



Investing in our future

**portland
children's
levy**

Request for City Council Approval

Portland Children's Levy Background

In November of 2002, Portland voters approved the Portland Children's Levy (PCL). In the fall of 2008, voters renewed the levy for another five years. The levy generates approximately \$13 million annually for early childhood, after-school and mentoring, child abuse prevention and intervention and foster care programs. Administrative costs for the fund are capped at 5% of revenues and the fund obtains annual audits to assure compliance with the administrative cap. A copy of the 2008 ballot language for the Children's Levy is attached as Exhibit A.

An Allocation Committee governs the PCL and grants funds to programs serving children and families residing in the City of Portland. The Allocation Committee is comprised of a City Commissioner (Dan Saltzman), a County Commissioner (Deborah Kafoury), a representative of the Portland Business Alliance (Ron Beltz), a citizen member appointed by the County Board (Adrienne Livingston), and a citizen member appointed by the City Council (Julie S. Young).

Request for City Council Approval

PCL is requesting that City Council accept the recommendation of the Allocation Committee to renew competitive grants and to reduce Leverage Fund challenge grant investments in the amounts specified in the table in "Exhibit B: Competitive Grant Renewal Amounts and Revised Leverage Grant Amounts".

Reduced Revenues for Portland Children's Levy

In January 2012 the city economist for Portland provided revised revenue projections for the Portland Children's Levy indicating a decline in levy revenues for FY13 and FY14. The decline amounts to 27.5% reduction to current annual funding levels in each of the Levy's five program areas. Reduced revenues are the result of a depressed housing market and compression of city property tax collections brought about by lower real market property values. In addition, the economist advised significant uncertainty in the projections for FY 2014. Depending on what happens with the Multnomah County Library District and real market values of properties in Portland, revenues for the final year (FY14) of the Levy could be \$1 million less than currently projected.

Process for Renewal of Levy's Competitive Grants

Simultaneously, the Levy's current three-year competitive grants were eligible for renewal this spring. In order to prepare Allocation Committee for renewal decisions, PCL staff provided Committee members with the following information to consider in their renewal decisions for individual grants in each program area:

- Renewal Summary on each grant (template attached as Exhibit C: Grant Renewal Summary Form and Data Sheet), including:
 - Basic descriptive information on the grant, including current annual funding level, number of children or families to be served, and program description
 - Review of program performance on a variety of metrics; performance was compared to program's own goals and to average rate of performance for entire program area (e.g. whether the rate of participation in a program was high, low, or average compared to the average for the program area)
 - Financial review on a variety of metrics using a tool created by McDonald Jacobs, a local accounting firm specializing in financial audits of non-for-profit agencies
 - Policy issues related to the grant, using the policy issues listed below
- Policy considerations for the Levy overall, including:
 - Minimum annual grant amount policy of \$30,000
 - Spending rate of individual grants
 - Priorities from the Request for Investments, which were based on extensive public input, and indicated preference for culturally specific services and services serving children & families residing East of 82nd Ave in Portland
- Policy considerations for some program areas, including:
 - After-School: use of SUN Coordinating Council policy for Levy investments in SUN school sites and preserving investments in SUN community school sites
 - Child Abuse Prevention & Intervention: preserving investments in prevention services, higher intensity services, and services for younger children
 - Early Childhood: preserving investments in daily classroom-based early education services and services with higher intensity (i.e. more than 50+ hours of service per children per year)

Using the grant performance profiles and the policy considerations, PCL staff generated recommendations to the Allocation Committee regarding funding reductions and renewal amounts for each competitive grant.

Process for Reduction of Leverage Fund Challenge Grants

In December 2008 the Allocation Committee of the Portland Children's Levy also voted to set aside \$3 million for a Leverage Fund in an effort to leverage additional private and public resources to fund services in PCL's program areas. In June 2010 the Portland Children's Levy awarded funds totaling \$2,500,000 (over four years) for challenge grants to 9 early childhood, child abuse prevention and intervention, and after-school programs.

In order to bring challenge grant expenditures in line with revenue projections, staff recommended that the Allocation Committee reduce challenge grant investments for FY13. Staff based its recommendations on policy considerations to prioritize the most intensive services supported by Leverage Fund investments and those services least likely to generate extensive support from private funders and donors.

Funding Recommendations of Allocation Committee

At meetings held on April 9, 2012 and April 16, 2012, the Allocation Committee made decisions to renew most competitive grants at funding levels lower than current year grant amounts and to

discontinue some grants. The Committee based their decisions primarily, but not solely, on a commitment to reduce the overall number of grants due to limited administrative capacity, grant performance, rate of grant spending, and some, but not all, policy priorities recommended by staff.

The Committee renewed grants for a one-year period from July 1, 2012 through June 30, 2013, with the possibility of an additional year of funding in Fiscal Year 2013-14. The city economist should be able to provide better revenue projections in January 2013, at which time the Allocation Committee can determine how to proceed for the FY 2013-14 funding year.

The Committee decided to discontinue one Leverage Fund challenge grant, which covered the majority of the deficit in that area, thereby minimizing the reductions to the remaining 8 grants.

The reductions to grants were necessary to bring grant expenditures in line with revenue projections.

Exhibit A: 2008 Children's Levy Ballot Measure

Measure 26-94

Renew five-year levy for Children's Investment Fund

Question

Shall Portland continue supporting child abuse prevention, foster children, early childhood, after-school programs, renewing five-year levy starting 2009? This measure may cause property taxes to increase by more than 3 percent.

Summary

Measure would continue financing Children's Investment Fund to support proven programs designed to help children arrive at school ready to learn, provide safe and constructive after-school alternatives for kids, helps foster children and prevent child abuse and neglect and family violence.

This Children's Investment Fund can only be used for:

- Child abuse prevention and intervention, addressing juvenile crime, school failure, drug and alcohol abuse and homeless youth.
- Early childhood programs making childcare more affordable and prepare children for success in school.
- After-school, summer and mentoring programs: promoting academic achievement, reducing the number of juveniles victimized by crime and increasing graduation rates.
- Children in foster care programs: helping foster children succeed who have been abused and neglected.

Accountability measures include:

- Programs funded must be cost effective and have a proven record of success.
- Investment fund subject to oversight by a citizen committee
- Investment fund subject to annual audits.
- Administrative costs cannot exceed 5 percent.

Levy is \$0.4026 per \$1,000 of assessed property value and produces an estimated \$14 million per year for five years.

EXHIBIT B

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Portland Children's Levy
After School Funding Decisions
April 9, 2012

Total Available Funding	\$2,089,325
Current Funding Level	\$2,809,940
Amount of funding cut required	\$720,615

After School Grants to Discontinue	Current Annual Grant Amount FY11-12
Community Cycling Center	\$29,796
Children's Course	\$55,509
Tears of Joy	\$67,911
Subtotal of discontinued grants	\$153,216

After School Grants	Current Annual Grant Amount FY 11-12	% reduced	Renewal Amount FY 12-13
Camp Fire: SUN Schools	\$296,628	2.9%	\$288,026
Impact NW: SUN Schools	\$202,632	5.2%	\$192,095
Metropolitan Family Service: SUN Schools	\$208,484	7.9%	\$192,014
Neighborhood House: SUN Schools	\$75,987	5.2%	\$72,036
Boys and Girls Clubs	\$143,250	28.5%	\$102,393
Chess for Success	\$47,750	34.8%	\$31,123
Ethos, Inc.	\$116,344	29.8%	\$81,649
Friendly House: Friendly Chaps	\$52,525	39.3%	\$31,871
Girls Inc.	\$58,926	39.8%	\$35,461
Impact NW: aka Science	\$81,918	29.8%	\$57,489
Impact NW: Urban Opportunities	\$81,223	33.3%	\$54,158
IRCO: INSPIRE	\$230,306	31.3%	\$158,171
Native American Youth & Family Center	\$158,530	22.5%	\$122,827
Northwest Family Services	\$141,924	34.8%	\$92,504
Open Meadow	\$256,639	22.5%	\$198,841
Saturday Academy	\$102,306	33.8%	\$67,705
Self Enhancement, Inc.	\$401,352	22.5%	\$310,962
TOTAL	\$2,656,724	21.4%	\$2,089,324

Portland Children's Levy
Mentoring Funding Decisions
April 9, 2012

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Total Available Funding **\$1,056,481**
Current Funding Level \$1,456,295
Amount of funding cut required \$399,814

Mentoring Grants to Discontinue	Current Annual Grant Amount FY11-12
Big Brothers, Big Sisters (School Based)	\$98,916
Lutheran Community Services	\$130,396
Subtotal of discontinued grants	\$229,312

Mentoring Grants	Current Annual Grant Amount FY 11-12	% reduced	Renewal Amount FY 12-13
Big Brothers, Big Sisters (Community Based)	\$203,465	14.2%	\$174,576
Friends of the Children	\$373,673	9.2%	\$339,302
Impact NW	\$120,001	14.2%	\$102,963
IRCO: African Immigrant Mentoring	\$151,016	19.2%	\$122,024
Metropolitan Family Services	\$167,125	17.7%	\$137,547
POIC - Portland Opportunities Indust. Council	\$82,463	19.7%	\$66,219
Start Making a Reader Today (SMART)	\$70,030	14.2%	\$60,087
Trillium Family Services	\$59,210	9.2%	\$53,764
TOTAL	\$1,226,983	13.9%	\$1,056,481

Portland Children's Levy
Leverage Fund Funding Decisions
April 9, 2012

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Total Available Funding	\$492,995
Current Funding Level	\$679,993
Amount of funding cut required	\$186,998

Leverage Fund Grants to Discontinue	Current Annual Grant Amount FY11-12
Library Foundation - Raising a Reader	\$170,000
Subtotal of discontinued grants	\$170,000

Leverage Fund Grants	Current Annual Grant Amount FY 11-12	% reduced	Renewal Amount FY 12-13
Children's Relief Nursery- East expansion	\$94,512	13.3%	\$81,942
Hacienda CDC- Expresiones After Sch.	\$85,192	13.3%	\$73,861
Janus/Insights Teen Parent Prog.- Safehome	\$31,250	13.3%	\$27,094
Morrison Chld & Fam - Fam Sx Abuse Tx	\$68,934	13.3%	\$59,766
Neighborhood House - SOL Program	\$84,296	13.3%	\$73,085
Peninsula Children's Center	\$62,476	13.3%	\$54,167
Self Enhancement Inc - Parent Involvem't	\$83,333	13.3%	\$72,250
TOTAL	\$509,993	13.3%	\$442,164

Portland Children's Levy
Child Abuse Prevention Intervention Funding Decisions
April 16, 2012

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Total Available Funding \$1,688,341

Current Funding Level \$2,327,275

Amount of Reduction Required \$638,934

Child Abuse Prevention & Interventions Grants to DISCONTINUE	Current Annual Grant Amount
Janus, Metamorphosis	\$308,992
Lutheran Commty Svcs, Family Support	\$171,664
Subtotal of discontinued grants	\$480,656

Child Abuse Prevention & Intervention Grants	Current Annual Grant Amount FY11-12	% reduced	Renewal Amount FY12-13
LifeWorks NW - Family & Commty Alliance	\$162,047	4.6%	\$154,543
Pathfinders of OR - Family Stabilization	\$164,714	4.2%	\$157,745
VOA - Family Relief Nursery	\$238,731	15.2%	\$202,370
Legacy CARES NW - Urgent Assessment	\$253,553	5.2%	\$240,290
Catholic Charities, Parent Child Intervention Project	\$108,655	10.7%	\$96,995
Impact NW - Parent Child Intervention Project (1)	\$87,541	5.2%	\$82,962
Salvation Army - Parent Child Intervention Project	\$103,811	5.2%	\$98,381
LifeWorks NW - Children's Relief Nursery(2)	\$312,927	3.6%	\$301,565
LifeWorks NW - Youth Services Team	\$152,808	19.8%	\$122,505
VOA - Home Free	\$139,709	7.6%	\$129,048
Janus Youth Programs - Insights, SEEDS	\$122,123	16.5%	\$101,935
TOTAL	\$1,846,619	8.6%	\$1,688,341

(1) Services previously provided by Listen to Kids. Effective 7/1/12, Listen to Kids will become a program of Impact NW, assigning their duties, rights and responsibilities to Impact NW.

(2) Services previously provided by Children's Relief Nursery. Effective 7/1/12, the Children's Relief Nursery will become a program of LifeWorks NW, assigning their duties, rights and responsibilities to LifeWorks NW.

Portland Children's Levy
Foster Care Programs Funding Decisions
April 16, 2012

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Total Available Funding \$1,220,751

Current Funding Level \$1,682,732

Amount of Reduction Required \$461,981

Foster Care Grants to DISCONTINUE	Current Annual Grant Amount
Big Brothers Big Sisters, Project Hope	\$121,146
Subtotal of discontinued grants	\$121,146

Foster Care Grants	Current Annual Grant Amount FY11-12	% reduced	Renewal Amount FY12-13
Janus Youth Programs - Insights - ECHO Program	\$180,612	17.9%	\$148,306
Self Enhancement, Inc. - Foster Care Services	\$238,750	13.9%	\$205,595
NAYA - Foster Care Services	\$461,529	39.7%	\$278,362
Youth, Rights & Justice, SchoolWorks	\$176,734	5.4%	\$167,213
Children's Relief Nursery - Foster Care	\$55,708	8.4%	\$51,036
Impact NW, Safe & Together	\$246,575	8.4%	\$225,895
Boys & Girls Aid, Wendy's Wonderful Kids	\$35,749	16.1%	\$29,998
Legacy Randall Children's Hospital - Medical Home	\$165,929	31.1%	\$114,347
TOTAL	\$1,561,586	21.8%	\$1,220,751

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Portland Children's Levy
Early Childhood Programs Funding Decisions
April 16, 2012

Total Available Funding \$2,835,350

Current Funding Level \$3,908,358

Amount of Reduction Required \$1,073,008

Early Childhood Grants to DISCONTINUE	Current Annual Grant Amount
Cascade AIDS Project- Kids Connection	\$35,665
Library Foundation - Raising a Reader	\$47,750
PCC - Eve, Saturday, Summer Childcare	\$151,431
Subtotal of discontinued grants	\$234,846

Early Childhood Grants	Current Annual Grant Amount FY11-12	% reduced	Renewal Amount FY 12-13
Neighborhood House - Early Oregon PreKinder	\$415,879	26.0%	\$307,809
Latino Network - Juntos Aprendemos	\$218,467	25.5%	\$162,789
Albina Early Head Start	\$525,250	13.5%	\$454,415
Friendly House - Preschool	\$76,463	19.5%	\$61,563
Morrison Child & Family Svcs - Early Child Mntl Hlth	\$525,250	18.0%	\$430,779
Mt Hood Comm College - Early Head Start	\$328,362	13.5%	\$284,079
Portland Public Schools - Head Start	\$297,123	13.5%	\$257,053
Peninsula Children's Center	\$140,546	16.0%	\$118,078
Hacienda CDC - Portland Ninos	\$177,966	49.5%	\$89,898
Impact NW- Parent-Child Dev. Svcs	\$169,137	33.5%	\$112,500
IRCO- Parent-Child Success Project	\$253,770	25.0%	\$190,363
Morrison Child & Family Svcs - Listos para Aprender	\$426,002	33.0%	\$285,481
Neighborhood House - Child Care Improvement Project	\$119,297	32.5%	\$80,542
TOTAL	\$3,673,512	22.8%	\$2,835,350

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RENEWAL INFORMATION SUMMARY

Grantee Organization Name:	Grantee Program Name:
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Service Description

Annual Service Goal:	
Current Annual Budget:	
Culturally Specific Program: No/ Yes	Percent of Children Served from E Portland: %

Program Performance Review

1. Service Goals <i>Staff Comments:</i>	No Concerns	Concerns
2. Early Exits <i>Staff Comments:</i>	Low Average	High
3. Participation & Service Utilization <i>Staff Comments:</i>	High Average	Low
4. Staff Turnover <i>Staff Comments:</i>	Low Average	High
5. Outcome Goals Met <i>Staff Comments:</i>	All	Most Some Few

Financial Review

Average % of budget unspent over last 2 years: %	
Audit Tool Results (6 metrics) <i>Staff Comments:</i>	Met of 6

Policy Issues

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Staff Recommendation

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GRANTEE:

1. Service Goals	GRANTEE 2 Year Average: % of goal achieved	GRANTEE FY 12 Data to Date: % of goal achieved
Component 1		
# Served		
Amount of Service Offered		
Component 2		
# Served		
Amount of Service Offered		
Component 3		
# Served		
Amount of Service Offered		

2. Early Exits	2 Year Average %	2 Year Average Rate for Levy	2 Year Average Rate for Program Area

3. Participation/Utilization	2 Year Average: % of participants who met participation threshold or utilization goal	2 Year Average Rate for Levy	2 Year Average Rate for Program Area	IF APPLICABLE: 2 Year Average Rate for Similar Programs in Program Area
Threshold for Outcomes				

4. Staff Turnover	GRANTEE 2 Year Average: % of Levy-supported positions turned-over	2 Year Average Rate for Levy	2 Year Average Rate for Program Area

5. Outcomes	GRANTEE 2 Year Average: % of outcome goals met	2 Year Average Rate for Levy	2 Year Average Rate for Program Area