

**Illinois After-school Partnership
Policy Work Group
Compiled Meeting Minutes 2004**

Meeting Summary from March 17, 2004

Work Group Members in Attendance: Gaylord Gieseke, *Voices for Illinois Children*; Ann Francis, *ICVP-FCIK*; Tim Carpenter, *ICVP-FCIK*; Chris Walczak, *ISBE*; Carole Franke, *Teen REACH/I-KAN ROE*; Carole McElvain, *NCREL*; Kay Pangle, *I-KAN ROE*; Loomis Mayfield, *ICVP-Alliance*

Partnership Staff: Jennifer Becker Mouhcine; Sarah Rothschild; Genevieve López

OVERVIEW OF WORK GROUP PRODUCTS AND PROGRESS

Jennifer reviewed the work this group has done to complete our Finance plan. We started by identifying the different ages, components and settings we wanted to make sure were reflected in the finance plan. We then identified a pilot site to do a cost study on, based on the comprehensive nature of the program, the setting, and the relationship of the contact to the Partnership. Once we complete the cost study with this site, we will conduct similar efforts to reflect the variety of settings and cost features we've identified. This work has taken longer than expected, as we are ensuring the cost information is in a usable form and that we are asking the right questions to conduct an accurate analysis as we compare the information to other sites. We do have a set of cost information that is ready to be worked with by the Finance Project.

The other pieces of the finance plan, along with understanding the range of costs, are to identify the current resources available for out-of-school-time, to determine the resources needed system-wide, and to decide upon strategies to work on to increase public and private funding flowing to the system. Since we need the cost information to determine the need amount, the co-chairs decided to move forward to researching possible revenue sources.

MEETING GOALS AND PURPOSE

The goals for the meeting were to review the notes from the Mott State-Wide Networks meeting and discuss the feasibility of generating/expanding state/local revenue streams based on the models presented.

Developing Dedicated State and Local Revenue Sources

The group reviewed some of the key lessons and things to consider when looking for ways to generate new revenue that were presented by the Finance Project. These included:

Advantages:

- Tend to yield stable and predictable funding
- Affords protection
- Can be used as a match for other private and public resources

Disadvantages:

- May become a ceiling rather than a floor
- If not structured to account for changing conditions, may not keep pace with need
- Difficult to put in place

Framework for Choosing Strategies

- Appropriateness and fairness of tax or fee base
- Likely stability and adequacy of revenues generated
- Extent to which strategy can be used to improve coordination of resources
- Political feasibility
- Maintenance of effort clauses

Organizations need to be mindful of energy spent on obtaining funding and how much money that work brings, and to not waste time on too small funding sources

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REVIEW OF 8 STRATEGIES PRESENTED BY THE FINANCE PROJECT

The work group reviewed each strategy. Comments, questions and additions, as well as proposed next steps are noted under each.

1. Budget Line Items

Additional Examples:

- Teen REACH, 21st CCLC, Project Success, Juvenile Justice money – alternative to detention, HUD
- Child Care is a line item in the budget, but also could be considered a funding formula

Comments/Questions:

- Is there room to add on top of what's already in the system?
- We don't want to compete with or take away from existing programs
- This strategy allows legislators to get credit for program

Proposed Next Steps:

- We need to account for all current funding and programs before it is feasible ask for a budget line item

2. State Funding Formulas

Additional Examples:

- Child care funding, while it is in the budget, it is not capped, but is a formula based on individual eligibility, also a lot of child care money comes from the feds – 2/3 of budget
- Title I is a federal formula allocated at the district level. Title 1 has funds that can and have been used, but not solely or dedicated only to OST, and this is a district by district decision, so it can be difficult to determine how this is/will be used by school.
- California referendum: if State does well financially (above some mark), the extra money goes to fund afterschool
- 21st CCLC – based on Title I Formula based on census count, population density (very complicated). The districts don't get formulated tabulation, only tabulated at the state level.
- In IL, 44% of any money for school/education goes to CPS

Comments/Questions:

- Partnership could create a state funding formula modeled after California's. Legislation would be needed, and it is harder to pass in legislature than passing referenda (which is possible in California). We could pass it as an advisory referendum
- Good idea to work towards; but we would need to be very careful about message
- Possible Long-term strategy: Expand childcare subsidy system to all school-age kids

Proposed Next Steps:

- Consider passing an advisory referendum to lay the groundwork
- Determine what it would take to expand childcare subsidy to all school age kids

3. Fees and Narrowly Based Taxes

Additional Examples:

- Affordable housing advocates have used this strategy in other states (property transfer tax)

Comments/Questions:

- Often a "Sin tax". Often hard to find the tie in to the services being funded
- Unions are usually opposed to sales taxes due to regressive results
- Often taxing those you are serving

Proposed Next Steps:

- Not an option to explore at this time

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4. Special Tax Levies

NOTES ON RESULTS FROM EXAMPLES:

- Seattle: The Family and Education levy alone generated just over \$10 million in 1996. The Families and Education Levy set a millage rate of .23 per \$1,000 of assessed property value. In the first year (1990-91), the levy generated \$8.5 million. Although the levy is capped at a percentage of the property tax rate, revenue generated can increase as property values change.
- San Fran. A percentage of local property tax dollars was set aside for children's services. The set-aside was \$.0125 of every \$100 of property taxes during the first year and \$.025 of every \$100 for the remaining nine years. The set-aside generated \$13.8 million in fiscal year 1995-96. Of the set-aside funds, 25 percent is reserved for childcare, which amounted to \$3.3 million to support childcare and early education services in fiscal year 1995-96.
- Aspen: Actual receipts from the dedicated portion of the local sales tax for 1994 totaled \$1.435 million. The Aspen city budget office projects that sales tax revenue will grow at the rate of 3 percent annually through 2000, generating \$1.63 million that year from the dedicated sales tax. Each year, the city council decides how to allocate revenue from the dedicated sales tax to each purpose (child care and affordable housing) when approving the annual city budget. In 1992, the city council acted to set aside 20 percent of annual receipts from the dedicated sales tax each year to be placed into a Child Care Trust Fund. The trust is designed to generate interest income to be used for childcare projects after 2000 (when the tax expires). In 1996, the city budgeted to put \$240,000 into the trust fund, which will contain \$1.13 million at the close of 1996. By 2000, the trust fund is projected to have a principal balance of \$2.4 million. By conservative estimates, this will generate income of \$150,000 annually.

Additional Examples:

- Kankakee is close to a tax levy for the county (K. Pangle has more information)

Comments/Questions:

- This is primarily a local – not a state—strategy, unless looking at state income tax as an option
- A+ Illinois is a coalition working on a multi-year strategy toward having education funding out from the property tax, and looking at other tax reform strategies at the state level. They are exploring strategies such as raising the state income tax, to make sure human services and education are fully funded.
- Counties can levy a small tax (with a ceiling) through local referendum

Proposed Next Steps:

- Find out which counties (like Kankakee) are generating or working on levying taxes (sales or other taxes). Learn more about these local efforts to create a strategy to push localities to pursue
- Have the IL Alliance get connected to A+ Illinois to get afterschool on their radar screen as it fits into the spectrum of education
- Think about how to make sales tax more palatable to voters
 - Look at where sales/buyers come from
 - County sales taxes

5. Children's Trust Funds

Additional Examples:

- Youth advocates tried getting money from tobacco settlement the effort was not successful (Kid Share). The money mainly goes to Health and Circuit Breaker
- While not a trust fund, the Children's Health Foundation will be a source of funding for youth, which was created after former Attorney General Jim Ryan sued Blue Cross/Blue Shield

Comments/Questions:

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- Not really politically viable in IL: CMH Fund was not supported by the governor
- Current Governor's administration is more concerned with controlling money than getting more money
- New York's attorney general is leading a suit against Mutual Funds; perhaps there are similar suits here that have a tie in?

Proposed Next Steps

- Ask Attorney General Madigan if we're really doing what we said we would with the settlement money – it could be politically advantageous for her.
- Find out if there is another case coming down the line around violence prevention
- Put pressure on Blagojevich to not put tobacco money in the General Fund, but in prevention programs

6. <u>Lotteries and Gaming</u>

Additional Examples:

- Grand Victoria Foundation supports afterschool efforts in Elgin

Comments/Questions:

- Lotteries are State-wide; gaming is on local level and is a very divisive issue
- Poses ethical issues
- IL Lottery Money, while dedicated to education, does not really serve to grow the amount of education dollars, as other dollars are taken out to as it flows is. The wording around this was originally to "augment" education, but that was taken out before it was finalized.

Proposed Next Steps:

- Could possibly explore if there is any way to correct the lottery issue to ensure that money will actually increase education dollars.
- Group determined that other work on gaming is not feasible at this time, since it is local, divisive, etc.

7. <u>Income Tax Check-off</u>

Additional Examples:

- IL: Child abuse polls high (2nd) as something IL people care about, and it only generates about \$250,000/year

Comments/Questions:

- Not a revenue enhancement

Proposed Next Steps:

- Consensus of the Policy Workgroup: return is not worth the effort

8. <u>Taxing Authority/District</u>
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Additional Examples:

- IL: 553 Boards – Youth Service Boards, seem to be the same process as Florida example
- IL: 708 Board: Children's Mental Health Boards
- Park Districts, Sanitation districts, etc.

Comments/Questions:

- *These in some ways relate to tax levies. County taxation examples are in that section, although counties can create taxing districts for specific purposes as well.*

Proposed Next Steps:

- Contact Peter Tracy in Champaign to learn more about these boards (Gaylord has information)
- Research, Re-invigorate and possibly promote the boards that exist
- Determine if there is a possibility of creating similar boards for out-of-school-time

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WRAP-UP COMMENTS

- Members commented that our long-term direction should be along the lines of the subsidy per-kid approach. (i.e. California set a \$5/per kid/per day amount). That takes the emphasis off of the “place” of service, and focuses on the family’s needs instead. Helps align with other efforts and gets away from competitive bid process
- Other long-term ideas were to work to tie it in as a piece of the pie relating to education reform—that OST is a piece of a child’s education, recognizing that extended learning time may look different, but has educational value
 - Others commented that the education community may be resistant or threatened by this idea
- Ensure that funding goes to where afterschool is needed and viable, and infrastructure like transportation is in place to support programs (or that funding covers those needs as well)

Next Meeting: Monday May 3rd, 3pm

- Possible discussion points
 - Follow up on next steps created today
 - Look at models of Public-private partnerships in anticipation of the Governor’s Business Summit

Research other funding streams such as IDOT, food/nutrition – Dept. of Agriculture, Secretary of State (Library Services) to see what may not be captured

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May 3, 2004

Members Attending: Co-Chair: Gaylord Gieseke, *Voices for Illinois Children*; Co-Chair: Carol McElvain, *Learning Point Associates*; Carole Franke, *I-KAN/Kankakee ROE*; Jane P.; Chris Walczak, *ISBE*; Carol McCue, *ISBE*; Doris Garrett, *DHS*; Jane P.; Anne Potter Francis, *Fight Crime*; Debbie Bretag, *ICVP*

Staff Attending: Jennifer Becker-Mouhcine, *IASP/ICVP*; Sarah Rothschild, *Americorps Promise Fellow, IASP/ICVP*

A. Welcome and Introductions

B. Overview of Draft Revenue Grid

Jennifer is starting to create an easy-to-read funding source grid that outlines the current funding amounts and growth potential for OST from the following funding sources:

1. State-level Public Grants
2. Local Public Sources
3. Private Sources
4. Public/Private Sources

Since the document presented today was intended to be a simple draft to promote further investigation, it presently only contains current funding amounts from a few DHS and ISBE sources. This is a working document, and will be revised to include total allocations as well as total new money.

Next Steps: Continue to identify funding sources and current funding amounts.

C. Review of Progress on State/Local Revenue Streams Examples

Jennifer briefly reviewed five of the state/local revenue streams still being researched as potential sources for OST funding in Illinois from a longer list that was presented at the March meeting.

1. Independent Taxing Authorities/Districts

Sarah presented her research done so far in this area:

- Community Mental Health Act of 1962 allowed for the creation of local tax levying bodies who have the power to distribute funds from tax revenue, keeping within the guidelines of the Act (MH, DD, SA services)
- Local governing bodies can create 377, 553, or 708 Boards (named after legislation) through a referendum, and must be governed by an elected Board
- Some 708 Boards fund OST as a form of SA prevention
- Not every county has either type of Board, perhaps due to small population

Next Steps: Research more on the processes by which the Act and the subsequent Boards developed in order to determine the feasibility of creating OST Boards, either through a state act or at the county-level.

2. Special Tax Levies

It was mentioned in the March meeting that Kankakee had a referendum on the last election ballot to set-aside money from sales taxes for positive youth programs. This failed, however the policy group will research to determine the feasibility of this sort of revenue stream in other areas in Illinois. It was suggested to talk to National Association of County Executives, and the Illinois

Association of County Boards the to get more information on similar efforts in counties around the country

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3. Children's Trust Funds

The members agreed that this was theoretically a great revenue stream, but a significant amount of start-up money is required. Debbie and Anne will contact Attorney General Madigan's office to explore potential lawsuits that could end up in settlement funds used for OST endowment. The Illinois Association of Park Districts has been successful in using some vitamin settlement money to fund seed grants to Afterschool programs at Park Districts.

4. Lottery

It was suggested that the Policy Workgroup only pursue this avenue if the A+ campaign takes off.

5. State Funding Formulas

The group has discussed that adding line items in our budget may be difficult at the moment, but could consider the benefit of getting an advisory referendum passed, and looking more in depth at the California State funding formula.

D. Exploring Other Financing Options (Private Sector, Community, and Public/Private Examples from NCCIC)

Jennifer reviewed her research on various creative forms of funding for childcare and OST across the nation, and the Policy Workgroup chose a few to further explore:

1. The Child Care Partnership in Florida, which is through the governor's office. Debbie will contact the Florida Children's Forum for more information.
2. The 1199/Employer Child Care Fund in New York, which partly funds child care for members of a specific union. Sarah will contact SEIU organizers; other Chicago unions need to be identified and contacted.
3. The Allegheny County Early Childhood Initiative in Pennsylvania
4. The Early Childhood Investment Fund in New York, which is a public/private initiative to fund childcare in communities. Anne will contact Fight Crime in New York to find out if ECIF is still running and if they published an evaluation of the initiative.

Other Possible resources to contact

- National Governor's Association
- We should look at United Way, and how they are looking at funding, outcomes and measures
- ReDeploy IL: what will the project look like and how to leverage for OST
- National Association of Health Officials
- National League of Cities

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7/05

Policy Co-Chairs Discussion

Staff and the Policy Co-chairs reviewed the Universal Pre-K study, that we thought may be a model for us to use as we move closer to our finance plan. The co-chairs and staff met, and we talked about how to best organize our work moving forward.

We discussed four main pieces that could shape our finance plan. Notes from our discussion follow.

- 1) State/Federal Key Sources of Public Funding
 - This builds from the work Jennifer and Sarah are doing to inventory the varying funding streams
 - These sources should note the “key” sources of funding for OST at the state level being used in Illinois. Some decisions will need to be made about where to draw the line for some sources that may either be in smaller amounts, or not as closely aligned with Afterschool.
 - Once the list of sources and current amounts is refined, we can set benchmarks for each of the sources, as appropriate.
 - The focus of this work would be on the state level work, but the research and information we’ve gathered on local sources could be something we package to pass along to localities to pursue as strategies to complement the state level funding streams. We will continue to research the potentially viable sources of funding identified so far.
- 2) Cost Studies—Model Budget
 - This builds on the work being done with the Finance Project and starting with Amy Tippey’s site. We have a tool to use now, which Amy is currently working on as the first comprehensive site
 - These cost studies will be on a small number (3 – 4) of “models” with numbers being providing for any key variants.
 - These costs studies will inform the cost side of the finance plan, and can also be provided to programs who are trying to create budgets and fundraising plans.
- 3) Community Mapping Sample
 - This would be a new piece to add to our work. This was envisioned as a mapping study of a single community to show how the variety of sources of funding and types of programs fit into a system of care for kids in that community.
 - This would map the organizations providing services and how their various funding streams are pieced together and how they fit into the big picture in their community.
 - This could show where a community is effective at covering the continuum and where there are gaps. It could also draw some conclusions about how communities could work in tandem to increase their capacity to deliver services
 - We would need to find some group to do this mapping, and possibly find resources to support this piece.
- 4) Need Rationale
 - As recommended by the Finance Project, we should find something simple yet defensible, to base our need rationale upon. This will give us the context for the advocacy benchmarks and the community mapping work.

Next Steps For Staff

- Find Brandon Kagen report to see if it provides additional insight
- Talk to NIOST about their work in San Jose

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- Determine who could do mapping and what resources are needed
- Continue cost study with Amy Tippey: decide on other programs to study in light of quality elements and sectors: continue working with Finance Project to put together this piece
- Pull together financial pieces of public funding inventory being done

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December 16th

In Attendance: Gaylord Gieseke, Voices; Kay Pangle, I-KAN ROE; Tim Carpenter, FCIK; Mary Reynolds, Juvenile Justice Initiative

Partnership/ICVP staff: Jennifer Becker Mouhcine, Sarah Rothschild, and Hester Richardson,

Announcements

- Kay announced that their Teen REACH program won the Governor's Hometown award
- Jennifer gave an overview of the staffing changes within IDHS

Overview

- Jennifer gave a brief overview of the goals of the workgroup, the progress to date, and reviewed the inventory and finance plan component materials.

Public Funding Inventory

- **Reviewed inventory of IDHS and ISBE sources and Determined three “categories” of funding sources in Chart**
 - State level sources that provide core afterschool program funding (Teen REACH, 21st Century, Bridges, Child Care). The group determined that this would be the category to focus on for the finance plan in terms of supply and demand.
 - Sources that provide funding that could supplement afterschool program services (Note: some of these sources may support some stand alone programs in the out-of-school time hours, but in much smaller numbers, and usually on a less frequent basis (i.e. teen pregnancy prevention and parenting money supports full programming once a week that covers a range of youth development topics, but is not traditionally thought of as an afterschool program)
 - Sources that were listed to be inventoried, but results show them to not be a significant source of funds for afterschool services
- **Discussed potential uses of the full information collected by Sarah for the inventory**
 - Basic information on the range of funding sources can be shared with programs across the state as part of a funding guide of sources
 - Information on all of the pots of money being accessed to supplement or provide OST services where afterschool is not their primary goal (i.e. Title I) can be used to show demand for more money in the core afterschool funding streams
 - Information on the OST funds across DHS streams could be useful to DHS internally to outline how current federal sources are filtering to afterschool and spur ideas for either pooling dollars earmarked for afterschool or leveraging more federal dollars , etc.

Finance Plan Components

- **Discussed proposed components of finance plan, and started with demand to decide how to more easily determine baseline numbers around demand.**
 - Decided to use the 4 “core” afterschool program sources allocations and numbers served to get a baseline estimate of current costs per child.
 - For child care, suggestions were made to focus only on school-age center-based programs, rather than all school age care, to look mainly at group programs across the board
 - Decided to include Park Districts if possible to get the dollar amounts and CPS/City programs not included in state inventory due to their significant public, albeit local, investment

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- Plan to use the data collected by county (along with free and reduced lunch figures) for the business summit to draw conclusions about estimated need and estimated public investment by county to show overall demand. Noted that Julie Parente at Voices could be a resource for this piece.
- Decided that this baseline will be supplemented with information on the cost studies of quality programs, to factor the costs of quality programming in to the eventual plan (should the cost studies also show the mix of resources flowing into these agencies to demonstrate samples of an effective funding mix)????
- **Decided to continue working on getting cost studies done on sample of quality programs**
 - Jennifer has a few collected and will work with the group to get more completed
- **Determined that establishing a relationship with a university to complete and draft the Finance plan should be a priority**
 - We can talk to Peter about UIC—Sarah suggested perhaps their econ develop department in school of public policy
 - MCIC-Garth Taylor
 - Loyola?
- **Discussed the community mapping exercise as a way to build capacity of communities to be able to assess their own mix of resources, funding and needs by learning from our sample mapping process and creating a boilerplate for their use.**