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York County Community Foundation

Joint Hearing of the Pennsylvania Senate and House Urban Affairs Committees

Future of Pennsylvania Cities Large and Small

Thursday, June 13, 2013

Thank you Chairman Argall, Chairman Gillespie, Members of the Senate Committee on Urban Affairs & Housing, and Members of the House Committee on Urban Affairs. Thank you Senator Waugh and Chairman Gillespie for hosting this joint hearing of the Senate and House Committees on Urban Affairs here in York, Pennsylvania, the First Capital of the United States of America, home of the Articles of Confederation, our nation's first constitution.

We Yorkers are proud of the role we play in the history of our Nation and of our Commonwealth. And we're proud to share with you how we have been focusing our resources, our time, our energy, and our dollars, on the revitalization of our community. This revitalization includes many, many partners who believe that York County can only benefit from the strength and success of its county seat. A successful York County means a thriving York City. And a successful York City means a thriving York County.

York is known as one of the historic manufacturing capitals of our nation. We are home to a plethora of American success stories - America's first potter, The Pfaltzgraff Company; the world's air conditioner, York International; the original animal cracker, made by Stauffer Biscuit Company; and the sensational York Peppermint Pattie, made by the York Cone Company. While certainly home to a number of other very successful manufacturers, the aforementioned list represents the changing York. The famous York products previously mentioned are no longer made in York; the companies are no longer York-owned businesses. And the owners and managers of those companies are no longer providing leadership and financial support to our community, because they are not based here.

Years ago, when York faced a challenge or needed some community improvement, our town fathers stepped in and took care of it. Those fathers were the captains of industry in this community. One would call another and say "I'm in for this much, how much can I put you down for?" And down the line they would go. And we'd have the resources and the leadership to make things happen. Today, we are proud to include a number of town mothers who are leading businesses in York, yet we do not have the critical mass of corporate owners and leaders that we once capable of meeting the growing needs of third class cities like York. So, what do cities like York do?

Today, Cities and Counties like York depend on institutional leadership, from Large Nonprofit Organizations, Trade Organizations, Colleges, and Health Care Organizations, which are called on more than ever to make things happen. Community Foundations are in every one of your districts offer the necessary combination of people, expertise, independence, dollars, and longevity to be catalysts for positive community improvement. Community Foundations are the fastest growing form of philanthropy in our nation and in the world. The first community foundation was created nearly 100 years ago in Cleveland, Ohio by a banker in 1914. He realized that a community-based philanthropic institution could better help citizens put dollars to work locally. Today, there are more than 700 community foundations across the country, 37 within our Commonwealth. Every city in Pennsylvania has a local community foundation focusing grants within defined geographic boundaries – like The Pittsburgh Foundation, Schuylkill Area Community Foundation, The Philadelphia Foundation, Lehigh Valley Community Foundation, The Community Foundation of Westmoreland County, Montgomery County Foundation, and others including today's host community, York County Community Foundation.

The Council on Foundations reports that 86% of the U.S. population is served by community foundations, and the \$4.6 Billion annually granted by community foundations is put to work strengthening local communities. Community foundations are independent, registered nonprofit philanthropic institutions with six main characteristics:

- We have broadly defined missions - to improve our community's quality of life
- We serve geographically defined communities - a city, a county, a region, a state
- We are governed by a local board of volunteers who serve no single interests but reflect our entire community
- We are supported by a broad range of private and public donors, primarily from within the served community
- We build endowment to sustain our community improvement
- We act as grantmakers - awarding grants to support community projects

Community foundations are neutral conveners. We bring together diverse groups of people who have common interests. Community foundations are catalysts that create positive community improvement after researching community needs, gathering public input, identifying innovative solution and best practices, and by making bold recommendations. Community foundations transcend political terms, meaning our recommendations don't change when an elected official leaves office and another enters. Community foundations are funders; we put our money where our mouth is. We partner with other funders, and we make things happen. We often provide local matches for state funding, leverage resources from other funders, and we advocate for progress regardless of political affiliation.

Who is York County Community Foundation? Incorporated as a 501c3 in 1951, we are an \$80 Million endowment comprised of 450 component funds. Each fund is created by a donor, a family, a group of people or an entity (corporation, nonprofit, governmental body). The principal assets are invested and grow, and a portion of the proceeds are invested in the community as grants. Our 30 member board of community leaders governs how these funds are invested, how much we grant each year, and how we use these grants to leverage high-impact improvements to critical community issues. Our board is guided by nearly 25 committees such as Governance, Resource Development, Finance, Investment, Grant Distribution and others comprised of 150 volunteers. Our success in the role as a community leader depends on our ability to receive input from all over the county: from all our volunteers,

from business leaders, from policy makers and the community at large. Our hard work is paying off and nothing communicates our success more than the increased giving we are experiencing from donors. In 2012, we raised an additional \$7.5 Million, and we granted nearly \$3 Million.

York County Community Foundation creates a vibrant York County by:

- Engaging Donors
- Providing Community Leadership
- Investing in High-Impact Initiatives
- Building Endowment for Future Generations

At York County Community Foundation, grants awarded to support high-impact initiatives are made from our Fund for York County, our most flexible fund to address community needs. I'd like to share with you some examples of projects where the Foundation has been the catalyst for positive community improvements in York City and throughout the county.

The economic downturn five years ago hit nonprofits and municipalities hard. They have seen declines in public and private sector support while at the same time more people need services. The Community Foundation has been a catalyst for innovative thinking to adapt to these changes and develop new ways to do business by making grants that result in Strategic Alliances among nonprofits and municipalities. These alliances, mainly mergers, reduce overhead costs, create long-term stability, and strengthen the effectiveness of the services.

The Community Foundation has supported the combinations of 20 York organizations and resulted in 9 fewer nonprofits due to mergers and acquisitions. Examples include the creation of the York County Economic Alliance, our now combined Chamber and Economic Development Corporation, the alliance of the Strand-Capitol Performing Arts Center and the York Symphony Orchestra, and the merger of the local domestic violence and sexual assault centers into the YWCA of York. In 2011, YorkCounts merged with the Community Foundation to leverage the strengths of both organizations into a stronger, more cohesive community improvement effort.

Begun in 1999, YorkCounts is a community-based non-partisan coalition working to assess, sustain, and enhance the quality of life in York County by assessing needs, confronting critical issues and driving for results.

A key priority of YorkCounts is regional cooperation. In August 2012, the Foundation released a YorkCounts report that demonstrates how combining police services throughout the Metro-York area can lead to increased safety and more efficient use of resources. The Executive Summary of that report can be found in your packet of Community Foundation materials. The Foundation's grantmaking can be an incentive to municipalities to make these tough but important improvements to service delivery.

Another major area of focus for the Community Foundation is Education. The City of York's future relies on its education system. York County Community Foundation seeks to ensure that every child receives a premier education. The York City School District was designated a distressed school district in 2013 by the Pennsylvania Department of Education, and the District has been in decline for many years. David Meckley, a former Board Chair of the Community Foundation, was named Chief Recovery Officer to guide the district through a recovery process. Mr. Meckley assembled a Community Advisory Committee to review all proposals offered to turn around the York City School District, which would ultimately prepare him to present a recommendation to the York City Board of Education for recovery.

The YorkCounts Education workgroup commissioned a report on school improvement by the Education Policy and Leadership Center. In February 2013, the Community Foundation and YorkCounts issued a report recommending bold changes to the School District to prevent more students from losing a chance to succeed. A copy of the report is included in your Community Foundation packet. Regardless of your personal opinion regarding the most effective delivery system for education – regardless of whether you think charter schools are a salvation or the enemy of the state – regardless of your opinion on taxpayer-funded vouchers for kids to attend sectarian schools – regardless of your view of teachers unions, administrators, or any other

highly-charged debating point – we should all be alarmed by what is happening to our city district. Essentially what we are seeing is a precipitous acceleration of a long-term trend that is shifting education funding from the state to local school districts. This is happening statewide, and in all districts, but the effect is most dramatic in school districts like York that have the most limited tax base, the most poverty-impacted and special education students, and therefore historically have been most dependent on state funding.

Ultimately we used the following criteria to select the best option:

Criteria for Successful Schools:

1. *Visionary and inspired leadership over an extended period of time.*
2. *Evidence-based educational approaches that sustain a focus on student achievement.*
3. *Accountability and rewards that align with effective implementation of the pedagogy.*
4. *Effective and collaborative management on the front lines.*
5. *Engagement of families and community.*
6. *Ongoing, adequate and stable financial resources.*

The Community Foundation's education task force, YorkCounts Committee and the Board of Directors of the Community Foundation concluded that the option with the greatest chance to successfully transform the district would be the creation of a district-wide system of *Community Charter Schools* that are privately run, high-performing nonprofits available to 100 percent of the students in the district. In addition we recommended that a system of coordinated services for students and families such as the Community Schools model be developed to assist students needing additional support. While the proposed financial and academic recovery plan does not endorse the all-charter model, the recommended internal reform plan developed by the teachers, staff and the Chief Recovery Officer meets much of the criteria for successful schools identified in the YorkCounts/Community Foundation report. The Community Foundation supports the proposed financial recovery plan developed because it recommends bold, comprehensive reform, increased oversight and governance, increased accountability, improved performance measurements and consequences for non-performance; unsuccessful

schools will be converted to charter schools. Most importantly, it gives children a much better chance at a higher quality life.

YorkCounts and the Community Foundation are committed to help by advocating for changes to correct state education funding formulas, to mitigate the inherent flaws in the inequitable funding structure that limits revenue for urban school districts, which includes the existing charter funding structure. York County Community Foundation will organize both human and financial support from community institutions to assist in making the financial recovery plan successful. We need you to ensure stable funding for York City schools.

Possibly the most notable large grant made by York County Community Foundation was to the create the York Academy Regional Charter School, the first ever International Baccalaureate school in York County, located in the City of York across from Sovereign Bank Stadium. York Academy is a nonprofit public charter school that serves children from 12 different school districts in York County. The idea for the school grew out of a YorkCounts report that recommended giving students access to a world-class education here in York City. That is why they chose a public charter school...students attend for free like any other public school. The Foundation helped launch the new school with a grant of \$75,000 to cover the start-up costs in 2009. The school opened in 2011 with 200 kindergarten, first and second graders and is adding a new grade each year. After two years of operation, there is a waiting list to get in and the school is getting rave reviews!

The Community Foundation, however, has been a leader in education for quite some time. In the early 1990s, York County Community Foundation was instrumental in pushing for improved early childhood education. The Foundation secured a \$500,000 challenge grant from the Heinz Endowments, which paved the way for the creation of Focus On Our Future, an initiative now housed at the United Way and, leveraged more than \$6.5 Million in public/private investment in early childhood education over the next decade. Today York County has the highest rate of

nationally accredited childcare centers in our eight-county region, at 18%, which is also more than double the national average.

20 years ago, the Community Foundation began Dollars for Scholars, a scholarship program to increase the number of young people pursuing post-secondary education. Within 10 years, the Foundation created scholarship programs for 13 of the 16 school districts in York County. We distribute \$250,000 in scholarships each year to over 100 students, and we are a partner with PHEAA's PATH Program, funded by the General Assembly, which provides matching dollars for these scholarships for students attending Pennsylvania institutions of higher learning. To date, more than \$5 million in scholarships has been awarded for higher education.

Our city stands to benefit from a powerful cultural change driven by demographic forces that is flooding the market with young people who are hungry for the authentic and walkable urban environment our city provides. Another focus area for the Foundation is to maintain and grow a vital downtown York by attracting business, visitors and homebuyers. The Community Foundation has made its first investment in a downtown York housing project that has sparked a renaissance for city living, and we have committed to a second investment in a similar economic development urban living project.

York County Community Foundation serves as the fiscal agent and an executive committee member of Moving Plans Into Action, which is a group of community leaders who have established a cohesive plan for the redevelopment of downtown York. Reclaiming Continental Square was identified in a 2006 Foundation-sponsored community planning process that created the Beautiful York Action Plan and grew a \$1 Million Beautiful York Endowment. The Foundation's Beautiful York Committee, downtown partners and the City of York have developed plans to transform the Square into a fun, engaging gathering place that attracts the right retail mix, creates space for outdoor dining, public events and highlights the fact that it is the historic center of our City as well as our County. We are working with downtown

stakeholders and the City of York to take the next steps to bringing about this needed change to the heart of our city. A vibrant downtown can be a catalyst for county-wide economic strength.

Creating a vibrant community includes making our White Rose City a community that is a great place for people of all ages to live. The Community Foundation's Hahn Home Fund, created several years ago with the closing of a home for aged women, ensures that all women in York can age with dignity, independence and health. The \$7 Million Fund has engaged numerous stakeholders, including the Area Agency on Aging and AARP to identify issues affecting elders in York County, evaluate best practices and systemic improvements in York County that encourage all of us to embrace aging and building a livable community for all ages in York County. Key objectives include:

- Integrate networks of providers of human services, education, government services and cultural activities so residents can age with dignity, health and independence
- Remove barriers to aging in place
- Reduce the stigma associated with aging
- Include the perspective of elders in cultural, civic, educational and recreational planning and activities

The end product will be an actionable strategy for a functioning group of stakeholders to support the implementation of the plan. Based on demographic trends, we believe Aging is a high priority for our community and for nonprofit agencies charged with supporting our older generations.

Regardless of what community foundations have done or plan to do, Pennsylvania's cities, especially third class cities, cannot be vibrant and financially sustainable without significant legislative changes that includes Act 47 and Act 111 reform, and local tax reform. Community foundations don't have the power to make those changes – only to advocate for them. We urge you to make the necessary reforms to these Acts so that both legacy and future costs, as well as future revenues, can be addressed – and our cities can become vibrant. Thank you.