38	Criminal Record Search	2,746	3,142	3,142	3,236	3,142	3,142	3,142	3,142	3,142
39	Postage Expense	1,102	539	539	555	539	539	539	539	539
40	Printing Expense	1,600	2,693	2,000	2,774	2,693	2,693	2,693	2,693	2,693
41	Prof. Membership Dues	855	1,831	1,831	1,886	1,831	1,831	1,831	1,831	1,831
42	Enrichment Services	61,816	36,166	66,166	54,635	66,166	66,166	66,166	66,166	66,166
43	Program Activities	12,793	5,743	5,743	7,243	5,743	5,743	5,743	5,743	5,743
44	Prg Activities-T-shirts	7,144	2,245	2,245	2,312	2,245	2,245	2,245	2,245	2,245
45	Recruitment-newspaper	1,423	1,116	2,000	1,149	1,116	1,116	1,116	1,116	1,116
46	Allocation of Rent Exp.	2,949	2,052	2,949	2,114	2,052	2,052	2,052	2,052	2,052
47	Supplies Expense	72,863	70,428	70,428	76,500	68,000	68,000	68,000	60,000	60,000
48	Telephone Expenses	12,736	14,004	14,004	16,500	14,004	14,004	14,004	12,700	12,700
49	Temp Staff	9,183	1,940	17,000	1,998	1,940	1,940	1,940	1,940	1,940
50	Training Staff	49,213	43,880	43,880	50,000	43,880	43,880	43,880	43,880	43,880
51	Travel-Local	8,595	7,182	7,182	7,397	7,182	7,182	7,182	7,182	7,182
52	Travel-Long distance	4,197	3,142	3,142	3,236	3,142	3,142	3,142	3,142	3,142
53	Subscription Expense	283	268	268	276	268	268	268	268	268
54	Other Expenses	2,190	898	898	6,790	898	898	898	898	898
55	Vehicle-Repair	1,196	2,000	2,000	2,060	2,000	2,000	2,000	2,000	2,000
56	Allocation of indirect costs	300,000	335,969	265,226	346,048	263,104	263,104	263,104	264,530	264,530
57	Total Expenses	\$ 2,734,377	\$ 2,898,158	2,952,119	3,184,166	3,210,270	3,024,462	2,913,258	2,645,360	2,399,830
58										
59	Deficiency of Revenue over Expense	\$ (159)	\$ -	(28,682)	(256,443)	(430,585)	(244,777)	(133,572)	(86,614)	158,936
60	Enrichment Salaries are scheduled at \$95,000 and contractual expenses are equal to \$46,166; \$30,000 of expenses are covered by USDA reimbursement.									

30

252

**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*

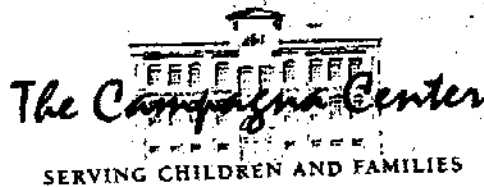
**Current and Proposed Campagna Kids Wage Scale  
Campagna Kids-Main Program**

Site	CK Position	Current FY03 Hourly Rate	Proposed FY04 Hourly Rate	Difference in Hourly Rate	% Increase
Administration	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%
Site Staff	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%
Enrichment	Enrichment Coordinator	18.87	19.00	0.13	0.69%
	Dance & Drama	13.00	14.00	1.00	7.69%
Curriculum Specialist	Curriculum Specialist	17.44	19.00	1.56	8.94%
Food Service Worker	Food Service Worker	8.21	8.50	0.29	3.53%
Summer Bus Drivers	Bus Driver	14.00	14.00	-	0.00%

32

256





216  
6-24-03

Head Start

Campagna Kids

Wright to Read

RSVP

June 20, 2003

BY FAX

The Honorable Mayor and Members of City Council  
301 King Street  
Alexandria, VA 22314

Dear Mayor Donley and Members of City Council:

The dialogue of the last several months and this past week on the City's contract with The Campagna Center to operate the Campagna Kids program has been extremely valuable for identifying ways in which our two organizations can collaborate to improve this program. These meetings have confirmed for The Campagna Center the importance of our City providing parents with a choice about childcare and the value of focused business reviews of the Campagna Kids program. Over the long-term, we look forward to continuing these dialogues.

In the short-term and most specifically with respect to docket item #26 that Council will consider Tuesday night, The Campagna Center Board of Directors and I ask that you reaffirm your decision of April 29 to provide \$245,000 in contingent reserves to add to the City Manager's proposed budget to operate the Campagna Kids program in 2003-2004. As you recall, Council's decision on April 29 represented a compromise position from The Campagna Center's request of \$430,000 in additional funds.

It is our understanding that City staff's recommendation to Council will cut the amount allocated from that previously-approved reserve by more than 35 percent, reducing it to \$156,000.

We have three principal concerns with City staff's proposal:

- 1) it would continue the disparity in wages between Campagna Kids staff and those of other childcare programs in the region, as documented by City staff's survey conducted this month;
- 2) it would compromise the enrichment activities that are so valued by parents and teachers, and which are part of the choice equation for parents in their selection of an after-school program in Alexandria; and
- 3) it represents a change in accounting definitions and criteria by which the Campagna Kids budget and program have been constructed, and re-classifies what have been previously defined as program activities as administrative costs.

We want to be clear that The Campagna Center supports a review and possible

The Honorable Mayor and Members of City Council  
Page Two  
June 20, 2003

enhancements in the construct and budget criteria of Campagna Kids. What we feel is unfair is a determination of new definitions conveyed to the Council and The Center just days before the Council is to act on our budget. This provides insufficient time for the Council to be apprised of the significance of these changes or for The Center to effectively respond so we can still meet the program objectives that the City has identified.

Our parents, staff and Board join me in requesting that you stand by your original decision and allocate the full \$245,000 from contingent reserves when you meet on June 24.

Sincerely,



Katherine L. Morrison  
Executive Director

cc: Phil Sunderland, City Manager



26  
6-24-03

Head Start

Campaign Kids

Wright to Read

RSVP

United Way & Combined Federal  
Campaign Designation:  
#8381  
This number is important to thousands of  
children

*Making a Difference of Alexandria's Children and Families  
the United Way & Combined Federal Campaign*

TO: Mayor & Members of Council

FROM: K. Mon: 52-

DATE: 6/20/03

TIME: 4:10 PM

NUMBER OF PAGES (INCLUDING COVER) 3

The information contained on this facsimile is privileged and confidential. It is intended solely for the use of the individual named above. If the reader of this message is not the intended recipient you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited. Do not make any copy of it for any reason. If you have received this in error, please immediately notify us by telephone and return this original message to us at the below address via U.S. post. Thank you.

REMARKS:

26  
6-24-03

Mr. Mayor and Members of City Council -

Thank you for the opportunity to present input on docket item #26.

I am Lavern Chatman, President of the Board of Directors of The Campagna Center, and a taxpayer and resident of Alexandria.

I want to start by expressing appreciation to the council and the City staff for the time and commitment that have been invested in enhancing the effectiveness and efficiency of the Campagna Kids program. The thorough and scrutinizing dialogue of the last several months has helped identify important improvements to the program. We welcome more focused business reviews of Campagna Kids going forward.

My second message tonight is to request that council support its original position - which you passed at your April 29 budget meeting - to allocate \$245,000 in contingent reserves to the budget to operate the Campagna Kids school-age child care program in 2003-2004. That is the fair thing to do and for several reasons.

One reason is that when Council approved the \$245,000 in contingent reserves, that amount represented a compromise position from The Campagna Center's request of \$430,000 in additional funds. The revised budget submitted by staff drops the allocated amount to \$184,427.

It's important to clarify that the \$50,000 set aside in the revised staff budget for Campagna Kids does not increase the program budget. That \$50,000 is set aside in case parent fees fall short of the projections made by City and Campagna staff in the FY04 budget. It is there to provide funds for the City to make up a shortfall in parent fees should that because of occur changes in enrollment levels or the incomes of families using the program.

There are three other reasons why we ask council to stand by its original decision. They are the three concerns expressed in our correspondence to council this past Friday:

- 1) There continues to be a disparity in wages between Campagna Kids staff and those of other childcare programs in the region, as clearly documented by City staff's survey conducted this month. The new recommendation does not resolve that gap - it widens it.
- 2) The proposed budget reduces the budget for enrichment activities by \$50,000. The new recommendation does not support the views of our mutual constituents - it counters their views. Many program parents express their support for a choice in child care programs and for enrichment activities.
- 3) The proposed budget represents a change in accounting definitions by which the Campagna Kids budget and program have been constructed, re-classifying what have been previously defined as program activities as administrative costs. The new recommendation does not provide the basis for thoughtful discussion and implementation of changes that can improve program efficiency - it forces an 11<sup>th</sup> hour rushed decision

---

by Council and 11<sup>th</sup> hour program changes by The Campagna Center to operate within reduced budget levels and still meet City objectives for the program.

A diligent review of accounting criteria and program versus administration costs is a fair thing. We welcome more discussions on how to ensure program effectiveness and efficiency.

Changing the rules of accounting in the 11<sup>th</sup> hour, however, is not fair... and it is particularly not fair to the families and children of our community who count on their City to provide choices in child care programs. After all, they are why The Campagna Center exists and why you support this program.

Our parents, staff and Board join me in requesting that you stand by your original decision and allocate the full \$245,000 from contingent reserves.

Thank you again for the opportunity to express these views. I would be glad to respond to any questions you might have.

---

Clark 6/24/03  
#24

Ck admin positions were increased by only one position between FY00 and our FY04 budget.

In comparison, overall TCC admin positions grew by 2.2 during the same time period. So, there's a definite focus within TCC of holding admin costs down in the program.

Now, to the point of increased admin costs:

In part, they have grown because of turnover. These are entry level positions and as with other businesses, experience high turnover.

However, we must also be honest that an equally large contributor to this turnover is wage disparity.

There are other reasons admin costs have grown:

- Growth in Campagna Kids participants every year until FY03, with concurrent growth in staff – that's more registrations to process, etc.
- Many more non-English speaking families who require more assistance with registration, monthly payments etc.
- Almost 50% turnover in Campagna Kids staff, requiring advertising/screening/interviewing and training by HR staff
- Growth in record keeping/reporting demands for:
  - USDA grant (\$35,000/year which offsets cost of snacks, grant obtained by TCC)
  - Child Care and Development Fund (additional requirement of City)
  - Separate contract for Tucker program
  - Monthly enrichment reports (additional requirement of City)
  - National School-Age Care Alliance (NSACA) accreditation process and reporting

Also need to clarify the 25 % number assigned by the city to CK admin costs.

\$107,774 of what is now being defined as admin is strictly for program enrichment: three full-time equivalent employees that provide dance, drama and development and implementation of a curriculum in support of the Standards of Learning. These have been defined and considered program costs in the past.

Finally, here's a big picture view on admin costs: If the \$107, 774 I just mentioned was applied to program costs, the total admin costs for CK would be 22%. Non-profit standards consider admin costs up to 25% acceptable.

The overall admin rate for The Campagna Center, based on our FY02 audit, was less than 12%.

**Campagna Kids Administrative FTEs**

	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>
<b>Director</b>	1	1	1	1	1
<b>Asst. Dir.</b>	1	1	1	1	1
<b>Office Mgr</b>	0	1	1	1	1
<b>Admin Asst</b>	1	1	1	1	1
<b>Office Asst</b>	1	2	2	0	0
<b>Staff Acct</b>	0	0	0	1	1
<b>Total FTEs</b>	4	6	6	5	5

**Campagna Center Administrative FTEs**

	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>
<b>Executive Director</b>	1	1	1	1	1
<b>Deputy Director</b>	0	0	.20	.20	.20
<b>Finance</b>	3	3	3	3	3
<b>HR</b>	1	1	2	2	2
<b>Receptionist</b>	1	1	1	1	1
<b>Admin Asst</b>	0	0	0	0	1
<b>Total FTEs</b>	6	6	7.2	7.2	8.2

Sent To CC  
6/24/03 #26



Head Start

Campagna Kids

Wright to Read

RSVP

July 31, 2003

The Honorable William Euille  
City Hall  
301 King Street  
Alexandria, VA 22314

Dear Mayor Euille: *BEU*

I'm writing to thank you for your support of our funding request at the June 24 Council meeting, and to bring you up to date on the Head Start issue as well.

We were very grateful for your support of allocating the \$245,000 in contingent reserves from to the FY04 Campagna Kids budget. These funds will be used to attract and retain qualified staff by increasing wages, as well as supporting our enrichment programming that helps children succeed in school and in life.

We are working closely with City staff to avoid having to bring future budget issues before Council. The enclosed letter to Councilmember Woodson, in response to her questions on June 24, details some suggestions to that end. We hope these options can be of value as the City, The Campagna Center and other stakeholders contribute to the consultant's study, and as the City and The Campagna Center identify short-term improvements to the current budgeting process for the Campagna Kids program for FY 2005. You will soon receive an invitation to a lunch and briefing on school-age care to be held at The Campagna Center on August 21. I hope you can join us. Lavern Chatman, who is your liaison from our Board of Directors, will be giving you a call.

Since you were unable to attend our Head Start briefing on July 8 I'm also enclosing the information provided by Joan Huffer (Campagna Board member and legislative aide to Senator Dashcle), along with a Head Start fact sheet and an encouraging article summarizing the current situation.

Sincerely,

*Katherine*  
Katherine L. Morrison  
Executive Director

Enclosures





Head Start

Campagna Kids

Wright to Read

RSVP

July 15, 2003

The Honorable Joyce Woodson  
City Hall  
301 King Street  
Alexandria, VA 22314

Dear Council Member Woodson,

I am writing in response to the issues you raised at the June 24<sup>th</sup> Council meeting concerning City funding for Campagna Kids and to share options that have the potential to be more effective approaches in the immediate term and in the long term.

For the long term, we recognize the tremendous potential of the City's study into school-age child care and look forward to the opportunity to support the consultant's work and contribute to the body of information and perspectives on this issue. Central questions to consider in the context of the consultant's study include licensing, accountability, parent fees, staff wages, care for special needs children, accreditation by the National School-Age Care Alliance, efficient use of public facilities, and appropriate taxpayer subsidy for child care.

Like you, we are uncomfortable with coming to City Council during the budget process to receive adequate funding, and have four options to recommend for consideration. Under an entitlement system, all families needing the program would receive services, meaning that the City would have to expand the subsidy depending on family incomes. Under a block grant, the City would give the provider a fixed dollar amount each year, and services would be provided until that amount was spent (and based on an agreed-upon allocation system such as first-come-first-served or priority to low-income households).

Another approach would be for the City to use the Maximum Reimbursement Rate established by the Virginia Department of Social Services. This would allow better planning because the childcare provider would receive a set amount per child per day regardless of family income (families would pay according to the City's sliding fee scale, and the City would make up the difference between that amount and the Maximum Reimbursement Rate). This would avoid the need to request an increase from City funds when enrollment varies from projections.

A fourth option would be for the City Manager to propose funding for this program assuming that most families would pay at the lower end of the sliding fee scale (which reflects the historic trend). The provider would be reimbursed only for actual expenditures



Head Start

Campagna Kids

Wright to Read

RSVP

## HEAD START FACT SHEET ALEXANDRIA/VIRGINIA/UNITED STATES

### ALEXANDRIA

- **Alexandria Head Start** has been a collaboration among The Campagna Center, the City of Alexandria, and the Alexandria City Public Schools for 35 years
- Its annual budget for FY04 is \$2.5 million. The required local match is provided by classroom space, utilities and janitorial services provided by the Alexandria City Public Schools
- AHS serves 253 children ages 3 to 5 years old with federal Head Start funding, and another 17 with funding through the Virginia Preschool Initiative
- AHS has six sites: Jefferson-Houston, John Adams, Samuel Tucker, Mount Vernon, George Washington and the Northern Virginia Community College (Alexandria campus)
- To be eligible for Head Start the household income for a family of four cannot exceed the federal poverty level (\$18,400/year)
- English is not the primary language for the majority of families in AHS
- In addition to the classroom experience for children (up to 10 hours/school day for children of working parents), Head Start comprehensive services include dental, vision, height/weight and hearing screenings; vaccinations; social services and mental health
- **Early Head Start** is a new program of The Campagna Center which will begin serving 60 infants and toddlers and their families in the fall of 2003
- Early HS will serve 16 in classrooms at George Washington Middle School, 20 in family day care homes and 24 through home visiting services.
- The annual budget for Early HS is \$817,000

### VIRGINIA

- In 2002 there were 93,209 four year olds in Virginia, with 6,044 in the state-funded pre-kindergarten program and 13,612 in Head Start
- 13,000 were ages 3 to 5
- In 2002 Virginia cut its state-funded pre-kindergarten program by \$2 million, from \$25.5 to \$23.5 million
- In Virginia, 82% of families served by HS have English as their primary language; 10% are Spanish-speaking, and 8% speak other languages.
- Of the 777 classes operated by HS in Virginia, 415 provide care in centers (like Alexandria HS), 203 provide home-based services, and the remainder are served by partnerships with day care centers or family day care providers

CQ TODAY

July 29, 2003 - 8:40 p.m.

Gregg Rules Out White House Head Start Proposal

By Bill Swindell, CQ Staff

A White House plan to revamp the Head Start early childhood education program has virtually no chance of becoming part of a bill to reauthorize the program, the chairman of the Health, Education, Labor and Pensions (HELP) Committee said Tuesday.

Sen. Judd Gregg, R-N.H., said in an interview that his panel would mark up the bill after the August recess, but added it would not include a Bush administration proposal that would allow eight states to take over local Head Start centers and coordinate them with their own early childhood programs. Head Start is a federally funded program operated locally by public and private agencies.

Gregg added he is content to allow the administration plan to be offered as an amendment to the bill and debated on the Senate floor.

Gregg's remarks came as several other Senate Republicans voiced misgivings about the initiative, which has triggered widespread opposition from Democrats. Opponents say the plan would effectively turn Head Start into a block grant program devoid of federal standards that would instead be subject to a patchwork of state rules.

The proposal to create a pilot program for eight states was included in a House reauthorization bill that chamber passed on a 217-216 vote July 25. Rep. Michael N. Castle, R-Del., sponsor of the bill (HR 2210), was twice forced to rewrite the measure to pick up the support of Republican moderates.

"I think the real accord of this effort is how we produce a program to make sure that these children who come out of Head Start are ready for school," Gregg said. "That's what the focus should be on. It should not be on the philosophy of where the money comes from."

Republican resistance to the Bush proposal will complicate any reauthorization effort. Republican Lamar Alexander of Tennessee, a HELP committee member, said he does not think the White House has made the case that its proposal would strengthen Head Start.

"As important as the state is, education and caring for children is primarily local - a community and family responsibility. I believe that in education and in child care local solutions work best," Alexander said.

Alexander introduced alternative legislation (S 1474) on July 28 that would create 200 nationwide "centers of excellence" that would help states

specifically devoted to training and salaries for Head Start teachers.  
Source: CQ Today

CQ TODAY

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Source: CQ Today

**Briefing on Head Start legislative proposals**  
The Campagna Center  
July 8, 2003

**Purpose** - Our Nation's major federal early learning program, Head Start is up for reauthorization this year. Recent research showing that high quality early learning opportunities has short- and long-term benefits for children and communities suggests that public resources are well-focused on early learning and development.

My purpose today is to provide a brief overview of the current Head Start program to try to put it into context for you, to summarize President's proposals and recent Congressional actions, and to discuss some of the issues that have arisen during this process.

**History** - Head Start (HS) was created in 1965 as a Great Society program. It has evolved into program that provides comprehensive early childhood development services to help children get ready for kindergarten.

The main HS program serves low-income children ages 3 to 5. Its goal is to serve the whole child by encouraging social, emotional and academic development, while providing health and nutrition screening and services. Involving parents is a central part of the process. About 3 in 5 eligible pre-schoolers currently participate in this program.

Early Head Start was begun in 1995. It provides developmental services to low-income pregnant women, and infants and toddlers. Early Head Start currently serves about c percent of eligible children.

**Structure of Head Start** - HS currently serves more than 912,000 children mainly low-income children, including 63,000 under age 3 (7 percent).

Funds currently flow from federal government, from the Department of Health and Human Services, directly to local grantees. More than 1500 public and private non-profit agencies currently participate, including 150 faith-based organizations. Local agencies provide at least 20 percent match.

At least 90 percent of children served must be at or below poverty (\$18,400 family of 4), or families receiving welfare. Grantees must reserve 10 percent of their slots for children with disabilities. (Currently, 13 percent have disabilities.)

The average cost per child of providing HS is \$6,934 nationwide.

Services are delivered in a variety of ways, depending on the needs of the community. Care can be provided in centers, through family homes and home visits, or through a combination of delivery systems.

teachers, 4) provides supportive services, including nutrition, health care, and social services, 5) involves parents, and 6) is evaluated.

Two major evaluation efforts are underway. Family and Child Experiences Survey (FACES) describes the cognitive, social, emotion, and physical development of HS children; families; classrooms; teachers and program staff. The National Impact Study is a true experiment where children will be randomly assignment to Head Start or other programs. It is designed to analyze the impact of HS on development and school readiness. Unfortunately, that study won't be completed until 2006.

Historically, HS quality has varied and some have complained that poorly performing programs are allowed to continue. The 1998 reauthorization includes provisions to address these claims, and HHS took steps in the 1990s to close down consistently poor performers. More than 100 programs have been closed since that effort began.

**How extensive is early learning?** - Approximately 56 % of children ages 3 to 5 who are not yet in kindergarten were in some kind of child care or education program in 2001. Lower-income children are less likely to be enrolled than other children; 44 % of children with family incomes below \$15,000 were enrolled in pre-kindergarten, compared to 65 percent of children the same age whose parents earned \$50,000 or more.

**State Early Learning programs** - State early childhood programs have grown significantly since the early 1990s. Forty-five states now have state pre-kindergarten initiatives, including VA.

Only Georgia makes pre-kindergarten available to all children whose families want them to participate.

Many states, including VA, have had to cut back their programs because of strained state budgets.

No state currently provides early childhood services that are as comprehensive as Head Start.

**Head Start in VA** - 53 regular Head Start grantees, 12 early head start grantees

13,206 children served with federal funds; 14,520 served with combine fed/state/local funds

public schools are part of public/private partnerships in 18 grants

ESL growing issue: more than 2500 children speak a language other than English as 1<sup>st</sup> language

Nearly half of all children need full-year and or full-day child care to meet the needs of parents who are working on in job training



The first title makes improvements in the existing program. It requires 50 percent of HS teachers to have B.A.s or advanced degrees by 2008. (Current law requires 50 percent to have A.A degrees in early childhood; that goal was met in 2002.) Within 3 years, all newly teachers in center-based programs would have to have an A.A. degree or be enrolled in a program leading to an A.A.

The bill also increases requirements to promote collaboration and coordination. 60 percent of new funding (above what is needed to maintain current programs) would be used for quality improvement such as training teachers, raising salaries, and improving curricula. In addition, at least 10 percent of new funding would be dedicated to increasing access to early Head Start.

A controversial provision was added in Committee to allow faith-based Head Start to discriminate in their hiring practices based on religion.

The House bill does not shift the administrative authority to the Department of Education.

The second title establishes state demonstration programs. The bill would allow up to 8 states (rather than all 50 as proposed by the President) to receive HS funds directly and establish their own HS programs. To qualify, a state must have an existing state-supported pre-school program. Prior year state and local spending would have to be at least 50 percent of the amount received from federal HS funds. A state would also have to have an established means for interagency coordination and collaboration.

Local grantees would continue to receive funds for 3 years, but after that, states could determine where HS funds are directed.

**Senate** - Staff level discussions are just beginning in the Senate. The Health, Education, Labor and Pensions Committee is scheduled to have a hearing this month. Legislative action is likely to occur in the fall.

**Funding** - HS currently receives \$6.668 billion. \$75 million is also provided for the Education Department's Early Reading First program for both pre-school and HS programs.

The President has proposed to provide \$6.8 billion for the next fiscal year, a \$130 million, or 2 percent, increase over the previous year. It claims that enrollment would increase to 923,000, including 62,000 in early HS, which means enrollment would increase by 10,500 children. To do this, however, he proposes to reduce the set-aside for training and technical assistance from at least 2 percent, to up to 2 percent. Concerns have been raised that a 2 percent budget increase will barely cover inflation, and that anticipated enrollment increases are overstated.

Both House and Senate appropriations committees have passed bills that include the President's level of funding.

They must only have large existing programs, but they don't have to prove that their program is effective.

Oversight would be weakened While programs are to be evaluated, States would be able to define their own success. The House bill includes no minimum standards or requirements for state block grant programs. Currently, HS programs are rigorously evaluated every three years, using a measurement tool called the PRISM. Any detected program deficiencies, including accounting deficiencies, must be corrected. States would not be required to maintain this oversight.

### **Cost of expanding access to HS and universal prekindergarten**

Serving all eligible pre-schoolers over 5 years, and doubling the number of kids served by early Head Start costs \$13 billion over 5 years. To maintain services for all eligible pre-schoolers and continue to increase Early Head Start to serve one-quarter of eligible children would cost \$55 billion over 10 years. Fully funding Head Start for pre-schoolers by the fifth year and fully funding Early Head Start by the tenth year, would cost approximately \$120 billion over 10 years.

It would cost about \$35 billion to provide part-day programs to all three- and four-year-olds not currently being served by other public pre-kindergarten programs (Head Start, Title I, or state pre-kindergarten initiatives) and whose families want to participate. The cost would rise to \$40 billion if one-third of the children enrolled in full-day programs.

MEMORANDUM

DATE: JULY 9, 2003  
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*  
SUBJECT: A STUDY OF THE CITY'S THE BEFORE AND AFTER SCHOOL CHILD CARE PROGRAMS



The purpose of this memorandum is to follow up on the discussion at the last City Council legislative meeting and to provide further information on the planned issuance of a Request for Proposals to hire a consultant to work with an advisory group to:

1. review the City's dual structure before and after school programs that are now carried out by the Department of Recreation, Parks and Cultural Activities and The Campagna Center;
2. review the merits of this dual structure model and the merits and feasibility for Alexandria of other program models used in localities around the country;
3. recommend a before and after school care program design for Alexandria which will deliver services of the highest quality; and
4. recommend options for the funding of such a program.

The City's before and after school programs have served many elementary school age children by providing activities and services that help them develop physical, academic and interpersonal skills. Today, approximately one-third of the elementary school children enrolled in the City's public school system benefit from the services provided in these programs.

Currently, the City's before and after school child care programs are operated under a dual structure. One component of the program is operated by the City's Department of Recreation, Parks and Cultural Activities and the other, Campagna Kids, is operated under a City contract with The Campagna Center. Attached is a chart that indicates which programs are operated by the Recreation Department, which are operated by The Campagna Center and which school sites have one or both programs.

The Campagna Kids program has a sliding fee scale; the Recreation Department program charges no fees, with the exception of the program at Cora Kelly (Camp Kelly), where there is a small fee. Campagna Kids generally uses space located in a school cafeteria; the City's Recreation programs

use space either in a City recreation center or in a school gymnasium. The Recreation Department does not offer a before school program at any of its sites. The Campagna Kids program offers a before and after school program at all of its locations, except Cora Kelly, where it offers a before school program only.

The goal of these programs is to create, in a recreational setting, an educationally enriching environment for children that is safe and enjoyable and that links program activities to the knowledge areas covered by the Commonwealth of Virginia's Standards of Learning. A longer term City goal at all sites is to meet the Commonwealth's standards for licensed child care, as well as the accreditation standards of the National School Age Child Care Alliance. Meeting these licensing and accreditation standards may be dependent on the availability of additional funding, as meeting licensing and accreditation standards requires additional on-site program staff.

Currently, the Campagna Kids program at all sites is fully accountable and licensed and at five sites, it is also accredited. Two additional sites are expected to be accredited when site visits are completed this year.

This fall, the City's Recreation Department program at Ramsay and Mt. Vernon, as well as Camp Kelly, will be fully accountable and licensed. Fully accountable is defined by the Virginia licensing standards, and requires that children are checked in and out by verified people and are within sight and sound of staff at all times. The standards also require the program to have a given amount of space in which to operate, the staff to be screened for background and health checks and trained in a manner prescribed by the standards, and the children to be fed a nutritious snack. The Recreation program at other sites does not meet this definition of fully accountable. At those sites, all children are accounted for using a check in and out system, but staff may not prevent children from leaving on their own.

Given the growth of the before and after school programs over time, and the desire to ensure that the best quality service is being delivered to the children in these programs, the City intends to solicit, by a formal Request for Proposals, a consultant who is experienced in the development of school age child care programs to review the current dual structure program. The consultant would make recommendations on the feasibility of continuing to function under this model or switching to a single program model, or another model, that would better serve the goals of the program. The analysis would address space issues, curriculum enhancements, licensing and accreditation requirements, staffing and training, program costs, an evaluation plan, and funding (including participant fees and grant funding opportunities).

The consultant would work with an advisory group designated by the city manager. The group would consist of one representative from each of the following groups: the Youth Policy Commission, the Park and Recreation Commission, The Campagna Center Board, and PTA Council. The group would also include: a child care center director, four community members (one who is a parent of a child in the Campagna Kids program, and one who is a parent of a child

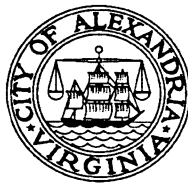
in the Recreation Department program), a designee of the Superintendent of Schools and a designee of the city manager.

The FY 2003 budget contains \$50,000 in funding for this study which will be carried forward into the FY 2004 budget. The Request for Proposals is expected to be issued this month.

If you have any questions, please give me a call.

Attachment: Chart of Current Programs

# City of Alexandria, Virginia



## Before and After-School Program Sites

Sites	Campagna Before-School Programs	Campagna After- School Programs	Recreation After- School Programs
Charles Barrett	√*+	√*+	√
Cora Kelly	√+	NO	√+
Camp Kelly	NO	NO	√*
Charles Houston	NO	NO	√
Durant/Jefferson	√*+	√*+	√
George Mason	√*+	√*+	√
John Adams	√+	√+	√
Lyles Crouch	√+	√+	NO
Mac Arthur	√+	√+	√
Maury (soon)	√+	√+	√
Mt. Vernon	√+	√+	√+(9/03)
Nannie J. Lee	NO	NO	√
Patrick Henry	√+	√+	√
Polk (soon)	√+	√+	NO
Ramsay	√*+	√*+	√+ (9/02)
Tucker	√*+	√*+	NO

\* Accredited by the National School-Age Care Alliance  
 + Licensed by the Virginia Department of Social Services