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Institute for Youth, Education, and Families

Strategies for Financing Local Initiatives
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Institute for Youth, Education, and Families
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Speakers:

Tonya Haas, Deputy City/County Manager, Broomfield, Colorado
Michelle Jones, Senior Program Associate, The Finance Project, Portland, Oregon
Dorothy Nayles, Director of Community Services, City of Little Rock, Arkansas
Charles Royer, National Program Director, Urban Health Initiative, Seattle, Washington

KYLE: Welcome, everyone. This is John Kyle at the National League of Cities' Institute for Youth, Education and Families. I think we've got an exciting audioconference planned today to close out our current series of audioconferences. This is the last one for the spring of 2005. We will have a new series that will start in the fall and will be announced later in the summer.

Today we're talking about strategies for financing local initiatives having to do with children, youth, education and families. One of the common questions we get here at the Institute is, "Yeah, that's a great idea, John, but where do we get the money? How do we apply resources for them?" And so we have a panel today that we hope will begin to answer some of those kinds of questions and give people new items for their menu of funding financing options and strategies.

First, from Little Rock, Arkansas, we have Dorothy Nayles, who is the Director of Community Services. Good afternoon, Dorothy.

NAYLES: Good afternoon. Greetings from Little Rock.

KYLE: And we have Michelle Jones, who is with the Finance Project, and the Finance Project is based in Washington. But Michelle is based in Portland. Welcome, Michelle.

JONES: Hi, John. Thanks for having me.

KYLE: And in Broomfield, Colorado, we have Tonya Haas, who is the Deputy

City/County Manager. Tonya?

HAAS: Good afternoon.

KYLE: And last, the former Mayor of Seattle, Charlie Royer, who is now working with five cities in the Urban Health Initiative. Good afternoon, Charlie.

ROYER: Good afternoon. It's actually morning out here.

KYLE: Yes, I realized that as soon as I said it. But before the call is over, it will be afternoon.

What I'd like to start is ask each of you to give a couple of key options or key strategies you're most familiar with about financing programs for children, youth, education and families. And I'm going to ask Tonya to start. I know she's got one that they're proud of there. And Tonya, and then Dorothy and then Charlie, and then we'll come back to Michelle for some overview. Tonya, could you give us a leadoff as to what Broomfield is using?

HAAS: Sure. What we implemented about 1995 was a SEF tax, and it's a "services expansion fee." In Colorado, we can't apply an impact fee to new residential growth to pay for schools. So we kind of worked around that by coming up with a tax that implements a \$1 per square foot fee on all residential floor area that's new residential floor area. And we use 50% of that for joint use facilities -- gymnasiums and playgrounds and other equipment that we use and the schools use.

KYLE: Okay, we'll come back and talk a little bit more about it. Dorothy, let's talk a little bit about what you're using in Little Rock.

NAYLES: Sure. The main financing strategy for youth programs is a half-cent sales tax, which generates about \$20 million a year for across-the-board programming in city government. Of that \$20 million, about \$3 million is a set-aside for youth programs. The unique feature of our set-aside of \$3 million is we get a new \$3 million each year, and we're also allowed to carry over any unspent dollars from previous years. And that's pretty unique. It doesn't have to go to the general fund.

KYLE: Charlie, I know from some of the materials you've been writing about recently that the five cities you're working with are using some strategies that aren't just getting new dollars into play, but reusing, making better use of what exists. Could you begin to describe a little bit some of the strategies you're encouraging at this point?

ROYER: Sure. We're working on the assumption that new money is hard to come by, although the shortest between two points is a tax increase, as you just heard in those other two examples. And Seattle, by the way, has done that every seven years since 1990 with a school levy, a special tax levy that is enacted by a vote of the people. It's \$117 million over seven years now that pays for a lot of things.

But we're working on the assumption in the cities we work in that the best

money to get is the money that you can redirect from stuff that is maybe not doing as much good for children and families. Baltimore is probably the best example -- and you can find these examples at UrbanHealth.org on the Web on our website. But the one I would just mention quickly is something called the Compact for Sound Government that Baltimore is working through with the help of Casey and Robert Wood Johnson and the State of Maryland. The private sector invests -- and this is something that everybody who has done prevention for years has always wanted to do -- private sector invests in effective strategies that improve lives like drug treatment, case management, jobs, etc. They reduce the need for last resort public programs like juvenile detention and foster care. Savings are realized and shared between the effort that created them in the state. And usually people see their prevention savings just do down the drain or go to some other effort.

But in particular, foster care, where there was so much money in the system, we have a process that we borrowed from San Diego County in Baltimore that dramatically reduces the drift in foster care, reduces foster care stays by 65 to 80%. That's saving everybody a lot of money and a lot of grief. And that money is being used -- the bulk of it as it's saved is coming back to Baltimore to be used on other children and family issues.

KYLE: Michelle, you've got a pretty good view nationally of what kinds of strategies are being used. Can you fill in some gaps or explain where you think these kinds of strategies are on a continuum? Frequently used? Rarely used? Other things that are more commonly used? What's your take in the beginning here?

JONES: John, I think the speakers have really hit upon a lot of the main strategies that we see being used by states and communities to fund services for children, youth and families. Certainly making better use of existing resources is a good strategy, as well maximizing state and federal resources, ensuring that all possible state and federal funding sources are being tapped. Seeing whether it's possible to leverage additional dollars that could free up dollars at the municipal level to pay for other services. We also see communities looking to create more flexibility among existing funding sources, whether that means that they pool categorical funds into a common funding source. Or another option is just to improve coordination among various funding sources and agencies.

A couple of the speakers mentioned the importance of building public/private partnerships and those strategies to leverage private sector resources, including sharing leadership and decision making and technical resources with services for children and families. And then among strategies to create new revenue streams, we've heard a couple of options mentioned, including special tax levies, fees and narrowly based taxes. Some communities have also looked to guarantee expenditure minimums, where they've allocated a certain percentage of general revenue funds to fund services for children and families.

Florida has an interesting example of creating special taxing districts, and those are independent units of government that have taxing authority that's dedicated to a specific purpose. We commonly think of those water and school districts. In Florida, there are special taxing districts in six counties that fund services for children and family

services through a property tax levy.

Obviously, those categories aren't mutually exclusive, but I think that does reflect the range of approaches that we see taking place at the local level.

KYLE: Tonya and Dorothy -- Tonya first -- in Broomfield, are any of these other categories of strategies ones you're using for other parts of your mission to assist youth, education and family programs?

HAAS: I'd say all of them. Being a combined city and county, which we only became in 2001, we've had lots of opportunity to innovate and streamline some services. So we run the court system as well as the human services system. There's a ton of integration there. We also integrated our social services and our health department when we became a county, and we set it up that way from the get-go. So there are tons of savings just administratively -- the fact that we don't double up on administrative staff. They're all in one building. We have a crossover with clients needing public health services as well as social services. So having them integrated and under one management system has certainly helped a lot.

We have, being our own county, we don't share county property taxes any longer with the four counties we used to be located in. So we keep all those revenues, and have dedicated a portion of our property tax increment to social services and programs for family and children. And in addition to the SEF tax -- the services expansion fee -- we also have a sales tax increment called a CIP tax -- capital improvements project tax -- which is one-third of the 3.5% city sales tax. A lot of those types of capital projects also benefit families and children. We work with the schools on that.

Another area since we became a county is we have a .4% sales tax for county. That also goes into the county general fund, and most of our county expenditures are in the social services area.

And as far as the public/private partnerships, Broomfield is a very popular community for development to occur. And when the developers come to us, we've required land dedication. And we also tend to gouge them for dedicating some land for schools. In fact, the SEF tax actually came about as an incentive for the school district. We're in six school districts -- our geographic boundaries are -- we needed schools in Broomfield. So while we were becoming a county, the school districts were getting a little nervous that we were going to try to become our own school district and they didn't want to locate schools here in case they ended up losing them. So we had to assure them we would not do that and then also incentivize them to locate their schools here, which is why we tried to do everything we could to come up with ways of helping them pay for these facilities without violating Colorado law. Which is how we came up with the joint use facility tax on new residential housing, and also asked the developers to kindly dedicate that land to the schools. So we've been able to locate three new schools here in the last ten years.

KYLE: What's the population of Broomfield?

HAAS: About 45,000.

KYLE: So 45,000, and it's a city and a county, but the total population is 45,000.

HAAS: Correct. The boundaries are contiguous -- the same boundaries for both.

KYLE: Is that a fairly significant land mass? Or not?

HAAS: It's tiny. It's only 33.5 square miles, so it's far and away the tiniest county in the state, although we're the sixteenth in population.

KYLE: As you were describing this, I think there were lots of mind's eyes going to it in a different direction. That's why I wanted to focus on that.

Dorothy, the sales tax you mentioned -- what other strategies does the City of Little Rock use to enhance or support youth, education or family programming? Or is the sales tax it?

NAYLES: Well, I think that it's important to note that the half-cent sales tax, which provides a dedicated funding stream for children, youth, families programming is of itself -- it generates a multiplicity of strategies that then enhance that dedicated funding. One, it's important for me to acknowledge to everyone that we have a very small bureaucracy within city government for administering this funding. We do not do direct programming. We do the administration, the monitoring, the evaluation, the technical assistance -- that kind of thing. But what we do is we RFP [request for proposal] to the community, and we expect that there are community providers with existing programs who will apply for, on a competitive basis, these funds, and then use them on a neighborhood community basis to enhance services. And frequently they are already existing services. So that's one part of the strategy.

We do the same thing with the school district. The district is a viable applicant eligible for these funds. And we partner with the school district in the use of school buildings for afterschool programming. And we try to align the afterschool programs with those of the academic day. And we have had some mixed successes with that. But nevertheless, the school district is an important part of this.

Another part of the funding -- we have allowed folks to use these funds or portions of these funds for leveraging, for example, to use as hard-dollar match for federal funding or to go after other funding. And all of our providers are encouraged to make sure that they are looking at diverse funding so that in time the investment of the sales tax dollars we can begin to recirculate in other ways, even as we help programs to build up.

We have found -- and I think I would just assert that the combination of community partnerships that we have help to build capacity and respond to multiple community concerns. And that it also fosters neighborhood involvement. That's how we got to agreement about this sales tax. It was a community-wide goal-setting process. And we continue to do that.

KYLE: I want to talk about the concept of community-wide goal setting, but also the concept of political leadership and what's saleable and what works and why a

municipal leader would go in a certain direction. Charlie, you've been a mayor. You're working with mayors in the five Urban Health Initiative cities. What convinces a mayor to go a certain direction? What do people in our audience need to do to make their city manager or mayor go to make sure there is adequate support?

ROYER: Well, obviously it's a healthy mix of facts and politics. And the politics needs to be addressed and understood. There has to be a reason for a mayor to prioritize and spend funds on something that may or may not be his or her highest priority.

One of the ways that I think we've been effective in the cities in which we work is to just absolutely get the data right and put the data in a form that can be easily and strategically and politically communicated in the city. An example is in Philadelphia, where I think it's the largest city in the country now with a children's budget and a children's report card. The report card gives a very candid, often unflattering for the mayor, picture of the health and safety of the city's children and families. And the children's budget makes it easier for political leadership understand where those dollars for children and families are actually going and where the priorities really are in terms of the real numbers. So having mechanisms in place to get the facts right and then to communicate them very clearly is really important. It sounds simplistic, but it's often overlooked. You can't just say that, look, these are vulnerable citizens and they need help. You need to show how those dollars are being used. You need to show accountability. And you need to show that they're doing some good.

NAYLES: I couldn't agree with you more. This is Dorothy again from Little Rock. We use a data-driven process for all of our initiatives that have to do with the half-cent sales tax and the dollars that we receive from that. And we publish data for the community that is local data. It talks about the condition of children with respect to education, with respect to economics, with respect to any number of factors that are important so that the community has a good sense of what we're doing.

The other impetus, I must say, may be a crisis one, as it was in our city, and most people are probably aware that in the '80s - early '90s, Little Rock had a gang problem. And I think that problem was a very loud clarion call for the community to come out of denial as well as the political leadership to demonstrate that we can do something. And this particular sales tax passed when previous attempts at a sales tax and, for that matter, subsequent attempts to pass a sales tax had not succeeded. This one we do know succeeded because the data was there that kids are in trouble, families are in trouble and because we had a plan of prevention, intervention and treatment programming that was to address that. We also had dollars from the Annie Casey Foundation and the New Futures program and from Robert Wood Johnson in Fighting Back that were already demonstrating what things were possible so that there was an environment, which I agree is important politically, for action.

KYLE: Michelle, are you seeing environment, just as Dorothy described, as important in the communities you've been working with or have been collecting information about?

JONES: Certainly. I think one thing that we've seen is that the strategies that are

most successful tend to be those that are broad in nature that can fund a wide range of services. I think that both helps to broaden the base of support for those working to implement the revenue source. And some of these initiatives need to go to get voter approval, tends to generate more support. I think an example where there was not a successful strategy was in Seattle in 2003, with the so-called espresso tax for early care and education services. It was a narrowly focused tax, and business owners were able to make the argument that it was an unfair tax upon them, very narrowly focused on one set of services for children.

So I think being strategic about building public support is important. It's also to make sure that you continue to make the case. As Charlie and Dorothy both mentioned, data is very important in maintaining that public support. One risk in creating a dedicated funding source is that it can become a ceiling of funds for a particular set of services and activities or create the perception that the community has already solved this problem by creating a new funding source. So continuing to make the case for why that funding continues to be important and may need to grow over time is important.

KYLE: I want to go back to the data question for a minute, Tonya, and noting that you making the change into a county combined the health department and the social services department. And I was wondering if that made data gathering and data reporting easier. Because I know in some communities, those kinds of departments are like trying to mix oil and water. They collect things differently. They collect different things, and then they don't want to share. Is that something that this new department is solving or is going to be able to solve, do you think?

HAAS: Well, we solved it in that they all work for the same person. So they have to. But yeah, we had to hire people from existing counties because they had the experience, and they definitely brought that type of baggage with them. But we've gotten over that. It's been four years, and we definitely have gotten over that. But the data is critical. And I was sitting and remembering how the data we got from other counties when we became a county to set up our social services. And Broomfield is a fairly affluent community -- I'd say mostly affluent community. By and large, most of the folks here do not see the need -- the invisible people are the ones that go and need social services. And when we set up our social services, the facts that we got from the other counties weren't enough. They said we had like six families on TANF [Temporary Assistance for Needy Families], and it turns out there are over 200, and it's growing.

So we ended up with a staff of about 50, and the community -- "Why do you have 50 people in Human Services?" So we constantly have to communicate using data -- how many of this, how many of that. We're counting all the time, and it's critical for our needs. We recently just had mental health issues. Mental Health came in and asked us for more funding. We hardly gave them any funding for years. And talk about invisible population -- so fortunately our city council realized that's something we need to be participating in to a great extent. So they've been really good about funding everything that we need to have funded. But I'll tell you, the community doesn't see the need for it. So we constantly have to communicate that.

And something that Michelle said, I wanted to piggyback on -- making your funding mechanisms broad in nature is very important politically. When we

implemented the services expansion fee, what we said was only half of that fee would go toward school improvements and joint use facilities. The other half is for transportation improvements, parks and rec improvements, open space. And the reason we had to do that is because a lot of the community was thinking, "You know what? The school districts are funded by the state. We shouldn't have to pay for those things. They should be doing it on their own. But growth should pay its own way. And we want new residential housing to pay its own way and to mitigate the impacts on traffic and provide their own parks and things like that." So we had to make sure it was broad enough in order to pass because it did have to go to a vote.

NAYLES: Just one thought that I had on the data discussion, before we move from that -- in our community, we have an intermediary. And we are thankful to the Annie Casey Foundation for the funding of the New Futures project that New Futures still exists and survives well in this community. And that vital function in providing, especially, youth data that can help us not only in making the case, but then they can do the advocacy work. And they can also do the evaluation and outcomes work. And I just want to underscore the importance of having that kind of an entity, and it need not all come out of the governmental unit. But it really needs to be an entity that is responsible for data to enhance credibility.

KYLE: Let's talk about what reliance or what involvement municipal governments have in terms of utilizing state funding or federal funding. Is this a significant part of what youth, education and family programs are placed in municipalities? Insignificant? 50/50? What kind of experience do you have, Tonya and Dorothy, with that kind of effort? And Charlie, then I want you to chime in with the cities that you're working with.

HAAS: Well, in Colorado -- Colorado is suffering from a budget crisis that is a train wreck that has been going on for about three or four years. And the funding has been cut every single year from the state. So more and more is falling upon the counties to provide. And the school districts are funded by the states, so school districts are being shorted. They're supposed to be back-filled, and it's a mess right now basically. So more and more is falling on the counties, and that's where we're getting more innovative in trying to fund these things. But schools are supposed to be 100% funded by the state and the property taxes from the counties that they're located in. But anything that isn't met is back-filled by the state. And the state has no money. So you can kind of guess how that's working out.

Social services -- likewise -- again, state and federal funding, and counties are supposed to implement it. And we're providing more and more county dollars into social services. So I don't know what to say other than it's not what it supposed to be.

NAYLES: I can only agree with that, Tonya. In Arkansas and here in Little Rock, which is the capital city, of course, we have those same problems, particularly with education funding and issues around that and the absence of a real viable plan for improving the situation so that we can improve student achievement. However, we are very much involved with the state in partnerships around employability. This week, for

example, we have young people in training for summer jobs. And the summer jobs right now are being subsidized by our municipal tax and a set-aside for employability because we've also experienced that the private sector over the last four to five years has sort of stepped away. And I think that there are probably some legitimate reasons for that. And then I think there are some perhaps less understandable reasons. For example, I think this private sector has experienced a lot of demands with unemployment factors for adults, let alone for youth and entry-level workers. I also think that they have expenses related to security and confidentiality that where traditional employers that might give you employment during the summer have not been able to do so. So right now we're subsidizing youth at minimum wage so that at 16 - 17 years old, they at least get some experience with employability. But that's a real issue.

The state however has stepped forward with jobs and work sites for young people, even though they don't have money to put into it. So that's a really important partnership because I think we have to look at this one in the long run, that we still have to give young people that experience. And if we let them get too far past high school without having real fundamental entry-level work experience, then we've got to pay a higher cost when they're not able to be employed.

ROYER: You know, John, in our five cities, early on in this ten-year effort that we're involved in --

KYLE: -- Can you name the five cities for our audience?

ROYER: Yes, sure -- Detroit; Philadelphia; Baltimore; Richmond, Virginia; and Oakland, California. And in those five, when we started, frankly the cities -- mostly the larger cities -- were leaving a lot of money on the table at the state. They weren't maximizing the state funds at a time when states were also in some fiscal trouble. So they were compounding the problem.

In Detroit, where that problem was really major -- they were leaving a lot of money on the table at the state because I think they just weren't being smart enough about how they went after it. But now in Detroit, we have helped them put together a strategy that draws down state dollars by taking advantage of a Michigan law that lets you use private funds as a match. So the way this works is that in Detroit and Wayne County, they're taking advantage of that private funds match using private funds as a local government match. And it kind of works like the Wayne County Family Court, which has the authority to spend child care funds to purchase out-of-school time programming for at-risk kids, but no money. Wayne County Family Court will take money from the Skillman Foundation, say, or another foundation -- a philanthropy that wants to do out-of-school time. They would donate a portion or all of their out-of-school time money to the County Child Care Fund within the Family Court. Then the Family Court would go ahead and purchase out-of-school time and other youth development services, and under existing state law request reimbursement from the State Family Independence agency. So the philanthropy likes it because they kind of get double the bang for their buck. And of course, out-of-school time is the beneficiary. And those state funds that were not available before are now available. And there are still some glitches with that, but the effort is I think real creative and takes advantage of private

funds for out-of-school time, which a lot of companies and a lot of big corporations, a lot of philanthropy would like to do now. So I think that's just a smart way to do it. Not all states can do that, but Detroit and Wayne County I think are on the right track there.

KYLE: This concept of leaving money on the table, Charlie, is that something that you think is common across the 50 states? Can you give some examples of where you think lots of times a municipality might have access to dollars that they're not really picking up? You mentioned the example of having a unique state opportunity to use private dollars as match to pick up state dollars. But in general, are there any other rocks that people should turn over to look?

ROYER: Absolutely. In my own experience in city government in trying to understand a big city budget, and now trying to understand Philadelphia's budget and Pennsylvania's budget, my experience is that in a big city like, say, Seattle or Detroit or Philadelphia, there are only a handful of people who really fully understand the budget. And I bet the city managers listening and others would agree. These are complex, kind of bizarre pieces of work that have regulations hanging on them and a lot of people don't understand. They've got constraints over how you can use money. They've got separate funds and sub-funds that I know budget directors of mine hid money in from me all the time. And the same thing is true of the state. To really understand these budgets is kind of a full-time task, and only a few people have been able to master the art of it. So I know for a fact that Philadelphia and Detroit and Baltimore have all suffered from that by not really fully understanding the budget. And then they get nailed twice because the big central city is usually not the best friend the state government has. It's just a political fact of life that the central city and the central city mayor are kind of persona non grata sometimes in state legislatures, which are more suburban and rural dominated, or at least more effectively managed by those suburban and rural representatives. So it's a fact of life. And I think there is a lot of money there to be mined.

KYLE: Michelle, what do you think of that? You talked about using states as partners. Do you agree with Charlie that there is some untapped resources? States are in terrible financial shape. They're spending all the money they have, but they aren't necessarily spending it in all the categories that they could be spending it in. And that's what Charlie is pointing out. Do you agree with that? And do you have tools or suggestions that the Finance Project has looked at as to how municipalities might access some of those dark places where dollars might be hiding?

JONES: Absolutely. I think that's a critical strategy. And as Charlie said, municipalities can be important partners to help states tap all of the federal resources that they can. They can form partnerships to, for example, tap into private funds that can be used as match or even put up some local dollars as match. I think that's a first step certainly to look at what available funding sources exist and to map how they're being used to fund services to see whether a state is really maximizing all of the options that it has available. And doing that is a win/win for the state and the municipality because it can free up funds that are being used to provide services currently for other purposes.

And as a starting point, I think, in understanding the range of federal

funds, the Finance Project has a series of publications on many funding sources that can be used to fund children and family services. We have a comprehensive catalogue of the funding sources available at our website, www.financeproject.org, as well as individual strategy briefs on particular funding sources.

KYLE: Is that accessible to your website?

JONES: Yes, that's accessible on our website, and all of those publications are available for free download.

ROYER: We've used the Finance Project with our cities to really good result.

JONES: Thanks for that endorsement.

KYLE: And what's the web address? We're going to do this at the end, but let's do it in context.

JONES: Sure. It's www.financeproject.org.

KYLE: I want to ask a question about working with businesses and local foundations and how that's going. Does that expand cities' opportunities? I want to tell Stephanie, though, that perhaps this is the time to remind people how to ask a question. And we'll let people start queuing up for that, if they'd like to. Can you just remind us, Stephanie, of the rule?

FACILITATOR: At this time, I would like to remind everyone in order to ask a question, please press "*1" on your telephone keypad.

KYLE: The question on the table is about working with businesses and/or private foundations as funding partners or resource partners or as marketers of your campaign to get a sales tax passed. I think in Little Rock, you talked about a community building strategy to endorse the sales taxes. Were businesses involved in that? Is business or other parts of the private sector involved in other financing initiatives that you're undertaking?

NAYLES: Yes, I pretty much address that. Business was certainly at the table with us and very much engaged in the overall environment as well as philanthropy that resulted in the goal setting and ultimately the passage of the sales tax. I think that this whole community saw the need and responded very positively. I think that as we continue to provide information that keeps the community updated, people are more and more aware of where the roles are beginning and sort of ending. And in some cases, they have dropped off. Business has somewhat dropped off, at least in those areas where right now we're feeling like we need -- I don't think they've dropped off in the overall advocacy for youth, children and families or in the belief that this is the right direction. But in some of the areas where we need them, I think that we have to reframe the message so that it carries forward around employment, employability issues. They are

still very much with us on education issues, for example. But there are some areas where I think we could be better.

I also think that's true in terms of how we use the state and ultimately federal dollars. We have administered successfully a welfare-to-work program. We're now looking at other federal initiatives and we know that we need the state as partners. At the same time, we have not had the best results from the Workforce Investment Act and local programming as I think we could. And there I think we're needing business to be much more educated about what is possible through some of the employee building and training programs.

KYLE: Any other additions?

ROYER: Two examples for you, John -- quick examples -- one is in Richmond, Virginia, where we work. And there business is a full partner because the Chamber of Commerce is the lead agency for our effort in Richmond, which is largely a home visiting effort and a literacy effort. But sometimes in speaking to business and having business speak for you, you need to get people who can get the ear of business.

And one of the things that happened in Richmond that was, I think, very effective is that the Federal Reserve Bank of Minneapolis did a study on the benefits of investing in early child care and education. The study showed that for every dollar invested in ready-to-learn programs, the long-term savings to government and society are between seven and nine dollars. Well, we could have said or a human service agency could have said that. But Richmond having the Federal Reserve guy come in and say that made a big difference in how the information was received and the impact it had on \$51 million that finally came out of the Virginia Assembly to do some of this stuff.

And in Baltimore, sometimes you need to create a new instrument that can be more effective in working with business and private funds as well as with government. And in Maryland, they have something called the Family League that was set up as a foster care kind of thing. But it has all of the attributes that you need for an organization to take in all kinds of money -- state, federal, city money, private money, money from businesses, philanthropy -- and then blend it and use it, say, for example, afterschool or out-of-school time efforts. The Family League is a very successful agency in Baltimore. It takes in these moneys. It writes accountability standards and it sets standards for afterschool programming. It grants the money. It follows up and does the evaluation. It's not government and it's not private. But it's a kind of fleet-of-foot instrument that allows business and private money to play with public money on stuff that they agree is important.

KYLE: Do we have any questions in queue?

FACILITATOR: At this time, there are no questions.

KYLE: Okay. One of the things that I wanted to comment on myself was this interesting juxtaposition of states being in difficult straits and at the same time state law being changed in Florida to allow these local taxing authorities. State law in Michigan permitting that private funds can be used to match state funds, which is not typical. And

other examples where the state has allowed something to happen, maybe or maybe not supporting it with dollars. And I think this is just an interesting juxtaposition. I think we tend to write off what can be done at the state level too easily when there actually might be some conditions that would be either removed or added that would be beneficial to municipalities taking on some of these tasks.

Another question I wanted to throw out to you all is what are some of the good ideas for supporting your programs for youth, education and families that you haven't tried yet? You can't talk about them as having been a successful example in your community, but you're dying to or you wish you would or you'd like to try it. Or you know that the city manager in another state is doing and you'd like to try it in Colorado but you can't quite do it yet. Or somebody working in community health services in another city is doing some of this. Are there some ideas out there that you think are cutting edge that are being tried out some places? You don't have a personal stake in it? Michelle, you should get in on this, too, because you're looking at lots of communities, and we may not have talked about all of the key strategies that we should look at. Does somebody want to jump on this?

JONES: There's one thing that I'd like to do, but the funding is an issue -- financing it is an issue. But it's done elsewhere. But I think it's a great thing for youth, and that's a youth corps. And that's basically the jobs. You put them to work in the summer. And not only does it give them work experience, but it teaches them responsibility and get them ready to go out and find a job. But you can also benefit the community at the same time. Our neighboring county, Boulder County, is very good at doing this. They put in \$500,000 to \$750,000 every year to pay for it. But the kids get paid. They make a little bit over minimum wage. And what they're doing is jobs in the community. They're either rehabbing the landscaping at a hospice or a low-income housing development or they're digging trails -- making community improvements, basically. But also learning some responsibility. It's 32 hours a week, eight to five, Monday through Thursday. Their busy moms and dads who work know where their kids are and what they're doing. And they're so tired at the end of the day, they can't get into trouble. (laughter)

ROYER: It's a very old idea, isn't it? But it's still a very good one.

JONES: It's a good one, and it's something that I'm trying to get going here because we've got a lot of youth in the summer that need something to do. We did something partnering with the businesses. We did have a youth career fair back in February for the upcoming summer jobs. We had over 400 employers come and participate with that. So maybe they've all been put to work. But I always like to kill two birds with one stone and try to get some public improvements done at the same time. (laughs)

ROYER: Well, you know, if I could do one thing, John, I think in the cities that I'm working in and the one I work in, and that is to find some sustainable way to pay for out-of-school time for afterschool programming. Get an extended school day that has permanent, rock-solid funding. That is, funding for afterschool doesn't appear to be

sustainable. It's just not there. It's not the bread and butter yet of education. And it really ought to be.

NAYLES: Here's one suggestion that I have. We have done some work in this area, and I'm very excited about it -- a little bit different than what we've been discussing -- and that is a collaborative that we've formed around the Earned Income Tax Credit. When you talk about children, youth and families and insufficient dollars, I think that the amount of money that communities can recoup via families being able to access Earned Income Tax Credits is unbelievable. And that is so measurable and makes such a difference. So if I were going to tout anything, I certainly would tout the collaborative that can form around that with the IRS. It's very active. We've done it with the local advocacy group for children and youth, with ACORN [Association of Community Organizations for Reform Now], with the local community action agency. And we've had very good success at that. And this is our third year.

HAAS: John, I think another strategy that's not necessarily a very complicated strategy, but can be very effective is to involve kids in the decisions about how public resources are allocated. I think what San Francisco does is really exciting with the Children's Fund where youth actually look at how city funds are allocated for children's services. And I know I've heard anecdotally in a lot of places where kids have gone before city councils and advocated for changes in funding decisions that can be very powerful. So maybe thinking about how to involve the youth in these mechanisms in the decisions and in advocating for them can be very powerful.

ROYER: There is a real good example of that just recently in Baltimore that I think you can find on our website and get more details out of it. But there was a very aggressive lobbying effort by what we call our youth ambassadors in the Safe and Sound organization in Baltimore. It was called the Cut the Check Campaign. And kids showed up in droves at City Hall to intelligently argue for and advocate for a major piece of one-time only funds that came out of a city budget surplus go to children's center programs. And these kids really did know the budget. I mean, it was amazing.

KYLE: I think that young people in a variety of ways have shown themselves to be extremely articulate and persuasive communicators about their needs and on issues that affect them, both money and program both.

ROYER: Exactly.

KYLE: So I think that's something that works really well. I want to piggyback on Dorothy's comment about the Earned Income Tax Credit. The National League of Cities has a guide for helping the communities set up collaborations and outreach campaigns so that more citizens are able to avail themselves of that. It's an open-ended resource. It is a very small percentage of families that apply for these dollars. And it is not a kept resource. It is limited only by the numbers of folks who apply. And that's one place where, yes, it's not funding a program. But if a city's residents have more money in their pocket, that is going to accrue many times over to support of local business and their

ability to pay taxes, home ownership, etc. So I'm glad, Dorothy, you thought of adding that to our mix of financing strategies. Because often we only think about what will put money into the city's coffers in terms of running a program. And that's not the only way to really affect in a fiscal way what's going on with children and families.

NAYLES: Absolutely.

ROYER: Good point.

KYLE: Stephanie, any questioners?

FACILITATOR: Again, I would like to remind everyone in order to ask a question, please press "*1" on your telephone keypad.

KYLE: It must mean that we are doing an excellent job of communicating what these issues are all about. We are drawing closer to the end of our time, although it's a little early. But let's see if there are some parting comments from each of you, and Stephanie will let me know if a question does line up. But let's go around and give some closing comments about what you think the most important strategy we ought to look at in terms of financing programs and initiatives. And if you've got a website or other contact information, too, please remind us of what that is. And Tonya, could we start with you? Give us a couple closing remarks, and if there is a way to contact you or something you'd like to refer people to, please do so.

HAAS: Well, you can look up information on www.broomfield.org. I just want to echo what Charlie said -- and thank you for pointing it out -- the key to any of this is communication with your public and making them understand the need for financing certain things and where you're spending your tax dollars and why. And if you need to ask them for more tax dollars, you better be able to communicate strongly the need for that. And then show some results through accountability. So it's really what everyone has said I think is very important.

As far as Broomfield's services expansion fee, the limiting factor in that would have to be the fact that it's only new residential housing. So it varies from year to year how much you're going to be able to put into that. And we end up leveraging a lot of it, and then there isn't any when we need it. So we turn to our capital improvements tax for that. But any strategy you employ if you're going to the public for support, have the data and communicate.

ROYER: Our mantra is really good data, the best science, the best practices and strategic communications. It's for us just to understand Philadelphia's budget -- we helped them in the preparation of a children's budget and report card. And just to fully understand Philadelphia's budget is a huge, huge job. And you can't hope to have an effect on Pennsylvania's budget and Philadelphia's budget unless you fully understand the process, you fully understand the budget, you know when the decision points are and you know who's making the decisions and you know how to get to them with the best message. So to me, it's just good old strategic political thinking that needs to go into the

first phase of a way to get sustainable funding for your effort with children and families. It's the first, most important phase. And I have to say, it took us a long time to do that, unfortunately, in the Urban Health Initiative.

But we can be found at UrbanHealth.org. We're in the ninth year of a ten-year effort, and there are a whole bunch of lessons learned, papers up there on the web that may or may not be helpful to you. But it comes out of a lot of experience in some of these very interesting cities.

KYLE: Dorothy? Closing remarks?

NAYLES: Well, first of all, I want to say that I think this has been a really fascinating conversation, and I'm pleased to participate in it. I do think that my parting message would be the importance of community involvement of as many stakeholders as possible. We do that via a policy advisory commission called the Children, Youth and Families Commission, and it does have representatives from business and social work and the professions and practitioners and a range of folks. And we're able to come together and provide the advice that our city council needs. And citizens have clout. And so I think that's an important kind of vehicle that citizen involvement -- that it happens in some way or other.

KYLE: Any materials on the city's website or any other kind of referrals you'd like to suggest for folks?

NAYLES: The city's website will direct you to this department's website. The city is AccessLittleRock.org, and the department is CommunityPrograms@LittleRock.org. And on our website, we try to maintain everything from the program offerings that we have. And they are varied, but listed on that website. And we also provide funding opportunities for our program providers as well as information for kids, information, for parents, information for people who need help. So I certainly invite you to explore our website.

KYLE: Michelle, parting comments from your national overview, and again, repeat your website.

FACILITATOR: Mr. Kyle, we do have a question from the phone lines.

KYLE: Go ahead, Michelle, and then we'll come back and see if we can squeeze the question in.

JONES: Okay. I would just say that there is no question that we're in a difficult funding climate right now at the federal, state and local level. But as we've heard on this call today, there are a lot of really creative financing strategies out there. And I'll just point folks to a couple resources available on our website, in addition to the publications on federal funds that I mentioned earlier. We have a publication called "Thinking Broadly: Financing Strategies for Comprehensive Child and Family Initiatives." And that provides more detail and more examples on those five primary financing strategies

that I mentioned at the beginning of this call.

We also have a brief that's specifically on creating dedicated local revenue sources for out-of-school time initiatives. And so that looks in more depth at things like special tax levies and special taxing districts and some of those other options.

And last, we are in the process of redesigning our website. And our new website is about to go live in the next couple weeks. And a feature on that site is going to be something called The Promising Practices Catalogue. And that will provide folks a searchable database of examples of innovative financing strategies. And it will include, for example, those strategies and contact information if folks want to get more information on those strategies. So that's something to look for in the next few weeks. And again, our website is www.FinanceProject.org.

KYLE: Let's squeeze in one question. Stephanie, go ahead and make it live.

FACILITATOR: Your question comes from the line of Stephanie Barns.

QUESTIONER: Actually, my question was just answered. Thank you.

KYLE: (laughter) See, we are doing a good job. All right, let's call our call to a close today. I want to thank you, Charlie, Michelle, Dorothy and Tonya. Thanks a lot for sharing your ideas and thoughts with us today.

I want to remind the audience that this is the last audioconference for a couple of months. We will resume again in the fall and there will be announcements made of that later in the summer. We hope that many of you in the audience will also be thinking about attending our 2005 national summit on Your Cities' Families, which will be held in San Antonio September 25 to 28. The lowest registration fees available are available now through July 15. Financing is going to be one of the issues that will be on the calendar when we are meeting at the summit. This is a unique opportunity for municipal officials and other community leaders to gather and talk about local initiatives and efforts to support children, youth, education and families.

Thanks a lot. This is John Kyle saying goodbye. Thank you to everyone.