

Minnesota Out-Of-School Time Funding Streams

**Summary Report
April 2009**



Minnesota Out-of-School Time Funding Streams Report Advisory Team

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Information in this report is as accurate as is possible given the volatile state of funding for out-of-school time programs at the federal, state and local levels. Any corrections or additions to the report information would be welcome as we will regularly update this information. Send that information and any suggestions for future areas of study related to out-of-school time learning opportunities to: MDE.Safe-Healthy@state.mn.us.

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Summary Report

I. INTRODUCTION

Every day across the state, thousands of young people engage in out-of-school time learning opportunities that enhance academic performance and support healthy development. These opportunities occur before and after school, summers, release days and weekends, and are commonly provided by schools, community agencies and faith-based organizations and through public services like parks and libraries. In an effort to generate a common understanding regarding the structure of funding for out-of-school time programs in Minnesota, the Minnesota Department of Education and its partners engaged Access Philanthropy to conduct a survey of major funding issues, sources of funding and major funding allocations. The study expands on the document, *Charting A Course: Connecting Out-of-School Time Opportunities*, which provided a listing of key funding sources available from the Minnesota Department of Education to support out-of-school time programming.

This report broadens the conversation by addressing the following questions:

- Given the benefits of participation in high-quality out-of-school time opportunities, where can we find the most appropriate, dedicated and sustainable sources of financial support for programming in Minnesota?
- Which government agencies and public/private funders offer sources of significant, sustainable support for the widest range of Minnesota out-of-school time programs?

While many government agencies, private foundations and public charities have pools of funding for out-of-school time programs, the intent of this study was to locate dedicated and substantive sources upon which programs can consistently rely. The report concludes that there are *very few consistent, dedicated funding sources* to support high-quality out-of-school time opportunities for youth and communities in Minnesota. Typically programs patch together multiple sources of inconsistent funding to sustain programming.

“Developing and sustaining quality out-of-school time learning opportunities can be a difficult task. Identifying and accessing the right combination of funding streams is the first step in putting together an engaging array of programs.”

*Charting A Course:
Connecting Out-of-
School Time
Opportunities*

II. METHODOLOGY

Access Philanthropy used three primary methods to elicit information about out-of-school time learning opportunities: a survey distributed to 200 youth-serving organizations across Minnesota; interviews with funders; and a literature review of past research. As information was gathered, funding sources were delineated into three levels.

- **Primary funding streams** have at least 75 percent of funding intended exclusively for out-of-school time learning opportunities with at least \$500,000 available per funding session. Funding must be available to more than one program site or organization and intended to be long term (i.e., available for more than one year or funding cycle).
- **Secondary funding streams** award at least 50 percent of allocations, but not more than 74 percent, exclusively for out-of-school time. There is no minimum amount annual funding amount required.
- **Variable funding sources** are those with limited capacity to address out-of-school time. These sources award less than 50 percent toward out-of-school time learning opportunities and may be intermittent, less defined and unpredictable.

In addition to levels of funding, the report distinguishes between *program funding* and *infrastructure funding*. Program funding is defined as funds allocated directly for the provision of program activities and services, including direct staff expenses, program equipment and program expenses. Infrastructure funding is allocated for undefined general operating support, capital needs, building renovations, utilities, insurance, security and related costs. Federal and state sources, as well as most private foundations, generally prefer to provide program funding. Infrastructure funding is typically derived from local government, national affiliates and internal fundraising efforts.

III. FINDINGS

The survey found that there are *very few consistent, dedicated funding sources* for Minnesota out-of-school time programs. For programs in Minnesota, out-of-school time funding is generally a complicated patchwork of irregular grants, contracts and gifts from federal, state and local government, as well as donations from private institutions, public charities and internal fundraising efforts. Providers must rely on relatively small amounts of consistent funding and an annual endeavor to identify smaller, one-year grants and donations from institutional and individual donors. Due to funding restrictions, program providers are often required to create permanent or temporary collaborations to provide programming. Detailed lists of each funding category and source can be found in the full report.

Summary of major findings.

Source	Primary Funding Streams 75 percent or More of Funding Dedicated for Out-of-School Time Greater than \$500,000 awarded each funding period	Total Annual Amount Available from Primary Funding Streams
Federal Government	<ul style="list-style-type: none"> • 21st Century Community Learning Centers • Cooperative Extension Service/4-H Youth Development • YouthBuild Program 	\$11.5 million
State Government	<ul style="list-style-type: none"> • 4-H Youth Development Program • Learning Year: Acceleration • Learning Year: Targeted Services • Youth Intervention Programs 	\$44.3 million
Local Government	None	None
Foundations and Corporations	<ul style="list-style-type: none"> • McKnight Foundation After School Program • Greater Twin Cities United Way After School Funding Category 	\$14 million
Public and Faith-Based Charities	None	None
Total		\$69.8 million

Federal Government. The report found three primary funding streams, zero secondary funding streams, and 15 variable sources of funding from the federal government. Federal funding is awarded either directly to end-users or to smaller units of government for redistribution. The primary funding streams provided by the federal government and the amount available from each (in millions) in fiscal year 2008 are as follows:

- 21st Century Community Learning Centers (US Department of Education) - \$9.3M
- Cooperative Extension Service/4-H Youth Development (US Department of Agriculture) - \$1.1M
- YouthBuild Program (US Department of Labor) - \$1.1M

Minnesota State Government. The report found four primary funding streams, one secondary funding stream, and four variable sources of funding from the state government. Similar to the federal government, most state funding is awarded directly to end-users. The primary funding streams provided by the state government and the estimated annual amounts available from each are as follows:

- 4-H Youth Development Program (University of Minnesota) - \$1.5M
- Learning Year: Acceleration (Minnesota Department of Education) - \$1.4M
- Learning Year: Targeted Services (Minnesota Department of Education) - \$39M
- Youth Intervention Programs (Office of Justice Programs) - \$2.4M

Local Government. Access Philanthropy's survey of local government indicates that local government funding for out-of-school programs is a complex mixture of funding sources, funding structures, infrastructure, taxing bodies and program ownership. The report identifies four primary out-of-school time program providers which receive local funding. All four of these providers – public libraries, community education, parks and recreation and 4-H – have close and overlapping relationships with other public agencies including school districts, city government, state agencies and private funding agencies. Because of the complex nature of these relationships and the structure of their funding, detailed budgetary information related to out-of-school time programming provided by local government is not detailed in this report.

Foundations and Corporations. Only nine Minnesota foundations and corporations indicate a specific and dedicated interest in out-of-school time programs. Fewer than 50 have a specific funding interest in education-related youth development. Most of these sources award small or occasional grants and have an ongoing funding interest in programs that include, but are not exclusively intended for, out-of-school time programming. Two foundations offer primary funding streams for out-of-school time programming:

- McKnight Foundation After School Program - \$4M
- Greater Twin Cities United Way After School Funding Category - \$10M

Public and Faith-Based Charities. A very broad and eclectic group of public and faith-based charities provide potential funding for out-of-school time programming, but no charity in Minnesota dedicates substantive, annual funding of \$500,000 or more. Most funding is directly related to a charity's mission for general operating support or for programs that may not be specifically intended to provide out-of-school time opportunities. Due to the extremely variable and complex nature of this type of funding, a total amount of funding available is not listed in the report, but the study concludes that no public or faith-based charity offers a primary funding stream for out-of-school time learning opportunities.

IV. IMPLICATIONS

Minnesota's limited dedicated, sustainable funding for high-quality out-of-school time programs has implications for the healthy development of young people and their communities. In a typical year, young people have 2000 hours of discretionary time – time not filled with school or family obligations. The extent to which this time is spent productively depends in part on the availability and affordability of high-quality learning opportunities.

A recent report from the Harvard Family Research Project concludes that regular participation in high-quality programs can result in positive impacts on a range of academic, social and emotional, prevention, and health and wellness outcomes for young people. The study examined 10 years of research and evaluation of afterschool programs, and showed participant gains in standardized math test scores, pro-social behaviors and social skills with peers, and work habits that support academic learning. Participants also reduced aggressive behaviors, student misconduct and use of alcohol and drugs.

The current state of out-of-school time funding in Minnesota as described in this report may make it difficult for program providers to offer consistent, high-quality learning opportunities. The financial challenges resulting from inconsistent funding reduce providers' planning ability, stability of services, staff reliability, program improvements and program growth. Challenges resulting from inconsistent funding can also reduce the out-of-school time system's ability to advance research agendas, continue systemic development, and improve professional development in the field.

V. NEXT STEPS

This study is a first step in detailing the complex set of funding used by out-of-school time programs statewide to support the variety of learning opportunities available for children and youth. Although this study identifies the significant sources of out-of-school time funding in Minnesota, further analysis is needed to determine if this funding structure has an impact on program providers' ability to offer high-quality learning opportunities. Additionally, while variable funding sources were not found to be a source of dedicated, sustainable funding, their role in supporting out-of-school time learning opportunities should be more clearly defined. Next steps may include:

- Identification of providers of high-quality out-of-school time learning opportunities to analyze their sources of revenue and methods for sustaining quality programming.
- A deeper analysis of variable funding sources, specifically looking at parent fees and their role in program sustainability.
- Detangling the local government contributions to out-of-school time programming at the county and city levels so that their role in supporting programming may be better understood.
- Identifying gaps related to geographic availability, restrictions that limit the availability of sustaining a variety of engaging learning opportunities, and limits on funds available for operational support (including staff professional development and the impact of streams of funding dedicated for use by a single system such as public education).

“There is growing recognition that quality counts. The challenge, however, is that quality also costs. Youth workers need adequate training (or retraining), compensation and support. Managers and directors need a predictable flow of human, fiscal and material resources.”

Karen Pittman
Executive Director
Forum for Youth Investment