

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 30, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 18: CITY COUNCIL REQUEST FOR ADDITIONAL INFORMATION REGARDING THE OUT OF SCHOOL TIME REFORM INITIATIVE

This memorandum is in response to the questions raised by City Council during the Out of School Time Reform Initiative Work Session held on January 9, 2007, and follow-up questions from Councilman Krupicka forwarded to staff on February 1, 2007.

As a result of ongoing community concerns regarding the City's before and after school programs, the City Manager's Before and After School Work Group recommended a comprehensive reorganization of these programs. The Work Group's May 2, 2005 Report on the Status of School Age Child Care in the City and Recommendations were forwarded to City Council in an informational memorandum on June 13, 2005 (Additional copies of this report are available through the Department of Human Services). City staff was subsequently charged with developing recommendations for the two areas that the Work Group could not reach consensus – the selection of the providers for the program sites, and the establishment of fees to support the City funded programs. During the January 9, 2007 Work Session, staff presented a summary of the Work Group's Out of School Time reform recommendations and three implementation plans for City Council consideration (Attachment I).

The Out of School Time Office

Work Session Questions (January 9, 2007)

1. Why is a special office and new staff positions needed?

The City Manager's Before and After School Work Group recommended that the City establish a City-wide Out of School Time (OST) program office, and full-time staff to oversee the program. Research shows that localities that make a significant investment in school-age care also have designated staff who provide management and oversight of the programs they fund. Staff is not wedded to the concept of an "office", but recommend that dedicated staff manage the contracts awarded to the school-based providers and ensure compliance of the adopted program standards by the school and recreation center based programs.

2. Can this office be staffed with existing positions within the Department of Human Services and the Department of Parks, Recreation, and Cultural Activities?

During the FY 2007 budget process, City Council approved funding for a position to establish the OST Office, and develop the framework for implementation of the remaining Advisory Group and consultant recommendations. Additional funds were also set-aside in FY 2007 contingent reserves for an additional position pending Council approval of changes to the Out of School Time Program. Staff are confident that the initial program planning work can be accomplished with this funding, requiring no additional funding in FY 2008 other than release of these funds held in contingent reserves. We will continue to look internally to determine if there are existing positions that can assume the duties of the additional staff that may be proposed during the FY 2009 budget process.

3. What will be the relationship between the program providers and this office?

The OST staff will market the program on behalf of the providers, manage the participant registration process, collect parental fees, assist with the development of the curricula, provide universal training for the program staff, monitor and evaluate program performance and keep the providers abreast of the latest research, and best and promising practices in the field of school-age care.

4. Can the program providers carryout the functions being proposed for this office?

The prospective program providers could carryout the registration and fee collection functions. However, should City Council endorse the (public-private) provider model proposed by staff, each provider would require commensurate administrative staff to carryout these functions. Also, past experience has shown that providers may have difficulty administering and enforcing complicated fee structures established by the City.

Proposed OSTO Staffing	
Positions	Status
Office Director	Approved FY 2007 Budget
Curriculum/Training Coordinator	FY 2007 Contingent Reserves
Program Specialist (Monitoring and Evaluation)	FY 2009 Supplemental Request
Administrative Technician (Registration)	FY 2009 Supplemental Request
Account Clerk (Fee Collection)	FY 2009 Supplemental Request

5. What impact will a City administered program have on a not-for-profit provider’s ability to leverage other resources to enhance program offerings?

City funding provided to The Campagna Center has not impacted the organization’s ability to attract additional funding to enhance the program offerings of Campagna Kids. For the past several years, the agency has received funding from the Freddie Mac Foundation, the United States Department of Agriculture and generated additional resources through collaborative partnerships with WETA Public Television, Chevy Chase Bank and Barnes and Noble Bookstore.

Councilman Krupicka Questions (February 1, 2007)

6. **What is the full cost of implementation of Plan A, including the following: staffing cost for the Out-of-school time office; administrative overhead costs; payroll costs needed to bring all Rec sites into licensing compliance; and costs for training all employees to bring all sites into licensing compliance. Would like to see a detailed summary of these costs, as it has been indicated that this project is budget neutral.**

The projected cost for implementing Plan A during the 2008-2009 school year (FY 2009) is \$8,196,455. The City currently invests approximately \$4.2 million in OST programs. The proposed model projects an additional \$3.9 million in revenue from parent fees. This allows the proposed model to be budget neutral (no additional City funds are needed). However, if the proposed fee rates and sliding scale are substantially changed to reduce what parents pay, then significant City funds would be required. The table requirements below shows the projected expenditures associated with the OST staffing, licensing the Recreation sites and projected revenue to help offset these costs.

FY 2009 Projected OST Expenditures	
<i>Out of School Time Staffing</i>	
Director & Curriculum/Training Specialist (Approved in the FY 07 Budget)	\$175,771
Program Specialist, Administrative Technician & Account Clerk *	\$223,609
Total – Out of School Time Staff	\$399,380
<i>Recreation Program</i>	
Amount Currently Invested	\$2,403,745
Additional Staffing Needed (To meet licensure standards)	\$1,630,500
Additional Training Costs (To meet licensure standards)	\$20,000
Other Additional Non-Personnel	\$277,369
Total - Recreation Program	\$4,331,614
<i>Private Provider</i>	
Private Provider Cost @ \$440/per child**	\$2,802,000
Total Private Provider	\$2,802,000
Scholarship Fund (Rules and procedures to be determined)	\$663,461
Total Estimated Program Costs	\$8,196,455
Projected Revenue (parent fees)	
Surplus / (Deficit)	\$3,980,939
Less Amount Currently Paid by City	(\$4,215,516)
Final Surplus / (Deficit)	\$4,215,516
* This amount could be adjusted depending on work levels assigned to the OSTO or given to each Provider. Any savings will be applied to the scholarship fund.	
** Includes \$96K that was once contributed by ACPS	
*** Administrative Overhead Cost (not including the OSTO) is included in the Recreation and Private Provider figures.	

6. Who will be involved in establishing the daily curricula with core program components that is to be used at all sites?

With assistance from the National League of Cities, staff has identified a set of proven program components and activity guidelines that will serve as the framework for the City's OST Program. Working with the proposed OST staff, the selected program provider(s) would be responsible for developing the daily curricula that embrace these program components and activity guidelines.

7. In the current structure, administrative overhead costs have been absorbed in the vendor contract. What administrative overhead functions will be performed by the Out of School time office? Will vendors be allowed to charge administrative overhead costs as well? Is this not a replication of overhead costs?

The Campagna Center charges a 15% administrative overhead cost and an additional administrative overhead rate (ranging from 4-17%) for each of the twelve program sites. City funding also supports five administrative positions (Program Director, Assistant Program Director, Billing Administrator, Administrative Assistant and Office Administrator). Prior to the Campagna Center program restructuring, the organization's overhead rate was 12.26% and City funding supported seven administrative positions (Program Director, Assistant Program Director, Staff Accountant, Registrar/Community Liaison, Training Coordinator, Office Administrator, and Office Assistant/Drama & Dance Coordinator).

Based on the proposed structure, the OST staff would be responsible for participant registration, fee collection and determining eligibility for financial (scholarship) assistance.

The vendors would be allowed to charge reasonable administrative overhead for remaining administrative functions. The rate and allowable charges would be defined in the Request for Proposals. The duties ultimately assigned to the OST unit would determine the allowable administrative rate and cost.

8. How will the community be engaged, i.e. parents in the transition process?

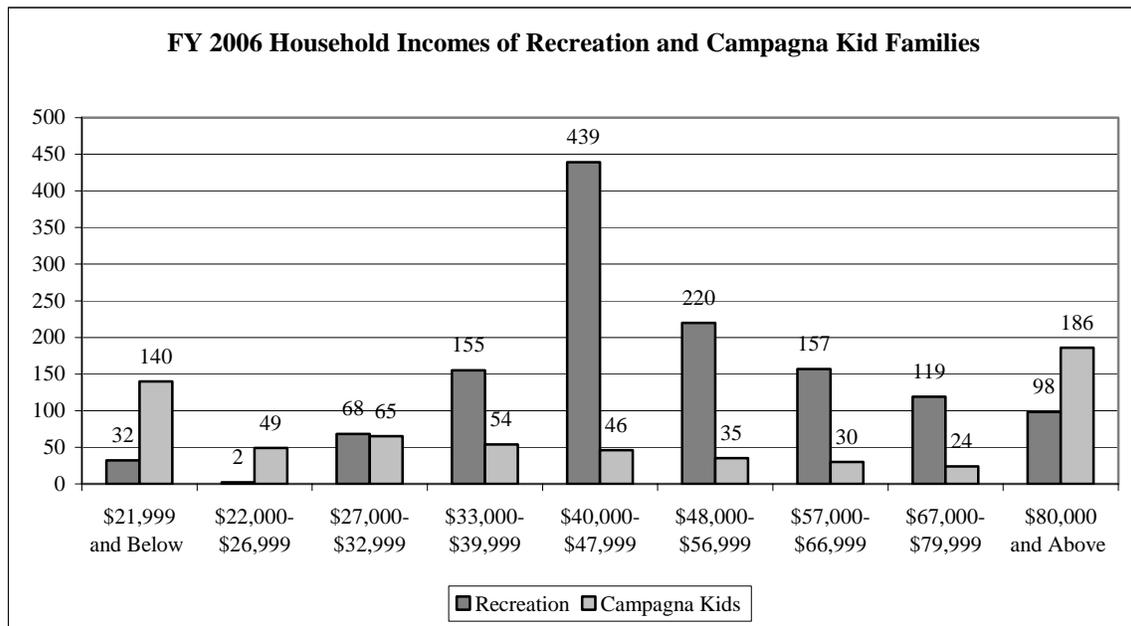
Since the January 9 Work Session, staff have been meeting with parent groups to explain the reform recommendations forwarded by City Council. Once City Council makes a final decision regarding the future of the OST Program, staff will develop a marketing campaign to promote the program, and meet with parents to explain the program. Prior to January 9, staff have had ongoing meetings with principals, ACPS administration, Campagna Center and Recreation site and directors.

Fees for All Families/Sliding Fee Scale

Work Session Questions (January 9, 2007)

1. Based on the proposed sliding fee scale, how many families will fall into the respective income brackets?

Using actual Campagna Kids family income data, and Census 2000 Block Group Median Household Income data for Recreation Department families, the chart below shows that we believe the majority of the families fall into to the \$40,000-\$47,999 income brackets included in the proposed sliding fee scale.



2. Using the proposed sliding fee scale, how much will the majority of the families pay? Will fees keep parents from enrolling their children in the program?

Based on FY 2006 family data from the Campagna Kids and Recreation Department programs, as highlighted in the chart below, the majority of the families would pay a monthly fee of \$183.00 for the first child, and an additional \$45.83 for the second and third child respectively.

Proposed OST Budget Neutral Sliding Fee Scale			
Annual Income	Base Fee	2 nd Child	3 rd Child
\$21,199 and Below	\$0	\$0	\$0
\$22,000 to \$26,999	\$0	\$0	\$0
\$27,000 to \$32,999	\$125	\$31.25	\$31.25

\$33,000 to \$39,999	\$152	\$38.02	\$38.02
\$40,000 to \$47,999	\$183	\$45.83	\$45.83
\$48,000 to \$56,999	\$219	\$54.69	\$54.69
\$57,000 to \$66,999	\$258	\$64.58	\$64.58
\$67,000 to \$79,999	\$306	\$76.56	\$76.56
\$80,000 and Above	\$333	\$83.33	\$83.33

In FY 2006, 64% of the children participating in City supported before and after school programs were enrolled in the Recreation sponsored program. During the three Out of School Time Town Hall Meetings many of the Recreation families indicated that the imposition of fees would cause a financial challenge for them.

In anticipation of these challenges, staff included a scholarship fund in the proposed budget neutral model to assist families with extenuating circumstances and hardships. Approximately equal to one-sixth or 16.7% of the fees that would otherwise be charged, this scholarship fund could significantly reduce the impact of fees on those families with lower incomes. (Note that no fees are to be charged to those below \$27,000 in annual family income.)

3. Is the Campagna Kids program currently collecting fees?

Per the current grant agreement with The Campagna Center, the organization is responsible for billing parents and collecting fees that are due at the beginning of each month. The organization employs a full-time Billing Administrator (\$58,470) to manage this work.

4. Who will collect fees in the new model?

An Administrative Technician position (\$40K+fringes & benefits) has been proposed for the new OST Program. This position would be responsible for billing and fee collection for the school-based and recreation center based programs. In other jurisdictions, generally there is one administrative position per 1,000 family accounts.

5. Should the City be in the business of collecting fees?

With the exception of Prince William County, all of the neighboring government operated programs collect parent fees. The City currently collects fees for a myriad of activities and services offered to residents and the collection of parent fees would not be inconsistent with services the City already provides to residents.

6. Is staff aware of localities that do not charge fees for after school programs and how is it funded?

There are several localities that do not charge fees for after school programs. They rely on a variety of revenue streams to fund these programs. As an example, Community Development Block Grant Funds cover programs in Forth Worth, Texas; the District of Columbia's Tobacco Settlement Funds are used make grants to neighborhood programs; and state and local tax levies/set-asides support programs in the City of New York and Portland, Oregon. However, most localities charge fees of some sort.

7. Can higher income brackets and commensurate fees be added to the proposed sliding fee scale to provide relief to lower income families?

Staff is currently analyzing alternative fee scale structures based on Council feedback at the January work session. There is the option of including higher income brackets and commensurate fees to the scale to provide relief to lower income families. However, these additions may result in some families paying fees higher than the cost of care. The proposed fee structure does not include any such cross-subsidization.

Councilman Krupicka's Questions (February 1, 2007)

8. If fees charged are going to cover the additional costs for Plan A, what assumptions have been used in the revenue calculations? How have you accounted for the number of children that may not be enrolled in any program; the number of children that will choose private providers outside the City program, etc.?

It is difficult to project the number of families who may elect to use private providers outside the City program for care. It is important to note that most of the City's private providers charge rates higher than those included in the proposed OST sliding fee scale. The only families that may benefit financially from a move to a private provider are those families who are currently receiving childcare assistance through the Fee System. To take this into account, the revenue and the costs for the budget neutral model were calculated on the assumption that 25% of the families currently served may choose not to enroll in or pay for the program after it has been staffed up.

9. Who will pay full fees? If families over \$80,000 are charged the full fee, what assumptions have you used to determine how many will stay in the programs operated by the Rec programs if they have been used to paying the higher fees for quality, accredited programs. What will be the impact on your "budget neutral" model if large portions of this population do not choose to participate in the Rec operated sites?

Based on GIS information available at the time of the analysis, only 10.8% of the families expected to participate in the program had a household income above \$80,000 per year. If the 10.8%, or approximately 239 families, used in this analysis do not participate in the program, we will need to reassess family income and enrollment data to remain budget neutral. Also, the model used to build revenue projections only rely on a 25% drop out as

discussed above in question 8. In addition, the fee scale proposed in this model is less than that currently used by the Campagna Kids program and programs offered in neighboring jurisdictions.

10. Given that a sliding scale fee is a moving target in terms of revenue projections, what structures are included in the plan to adjust the costs with the revenues in order to insure that the program will be budget neutral if your assumptions do not hold true with actual enrollment and family income levels?

The model used to build revenue projections for the sliding fee scale only rely on a 25% drop out rate. If actual enrollment is lower than projected, revenue and expenditure projections will be adjusted to remain budget neutral. However, reductions in staffing, other expenditure reductions, and enrollment caps may be necessary to accomplish this. Staff will closely monitor family composition, income and enrollment information in the months leading up to program implementation to ensure staffing levels are appropriate and program costs are in line with expected revenues.

11. What are the guidelines for the scholarship fund? Will there be a yearly cap on these funds? How will the scholarships be administered? Who will make these decisions?

The development of details for the proposed OST program managed scholarship fund is a work in progress. Staff is currently considering the types of family circumstances that would warrant short-term assistance from the scholarship fund, i.e. unforeseen reductions in income, homelessness, serious illness, death in the family, involvement with Child Protective Services or other family crisis. Additionally, staff is exploring the feasibility of devoting a portion of the fund to provide longer term assistance to families who spend 60% or more on “housing related” cost, and families who are living at or below 250% of poverty (local subsidy cap currently used) or 300% of poverty (which is a qualifier for some health insurance programs subsidies).

One Program Provider Per Site/Competitive Process for Selecting the Provider

Work Session Questions (January 9, 2007)

1. How will the Recreation sponsored program be evaluated since they will not have to compete for the service? This includes program performance, fiscal management and quality of service.

Under the current proposal, the OST staff would have the responsibility of not only providing management and oversight for the contracted programs, but also monitoring and evaluating the fiscal management and service quality delivered by the Recreation Department. Other evaluative mechanisms include the monitoring and oversight provided by the Virginia Department of Social Services Licensing staff, and the City Manager’s Managing for Results Initiative outcomes reported by the Department internally, to the CMO, and to the City Council and the public.

2. How does the Tucker program operate? What impact does the contract staff of the Recreation Department have on Campagna's accreditation/license?

The Campagna Kids Tucker Plus program was established as a model school age care childcare program shortly after the opening of the Samuel W. Tucker Elementary School. Collaboration with the Department of Recreation, Parks and Cultural Activities was the initial intent of the City and this expectation was included in the RFP developed and initiated by the City's Purchasing Department. Offerors were required to include in their proposal, written evidence that the sports enrichment component would be delivered by the Department of Recreation. As such, the Recreation Department has served as the contractor managing the sports enrichment component for the Campagna Kids Tucker Plus program for the past six years. The Department employs seasonal staff to carryout these activities who cannot be included in the accreditation required staffing ratios.

3. Does the proposed model offer opportunities for program partnerships similar to what currently exists at Tucker?

Although the RFP has not been formally developed, staff anticipate adding the latitude for applying organizations to leverage partnerships on a sub-contractual basis. These partnerships can be for the provision of enrichment activities, sports and recreation or academic components.

Under the proposed model, each program should reflect articulated needs of the principals and parent advisory groups of each site.

4. If there are a number of private entities willing to compete for the business, why is staff recommending to keep the Recreation Department as a provider?

In most jurisdictions where after school programs are located in neighborhood recreation centers, the programs are managed and operated by the Recreation Department. Localities have found that their Recreation Department staff's experience in youth programming and overall facility management make for a more efficient and cost effective way to meet the after school needs of families who live in close proximity to the centers. Note that the out-of-school program will only be operating during a limited time period of each school day and not at all on weekends. Because some Recreation staff already have to be available to administer and operate Recreation Centers during these times, there are economies of scale allowing Recreation personnel to operate Out-of-School Time programs as well.

The City currently commits significant resources to the Recreation Department to support the delivery of after school programs in the eight neighborhood centers and three part-time programs. If the Department were no longer responsible for the administration and operation of the programs based in the neighborhood centers, the delivery of the service via a contractor would result in increased program cost. There also would be some reduction in Recreation Department staff positions, requiring, perhaps, lay-offs via Reductions in Force that would result in one-time costs.

5. Why retrain Recreation staff to provide a service they were not initially hired to provide? If Recreation is interested in delivering this service, why are they being excluded from the competitive process?

The Recreation Department has offered after school and summer programming for school age children since the Department was established. The City has funded the construction and renovations of all of the neighborhood recreation centers, in part, to meet the needs of school age children as well as other populations including, teens, adults, seniors, community groups and organizations, etc. City funding of the Department's operating budget includes funding for the full-time, part-time and seasonal staff whose duties include providing after school and summer programs for school age children. The Department has had much success in managing after school and summer programs for years and parents have come to rely on the recreation centers to provide programming for school age children. Beginning around 1996, the City reviewed via several work groups and task forces, various programming options for school age children for the times children are not in school. In recent years, and in response to some of the recommendations from these groups, the Department began the process of transitioning its out of school programs for elementary school age children at the recreation centers to licensed programs. Funding was appropriated to begin the transition to licensing the programs at the centers. Ramsay Recreation Center was licensed in 2002 and Mount Vernon Recreation Center was licensed in 2003. The City asked the Department to hold off on licensing the programs at the other centers while the City formally studied how best to provide out of school time program services for school age children. The department has been in a holding pattern since that time.

The Recreation Department expects to continue operating its out of school programming for school age children because of its long standing practice of successfully providing the service as mandated by the City and the many citizens who have utilized the service for the many years it has been provided by the Department. Additionally, the consultant hired by the City to study out of school time programs for elementary school age recommended in its report to the City that the Recreation Department operate the Out of School Programs at the full time recreation centers. The Department stands ready to provide enhanced out of school time program services (local standards, State Licensing standards, Accreditation) if and/or when the City decides how to proceed with its Out of School Time Program.

6. Who are the private concerns interested in competing to provide before and after school services in the City of Alexandria?

The Alexandria Boys and Girls Club and the Alexandria YMCA are two City-based organizations that have expressed interest in competing for City funding in order to expand their respective after school programs. Additionally, school age childcare companies who currently do business in neighboring jurisdictions have expressed interest in competing for City funding.

7. If it is agreed that Recreation would serve as the primary provider for center-based programs, can they contract with a private entity to provide the homework and tutoring services?

The Recreation Department, like the prospective private providers would have the option of contracting with an outside entity to provide academic related components of the OST program.

Councilman Krupicka's Questions (February 1, 2007)

8. Why are the non-school based Rec sites being considered in this plan? Is it cost effective to use these program sites and increase the number of slots covered by the Rec Centers?

The non-school based recreation programs (Charles Houston and Nannie J. Lee) are being considered in this plan because they serve a significant number of students who reside in the immediate neighborhoods of these centers and use them for out of school activities. Excluding these centers from the proposed model would result in families having to enroll their children in programs that are not in close proximity to their neighborhoods. Additionally, there are concerns relative to the school-based sites ability to increase capacity in accordance with licensure standards.

9. How many parents will be asked to place their child in a licensed Rec program that is currently in accredited programs? How will you explain the drop in quality to them for the same price?

It should be noted that the fee schedule being proposed is less expensive than that now charged for the Campagna Kids program. The proposed provider model would result in the Department of Recreation becoming the primary provider at five sites that are currently co-located with the Campagna Kids program. Based on FY 2006 enrollment data, potentially 296 participants could register for participation in the Recreation managed program. The distribution of participants by site is provided below:

Sites	FY 2006 Enrollment for Campagna Kids
Adams*	70
Barrett	31
Henry*	84
Mt. Vernon*	21
Ramsay	90
Total	296
* These sites are not NAA accredited	

The Recreation Department is a nationally accredited department. The Commission for Accreditation of Park and Recreation Agencies (CAPRA) bestowed the honor on the

Department in October 2004. This process requires park and recreation agencies to meet 155 quality standards representing elements of effective and efficient park and recreation operations. The programs of the Recreation Department, particularly in the area of “participant centered programming” were recognized as having met the best practices and standards as required by CAPRA. Although this is not the same as the NAA accreditation carried by many of the Campagna Kids sites, it does indicate the Recreation Department is well positioned to achieve those standards if and when City funding is available to support that. Therefore, families are not being asked to enroll in a program that does not promote and practice the provision of high quality programming for youth. The primary operational impact is in terms of the ratio of staff to children being lower for accreditation. Of secondary importance are enrichment activities.

10. What is the timeline for having all Rec programs licensed?

The Recreation Department is poised to submit licensure applications for the remaining unlicensed sites (Adams, Barrett, Durant, Kelly, Lee and Henry) once consensus has been reached by City Council. The Charles Houston licensure application would be submitted after the new center is erected. Barring no issue with the physical plant licenses can be secured for these sites within 120 days.

11. What is the timeline and cost of moving all Rec programs from licensed to Accredited?

The timeframe for accomplishing accreditation by the National AfterSchool Association (NAA) is determined by the program. The pursuit of accreditation is a multi-step process:

- Introduce staff to the NAA Standards for School Age Care, and incorporate that reinforce the standards;
- conduct a self study to determine the level of readiness;
- make the necessary adjustments consistent with NAA standards i.e. required staff to participant ratios, employ staff that possess the appropriate credentials;
- survey and interview parents and participants to ascertain programming input;
- offer an array of enrichment activities that support the NAA philosophy;
- submit a letter of intent to NAA;
- submit an accreditation application for review and processing; and
- host an endorsement visit.

The estimated cost to get the Recreation Department through the initial phase of the accreditation process is as follows:

Initial NAA Accreditation Expenses	Cost
NAA Self-Study, Submission of the Letter of Intent, Application Process, Endorsement Visit \$1,825/site	\$ 14,600
Training	\$ 50,000
Staff required to meet NAA enrichment activities philosophy	\$125,000

Additional personnel needed to meet NAA staffing ratios	\$750,000
Total	\$939, 600

12. If the recreation centers were not involved, could we have a fully accredited program from the launch of this new program? Assuming accreditation is more expensive, how would that affect the required fees?

Unlike licensure, accreditation is pursued and accomplished once a program is up and running. The only way the new program could be launched with fully accredited programs is if the Campagna Center is selected as the primary provider for the Jefferson-Houston, Lyles-Crouch, MacArthur, Mason, Maury, Polk and Tucker sites. These sites currently are NAA accredited. The budget neutral model and the proposed sliding fee scale was developed based on a state licensure ratio standard of 15:1 and did not include the additional cost associated with NAA required enrichment activity. At a minimum, additional funding would be required to support these two NAA standards.

13. One of the underlying assumptions in this model is that the recreation programs are less expensive because 1) they are not accredited so don't have the same staffing requirements and 2) they already have staff at the center so they don't have to hire as many people to meet licensing requirements. Both of these assumptions imply a reduced child-staff ratio. In the case of point number two, the assumption is that staff can do two jobs at the same time by performing their center functions as well as watching over the children in the after school program. How does this impact the overall operation of the centers? And can we really say these employees are fully focused on the after school program children? If so, what functions are not being performed as a result?

The Recreation Department utilizes a combination of 93 staff positions (Center Directors, Assistant Directors, Recreation Supervisors, part-time and seasonal Recreation Leaders and Custodians) to support the after school programs at the thirteen sites at the licensure required ratio of 15:1. During the after school program hours, these assigned staff focus exclusively on the children. They are not engaged in other center related duties. These responsibilities are carried-out by staff not designated to support the after school program.

14. What is the cost difference between a blended recreation center and private provider approach and an all out-sourced, private provider program? How does this cost difference change when you are compare licensed blended programs to licensed private programs or accredited blended to accredited private or licensed blended to accredited private? How would fees have to change to keep the program budget neutral?

Early last fiscal year, the Department convened a work group comprised of representatives from Mount Vernon School, the Campagna Kids program and the Recreation Department to explore the feasibility of blending the after school programs offered at this site. Issues

regarding pay equity stymied the exploratory discussions, and this was no longer viewed as a viable option to pursue. For this reason, staff has not analyzed the associated cost.

15. What is the rationale for not requiring the Rec department to participate in the competitive bid process? Why is it assumed they will automatically serve 1600 children without having to have their program scrutinized for quality, effectiveness, and efficiency as the outside vendors will be required to do?

Although the City Manager’s Advisory Group could not reach consensus on the selection of the providers for the program sites, the Consultant recommended the Recreation Department remain the manager of the full time recreation center based programs and the manager for the school-based sites be selected by the RFP process. State law does not provide for managed competition by a local government entity. The Virginia Public Procurement Act addresses procurement from nongovernmental sources, Va. Code Sec. 2.2-4300(B), as a "public contract" between a public body and a nongovernmental source, Va. Code Sec. 2.2-4301. The lack of any provision under state law for a managed competition bid process precludes consideration, in the procurement context, of proposals from government sources that may be competitive with proposals from nongovernmental sources. The Recreation Department is not a nongovernmental source and could not be a participant of the City’s RFP process.

During FY 2006, 1,278 students were registered in recreation center based program, and an additional 296 students were enrolled the Campagna Kids programs based in schools adjacent to these centers. With the adoption of the one provider per site recommendation, Recreation would assume the responsibility of serving those students that were enrolled in the school based sites. The effectiveness and efficiency of their program would not only be monitored and evaluated by the OST staff, but also by the Virginia State Department of Social Services (VADSS) and their level performance and compliance would be reported (as required by State law) on the VADSS website. In addition, Recreation would use the reporting mechanisms to be developed under the City’s recently implemented Managing For Results Initiative.

Sites	FY 2006 Enrollment		
	CK	REC	TOTAL
Adams, John	70	182	252
Barrett, Charles	31	75	106
Durant, Dr. Oswald	0	58	58
Henry, Patrick	84	260	344
Houston, Charles	0	137	137
Jefferson-Houston	31	0	31
Kelly, Cora	0	195	195
Lee, Nannie J.	0	81	81
Lyles-Crouch	48	0	48
MacArthur, Douglas	75	118	193
Mason, George	44	28	72
Maury	34	12	33
Mt. Vernon	21	120	154

Polk, James K.	110	0	110
Ramsay, William	90	170	260
Tucker, Samuel W.	145	0	145
TOTAL	783	1436	2219

16. Who will develop the RFP for the competitive process? Will community partners be asked to provide input in the structure of the RFP process and the requirements? What will be the standard used (licensed or Accreditation) within the RFP requirements? Will vendors receive higher ratings for proposing an Accredited vs. licensed model? Will City Council be allowed to revise/review the RFP prior to release?

The City’s Purchasing Division in collaboration with the Department of Human Services staff would be responsible for the development of the RFP for the OST program. Of course, such an RFP would follow whatever guidance City Council provides through normal Council deliberations.

There is no requirement that the Purchasing Agent seek input from community partners regarding the structure and requirements of an RFP. It has been the general practice of the City not to seek such input, but that is when dealing with services provided by for-profit vendors. However, in this case draft RFP scope of work input from potential service providers could be obtained.

Under the form of City government in Alexandria, City Council's role is largely a legislative and policymaking one and is not involved in day-to-day procurement operations. This is consistent with the city manager form of government. Therefore, if Council became involved in reviewing an RFP, such action would represent a significant departure from the City’s usual practices. However, staff would seek and include policy input from Council as to key principles to include in an RFP prior to its development and release.

17. Who will be involved in the selection process? Will members of the community (City Council, principals, parents) be included in this process in any way?

The Department of Human Services in consultation with the City Manager’s Office will establish a Review Team. Members of this review team will most likely consist of Alexandria City and School System personnel, and staff representatives with related expertise from neighboring localities. See the response to Question #16 for additional information related to input on the RFP scope of work.

Other Related Questions

Work Session Questions (January 9, 2007)

1. What does “Budget Neutral” mean?

The before and after school model proposed is “Budget Neutral” in that the City does not have to invest any more money in the program than what is already invested between the Department of Human Services and Recreation. The introduction of fees to families who have historically not been required to pay (recreation families) will allow the program to be budget neutral, though a higher level of service will be offered. It is important to point out the model is budget neutral, not cost neutral. The City would still be required to invest the \$4.2 million currently invested to balance.

2. Who served on the Before and After School Advisory Group?

The City Manager’s Before and After School Advisory Group members included representatives of the Parks and Recreation Commission, the PTA Council, the NAACP, the Alexandria School Board, the Youth Policy Commission, Tenants’ and Workers’ United, The Campagna Center, the Alexandria YMCA, Campagna Kids and Recreation Parent Advisory Groups, staff from Alexandria City Public Schools, the Department of Recreation, Parks and Cultural Activities, the Office of Management and Budget and Human Services as the convener.

3. What has happened to date to elicit feedback from parents and other stakeholders regarding the Advisory Group and Consultant’s recommendations?

During the initial phase of the Consultant and Advisory Group work, feedback was elicited from parents and other stakeholders through interview sessions and focus groups. Interviews were held with program directors from the Campagna and Recreation programs, the director of the Office of Management and Budget and City Council members. Focus groups were conducted with Campagna Kids and Recreation parents, participants, staff and advisory board members, elementary school principals and members of other stakeholder groups. Town Hall meetings were held at Jefferson Houston, Mt. Vernon and Patrick Henry Elementary Schools to specifically elicit additional parental and other stakeholder feedback regarding the Advisory Group and Consultant recommendations.

4. Where does the Campagna Center pilot program fit within the three options staff has proposed?

The concept of a Campagna Kids and Recreation Department collaborative pilot was shared in general terms with staff shortly before the January 9, 2007 Work Session, as an alternative to pursue should City Council elect not to approve one of the three options. The details and

associated cost have not been discussed in great detail or analyzed, therefore staff is unable to determine the feasibility of pursuing the concept.

Councilman Krupicka's Questions (February 1, 2007)

5. How will special needs populations be served in this new model?

As is the case currently, the programs offered through the new model will be open to children with special needs. The programs will be required to work collaboratively with the parents and schools to ensure that the children have an enjoyable and positive experience. Should the needs of the children exceed the capability of the staff, parents can initiate an American Disabilities Act request in order to receive the additional support their child requires to fully participate in the program.

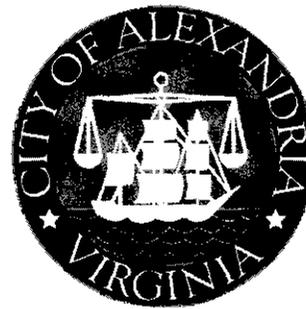
6. Looking to the future, there could be a large population of Pre-K (4 year olds) that are involved in Universal Access programs. How could this model be adapted to serve 4 year olds once this becomes reality?

Before and after school program sites can be adapted, in some instances, to serve preschoolers if those children are served in separate classrooms. This would be especially beneficial for parents who have both school age children and preschoolers because they wouldn't have to pick up the children at two different locations. However, the current model for before and after school care includes a \$2 million local subsidy for a sliding scale for families with incomes up to \$80,000. In our preschool model, families are only eligible for the Child Day Care Fee System if their income is at or below 250% of poverty and there is no local subsidy for families with higher incomes. The eligibility limit for CFNC is 185% of poverty. ALIVE! has a sliding fee scale for families with incomes up to \$62,000 and Hopkins House has a scholarship program they support through fundraising. Blending the before and after school model with the preschool model would require the City to address the differences in the sliding fee scales. A local subsidy for all Pre-K children from families with incomes over 250% of poverty would significantly increase the cost of the preschool program. Nevertheless if resources become available, staff and early childhood stakeholders would begin that planning.

ATTACHMENTS:

- I. Out of School Time Reform Initiative Work Session Presentation- January 9, 2007

Out of School Time Program Initiative
&
Early Childhood Universal Access to Preschool



**City Council Work Session with the
Department of Human Services**

January 9, 2007



Out-of-School Time Presentation Purpose

- Review the work of the Before and After School Advisory Group and Consultant, discuss staff's recommended options for implementation
- Guidance regarding which option to implement and how fast
- Staff needs a decision from City Council tonight, so the City Manager's FY 2008 Proposed Budget can reflect the guidance



Recommended Options

Option A Full Implementation Over Two Fiscal Years	Option B Modified Implementation Over Two Fiscal Years	Option C Limited Modifications in FY 2008
<p><u>Year One</u></p> <ul style="list-style-type: none"> ▪ Continue staffing the Out-of-School Time Office ▪ Implement one provider per site model ▪ License remaining recreation programs and train staff. ▪ Create curricula with core program components ▪ Initiate a competitive process for selecting private providers for school-based programs ▪ Educate parents and the community <p><u>Year Two</u></p> <ul style="list-style-type: none"> ▪ Launch new program ALEX After School with a uniform sliding fee system 	<p><u>Year One</u></p> <ul style="list-style-type: none"> ▪ Continue staffing the Out-of-School Time Office ▪ Implement one provider per site model ▪ Adopt local standards for recreation programs and train staff ▪ Create curricula with core program components ▪ Initiate a competitive process for selecting private providers for school-based programs ▪ Educate parents and the community <p><u>Year Two</u></p> <ul style="list-style-type: none"> ▪ Launch new program ALEX AfterSchool with a uniform sliding fee system 	<p><u>Year One</u></p> <ul style="list-style-type: none"> ▪ Continue staffing the Out-of-School Time Office ▪ Implement one provider per site model. ▪ Make no change to programs operated by Recreation in the neighborhood centers ▪ Continue the cooperative grant agreement with The Campagna Center to operate licensed fee based programs in the schools.



Background

- For more than 25 years, the City has simultaneously supported two significantly different before and after school program models
- The challenge has been to create a citywide model, blending the best qualities of both programs
- In 2004, the City Manager appointed an advisory group and retained the services of a consultant [Caliber Associates] to conduct a study and make recommendations
- In 2005 and 2006, the City received two technical assistance grants from the National League of Cities



Advisory Group & Caliber Findings and Recommended Reforms

Advisory Group and Caliber Findings	Advisory Group and Caliber Recommended Reforms
<p>Licensure/Accountability - not a requirement for all City-funded programs. The 12 Campagna Center operated sites are accountable [licensed/nationally accredited]. Two of the eight Recreation sites are licensed and accountable.</p>	<ul style="list-style-type: none"> •Require all city-funded programs to be licensed by the Virginia State Department of Social Services, making all programs accountable
<p>Curriculum/Program Standards - programs reported similar offerings, but different approaches to curriculum development</p>	<ul style="list-style-type: none"> •Develop and adopt city-wide program standards based on agreed upon key curriculum component areas
<p>Program Space - additional space is needed to better serve enrolled children and potentially reach more children</p>	<ul style="list-style-type: none"> •Expand school-city partnership to facilitate more efficient and greater use of school space •Coordinate with existing enrichment programs offered by the schools
<p>Cultural Differences - some families are not using out-of-school services due to language/cultural barriers</p>	<ul style="list-style-type: none"> •Use centralized/ coordinated approach to reach the underserved population.



Advisory Group and Caliber Findings and Recommended Reforms

Advisory Group and Caliber Findings	Advisory Group and Caliber Recommended Reforms
<p>Program Coordination - there is a lack of cohesion between programs despite collaborative interests.</p>	<ul style="list-style-type: none">• Establish a city-wide Out-of-School Time Office with staff to implement and manage the program –Approved by City Council in FY 2007 Budget• Eliminate program duplication with one provider per site model Caliber- Select the private provider of the school based sites Advisory Group- Did not reach consensus on the process for selecting a single provider and suggested the following:<ol style="list-style-type: none">1. Implement the selection process as proposed by Caliber Associates2. Issue a RFP for all sites including those operated by Recreation3. The City operate all program sites, and do not contract with an outside vendor

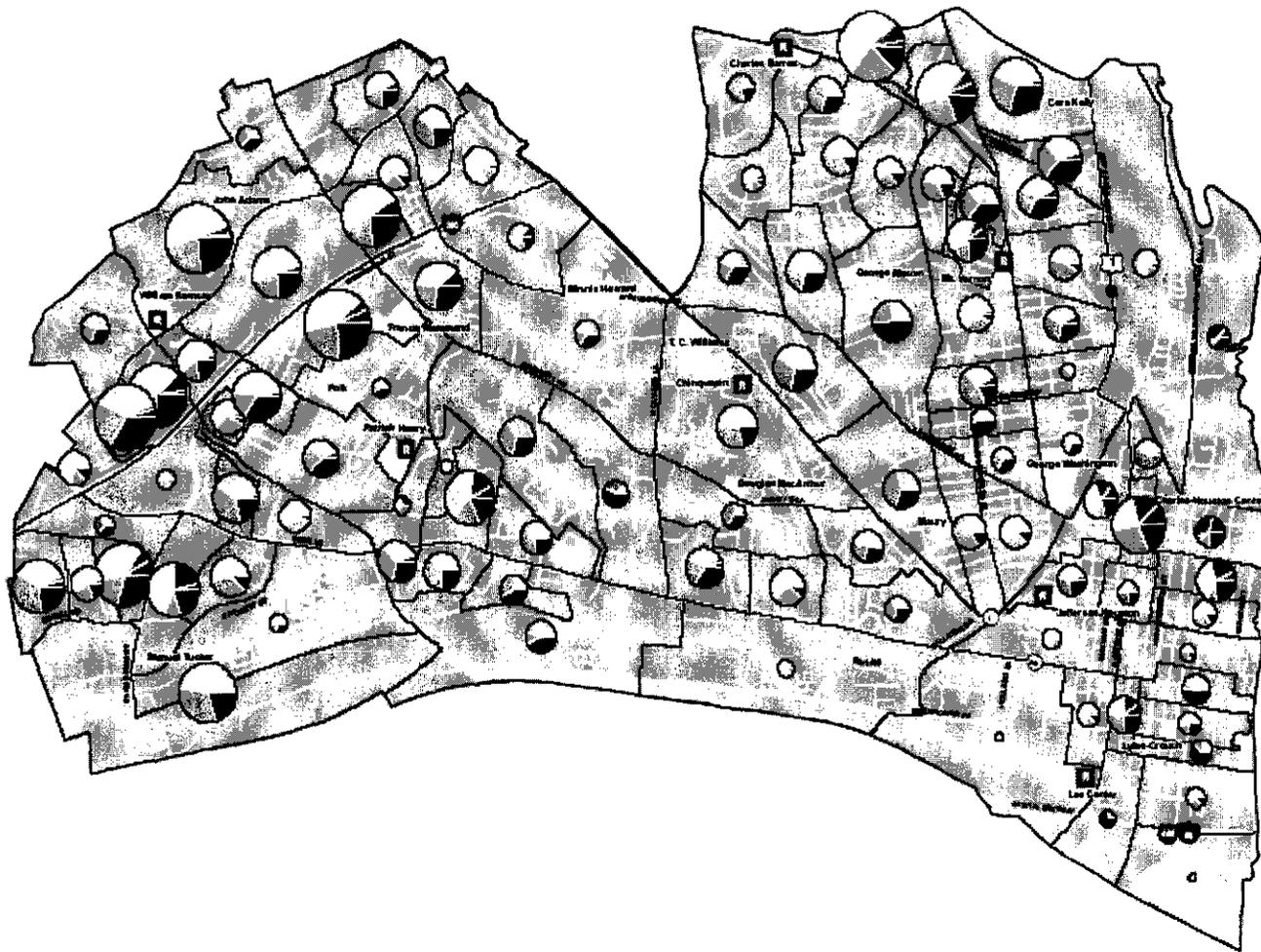


Advisory Group and Caliber Findings and Recommended Reforms

Advisory Group and Caliber Findings	Advisory Group and Caliber Recommended Reforms
<p>Fees - half of public school students are from low-income families. Campagna Center operated program charges fees based on a sliding scale. Recreation programs do not charge fees.</p>	<ul style="list-style-type: none">•Caliber- Develop a sliding fee scale for all city-funded programs. Include a with a scholarship system•Advisory Group- City should chose a fee option based on budget considerations, and parents' ability to pay.

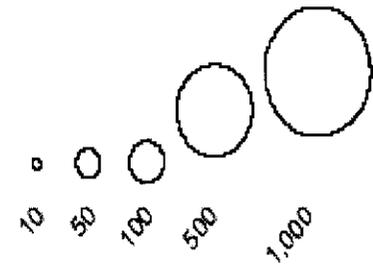


Poverty Status of School Age Children By Neighborhood



Legend

Number of Children
(Age 0 -17)



Poverty Status by Age

Age	Below	At/Above
0-5		
6-11		
12-17		

Recreation Centers

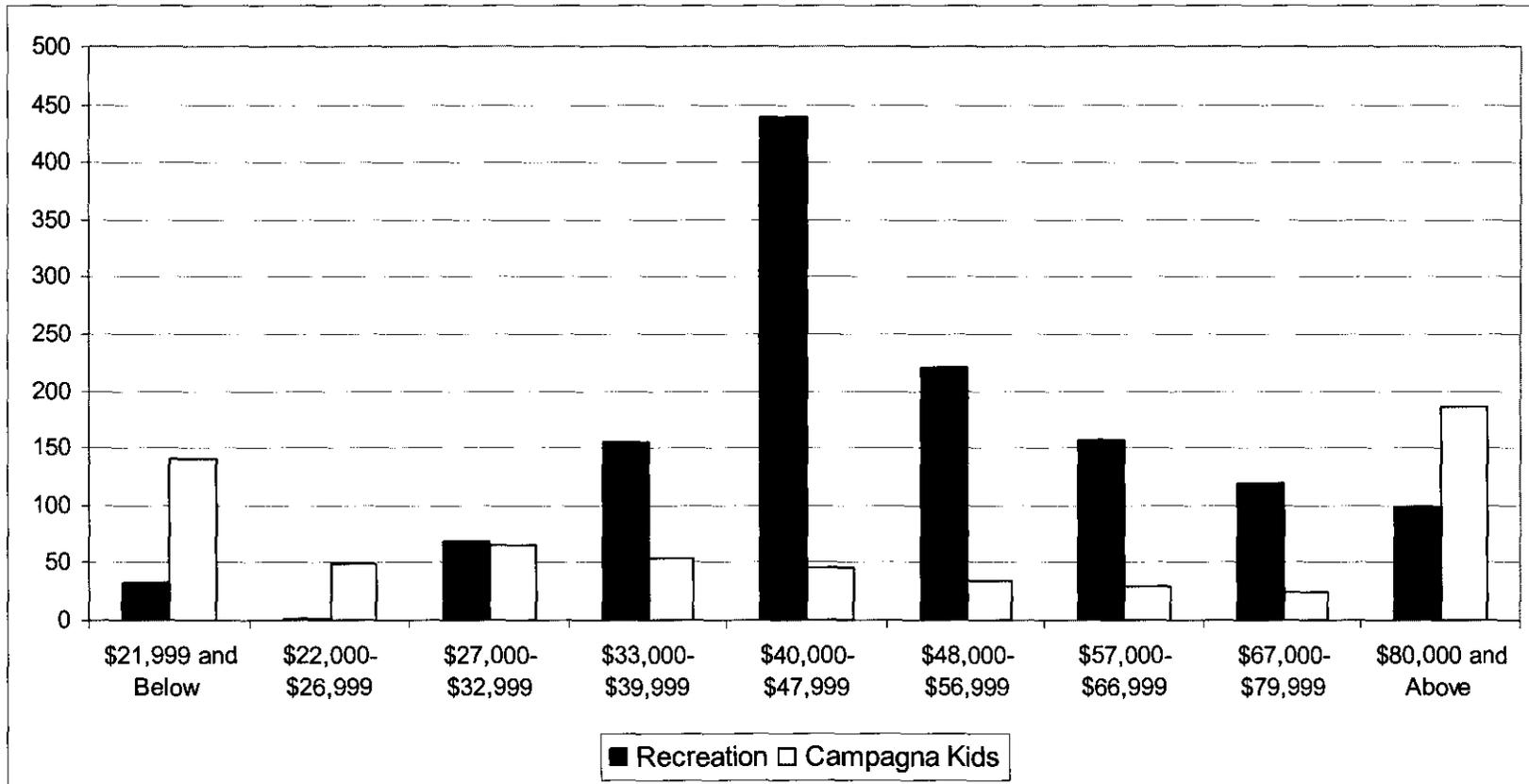
Schools

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Household Incomes of FY 2006 Recreation and Campagna Kids Participants*

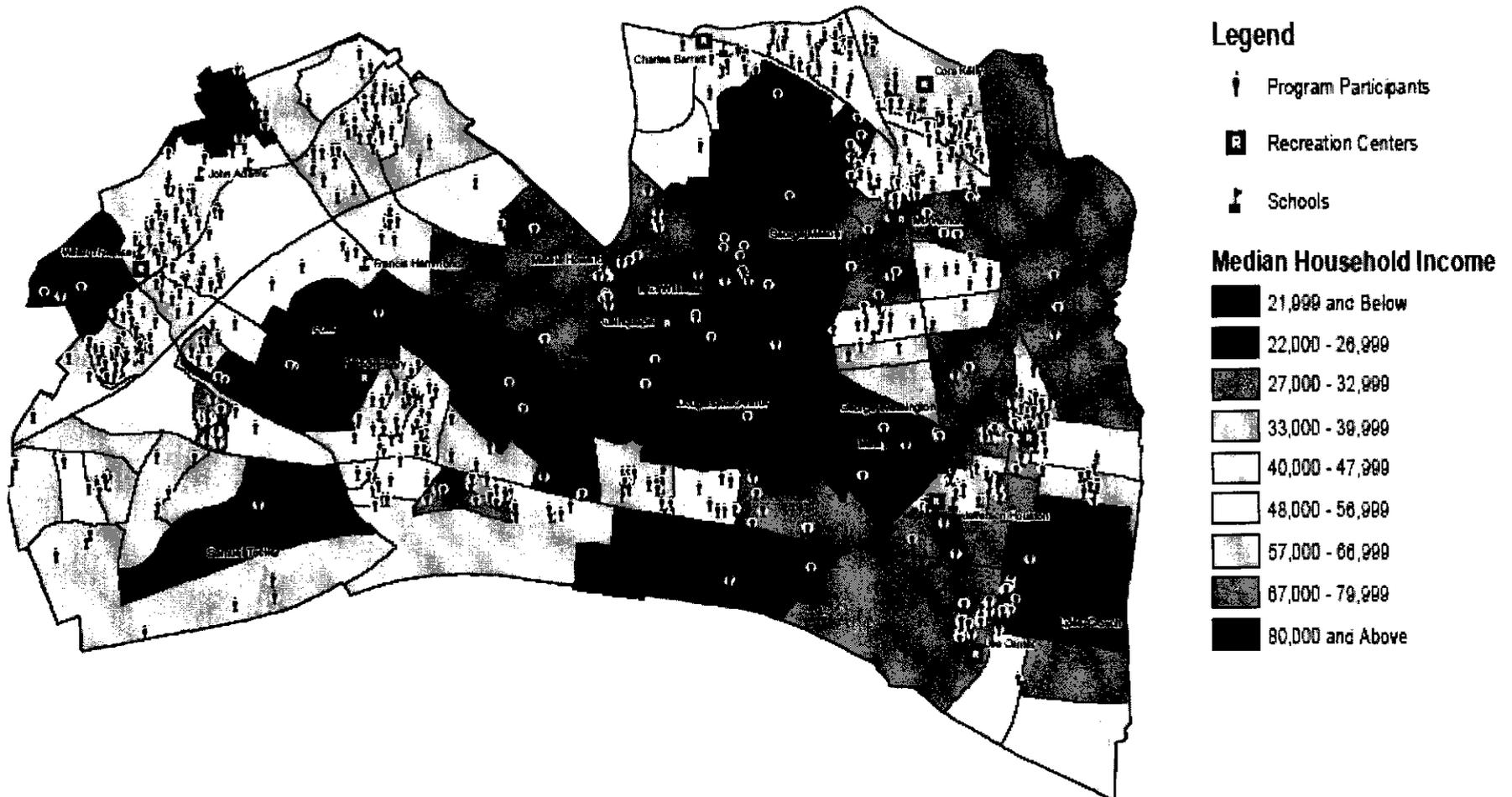


*Recreation incomes based on 2000 Census data and Campagna Kids incomes based on actual FY 2006 participant data



Median Household Income FY 2006 Recreation After School Students

By 2000 Census Block Group Data



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Neighborhoods of FY 2006 Campagna Kids Participants



Legend

- 🌲 Participants
- 👤 Campagna Kids Programs
- 🏠 Recreation Programs
- 🏫 Schools

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Proposed Budget Neutral Fee Scale

Based on 5% of Family Income

Annual Income	Monthly Base Fee	Monthly Fee 2 nd Child	Monthly Fee 3 rd Child
← - \$21,999	\$0	\$0	\$0
\$22,000 - \$26,999	\$0	\$0	\$0
\$27,000 - \$32,999	\$125	+\$31.25	+\$31.25
\$33,000 - \$39,999	\$152	+\$38.02	+\$38.02
\$40,000 - \$47,999	\$183	+\$45.83	+\$45.83
\$48,000 - \$56,999	\$219	+\$54.69	+\$54.69
\$57,000 - \$66,999	\$258	+\$64.58	+\$64.58
\$67,000 - \$80,000	\$306	+\$76.56	+\$76.56
\$80,000 - →	\$333	+\$83.33	+\$83.33



Out-of-School Time Expenditures and Revenues

	Current Cost* FY 2007	Proposed Program Cost For Option A
EXPENDITURES	2,073 slots	2,200 slots
Campagna Kids*	\$3,295,388 (808 contracted slots)	\$0 (see private providers)
Recreation	\$2,403,745 (1,265 YTD Registrants)	\$4,331,614 (1,605 slots)
Private Provider(s) (could include Campagna Center)	\$0	\$2,706,000 (615 slots)
Office of Out School Time (located in DHS)	\$175,771	\$399,380
Scholarships	\$0	\$663,461
TOTAL EXPENDITURES	\$5,874,904	\$8,100,455
REVENUE**		
Parent Fees (5% of Family Income \$27K+)**	(\$1,484,915)	(\$3,980,939)
Other Income	(\$270,473)	\$0
TOTAL REVENUE	(\$1,755,388)	(\$3,980,939)
Net City Cost	\$4,119,516	\$4,119,516

* Current cost of a 10 month program.

** In FY 2007, parent fees and other revenue are directly received by the Campagna Center.

*** Proposed model includes no fees for families under the 185% of poverty [free and reduced lunch qualifier] and an income of \$27,000 and below.



Advantages

Option A Full Implementation (Preferred)	Option B Modified Implementation (Recommended)	Option C Limited Modifications (Not Recommended)
<ul style="list-style-type: none"> •Offers dedicated City staff to provide program oversight & monitoring •Improves, enhances program coordination & meets the quality - supervised school-age care needs of the City's working families. •Addresses critical public safety/ accountability issue vis-à-vis Recreation operated programs •Eliminates dual program model •Offers a cost neutral program model •Provides an opportunity for other community-based organizations to compete for the business •Includes a reasonable timeframe for private provider selection, parental & community education •Brings closure to longstanding community issue 	<ul style="list-style-type: none"> •Offers dedicated City staff to provide program oversight & monitoring •Improves, enhances program coordination and meets the quality - supervised school-age care needs of the City's working families. •Addresses critical public safety/ accountability issue vis-à-vis Recreation operated programs •Offers Recreation flexibility as it relates to staffing ratios •Provides an opportunity for other community-based organizations to compete for the business •Includes a reasonable timeframe for private provider selection, parental & community education •Brings closure to longstanding community issue 	<ul style="list-style-type: none"> •Offers dedicated City staff to provide program oversight & monitoring

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Challenges

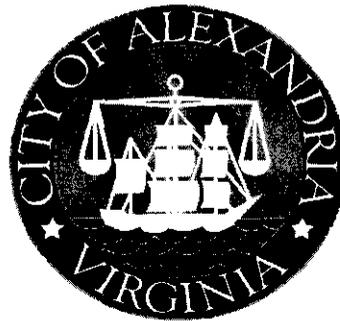
Option A Full Implementation (Preferred)	Option B Modified Implementation (Recommended)	Option C Limited Modifications (Not Recommended)
<ul style="list-style-type: none">•Some families not accustomed to paying fees will be required to pay fees	<ul style="list-style-type: none">•Some families not accustomed to paying fees will be required to pay fees•Does not fully address dual programming issues, as private will be subject to State licensure standards and Recreation programs will be governed by local standards	<ul style="list-style-type: none">•Does not address dual program issue•Offers no accountability mechanism for six remaining Recreation programs•Does not provide the opportunity for other community-based organization to compete for the business



Next Steps

- Guidance regarding which option to implement and how fast
- Staff needs a decision from City Council tonight, so the City Manager's FY 2008 Proposed Budget can reflect the guidance

EARLY CHILDHOOD UNIVERSAL ACCESS TO PRESCHOOL





Preschool Population

- ❑ 7,962 children under 5 live in the City
- ❑ 3,492 of those children are estimated to be at-risk
- ❑ 28% (281) of the 1018 students entering kindergarten in the fall of 2005 had not attended an organized preschool program (by report of their parents).



Number of At-Risk Children, Birth to 5 Being Served

<input type="checkbox"/> Head Start	268
<input type="checkbox"/> Early Head Start	60
<input type="checkbox"/> Child and Family Network Centers	158
<input type="checkbox"/> Other private and non-profit centers	297
<input type="checkbox"/> Regulated family child care providers	413
<input type="checkbox"/> ACPS: Preschool Special Education	128
K-Prep (two weeks in August)	342
Jefferson-Houston Pre-K	16

TOTAL:	1,682



City Investment in Preschool for At-Risk Children

	FY 2006	FY 2007
General Fund	\$1,810,368	\$1,764,921
Federal/State	7,280,793	7,232,086
Operating Expenses	1,526,481	1,723,956
Other Non-City Dollars (Foundations, federal grants, etc)	1,477,700	1,100,000 (estimated)
Total	\$12,035,367	11,820,963



Sustainability

UNMET NEEDS OF EXISTING PROGRAMS		
PROGRAM	UNMET NEED	COST
Child Day Care Fee System	<ul style="list-style-type: none"> • Cost of restoring funding to FY 2007 budget level • Additional cost to serve eligible children on the waiting list (estimate) 	\$815,000 \$285,000
Alexandria Resource Mothers (NOVAUL)	<ul style="list-style-type: none"> • Restore 25 teen mothers to caseloads and lower caseload size from 40 to 25 which would restore the level of quality of services. • Waiting list – 20 teens 	\$339,500
Healthy Families Alexandria (NVFS)	<ul style="list-style-type: none"> • Restore HFA to pre-2004 level: 3 additional family support workers and services to 75 additional pregnant and parenting moms, including teens. • Unable to serve 211 eligible families in FY06 	\$169,600
Family Support Project (Social Workers on site in accredited centers)	<ul style="list-style-type: none"> • Cost of project currently borne by centers which makes it difficult for programs to offer competitive salaries for social work or teaching staff. 	\$123,378
Child and Family Network Centers	<ul style="list-style-type: none"> • Restore three classrooms and services to 48 children that were cut in FY 2007 • Waiting list - 85 	\$322,000
SCAN (Stop Child Abuse Now of Northern Virginia)	<ul style="list-style-type: none"> • Restore one parenting class • Waiting list - 20 	\$9,800
COR (Child Observation Record) Training	<ul style="list-style-type: none"> • Restore new and refresher training for Head Start staff in the use of the COR assessment tool 	\$5,000

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Universal Access to Preschool Work Group

- Summary of Work Group recommendations

- Status of state initiatives: Start Strong and Smart Beginnings/Early Childhood Foundation