

City of Burlington / CDBG 2012 Application Form

Eligibility _____ National Objective _____ NRSA _____
(Office Use)

Project # _____
(Office Use)

Project Name: *Credit Action VITA Site Project*

Project Location/Address: *255 So. Champlain St.*

Organization: *Champlain Valley Office of Economic Opportunity, Inc.*

Mailing Address: *PO Box 1603, Burlington, VT 05402*

Contact: *Jim White*

Title: *Prog. Director*

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I. CDBG Funding Request:

\$3,500

II. Project Summary: **Briefly describe the project or program to be funded with CDBG. (Please use a one or two sentence description – there is room in Section IV for more detail.)**

The project assists low-income residents to manage their credit by offering financial classes, coaching and access to free credit reports and scores to assist people in reducing debt, improving their credit scores and creating more financial stability. Services will be linked to the VITA tax site, and to projects with CarShare Vermont and Champlain Housing Trust.

III. Description of Organization: **Describe the capacity of your organization to successfully carry out the program activities. What is your mission, and how do the proposed activities fit with your mission?**

Financial Futures Program's (FFP) mission is to assist low income Vermonters to move towards financial self-sufficiency. FFP uses three strategies – microenterprise development, individual development accounts (IDAs) and financial and credit education. The project perfectly aligns with this mission. Financial education and credit health are widely considered to be key components in any community campaign to assist low-income people achieve greater financial security, even more so during an economic slowdown. These strategies fully complement our other services.

For 23 years, we have taught budgeting skills to microenterprise clients. For 15 years, we have offered financial education to IDA participants. In 2005, we began to offer financial training to any interested low-income adults. Since then, we have added financial coaching to help people personalize the information from classes. Our success resulted in grants from New England Federal Credit Union, Franklin/Grand Isle United Way, Vermont Community Foundation other sources. In 2011, we worked with over 25 organizations on financial education projects, increasingly trying to link financial/credit education to services offered by these partners. In this application, we propose to Bring credit building services right to the VITA tax site. We also want to incorporate them into joint projects with CarShare Vermont and Champlain Housing Trust's Ready, Set, Rent. CareShare's pilot offers subsidized memberships to low income people. Ready, Set, Rent offers housing to people whose low credit scores would normally exclude them. Three staff will each serve part time. Jim White, program director, has taught classes and coached for 12 years. Gillian Franks, IDA coordinator and financial coach, has taught financial education for 11 years. Libby Wentworth has served as financial coach and instructor since November 2010. She has a BA in Communications.

Project Description:

- a. Describe the specific activities to be carried out by your project with CDBG dollars and the accomplishments you plan to achieve. Please distinguish the total number to be served from the number of Burlington clients to be served. Be specific about the tasks / work that CDBG will pay**

for. Use the table below, adding rows if necessary. You may add narrative below the table if needed for further description.

Specific Service / Activity:	CDBG will pay for:	Unduplicated Total # of Households / Persons to be Served in this Service / Activity:	Unduplicated Total # of Burlington Households / Persons to be Served:	Outcome(s) to be Achieved:
Provide mobile 1:1 credit coaching and pull reports/scores at the CVOEO VITA Tax Site, one day a week for 6 weeks.	Staff time at the VITA and cost of pulling reports and scores	30	25	<ul style="list-style-type: none"> • Pull individual's credit score and report • Briefly explain score and report to them • Arrange for follow-up counseling session to create a plan for deal with credit • Introduce them to other financial education services in the community
Provide 1:1 credit coaching and pull reports/scores at our office at 255 So. Champlain St. to clients referred by CarShare and Ready, Set, Rent	Staff time doing financial coaching	30	18	<ul style="list-style-type: none"> • Educate people about their credit report & score • Get credit score • Make plan to improve score • Assist them in taking steps to improve score • Assist them in paying down debt, if applicable • Refer them to financial classes when appropriate
Offer 3 rounds of "Keys to Credit" class	Funded with non-CDBG funds	18	15	Educate people about their credit report & score, debt reduction, credit building, etc.
Provide two "Spend Smart" classes	Funded with non-CDBG funds	12	10	Educate people about how to better manage spending so they can pay down debt/build credit

b. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) described above. All staff that appear in the salary / benefits line items in your budget (Section XV) must be described below. Add rows if necessary.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG
Provide mobile 1:1 credit coaching and pull reports/scores at the CVOEO VITA Tax Site, one day a week for 6 weeks.	Program director or Financial coach / instructor	Either the PD or a coach will pull scores and meet with people at the VITA Tax Site to address credit needs and actions	36 hrs for the year; about 6 hrs per week, assuming 6 weeks during tax season per year.	100%
Provide 1:1 credit coaching and pull reports/scores at 255 So Champlain St.	Financial counselor / instructors	Either the PD or a coach will pull scores and meet with people to address credit needs and actions	48 hrs for year; about 1 hr per week, assuming 48 weeks per year.	100%
Offer 3 rounds of "Keys to Credit" class	Program director (PD) or Financial counselor / instructor (FC/I)	Instructor will market and teach classes	52 hrs for year; about 1.08 hrs per week, assuming 48 weeks per year	0%

Provide other financial classes like “Spend Smart”	Financial counselor / instructors or program director	Instructor will market and teach classes	33 hrs for year; about .69 hrs per week, assuming 48 weeks	0%
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The project will build on the work of the past three years in assisting people to understand and improve their credit. We want to expand linkages between our credit education and support services and services offered by other organizations, focusing on a) the VITA tax site (operated by another CVOEO program), b) CarShare Vermont and c) Champlain Housing Trust’s “Ready, Set, Rent.” Project activities will include:

- a. Classes – we will offer three rounds of our 3-hour “Keys to Credit” curriculum in Burlington. The class will address credit reports and scores, as well as debt reduction and credit building strategies. We will supplement Keys to Credit with 2 rounds of Spend Smart, a spending management curriculum.
- b. Pulling credit reports and scores – Growing Money was approved in October 2009 by TransUnion to directly and immediately pull credit reports and scores. In the past, people would wait for a month or more to receive their report, and in that interim, lost interest or disappeared. Now, we can engage with them promptly.
- c. Financial coaching – we have developed coaching capacity to help individuals to take class material and turn it into a specific and personal plan. Such plans focus on financial goals, spending management, and/or debt reduction/credit building. Most of the credit coaching/counseling available in the community is geared to the needs of middle and upper income households with large amounts of credit card debt. Our focus is the credit needs of low-income people. This is a niche that continues to be neglected by most institutions, in spite of the fact that credit issues impact low-income people more severely. Opportunities Credit Union, another partner of ours, also provides credit coaching, but only to their membership.
- d. Participants will be encouraged to attend Spend Smart, the spending management class we have developed in the past three years, because work on credit and spending go together.

V. Beneficiary Information

a. For each service / activity you identified in Section IV, please project how the Burlington residents will break out into the following income categories. Use the Income Table at http://www.cedoburlington.org/cdbg/income_limits.htm.

Service / Activity:	Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
Provide mobile 1:1 credit coaching and pull reports/scores at the CVOEO VITA Tax Site, one day a week for 6 weeks.	25 unduplicated Burlington residents per this activity	19	4	2	0
Provide 1:1 credit coaching and pull reports/scores at our office at 255 So. Champlain St. to clients referred by CarShare and Ready, Set, Rent	18 unduplicated Burlington residents per this activity	13	3	2	0

Offer 3 rounds of "Keys to Credit" class	13 unduplicated per this activity	8	4	1	0
Provide two "Spend Smart" classes	6 unduplicated per this activity	4	1	1	0

b. Please provide a single unduplicated total beneficiary count below:

Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
62	44	12	6	0

c. How will/do you document beneficiary income levels?

Our program already documents income levels for all program participants. We use an intake form designed for this purpose.

VI. Problem Statement

a. What particular problem or need will this project address?

Our program will address two needs, both strongly influencing the ability of low-income households to achieve more financial stability. One is the need for accurate and accessible education about basic money management and credit. We know that financial education is a critical component from national research and participant feedback. Many adults lack reliable information about and effective skills in handling money. This lack of education hurts low-income residents much more than middle and upper income households. Our contact with low-income people in financial classes over the last few years leaves us convinced that there is a wide need and hunger for such education. Lack of education increases the likelihood of household financial instability, contributing to divorce, inability to sustain employment, nutrition and health issues, mounting debt, lack of savings and housing instability and homelessness.

Another need is to understand and better manage the credit score. The credit score is now the key that opens or closes many basic financial doors. It determines whether you can get credit and what it will cost. It determines whether you can rent an apartment, obtain employment, obtain affordable insurances and utility deposits, and qualify for a cell phone account. It influences access to transportation, and not just in terms of obtaining a car loan. CarShare requires use of a credit card for billing purposes, so people who can't qualify for a credit card are shut out of its services. Vulnerable people with a low credit score are even more vulnerable.

Our goal is to connect financial/credit education to real life. We are focusing on the VITA site because many households receive a tax refund, and this refund is the largest amount of cash they will all year. Education at the point when they receive the refund may influence how it is used. Our presence at the site increases the likelihood the refunds will be put towards debt repayment, emergency funds, etc. Similar thinking applies to the opportunities provided by our partnering with CarShare and Champlain Housing Trust.

b. How was this need identified?

Growing Money has taught many financial education classes to low income people. In FY 2011, 315 unduplicated people attended our classes and 265 unduplicated received individual coaching. We conducted class evaluations and two surveys. In addition, we have had numerous conversations about areas of need with over 25 partner organizations in the past year.

The need for credit services is clear. In 2011, we pulled 274 credit scores. 15% had a score of 0. The median score was a very low 576, down 23 points from last year.

c. Why is this a funding priority for Burlington?

Burlington's goal is summarized in the following quotation from the Consolidated Plan:

“Economic opportunity is the city's next highest priority....Burlington must continue to be an economic engine for the region and for the state.... The city will continue to tap both local and national strategies to increase earned income to livable wage levels; to increase and protect asset accumulation; to reduce debt levels; and to help residents access income supports and overcome economic barriers.”

This project directly supports that goal by helping people to increase assets and deal with barriers.

VII. Program Goals: How will this project reduce the number of people living in poverty? Will it help people move out of poverty? Prevent people from entering poverty? Address basic needs of people living in poverty?

The project's focus can accomplish all of these results, depending upon the individual need.

Spending/credit education will help people stabilize their financial situation, which can move them towards avoiding poverty or taking steps out of poverty. For example, helping people in transitional housing improve their credit will increase their access to permanent housing, an important step towards even greater financial stability and asset-building.

a. Are you targeting any specific disadvantaged population/group of people? If so, who are they? (i.e., people with disabilities, minorities, women with children living in poverty, people with limited English proficiency, at-risk youth, etc.)

We are generally targeting people who live on limited incomes, including seniors, people with disabilities, single parents, those in dead-end, low-wage jobs, and refugees.

VIII. Equal Opportunity/Accessibility:

a. How do you make sure your programs are accessible to all, inclusive and culturally appropriate?

CVOEO is committed by agency and federal mandate to program accessibility for all. FFP has conducted large projects to serve refugees, Vermont's Abenaki, minority residents of Burlington Housing Authority, as well as smaller projects. We often develop grant proposals to target minority needs. In 2011, 24% of our clients were minorities.

b. Describe the diversity status of (i) your staff for this program and (ii) your Board. How does that compare with the diversity status of the clients of the program / project you're requesting funding for?

Financial Futures had an African American A*VISTA whose term ended in August. We have not hired anyone since. A member of the CVOEO Board of Directors is African.

c. Describe the diversity / cultural competency trainings that your staff and Board have participated in during the last year.

All CVOEO staff in the Burlington office recently had the opportunity to participate in a year-long cultural competency project with the City of Burlington's Community and Economic Development Office's (CEDO) "We All Belong AmeriCorps*State Program." It was an education, outreach, and community engagement initiative that engages diverse populations in the school, community and public life. Financial Futures Program staff had a number of meetings with the A*VISTA (a different VISTA) in charge of this effort to explore new approaches for reaching out to diverse populations.

IX. Impact and Evaluation:

a. How do you define success? How do you measure it? How many of your beneficiaries achieve it?

We define success by changes in attitude and behavior. Do they feel more confident? Have they taken steps to reduce debt? Have they reduced spending? We will also focus on 1) # of credit

reports/scores reviewed, and 2) # of people taking concrete steps to reduce debt and improve their scores. We measure success by talking to people, and by testing people at the conclusion of curriculums. We also use survey tools we have developed. Our 2011 survey showed that 83% of respondents felt more financially secure after services, 74% had taken steps to improve their credit, while 59% reported reducing their overall debt load and 87% reduced unnecessary spending.

b. If this is an existing project:

1. What were your projected accomplishments for your most recent completed funding period or fiscal year?

Our 2010-11 annual goals (adjusted for funds received versus requested):

- 51 people served, 37 to receive 1:1 financial coaching

2. What were your actual accomplishments for that period? If you did not meet projections, please explain (i) why and (ii) how you will overcome that issue in the future.

- 121 people served, 65 received 1:1 financial coaching
- 95% served were very low income or low income. 1 person was above moderate income

X. Community Participation & Partners

a. How are the community and/or program participants involved in decision-making and in identifying the program need, design and/or evaluation?

As mentioned above, we do at least one comprehensive annual survey of participants each year, usually also a more selective survey. We also talk with literally hundreds of participants a year and get feedback after every class.

b. Who do you mainly work with (i.e., what partners) to get the outcomes you want for your clients?

In the past year, we collaborated with over 25 organizations, including COTS, Champlain Housing Trust, VT Adult Learning, Economic Services, United Way, Linking Learning to Life, Corrections, CEDO, CASH Coalition, Opportunities Credit Union, and others.

XI. Sustainability

a. How will this project have a long-term benefit to the City of Burlington?

People who are more financially secure will require less financial support from the City, and are more likely to be satisfied and contributing community members.

b. If the project ends, will that benefit continue?

Yes. By focusing on education, changed behavior, and emotional empowerment, we are helping people develop more capacity to make choices about their finances, to be more self-reliant. We are also supporting them in replacing less desirable habits with more desirable habits. We are also teaching single parents (and couples) that their behavior is the most important influence on how their children will manage finances. Thus, we are reaching the next generation too.

c. If CDBG funding ends, will the project be sustainable (i.e., able to continue)?

Long-term sustainability of Growing Money services is not at all a certainty. Our plan is to develop long term funding through revenue from state agencies, but state agencies are dealing with a budget crisis presently. We also are pursuing strategies in partnership with the other four community action agencies, which opens up statewide grant opportunities. Growing Money has an advisory board that is tasked with helping to develop financial sustainability over the long term. The CDBG projects help us to build a track record of financial education success and, therefore, to make the case to funders.

XII. Consistency

a. What Consolidated Plan objective does this project support?

The project directly addresses the strategy to “Reduce Barriers to Economic Opportunity,” specifically Objective EO-1.3: Help residents with improved access to economic opportunity each year over the next five years. One of the activities for this objective is financial education.

b. What other City plans, if any, does this project support or complement?

This project supports at least four other Consolidated Plan strategies:

1. Objective DH-3.4 focuses on homelessness prevention/housing retention services. We assist people in obtaining and improving their credit scores, and in using those scores, along with money management skills, to secure and preserve housing.

2. Objective SL-1.1 specifies case management and housing placement to homeless residents. We support the COTS Housing Resource Center’s case management/housing placement activities by offering credit coaching and classes to their clients.

3. Objective DH-2.3 focuses on helping low/moderate-income residents purchase a home. We directly support home ownership by offering spending and credit management classes and coaching. We also enroll candidates in the CVOEO Individual Development Account Program, which provides participants with funds for home purchase.

4. Objective EO-1.1 supports the start-up and retention/expansion of businesses through technical and financial assistance. The project works in conjunction with CVOEO’s Micro Business Development to assist low income entrepreneur’s improve their credit in order to qualify for business capital needed for start-up and expansion.

XIII. Readiness to Proceed

a. Is the project ready to begin July 1, 2012 and be completed by June 30, 2013?

Yes

b. If not, what are the expected start and completion dates?

c. Are there any other conditions (i.e., obtaining permits, the availability of other funding, etc.) that may affect your ability to begin or complete this project?

None that we anticipate.

XIV. Financial Narrative

a. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

It fits extremely well with CDBG’s focus on addressing poverty, and on organizational capacity-building. There is surprisingly little grant funding available to support financial education services specifically for hard-to-serve populations. CDBG is one of the few places we can go for funding.

b. Describe your use of community resources. For example, will your project be matched or leveraged with other funding sources or resources (such as volunteers) that don’t appear in the budget summary below?

We have a community volunteer who helps us weekly with data entry and other tasks. We also collaborate extensively with other community financial educators whose skills and knowledge complement our own. We also regularly make referrals to these other partners.

c. Has your organization had any significant changes in funding levels over the last year? If so, please describe.

We have had no significant changes in funding levels in the past year.

d. What percent of Agency funds are used for administration vs. program costs?

6.85% for FY 2011 and 5.7% currently are used for administration. The balance is for programs.

XV. Budget

a. Summary

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$2,193	\$3,500*	\$ 23,901	\$37,000
State			2,287,306	2,844,060
Federal			6,591,660	6,764,792
Federal ARRA			2,001,174	
United Way			162,786	167,670
Private	\$2,588	\$3,360	1,454,138	1,497,775
Program Income			262,003	365,250
Other			59,255	60,000
In-kind			5,100,000	5,355,000
Total	\$ 4,781	\$ 6,860**	\$17,942,223	\$ 17,091,547

* Must match your CDBG request amount on Page 1.

** Must match in all three boxes on Pages 7 and 8.

Proposed Project Budget Sources

CDBG	\$3,500*
Other Federal – please specify funder and program (i.e., HUD – Emergency Shelter Grant, etc.)	\$0
State – please specify funder and program (i.e., Department of Health – AIDS Prevention, etc.)	\$0
United Way of Chittenden County	\$0
Private – please specify (i.e., individual donations, foundations, faith-based organizations, etc.)	
Grant from New England Federal Credit Union	\$3,360
Other – please specify (i.e., fee-for-service, etc.)	\$0
TOTAL	\$6,860**

b. Proposed Budget Uses: Please be sure that all funding uses (including staff) that appear in Section IV also appear here.

<u>Line Item</u>	<u>CDBG</u>	<u>Other</u>	<u>Total</u>
Salary	\$2,075	\$1,850	\$3,925
Fringe	\$791	\$704	\$1,495
Indirect	\$444	\$396	\$840
Credit Report and Score Pulls	\$190	\$170	\$360
Class Materials	\$0	\$240	\$240
TOTAL	\$3,500*	\$ 3,360	\$6,860 **

* Must match your CDBG request amount on Page 1.

** Must match in all three boxes on Pages 7 and 8.