

A Summary of EMCF's 2010-2011
Selection of SIF Grantees

March 2011

THE
Edna Mc Connell
Clark FOUNDATION

A Summary of EMCF 2010-2011 Selection of Social Innovation Fund (SIF) Grantees

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I. Summary of EMCF's Selection Process

The Edna McConnell Clark Foundation (EMCF), in partnership with our strategic collaborators MDRC and the Bridgespan Group, employed a rigorous, open and competitive process to identify high-performing organizations serving young people, ages 9-24, in greatest danger of failing to become productive, independent adults.

The goal of our EMCF Social Innovation Fund (SIF) investments is to build the evidence base and organizational capacity of a select cadre of nonprofits so they can, within three years, 1) significantly increase the numbers of youth served by effective programs, and 2) substantially advance the evidence of their effectiveness with rigorous, independent evaluations that demonstrate positive outcomes. Our objective: a diverse, balanced portfolio of 8 to 10 youth-serving organizations with the potential to make a transformative impact on the way we address some of the seemingly intractable problems faced by economically disadvantaged young people in this country.

Our selection process blended a deep qualitative and quantitative review of information submitted by organizations in their applications with comprehensive due diligence on the most promising candidates. We worked closely with the Corporation for National and Community Service, which administers the SIF, to ensure this process was fully aligned with its objectives.

Open Application Process: October 2010

On September 29, 2010, EMCF began to publicize the SIF funding opportunity, and created a special section on our website to explain the purpose of these grants, eligibility criteria, and instructions on how to apply.

We circulated notice about the opportunity broadly, assisted in this effort by co-investors that had committed resources to helping EMCF SIF grantees meet their matching fund requirement, by the Foundation Center, and by many other organizations and funders. We also placed announcements in publications widely read by nonprofit organizations and their supporters (*Chronicle of Philanthropy*, *Youth Today*, *Education Week*, *Nonprofit Times* and *Nonprofit Quarterly*) and posted notices in 15 regional newspapers in California, North Carolina, Oklahoma and South Carolina, states that represented our initial geographic priority. To inform organizations interested in learning more about the opportunity, EMCF posted on its website and regularly updated a SIF Application FAQ and hosted a technical assistance call that drew over 300 RSVPs. In all, 525 organizations expressed initial interest in applying by email and/or by participating in that technical assistance conference call, and 225 submitted applications by the November 1 deadline.

Preliminary Review of Applications for Eligibility: November 2010

All 225 applications were reviewed by two-person teams to confirm whether the applicant met all the eligibility requirements for the grant opportunity:

1. Be a 501(c)(3) organization and exempt from taxation under section 501(a), or be an entity described in sections 170(c)(1) or (2) of the Internal Revenue Code.
2. Be in operation for at least three years directly serving young people (ages 9-24) in a community or communities of need across the United States. A community of need was defined as a geography with higher than national average rates of unemployment, teen pregnancy, youth involvement in foster care or justice systems, high school dropouts, or disconnected youth; high

concentrations of poverty and extreme poverty; and/or a high proportion of youth eligible for free or reduced-price lunch at school, Medicaid or Temporary Assistance for Needy Families.

3. Target youth from low-income households as defined by federal guidelines (households earning at or below 200 percent of the federal poverty level) or from a community or communities of need, and who fall in one or more of the following groups:
 - a. Youth in and/or transitioning out of the criminal justice system
 - b. Youth who have dropped out or are at highest risk of dropping out of school
 - c. Youth who are both out of school and out of work
 - d. Youth in or transitioning out of foster care
 - e. Youth involved in or in danger of engaging in high-risk behaviors such as criminal activity or teen pregnancy
4. Either (1) have and be able to build on current independent, third-party evaluation evidence of programmatic impact that verifies at least a demonstrated level of effectiveness, as defined by EMCF; or (2) establish, with a track record of using reliable data to measure program outcomes and improve performance, that the applicant is well positioned and committed to achieve demonstrated or proven effectiveness, as defined by EMCF, within three years. These evaluations must show outcomes in at least one of the following areas:
 - a. Improved educational skills, achievement and attainment
 - b. Preparation for economic success and making a transition to employment and self-sufficient adulthood
 - c. Avoidance of high-risk behaviors such as teenage pregnancy or involvement in criminal activity and/or the juvenile justice system

EMCF set a high standard for evidence due to its central importance in our strategy to help grow programs that work, and this standard was higher than the minimum “preliminary evidence” standard required by the Serve America Act of 2009, which created the Social Innovation Fund.

In order to ensure that each applicant was reviewed thoroughly and equally, EMCF contacted applicants and asked clarifying questions whenever reviewers had questions about the information provided in their applications. This preliminary review found 107 applicants to be ineligible, in most instances either because an application did not sufficiently demonstrate an organization’s ability to meet our evidence and evaluation requirement within three years, or because it did not document that an organization serves significant numbers of our target population (youth who are low-income and have additional risk factors and are hardest-to-reach) in. In all, 118 applicants were initially deemed eligible and advanced to the next step of our process.

First Competitive Review of Applications by Three-Person Teams: December 2010

The 118 applications were then reviewed by three-person teams (drawn from EMCF, MDRC and Bridgespan staff) who assessed them competitively against each other. When necessary, we conducted an additional round of clarifying questions to ensure that each applicant received fair and thorough consideration.

Each assessment focused on four categories, relying on the information provided in the application and supplemental evaluation materials:

- **Program and evidence (40%):** Each applicant was rated on the strength of its program models; its ability to use performance management data to improve performance; the strength of its current evidence base; and its overall commitment and capacity to build on that evidence base as it expands to scale.

- **Population and Geography(20%):** Applicants were rated based on the needs of the low-income youth their programs target and serve, with preference given to those serving the most vulnerable, disconnected youth, such as those in the juvenile justice system or aging out of foster care, out of school and out of work, and/or at greatest risk of failing or dropping out of school. EMCF also gave preference to applicants expanding in rural and philanthropically underserved communities throughout the United States, and in communities of need in California, North Carolina, Oklahoma and South Carolina.
- **Leadership and Growth (20%):** EMCF assessed each applicant's CEO, senior team, board leadership, experience with strategic planning, and capacity to manage the growth it plans.
- **Financial and Operational Strength (20%):** Applicants were rated on the strength of their operational capacity, including their finances and operations, and how well they are positioned to pursue greater growth with quality. The factors we analyzed included revenue trends and sources, key financial ratios, long-term debt, and program cost-effectiveness. EMCF also evaluated each organization's potential to successfully absorb, manage and use to transformative effect a substantial investment.

In each category, every applicant was rated “exceptional,” “strong,” “moderate” or “weak.”

Based on the teams’ assessments of the 118 organizations, the highest-rated applicants from the top two quartiles, a total of 50 candidates, were brought forward for review by all members of the (EMCF, MDRC and Bridgespan) review team.

Phase 1: First Competitive Review: December 2010

On December 13, 2010, the full review team began to narrow down the remaining pool of 50 applicants and, based on the assessments by the three-person teams of EMCF, MDRC and Bridgespan staff, identified 21 finalists that would go into due diligence, a process of intensive review including site visits and interviews with stakeholders. We concluded that these 21 organizations represented the strongest programs working in our priority outcomes areas, had the greatest potential to pursue growth and evaluation within three years, and fulfilled the objectives and criteria for EMCF SIF investments. Nineteen of the organizations selected ranked in the top quartile, and two ranked in the second quartile of all eligible applicants.

Phase 2: Due Diligence: January-February 2011

Due diligence began in 2011 with teams (comprised of EMCF, Bridgespan and MDRC staff and select consultants) conducting an in-depth review of each finalist by analyzing hundreds of pages of documents it had submitted. Due diligence teams flagged possible points of concern, and then developed individualized plans to explore these issues with each organization. Teams made site visits to all 21 organizations and, in the course of these visits, talked with every candidate’s senior leadership, program and evaluation staff, and program participants in order to answer questions flagged during document review. Teams also interviewed key stakeholders (such as funders, policymakers and parents of the youth a program serves) to gain a fuller understanding of each organization’s current capacity and future potential.

When an applicant was also a current EMCF grantee, the due diligence team assessed whether and if an EMCF SIF investment would support growth and evaluation plans that would be transformative to the organization and clearly differentiated from growth supported by EMCF’s existing investment.

Evaluation Advisory Committee and Due Diligence Reviews: February 2011

On February 18, EMCF’s Evaluation Advisory Committee, an independent panel of nationally respected evaluation experts, reviewed due diligence findings related to evidence and evaluation for all 21 finalist

organizations. Questions that remained were noted so due diligence teams could conduct additional research and gather the information necessary to make fully informed decisions.

One week later, on February 25, the full review team of EMCF, MDRC and Bridgespan staff conducted a final review of due diligence findings and began to identify the most promising applicants that could achieve the goals set forth by EMCF and the SIF.

Final Competitive Review and Selection: March 2011

With due diligence completed for all 21 finalists, a Final Competitive Review assessed and rated each applicant's potential to achieve the goals of EMCF and the SIF, using as Competitive Criteria the four categories described earlier:

- Program and Evidence: (40%)
- Population and Geography: (20%)
- Leadership and Growth: (20%)
- Financial and Operational Strength: (20%)

For each criterion, applicants were rated "exceptional," "very strong," "strong," or "promising." The results of this competitive review revealed that each of the 21 organizations which had made it this far was impressive in its own right, and that all of them could make competitive, compelling cases for an EMCF SIF award.

In the end, EMCF's senior leadership, in consultation with MDRC and Bridgespan, used the results of the Final Competitive Review, our assessment of each applicant's ability to reach the minimum level of demonstrated effectiveness within three years, and whether its plans aligned with the objectives of the SIF and EMCF to identify the nine top-rated eligible applicants and create a balanced portfolio achieving positive outcomes in the areas of juvenile justice, foster care, pregnancy prevention, and education (in K-8 and high school as well as for overage, under-credited youth).

The nine organizations were then presented to EMCF's trustees for their review.

Trustees' Approval: March 2011

The board of trustees met on March 16, 2011 to review the nine recommended organizations. After discussing the merits of each opportunity, trustees approved three-year investments in each of them:

- BELL (Building Educated Leaders for Life); Boston, MA
- Center for Employment Opportunities; New York, NY
- Children's Aid Society–Carrera Adolescent Pregnancy Prevention Program; New York, NY
- Children's Home Society of North Carolina; Greensboro, NC
- Children's Institute, Inc; Los Angeles, CA
- Communities in Schools; Arlington, VA
- Gateway to College Network; Portland, OR
- Reading Partners; Oakland, CA
- SEED Foundation; Washington, DC

II. Phase 1 and Phase 2 Findings for the Nine Organizations Receiving EMCF SIF Grants

III. Review Team

35 staff from EMCF, MDRC and the Bridgespan Group took part in the review and assessment process.

EMCF	MDRC	Bridgespan
Kelly Fitzsimmons	Rob Ivry	Kelly Campbell
Ralph Stefano	Dan Bloom	Jehan Velji
Woody McCutchen	John Martinez	Alex Neuhoff
Lisette Rodriguez	Alison Black	Shazeen Virani
William Moon	Janet Quint	Samantha Fernandez
Sarah Pacheco Najarian	Jay Sherwin	
Danielle Scaturro	Mike Bangser	
Gabriel Rhoads	Bethany Miller	
Aaron Jacobs	Kate Gualtieri	
Liz Bender	Julianna Alson	
Teresa Power	Caroline Mage	
Partheev Shah	Emily Schneider	
Adam Mizrahi	Emma Mackinnon	
	Alma Moedana	
	Zeest Haider	
	Ivonne Garcia	
	Sarah McNeil	

In addition, EMCF's Evaluation Advisory Committee (EAC), four external independent experts in youth development, evaluation and philanthropy, reviewed the due diligence findings of all 21 finalist organizations:

- Robert Granger (chair), President, W.T. Grant Foundation
- Kristin Moore, Senior Scholar and past president, Child Trends
- Elizabeth Reisner, founder, Policy Studies Associates
- Jason Snipes, Vice President, Director of Education Research, Impaq International

Jason Snipes also took part as a reviewer in situations where MDRC's participation presented a potential conflict of interest.

Review teams comprising staff from EMCF, MDRC and Bridgespan were assembled to balance skills and knowledge (operations, growth, evidence, finance, etc.) and ensure impartiality. In creating review teams, EMCF identified previous or present relationships that staff from EMCF, Bridgespan, MDRC and members of EMCF's EAC had with applicants and adjusted teams as necessary to assure impartiality and maintain the integrity of the selection process. Specifically:

- All EMCF, MDRC and Bridgespan staff, EAC members and any other individuals or institutions participating in the review process were required to disclose their individual and institutional relationships with organizations that had submitted applications.

- In instances where Bridgespan or MDRC (a) had a current working relationship with an applicant, (b) had had a working relationship with an applicant within the past two years, or (c) was in substantive discussions with an applicant about forming a working relationship, reviewers from that organization recused themselves from assessing and rating that applicant in Phase 1 and Phase 2.
- In instances where individual reviewers from EMCF, Bridgespan or MDRC had close personal relationships with the leadership of an applicant (but there was no institutional relationship), those reviewers recused themselves from assessing and rating that applicant in Phase 1 and Phase 2.
- In instances such as the above where MDRC or Bridgespan reviewers recused themselves from assessing and rating an applicant in Phase 1 and Phase 2, they did on occasion participate in other aspects of the selection process, including materials review and clarifications during due diligence, and discussions regarding investment recommendations presented to EMCF's board.
- In instances where an applicant was a current or past grantee of EMCF or had undergone due diligence in the past two years, the applicant's lead portfolio manager at EMCF recused him- or herself from any participation in the applicant's review process.
- In instances where an EAC member had a current, past (within two years) or potential working relationship with an applicant or a close personal relationship with the leadership of an applicant, the EAC member recused him- or herself from reviewing the applicant.

IV: EMCF's Commitment to Transparency and Disclosure

When we announced the SIF opportunity on our website in September 2010, EMCF set forth the following four principles to guide our transparency and disclosure policy with regard to the selection process:

- Share knowledge that will advance the practice and benefit the field of youth development,
- Demonstrate that EMCF is a responsible steward of government funds,
- Keep applicants informed of their status throughout our selection process, and
- Respect the integrity and confidentiality of all applicants by not releasing information that may adversely affect their operations.

With these goals in mind, this report reflects EMCF's commitment to sharing information with applicants at major decision-points during our selection process, in accordance with the four principles outlined above. This report includes:

- The names of all EMCF, MDRC and Bridgespan staff, members of EMCF's Evaluation Advisory Committee (EAC), and any other individuals who participated in the selection process
- The names of all applicants, contact information, and summaries of their programs (as submitted by each organization in Section 1.5 in the SIF Online Application)
- For organizations that receive SIF funds, a summary of what the organization aims to accomplish over the course of the SIF investment, and of our findings in Phases 1 and 2, including the following:
 1. Phase 1 Summary: summarizing how the grantee ranked on the competitive criteria in our initial review
 2. Phase 2 Summary: summarizing findings from due diligence and how the grantee ranked on the competitive criteria based on due diligence and final review
 3. EMCF's Rationale for Investment: describing the purpose and terms of the grant
- A formal assessment of EMCF's selection process, summarizing EMCF's findings at an aggregate level during each phase, including the number of organizations that advanced from one phase to the next.

EMCF will not share publicly ratings or assessments of applicants that were not selected for SIF awards. However, these applicants have been invited to speak with EMCF staff to learn why their organization did not receive a grant. As of March 31, 2011, 70 organizations have taken EMCF up on this offer.

V. Descriptions of All 225 Organizations That Submitted Applications

The following information was provided all 225 organizations that submitted an application for Social Innovation Fund grants from the Edna McConnell Clark Foundation.

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The nine organizations were then presented to EMCF's trustees for their review.

Trustees' Approval: March 2011

The board of trustees met on March 16, 2011 to review the nine recommended organizations. After discussing the merits of each opportunity, trustees approved three-year investments in each of them:

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II. Phase 1 and Phase 2 Findings for the Nine Organizations Receiving EMCF SIF Grants

SIF INVESTMENT SUMMARY

March, 2011

BELL (Building Educated Leaders for Life)

Dorchester, MA

Investment

EMCF has approved a three-year investment in BELL (Building Educated Leaders for Life), with a first-year award of \$2 million, to help it establish its summer learning program in up to three new states and to expand in five existing states, launch a second evaluation of the effectiveness of its summer program to further extend its evidence base, and strengthen its business development capacity to support and sustain future growth. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$3 million, for an overall investment of up to \$5 million over three years.

States this investment will support growth in: BELL is developing plans to expand its summer program to California, North Carolina and South Carolina as well as in the five states—Georgia, Maryland, Massachusetts, Michigan, and New York—where it is already active.

Number of youth this investment will serve: BELL is developing plans to serve a total of 18,500 to 21,500 youth with its summer program between 2012 and 2014, an increase of up to 17 percent more than originally planned.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

Executive Director: Tiffany Cooper Gueye

States currently active in: Georgia, Maryland, Massachusetts, Michigan and New York (afterschool and summer programs)

Number of youth currently served: A projected 14,851 in FY11 (7,391 in the summer learning program; 7,460 in the afterschool program)

Expense Budget: \$22.5 million in FY11

Program summary: BELL provides educational summer and afterschool experiences to help youth in grades K-8 who are falling academically behind gain core academic skills, transition successfully into middle and high school, and improve their attitudes toward school and learning. BELL's summer learning and afterschool enrichment programs leverage existing community resources—certified teachers, college students, and volunteers—to deliver high-quality services to students in underperforming schools. Both programs feature small-group instruction in literacy and math; mentorships; a wide range of enrichment courses such as science, entrepreneurship, health, and leadership development; community service; and parental engagement.

Rationale for Investment

BELL's summer program is the only large-scale program with strong empirical proof that it helps raise the academic achievement of low-income, academically-behind youth during the summer months, when economically disadvantaged youth are especially prone to "summer learning loss" that has long-lasting

effects on their academic progress. In 2010, it secured large new contracts with school districts to implement its summer program. This EMCF SIF investment will enable BELL to pursue newly emerging growth opportunities for the summer program, fill a significant gap in the field for effective summer learning programs, and demonstrate a proven program model to offset summer learning loss and achieve summer learning gains.

What This Grant Will Support

BELL will plan for and undertake new efforts to dramatically expand and strengthen its summer program by establishing programs in new states, pursuing greater growth in current states, and further building its evidence base by conducting a follow-on evaluation of its summer program’s impact on students over the course of an entire school year across multiple sites. EMCF SIF funds will also help BELL greatly enhance the sustainability of its summer learning program by investing in its business development capacity to secure additional district contracts and expand its pipeline of potential district partners.

BELL is a current EMCF grantee. Previous investments focused largely on advancing and sustaining BELL’s afterschool model, which BELL plans to continue and expand through EMCF’s last grant. This new EMCF SIF investment will fund the growth and evaluation of BELL’s summer program.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Exceptional	Moderate	Strong	Strong
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Exceptional	Strong	Very Strong	Exceptional
Overall Rating: Exceptional/Very Strong			

Program & Evidence

On average, BELL “scholars,” as its students are called, enter its programs 1-2 years behind grade level. Nearly 75 percent of summer scholars are referred by their principal or school district official because they have not yet reached proficiency in English language arts or math or are at risk of being retained because of failing grades; the remaining scholars participate because their schools have failed to make Adequate Yearly Progress for two consecutive years. BELL uses rigorous, research-based curricula aligned with state and national learning standards, multi-cultural children’s books and other educational resources. With a highly codified model and robust training program, BELL staff is well-prepared and supported to deliver the program with consistency across sites.

BELL is highly data-driven and uses a strong performance management system and assessments to ensure students’ progress and program fidelity. Rigorous evaluation completed by the Urban Institute in 2006 proved that BELL’s summer program has a positive and statistically significant impact on reading achievement over the summer months, reducing summer learning loss for low-income, academically-behind students. EMCF has taken a conservative approach and believes that, based on limitations on

some aspects of the previous study's design, these findings could be strengthened with further evaluation.

The organization is highly committed to evaluation and seeks to further its evidence base to build upon this first randomized control trial (RCT). To do so, BELL plans to engage MDRC to conduct a second evaluation of the summer program that will address some of the design challenges and strengthen the findings from the first evaluation. MDRC has recommended a randomized controlled trial or, if school districts decline to randomize student participation, a quasi-experimental regression discontinuity design. The design will be determined by June 2011. The evaluation, to be completed in 2012, will solidify the summer program's level of proof by evaluating the impact of summer learning on students' academic engagement and performance throughout the school year across multiple, geographically diverse sites. If this evaluation confirms the initial RCT findings, we believe it will position BELL as the premier summer learning intervention in the country.

Current Evidence of Effectiveness: Proven (summer program)

Projected Evidence of Effectiveness by FY14: Proven (summer program)

Population & Geography

The vulnerable population BELL serves and the educational outcomes its summer program achieves are priorities for the EMCF SIF portfolio, and so are the three new states—California, North Carolina and South Carolina—in which BELL is developing plans to expand in addition to the five states where it is already active. Approximately 61 percent of summer scholars are between the ages of 9 and 15. In FY11, BELL's summer program will enable a projected 7,391 youth in grades K-8 who are falling academically behind to gain core academic skills so they can transition successfully into middle and high school.

Leadership & Growth

Led by a solid team and seasoned board, BELL is particularly strong in its program and evaluation capacity and has been in the forefront of evidence-based afterschool and summer programming. CEO Tiffany Cooper Gueye, who has a PhD in Educational Research, Evaluation and Measurement and is widely recognized as an authority on combating summer learning loss among low-income youth, is supported by a senior team with expertise in finance and operations and long tenure with the organization. The team has a deep understanding of school district markets and the ability to identify potential new markets. A search is underway for a chief development officer.

BELL has a long track record of strong relationships with parents, scholars, teachers and schools, as well as history of growth. The 14,851 youth BELL will serve in its FY11 summer and afterschool programs represent a 31 percent increase over the past three years.

Financial & Operational Strength

BELL's financial position is strong but undergoing an important shift. In the past, BELL relied heavily on Supplemental Education Services (SES) funding as its economic engine. Given the instability and uncertainty of this funding as reauthorization of Elementary and Secondary Education Act approaches, BELL is shifting toward a financial model driven by contracts with school districts. At present BELL is straddling these two models, still receiving SES funding while also operating on contracts with several school districts. BELL's balance sheet and overall financial health are sufficiently solid to support the organization as it makes the transition. BELL has also enjoyed fundraising success recently, securing, for example, \$4 million over three years from the Wallace Foundation to support expansion of summer learning opportunities. This suggests BELL could meet the SIF match requirement. BELL is well-

positioned to absorb a SIF investment and to comply with standards for the receipt of federal funding, since it has recently had A-133 audits with no findings.

Over the past several years BELL has built its internal capacity to support its operations and ready itself for growth. It has continued to develop its performance management and online training systems, which can support the program staff and the organization as it scales dramatically. BELL has also refined processes for recruiting, hiring, and launching new sites, preparing the organization for efficient expansion.

Risks and Issues the Foundation Will Monitor

- Whether BELL can secure multi-year school district contracts and build a pipeline of interested districts to help the organization meet its sustainability goals.
- Whether the new evaluation of BELL's summer program will find positive outcomes sustained over the school year.

Previous EMCF Support

Total Foundation Support: \$6.5 million

Amount and Purpose of Last Grant: \$5 million in 2007 to support the implementation of its FY 2008 - 2011 strategic plan, primarily to expand its afterschool program.

Phase 1 Review Team: Teresa Power, Jason Snipes, Shazeen Virani (Bridgespan)

Phase 2 Due Diligence Team: Ralph Stefano, Liz Bender, Partheev Shah, Jason Snipes

SIF INVESTMENT SUMMARY

March, 2011

CAS–Carrera Adolescent Pregnancy Prevention Program

New York, NY

Investment

EMCF has approved a three-year investment in the Children’s Aid Society–Carrera Adolescent Prevention Program (CAS-Carrera), with a first-year award of \$1.5 million, to create of a National Accreditation and Training Center to provide technical assistance to local organizations replicating its afterschool program in up to eight states; establish its in-school program at sites in Oklahoma and, potentially, three additional states; and evaluate the in-school model. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$2 million, for an overall investment of up to \$3.5 million over three years.

States this investment will support growth in: CAS–Carrera is developing plans to expand in Oklahoma, North Carolina, South Carolina and Arkansas (the in-school or afterschool model, depending on the community); and in Delaware, Florida, Georgia, Illinois, Michigan, New Jersey, New York, North Carolina and West Virginia (afterschool model).

Number of youth this investment will serve: CAS–Carrera is developing plans to serve a total of 10,000-11,000 young people between 2012 and 2014, an increase of up to 50 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

Executive Director: Richard Buery, President and CEO of Children’s Aid Society; Dr. Michael Carrera, founder and Executive Director of CAS-Carrera

States and locations currently active in: New York, Michigan, Ohio, Connecticut, and Washington, DC

Number of youth currently served: 1,970

Expense Budget: In FY11, Children’s Aid Society - \$100.6 million; CAS-Carrera - \$7.5 million

Program summary: The Carrera Adolescent Prevention Program, a program of the Children’s Aid Society, is an evidence-based pregnancy prevention model that helps young people avoid becoming parents during the second decade of their lives. Its model is grounded in the belief that young people are “at promise” not “at risk.” Founded in 1984 by Dr. Michael Carrera, this holistic, “above the waist” program combines daily academic enrichment, weekly exposure to the world of work, mental health services and family life and sexuality education, and comprehensive no-cost medical and dental services, as well as self-expression and lifetime individual sports. The program engages young people year-round, beginning in the fifth or sixth grade, and continues through graduation from high school and beyond. The program is currently delivered in two modes: a proven afterschool model that currently serves approximately more than 310 youth in Michigan, Ohio, Connecticut and Washington, DC; and an innovative adaptation of the afterschool model that is integrated into the school day and currently serves 1,655 youth in four schools in New York City.

Rationale for Investment

CAS-Carrera is one of very few pregnancy prevention programs in the country with top tier evidence of its effectiveness, and it is now poised for expansion thanks to new U.S. Department of Health and Human Services (HHS) funding to assist other organizations replicating CAS-Carrera’s proven afterschool model. This recently established revenue source creates a new opportunity for growth and enhances the program’s long-term sustainability as it grows to serve many more youth through new partners in eight states. It also creates a need for a National Accreditation and Training Center to ensure that both the in-school and the afterschool models are replicated with fidelity. CAS–Carrera plans to establish a Center in North Carolina, and potentially another in Oklahoma, with support from the EMCF SIF grant. This investment will also enable CAS-Carrera to pursue new opportunities to strengthen its integrated in-school model by implementing it directly in Oklahoma and, potentially, three additional states where there is strong local interest. (Two of these, North and South Carolina, are, like Oklahoma, geographic priorities for the EMCF SIF portfolio.) Expanding in-school sites is of special importance because these are likely to achieve additional economies of scale as they grow and add classes, reducing the program’s cost from roughly \$3,000 per youth during the first year in operation to \$2,000 by the third year. Finally, this grant will also support an evaluation that advances the evidence base for CAS–Carrera’s in-school model for pregnancy prevention, an EMCF priority outcome area.

What This Grant Will Support

CAS-Carrera’s new growth trajectory will nearly double the numbers of CAS-Carrera’s partners and youth served. The SIF investment will be evenly divided among planning and support for: 1) establishing in-school sites directly operated by CAS-Carrera in Oklahoma and, potentially, three other states; 2) creating a National Accreditation and Training Center to help organizations replicate the in-school and afterschool models with fidelity in new communities; and 3) beginning an external evaluation of its in-school model. CAS-Carrera is a current EMCF grantee, but none of these activities has been funded by previous EMCF investments. Immediate support for the evaluation is critical in order to ensure a proper comparison group. Successful findings from this evaluation hold the promise of demonstrating CAS-Carrera’s program can be delivered with high fidelity in a broader, more cost-effective model.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Exceptional	Strong	Strong	Moderate
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Exceptional	Exceptional	Very Strong	Exceptional
Overall Rating: Exceptional			

Program & Evidence

CAS-Carrera serves young people in communities of need through an afterschool model that serves youth within a geographic area in an out-of-school-time setting, and an in-school model that is fully integrated into the daily schedule of a private, charter or traditional public school. The afterschool model is one of the few fully evaluated teenage pregnancy prevention programs with proven

effectiveness. A randomized controlled trial evaluation conducted from 1997-2000 and follow-up surveys in 2001-2003 by Philliber Research Associates showed statistically significant outcomes:

- Female participants were 40 percent less likely to have ever been pregnant and 50 percent less likely to have ever given birth.
- Male participants showed substantial knowledge gains, greater use of medical care other than the emergency room, and higher rates of visits to reproductive health-care clinics and vaccination for hepatitis B.
- Males and female participants were 16 percent more likely to have had some work experience, 30 percent more likely to have graduated from high school or obtained a G.E.D, and 37 percent more likely to be enrolled in college.

According to the nonprofit, nonpartisan Coalition for Evidence-Based Policy, CAS–Carrera’s evidence of effectiveness is “Top Tier.”

CAS–Carrera plans to launch in 2011 a quasi-experimental evaluation by Philliber Research Associates of its integrated in-school model. This evaluation will use a lagged cohort design with network analysis to investigate academic and reproductive health outcomes. Plans are also in place for Philliber to conduct a random assignment evaluation of the afterschool program in Chicago, starting in 2012.

CAS-Carrera has shown a strong commitment to tracking outcomes, putting in place processes to implement with fidelity, and developing additional evidence of both models’ effectiveness. A strong internal performance management system can track the number of youth served, basic demographics, and collect data at every site for every program component. Robust fidelity systems are in place for indirect as well as direct implementation of both models.

Current Evidence of Effectiveness: Proven (afterschool); High-Apparent (integrated in-school)

Projected Evidence of Effectiveness by FY14: Proven (afterschool); Demonstrated (integrated in-school)

Population & Geography

CAS–Carrera is one of the very few programs with proven outcomes in one of EMCF’s core outcome areas: reducing teenage pregnancy and other high-risk behaviors among low-income youth. This investment will enable CAS-Carrera to implement its integrated in-school model in Oklahoma and, potentially, in two other states, North and South Carolina, that are, like Oklahoma, geographic priorities for the EMCF SIF portfolio.

Leadership & Growth

Under Dr. Michael Carrera, the program has grown in both size—a 13 percent increase in youth served over the last three years—and prestige. Having led this work for 40 years, Dr. Carrera is a nationally recognized spokesperson for holistic pregnancy prevention. Planning for succession and creating a strong senior management team have become increasingly important. CAS is undergoing a significant re-organization but remains committed to CAS-Carrera, providing financial backing, political support and fundraising capacity to support growth.

Financial & Operational Strength

CAS-Carrera is well-positioned to absorb a SIF grant. CAS has experience with government funding and has proven compliant in past A-133 audits. Its board members and senior staff are committed to supporting CAS-Carrera and to helping raise the SIF match. The CAS-Carrera program has its own

revenue and expense budget, which has grown 27 percent in the past three years. Recently the program has had some success expanding its pipeline of private funders.

CAS-Carrera has strong data and fidelity management systems, although managing the organization at a much greater scale will require additional capacity. Its priorities are enhancements to the senior leadership team, additional national office capacity in fiscal management and fundraising, and improvements to the data system.

Risks and Issues the Foundation Will Monitor

- Whether rigorous evaluation of the afterschool model and the quasi-experimental study of the integrated school model confirm or raise CAS-Carrera's current level of evidence.
- Whether the program can build staff and capacity quickly enough to manage the fidelity and training that indirect service growth funded by HHS will require.
- Whether the Children's Aid Society, Dr. Carrera and his team can create a succession plan that ensures a smooth transition and long-term viability for the organization.

Previous EMCF Support

Total Foundation Support: \$10.1 million

Amount and Purpose of Last Grant: \$5.5 million in 2010 to support implementation of its FY11-13 business plan

Phase 1 Review Team: Liz Bender, Woody McCutchen, Jason Snipes

Phase 2 Due Diligence Team: Lissette Rodriguez, Gabriel Rhoads, Adam Mizrahi (1)

SIF INVESTMENT SUMMARY

March, 2011

Center for Employment Opportunities (CEO)

New York, New York

Investment

EMCF has approved a three-year investment in the Center for Employment Opportunities (CEO), with a \$2.25 million first-year award, to support new replication in Oklahoma and California, expansion in upstate New York, and a second evaluation of its employment model. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$3.75 million, for an overall investment of up to \$6 million over three years.

States this investment will support growth in: Oklahoma, California, and upstate New York

Number of youth this investment will serve: CEO is developing plans to serve a total of 850-900 young people, ages 18-24 in Oklahoma, California and upstate New York between 2012 and 2014, an increase of up to 75-85 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

Executive Director: Mindy Tarlow

Locations currently active in: New York City, Buffalo, Albany, Rochester and Syracuse, NY

Number of youth currently served: 1028 in FY11

Expense Budget: \$20.1 million in FY11

Program summary: CEO helps meet the employment needs of people with criminal convictions at their most vulnerable point—soon after conviction or upon release from incarceration—so they are less likely to re-offend and more likely to build a positive foundation for themselves and their families. Since becoming an independent organization in 1996, CEO has provided immediate transitional jobs for thousands of formerly incarcerated individuals and made over 15,000 full-time job placements. While CEO serves adults of all ages, 30 percent of current participants are 18-24 and disproportionately minority and poor. CEO has been part of an MDRC random assignment study since 2005, and the study's final results, to be released later this year, found that the program significantly reduced recidivism through three years of follow-up—an outcome described by the evaluators as “rare”—and resulted in cost-savings for taxpayers.

Rationale for Investment

CEO's program is one of very few proven to reduce recidivism among youth recently released from prison. CEO is a current EMCF grantee, and previous EMCF support helped CEO demonstrate its ability to successfully replicate its model outside its home base of New York City while maintaining program fidelity and strong outcomes. Today, CEO has a unique opportunity to pursue significant growth that will position it as a national exemplar for how to serve formerly incarcerated youth—a population with great needs and facing great obstacles that seldom receives assistance. This EMCF SIF investment will catalyze

the funding CEO needs to pursue new growth and evaluation opportunities that have emerged since EMCF’s previous support, and demonstrate a successful expansion of the model in new geographies. If CEO is successful, it can be expected to increase employment and reduce recidivism and poverty among an exceptionally hard-to-employ population.

What This Grant Will Support

EMCF SIF funding will enable CEO to establish new sites in California and Oklahoma. It will replicate its model to serve youth ages 18-24 in two California communities, currently identified as San Diego and Fresno, and support the establishment of its own program in Oklahoma (as well as provide employment support to a local organization serving women with histories of substance abuse in the state). This investment will also significantly expand the numbers of youth served in upstate New York, where EMCF’s previous investment supported successful expansion pilots. Additional service growth in this region will be highly unlikely without this EMCF SIF support, and growth in upstate New York is necessary before CEO can undertake additional evaluation.

This grant will also allow CEO to build on its evidence base and undertake a currently unfunded second rigorous evaluation of its model to determine whether recent job retention improvements to its program result in greater employment outcomes. Positive findings from this evaluation will be critical to establishing CEO’s long-term sustainability. With EMCF SIF funding, CEO will also make two programmatic and operational refinements likely to improve the organization’s outcomes and financial position: 1) enhance its CEO Academy and other vocational education opportunities, and 2) increase the amount of earned income generated by expansion sites to cover, when they are fully operational, 80 percent of costs for its Transitional Jobs program, mirroring the economic model of the New York City program. By the end of this investment, EMCF expects that CEO will demonstrate that its model can be successfully replicated in population centers of varying characteristics (urban, suburban and rural) with rates of impact and success similar to those in New York State, solidifying the organization’s leadership in combating youth recidivism.

CEO will continue to support its New York City programs with EMCF’s previous investment as well as funding from local philanthropists and government agencies.

Note: CEO is also part of another SIF intermediary’s portfolio, and plans are in place to ensure that these investments do not overlap. Specifically, the intended use of funds from a REDF SIF grant is differentiated from the intended use of funds from an EMCF SIF grant both geographically (only REDF SIF funds would be used to replicate the CEO model in Oakland) and by age (outside Oakland but within California, CEO will use REDF funds only for direct vocational support of people with criminal convictions over age 25).

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Exceptional	Exceptional	Exceptional	Exceptional
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)

Exceptional	Exceptional	Exceptional	Exceptional
Overall Rating: Exceptional			

Program & Evidence

CEO has a strong program model shown to reduce recidivism significantly at its New York City sites. CEO participated as one of four sites in MDRC’s Hard to Employ Project evaluation, launched in 2004. Three-year findings from this randomized controlled trial indicated that CEO participants experienced a:

- 17 percent reduction in arrest rate,
- 22 percent reduction in convictions, and
- 26 percent reduction in incarcerations for a new crime.

To strengthen its evidence base further, CEO will engage MDRC to develop a comprehensive evaluation plan. In the next three years a second randomized controlled trial evaluation will be conducted that will build on the first by testing the impact of vocational enhancements on recidivism and employment outcomes. A central tenet of the evaluation plan will be to demonstrate whether upstate New York replications are achieving similar outcomes for recidivism, as well as greater employment outcomes.

CEO relies on a sophisticated internal performance management system capable of tracking and reporting in real-time the demographics and participation of individual clients, staff activities, and short- and long-term outcomes.

Current Evidence of Effectiveness: Proven

Projected Evidence of Effectiveness by FY14: Proven

Population & Geography

Thirty percent of the people CEO currently serves are ages 18-24 and represent an especially vulnerable and hard-to-reach population. These youth have great needs in all three of the Foundation’s outcomes areas—education, employment and reduction of risky behaviors—and CEO has proven effective in the second and third of these areas. Scenario-based growth planning to be completed by June 2011 will confirm and refine a preliminary projection that by FY 2014 CEO will serve at new and current sites across the organization a total of 1,800-1,900 of these young people, nearly doubling the number it served in FY10. The two new states to which CEO plans to expand, Oklahoma and California, are geographic priorities for EMCF SIF investments.

Leadership & Growth

CEO has successfully managed growth, increasing the number of youth it serves by 37 percent in the past three years, and replication in upstate New York. It will add leadership positions as it expands to new geographies. Management staff are adept relationship builders, which is critical to the success of the model, since it relies on close partnerships with parole offices and employers. CEO Mindy Tarlow is considered a pioneer in the field, with well-established relationships with local and state government officials.

Financial & Operational Strength

Much of CEO’s revenue comes from reliable, renewable government sources, and its expense budget has grown by 36 percent in the past three years. EMCF believes CEO can absorb a SIF investment,

develop new sites with sustainable revenue streams from transitional employment contracts, and comply with federal regulations. CEO has successfully undertaken an A133 audit. Private donors have expressed interest in helping CEO meet its matching fund requirement. CEO's business plan includes contingency scenarios, and it plans to more than triple the size of its reserve to \$3.8 million by 2014.

CEO is prepared for growth and has built up its organizational capacity in advance, including hiring staff familiar with the communities in which it seeks to replicate. It now has a regional management structure to support its growth, and is adding quality assurance and internal audit capacity to manage growth with quality. This expertise should enable CEO to embed itself in new communities and become a favored service provider.

Risks and Issues the Foundation Will Monitor

- Whether the evaluation of the upstate New York replications will produce impacts that confirm the current evidence base.
- Whether CEO can continue to navigate parole/offender policy environments successfully, and secure strong talent to lead replication at new sites in California and Oklahoma.

Previous Support

Total Foundation Support: \$11.75 million

Amount and Purpose of Last Grant: \$2 million in 2010 to support early implementation of CEO's FY 2011–FY 2013 business plan.

Phase 1 Review Team: Kelly Campbell (Bridgespan), Teresa Power, Woody McCutchen

Phase 2 Due Diligence Team: Kelly Fitzsimmons, Gabriel Rhoads, Samantha Fernandez (Bridgespan), Adam Mizrahi

SIF INVESTMENT SUMMARY

March, 2011

Children's Home Society of North Carolina

Greensboro, NC

Investment

EMCF has approved a three-year investment in Children's Home Society of North Carolina (CHS), with a first-year award of \$2 million, to expand two innovative youth-serving programs throughout North Carolina. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$4 million, for an overall investment of up to \$6 million over three years.

States this investment will support growth in: CHS seeks to expand its scope of services and footprint throughout North Carolina.

Number of youth this investment will serve: CHS is developing plans to serve, between 2012 and 2014, a total of 350-500 youth ages 9-24 with its Family Finding program, an increase from 41 to date; and a total of 600-1,100 youth with its Wise Guys program, an increase of 25 to 46 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

President & CEO: Ken Tutterow

Locations currently active in: Sixty North Carolina counties

Number of youth currently served: In all its programs, CHS served 4,112 youth in the 9-24 age range in FY10.

Expense Budget: \$13 million in FY11

Program Summary: CHS provides a range of services to youth, with an emphasis on child welfare. The EMCF SIF grant will focus on two of these services: the Family Finding and Wise Guys programs. The first is an intensive intervention to identify and engage family members and other resources in the lives of youth who are in or aging out of foster care. Family Finding staff is specially trained, carry small caseloads (about five) and spend three to four months working with each youth. A focus group of NC Division of Social Services personnel described Family Finding staff as "detectives" able to learn things about family members that social workers had not uncovered in all the time they worked with a youngster. Wise Guys is a 12-session teen pregnancy prevention program that informs middle-school males about appropriate sexual behavior, including abstinence and contraception, as well as communication and healthy relationships.

Rationale for Investment

Family Finding and Wise Guys are unique programs with the potential to produce transformative impacts, one for a population that is a priority for the EMCF SIF portfolio, youth in foster care, and the other in an outcome area that is a priority, reduction of teen pregnancy and other risky behaviors. Linking foster care youth to relatives or responsible adults is not widespread in the U.S. because of the

time and resources it requires, but it shortens the period of time a young person is in foster care, and even program participants who remain in foster care benefit from a permanent, stable relationship with a caring adult. Wise Guys is unusual in focusing exclusively on young men rather than the young women on whom most teen pregnancy prevention programs concentrate, and a randomized controlled trial has confirmed its positive impact. CHS has an opportunity to expand both programs throughout North Carolina. An EMCF SIF investment will deliver high-quality programming to far greater numbers of vulnerable youth across the state, which is a geographic priority for the EMCF SIF portfolio. And the successful expansion of these programs may inspire organizations in other states to adopt them.

What This Grant Will Support

An EMCF SIF investment will enable CHS to increase the number of youth aged 9-24 served by the Family Finding program from 41 last year, at an average cost per case of \$10,000, to more than 500 by FY14, at an average cost of \$8,250. Wise Guys currently serves 2,400 youth, and CHS expects to expand the program to additional counties and reach 3,000 to 3,500 young people by FY14, at a cost per youth of approximately \$300 per youth. Scenario-based planning to be completed by June 2011 will confirm or adjust these figures, which may be conservative. Even so, the growth in youth served that an EMCF SIF investment will make possible is dramatic, and so are the economies of scale and the savings in reduced public expenditures on foster care and teen births and families.

CHS also implements the Wise Guys teen pregnancy prevention curriculum, which is delivered in middle schools and community centers. Parental consent is required. Wise Guys staff also train other trainers around the country to deliver the curriculum. A random assignment study by UNC Greensboro was completed in 2011 and published in the peer-reviewed *Journal of School Health*. It reported greater knowledge of sex and reproductive biology and STD transmission, and higher rates of desirable attitudes toward sex and appropriate sexual behavior.

CHS senior staff is committed to proving the organization’s models through formal evaluation. It plans to select a comprehensive, agency-wide management information system by July 2011 and phase in it over six to 12 months.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Strong	Exceptional	Exceptional	Exceptional
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Exceptional	Exceptional	Exceptional	Exceptional
Overall Rating: Exceptional			

Program & Evidence

The Family Finding program helps youth and key informants (e.g. social workers, other family members, family friends) develop a list of people important in a young person’s life. Family Finding staff then approach these people and try to connect them with the youth. The goal is to reduce foster care placements and substantiated claims of abuse and neglect while in foster care. CHS also believes this program can lead to positive outcomes for youth on a variety of quality-of-life measures. CHS is currently participating in a random assignment evaluation, conducted by Child Trends, to determine the impacts of Family Finding services. The evaluation pools participants served by CHS with those served by

the North Carolina Division of Social Services. Although it will not be possible to disaggregate results for only CHS participants, results from the evaluation should be sufficient to consider the program's level of evidence as demonstrated. Interim results will be available in 2012, and final results in 2013.

Current Evidence of Effectiveness: High-Apparent (Family Finding); Proven (Wise Guys)

Projected Evidence of Effectiveness by FY14: Demonstrated (Family Finding); Proven (Wise Guys)

Population & Geography

Family Finding serves young people in and aging out of foster care, a population that is a priority for EMCF, while Wise Guys reduces risky sexual behavior among adolescent males, an outcome that is a priority for the Foundation. The state of North Carolina, in which CHS operates, is a geographic priority for EMCF SIF investments.

Leadership & Growth

Led by CEO Ken Tutterow, all of CHS's excellent senior management has been with the organization for at least nine years, and most for well over ten. It has led the organization through several successful strategic mergers that have increased the number of youth served by 933 percent in three years while maintaining the CHS culture across the organization, and it has developed strong relationships with state and county Department of Social Services officials and key local funders.

Financial & Operational Strength

CHS is in good financial health. Revenues have varied over the last three years, but its annual growth rate has averaged 17 percent. Funding for the Family Finding program comes from reliable, renewable sources. Funding for Wise Guys is less reliable, but the cost is much lower. CHS is poised to absorb and manage an EMCF SIF grant. In the past six months, it has added finance staff, and it has been through A-133 audits with no significant findings. CHS has strong relationships with local funders, including the Duke Endowment, and is well-positioned to raise at least a portion of the match.

Operations systems are strong. The organizations it recently absorbed through two mergers brought with them good systems that have been incorporated into CHS.

Risks and Issues the Foundation Will Monitor

- Whether the Family Finding evaluation shows positive outcomes.
- Whether the current strategy of growth through mergers continues to expand CHS's reach.
- Whether the state and county Department of Social Services develop concerns that CHS is becoming a monopoly and divert funding to other agencies.
- Whether the state or counties choose to implement Family Finding services directly through government agencies rather than through private organizations.

Phase 1 Review Team: Rob Ivry (MDRC), Shazeen Virani (Bridgespan), Liz Bender

Phase 2 Due Diligence Team: Woody McCutchen, Teresa Power, Sarah Najarian, Adam Mizrahi, John Martinez (MDRC), Emily Schneider (MDRC)

SIF INVESTMENT SUMMARY

March, 2011

Children's Institute, Inc.

Los Angeles, CA

Investment

EMCF has approved a three-year investment in Children's Institute, Inc. (CII), with a first-year award of \$2 million, to support implementation of its plans to significantly increase the number of youth ages 9-24 it serves and evaluate its evidence-based programs. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$3 million, for an overall investment of \$5 million over three years.

Locations this investment will support growth in: Central Los Angeles and Watts

Number of youth this investment will serve: CII is developing plans to serve an additional 4,000 to 6,000 youth ages 9-24 between 2012 and 2014, an increase of 33 to 100 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

Executive Director: Mary Emmons

Locations currently active in: Central Los Angeles and Watts

Number of youth currently served: 18,000, of which approximately 30 percent, nearly 3,000, are ages 9-24.

Expense Budget: \$41 million in FY11

Program Summary: CII is a multiservice organization serving children, youth and families involved in the foster care and juvenile justice systems. Its services are grouped into four domains: clinical (intensive family-based services and mental health services), family support (parent education), enrichment (arts and recreation), and early education (Early Head Start). Across all four domains, CII identifies and treats trauma experienced by economically disadvantaged young people and tries to address an entire family's needs (not just the youth's) by providing wraparound evidence-based practices so a young person and his/her family receive all the treatment and services they need. These programs have independently been shown to reduce gang involvement, raise academic performance, improve school attendance, and promote family reunification and preservation. EMCF's due diligence concentrated on the clinical services, including multi-dimensional treatment foster care, functional family therapy, and trauma-focused cognitive behavioral therapy. These are CII's most widely used evidence-based programs and serve the most youth in EMCF's target population.

Rationale for Investment

Children's Institute, Inc. is a highly promising community-based organization delivering multiple evidence-based programs in communities of great need in the Los Angeles metropolitan area. It helps very troubled youth, typically involved in foster care or the juvenile justice system, improve their life

prospects and avoid gang involvement. An EMCF SIF investment will enable CII to serve greater numbers of youth ages 9-24 in two of the poorest, most isolated urban communities in the country, Central Los Angeles and Watts. It will also provide an opportunity to explore how a multiservice organization can best build an evidence base for the effectiveness of its multiple programs.

What This Grant Will Support

Over the next three years, CII will expand its operations to serve 4,000 to 6,000 youth aged 9-24 at its new Otis Booth campus in Central Los Angeles and its site in Watts. CII will build up its program in Watts to mirror the comprehensive mix of supports now available at its Otis Booth location. The organization will also undertake external evaluations of its evidence-based programs. Once CII’s evaluation plans have been finalized within the next three months, EMCF will determine whether a portion of the evaluation work will be covered under this grant.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Strong	Exceptional	Exceptional	Exceptional
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Very Strong	Exceptional	Exceptional	Exceptional
Overall Rating: Exceptional			

Program & Evidence

CII implements evidence-based practices whose outcomes include reduced gang involvement, academic improvement, improved school attendance, and family reunification and preservation. Because adherence to evidence-based programs such as Trauma-Focused Cognitive Behavior Therapy, Functional Family Therapy and Multidimensional Treatment Foster Care is assessed by program supervisors rather than by third-party evaluators, and based on internally reported outcomes such as school attendance, grade promotion and risk avoidance, the due diligence team concluded that CII’s evidence of effectiveness is High-Apparent. CII is eager to explore evaluation options and seeks assistance in this area. The due diligence team considered several alternatives, and MDRC is confident that CII will be able to advance to a demonstrated level of effectiveness within three years. Potential options include:

- Conducting an independent, third-party evaluation of the fidelity of CII’s implementations of evidence-based therapies, or
- Taking advantage of the centralized outcome tracking and natural randomization in the Los Angeles County referral process to conduct a randomized controlled trial comparing CII’s outcomes to those of other LA service providers.

CII collects data for all its services and is interested in developing and implementing an organization-wide management information system. The EMCF SIF grant will contribute to the cost of such a system.

Current Evidence of Effectiveness: High-Apparent

Projected Evidence of Effectiveness by FY14: Demonstrated

Population & Geography

CII serves some of the most vulnerable and hardest-to-reach young people, many of them involved in the juvenile justice and/or foster care systems, in two of the poorest communities in California, a geographic priority for EMCF SIF investments. CII's evidence-based programs are designed to achieve outcomes in the areas of education (such as improved school attendance) and reduction of risky behaviors (such as gang activity) that are EMCF priorities.

Leadership & Growth

The highly regarded senior management team includes several PhDs who have been with CII for well over a decade. It has doubled the number of youth served in less than five years, while over three decades the executive director has increased annual revenues from a little over \$1 million to more than \$35 million. The leadership team has a clear vision of future growth and a clear sense of what gaps in capacity need to be filled. These include data systems, a strengthened regional management structure (including government affairs), and cross-training.

Financial & Operational Strength

CII has increased revenue an average of 12 percent annually since 2007, while many organizations have experienced difficulties. It has a strong base of highly educated and certified staff, and plans a significant investment in IT systems within the next year. While relying heavily on government contracts, CII has cultivated major funding relationships and multiple funding streams. It has had clean A-133 audits and has a very tight financial management system.

Risks and Issues the Foundation Will Monitor

- Whether CII can implement an organization-wide outcomes tracking and performance management system.
- Whether it can complete a rigorous evaluation within three years that is consistent with its growth plans.
- Whether it can develop a feasible succession plan for senior management.

Phase 1 Review Team: Liz Bender, Shazeen Virani (Bridgespan), Woody McCutchen

Phase 2 Due Diligence Team: Alex Neuhoff (Bridgespan), Teresa Power, Shazeen Virani (Bridgespan), Adam Mizrahi, John Martinez (MDRC), Emily Schneider (MDRC)

SIF INVESTMENT SUMMARY

March, 2011

Communities in Schools (CIS)

Arlington, VA

Investment

EMCF has approved a three-year investment in Communities in Schools (CIS), with a first-year award of \$2.25 million, to support its expansion to an estimated 66 new schools in three states. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$3.75 million, for an overall investment of up to \$6 million over three years.

States this investment will support growth in: California, North Carolina and South Carolina

Number of youth this investment will serve: CIS is developing plans to reach a total of 149,000 students in California, North Carolina and South Carolina between 2012 and 2014, an increase of up to 38 percent. 14,000 young people at greatest risk of dropping out will receive intensive Level II services, an increase of up to 46 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

President: Dan Cardinali

States and locations currently active in: Alaska, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Mississippi, Nebraska, New Jersey, New York, Nevada, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington, West Virginia, and Washington, DC

Number of youth currently served: 1.3 million in the 2008-2009 school year

Expense Budget: \$14 million in FY11

Program summary: CIS serves economically disadvantaged students in grades K-12 who are at greatest risk of dropping out of school. It seeks to reduce the number of dropouts by coordinating and integrating the delivery of community-based services into schools. At each participating school, a CIS coordinator conducts a needs assessment to identify the priority needs of students and then works with school staff to bring in resources that meet these needs. The CIS coordinator develops strategic partnerships with local providers to offer Level I services to the entire student body, and arranges more intensive case management support, or Level II services, for the 5 to 10 percent of students identified as most likely to fall behind academically or drop out. CIS currently works in 3,400 schools and has 181 local affiliates in 25 states and Washington, DC. It also operates 12 regional offices in states with the largest CIS presence.

Rationale for Investment

CIS has been identified as one of the nation's leading dropout prevention programs. The organization has the strong leadership, the capacity, the network and the financial resources to undertake significant

growth. CIS has made considerable strides in aligning its growth plan with its new data management system and efforts to standardize implementation of the program model and strengthen fidelity across its vast network. It is committed to building its evidence base, and the evidence to date indicates its program, when implemented with high fidelity, is effective at reducing dropouts and at improving math and reading scores among fourth- and eighth-graders, students within the 9-24 age range of EMCF's target population. We are confident additional evaluation will quickly advance CIS to demonstrated effectiveness. CIS is poised to continue expanding in communities of need, including North Carolina, South Carolina and California, which are geographic priorities for the EMCF SIF portfolio. An EMCF SIF investment in CIS would accomplish three goals: 1) expand CIS's Level II services for students at greatest risk of dropping out and help them stay in school and graduate on time; 2) improve the quality of all services throughout the entire CIS network; and 3) deliver a cost-effective solution to the national dropout crisis to greater numbers of schools and students across the country, demonstrating how a promising program can be expanded to even greater scale.

What This Grant Will Support

An EMCF SIF investment will help CIS replicate its model in 41 of the highest-need high schools, 16 middle schools, and nine elementary schools in North Carolina, South Carolina and California. In all, CIS will reach an estimated 44,000 additional students in these three states, including 4,400 who will receive Level II services. (A comprehensive, scenario-based growth plan to be completed by June 2011 will confirm or adjust these preliminary projections of schools and students served.) This investment will also strengthen key internal capacities, filling strategic positions in field operations and enhancing CIS's all-important fidelity management system. Improving this system will make it more likely that a rigorous evaluation can advance CIS to demonstrated effectiveness. Once the organization's evaluation plans have been finalized within the next three months, EMCF will determine whether a portion of the evaluation work will be covered under this grant.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Strong	Exceptional	Very Strong	Exceptional
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Very Strong	Strong	Exceptional	Exceptional
Overall Rating: Exceptional/Very Strong			

Program & Evidence

CIS seeks to improve student achievement by marshaling community supports and creating programs to address both the academic and social needs of individual students as well as whole schools. CIS provides services to students and schools of need that more resource-rich schools take for granted (e.g., field trips and workshops) and that traditional counselors do not provide (e.g., outreach to parents and mental health referrals). CIS offers two levels of services. Level I or preventive services are light-touch interventions available to the entire school, largely on a volunteer basis. Level II or interventional

services are more intensive supports targeted to a subset of students with special behavioral, mental health, or academic needs. Level II services support students identified at greatest risk of dropping out and help them stay in school and graduate on time. CIS reports (on the basis of data collected internally) that at the end of the 2008-09 school year, 91 percent of students receiving its services and monitored for promotion risk advanced to the next grade; 84 percent of monitored seniors graduated; and 97 percent of students monitored as potential dropouts remained in school.

In October 2010, an independent evaluator, ICF International, completed a multi-part, five-year evaluation of the CIS program that included a quasi-experimental school-level study and three youth-level randomized controlled trials conducted in Jacksonville, Austin and Wichita. These yielded positive findings with regard to grades and attendance. Although the findings were not definitive, the studies, taken together, suggested that youth may benefit from the comprehensive CIS model (Levels I and II) and from the Level II services alone. The due diligence team has taken a conservative approach and assessed CIS's level of evidence of effectiveness as High-Apparent. The research is being submitted to peer-reviewed journals, including the *Journal of Education for Students Placed at Risk*. CIS is committed to further evaluation to advance its level of evidence and is planning additional research to secure more definitive evidence of the effectiveness of its Level I and II services.

Although the organization began as a loose grassroots network without shared standards, in recent years CIS National Office has successfully developed an accreditation process, which it calls the Total Quality System (TQS), to ensure affiliates implement a standardized program model and uphold programmatic standards. Thirty-four of CIS's more than 180 affiliates are accredited, and most of the others are working toward accreditation. The introduction of TQS has improved fidelity across the network and begun to standardize as well as increase the provision of Level II services.

Current Evidence of Effectiveness: High-Apparent

Projected Evidence of Effectiveness by FY14: Demonstrated

Population & Geography

CIS's Level II services target a population that is central to EMCF's SIF strategy, youth at greatest risk of dropping out, and it plans to expand in three states that are geographical priorities: California, North Carolina and South Carolina.

Leadership & Growth

Seasoned professionals compose a strong senior team. CIS recently increased leadership capacity in two key areas, development and marketing. CIS also has an extraordinarily strong board headed by Elaine Wynn, a high-profile business leader and philanthropist. Although CIS experienced a 7 percent decline in youth served from the 2007-2008 to the 2008-2009 school year, due largely to contraction after it implemented a new fidelity and quality management system, the number of students SIS served increased between 5 and 8 percent during each of the three previous school years.

Financial & Operational Strength

Overall, as a network, CIS affiliates appear stable, with a budget of \$240 million. About \$200 million of this is public money, and \$40 million is private. A third of the public money is fee for service revenue from school districts, a third comes from federal sources, and the remaining third from state sources. Affiliates face funding challenges as states and localities deal with large deficits. CIS National, with its strong board and foundation relationships, is funded primarily by private sources.

CIS has a strong, lean, well-structured team at the national level. It is aware of some staffing gaps and has included a hiring strategy in its most recent growth plan. CIS's newly expanded development team is well qualified and positioned to expand marketing and fundraising. The organization's systems have improved significantly over the past few years.

Risks and Issues the Foundation Will Monitor

- Whether CIS continues to transform its network from a loose affiliate model to firmer central control of the program model and a commonly defined set of outcomes.
- Whether CIS continues to support additional evaluation and quality improvement despite the favorable attention its program is already receiving.
- Whether CIS's economic model is weakened by state and school district budget cuts and/or insufficient fundraising by the national office.

Phase 1 Review Team: Liz Bender, Jason Snipes, Shazeen Virani (Bridgespan)

Phase 2 Due Diligence Team: Lissette Rodriguez, Teresa Power, Adam Mizrahi, Bethany Miller (MDRC), Emma Mackinnon (MDRC)

SIF INVESTMENT SUMMARY

March, 2011

Gateway to College National Network

Portland, OR

Investment

EMCF has approved a three-year investment in Gateway to College National Network (GtCNN), with a first-year award of \$2 million, to support a rigorous evaluation of its program and expansion to six new sites. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$1.5 million, for an overall investment of up to \$3.5 million over three years.

States this EMCF SIF investment will support growth in: GtCNN is considering expansion to Indiana, Kentucky, Louisiana, Mississippi and Tennessee, as well as in California, North Carolina, Pennsylvania and South Carolina, where it is currently active.

Number of youth this investment will serve: GtCNN is developing plans to serve a total of 2,900-3,800 young people between 2012 and 2014 in nine states it is targeting for growth with a SIF investment, an increase of 77 to 142 percent.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

President: Laurel Dukehart

States currently active in: California, Colorado, Georgia, Iowa, Massachusetts, Maryland, Missouri, North Carolina, Nebraska, New Jersey, New York, Oregon, Pennsylvania, South Carolina, Texas, Washington

Number of youth currently served: 3,653 in FY10

Expense Budget: \$6.5 million in FY11

Program Summary: GtCNN works with community colleges and school districts to implement the Gateway to College (GtC) model, an alternative education program that helps students who have dropped out of high school, or are at high risk of dropping out, earn a diploma while also earning college credits. All GtC classes are taught on college campuses, beginning with the “Foundation Experience,” in which students take courses in developmental reading, writing, math and college skills. They then transition to regular college classes and continue working toward high school diplomas and associate’s degrees. Resource specialists on GtC staff are advisors and mentors providing support that is vital to serving this population successfully. GtCNN provides training, technical assistance, professional development and program evaluation to each site—from planning through start-up and for as long as the program remains in the network.

Rationale for Investment

Over the last eight years, GtCNN has shown the promise of its program model to help youth who have dropped out or are at very high risk of dropping out of high school earn a diploma and an associate’s degree. GtCNN is now poised to demonstrate its effectiveness with an RCT that MDRC is scheduled to

launch in 2012. The organization has already shown that its model is replicable and scalable by making substantial progress on its business plan in recent years, including strengthening its capacity and infrastructure, expanding to 30 sites to date, and planning and support for rigorous evaluation. Its track record of results and scalability position GtCNN as the premier organization meeting the national challenge of reengaging disconnected youth with education, presenting a compelling investment opportunity that is closely aligned with the goals of the EMCF SIF portfolio.

What This Grant Will Support

This EMCF SIF investment will support GtCNN’s expansion to a total of 50 sites by 2014. Potential sites for replication include communities of need in California and North and South Carolina—geographical priorities for EMCF’s SIF portfolio—and six other states, increasing the number of low-income youth GtCNN serves in these regions by 750 to 1,650 young people. Scenario-based planning to be completed by June 2011 will determine the replication sites and confirm or adjust the youth-served projection. This investment will also support an evaluation that is expected to raise the evidence of GtCNN’s effectiveness to the demonstrated level within three years and generate valid estimates of program effects within a year after enrollment on intermediate outcomes such as credits earned, school attendance, risk-taking behavior, and attachment to school and the labor market.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Moderate	Strong	Strong	Strong
Overall Rating: 2nd Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Very Strong	Very Strong	Exceptional	Very Strong
Overall Rating:-Very Strong			

Program & Evidence

The GtC model is strong and well-designed to help low-income and heretofore very low-achieving youth earn a high school diploma and make the transition to college. Throughout the program, resource specialists provide motivation, problem solving, academic advising and social service referrals for this very hard-to-serve population. They also help students create an academic plan to meet diploma requirements and college and career goals.

Although Gateway does not have an evaluation currently in place, it has initiated an evaluation planning process and intends to launch a random assignment study conducted by MDRC in 2012, following an in-depth feasibility study in fall 2011. Because the population Gateway serves is extremely high-risk, attrition from the program is significant and poses a challenge to MDRC’s evaluation of the program’s effectiveness. The study is nonetheless expected to generate valid estimates of its effects within a year after enrollment on intermediate outcomes such as credits earned, school attendance, risk-taking behavior and attachment to school and the labor market. Interim results from the evaluation will be

available in 2014, and long-term results, including effects on high school graduation and post-secondary credentials, in 2015.

Current Evidence of Effectiveness: High-Apparent
Projected Evidence of effectiveness by FY14: Demonstrated

Population & Geography

GtCNN serves an extremely vulnerable and hard-to-reach population of young people who have dropped out or are in danger of dropping out of high school. It plans to significantly increase the number of youth it reconnects to educational opportunities over the next three years, and the sites it considering for replication include communities of need in California and North and South Carolina—geographical priorities for EMCF’s SIF portfolio.

Leadership & Growth

GtCNN leadership is strong at the executive director level and across key functional areas, and it has increased the number of youth served by 133 percent over the past three years. The organization is well-positioned to add talent in development and external relationships.

Financial & Operational Strength

Large infusions of capital from funders in FY 2008 and 2009 have positioned GtCNN for growth and replication. Its expense budget has increased by 50 percent over the past three years. While developing the national network’s long-term financial model is a top priority for business planning, a strong sustainable financial model is already in place for individual sites, which are funded almost entirely by K-12 education dollars after GtCNN provides start-up funds. GtCNN is in the early stages of developing its financial infrastructure, but EMCF is confident it will be fully compliant with SIF award requirements. EMCF is also confident GtCNN can raise the requisite matching funds, since it has a robust pipeline of funding prospects.

GtCNN has built a strong infrastructure and capacity. It has replicated rapidly with good results since its inception and is poised to continue to do so.

Risks and Issues the Foundation Will Monitor

- Whether high participant attrition compromises the program’s effectiveness.
- Whether an evaluation can measure program impacts accurately, given the high attrition and differences in response rates between the treatment and control groups.
- Whether GtCNN’s fidelity management system is strong enough to ensure quality as the network continues to expand and mature.
- Whether a weak economy and state budget cuts inhibit expansion.
- Whether the national office can develop a realistic economic sustainability plan.

Phase 1 Review Team: Liz Bender, Jason Snipes, Shazeen Virani (Bridgespan)

Phase 2 Due Diligence Team: Kelly Fitzsimmons, Danielle Scaturro, Partheev Shah, Jason Snipes

SIF INVESTMENT SUMMARY

March, 2011

Reading Partners

Oakland, CA

Investment

EMCF has approved a three-year investment in Reading Partners (RP), with a first-year award of \$2 million, to support implementation of its plan for growth in five states and four cities, and rigorous evaluation. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$1.5 million, for an overall investment of up to \$3.5 million over three years.

States and locations this investment will support growth in: RP is expanding into New York City, and considering expanding to North Carolina, Boston, New York City and Seattle, as well as in California and Washington, DC, where it is already active.

Number of youth this investment will serve: Reading Partners is developing plans to serve a total of 6,000-8,000 young people between 2012 and 2014, an increase of up to 370 percent; 3,900 to 5,200 of these are expected to fall in EMCF's age range of 9-24.

A scenario-based growth plan confirming or revising these projections will be available in June 2011.

Grantee Profile

Executive Director: Michael Lombardo

States and locations currently active in: California and Washington, DC

Number of youth currently served: A total of 1,830, including 750 in EMCF's 9-24 age range

Expense Budget: \$3.5 million in FY11

Program Summary: RP helps elementary school students who are six to 30 months behind in reading catch up to their peers and become proficient. It operates reading centers at Title I K-5 and K-8 schools in which trained, supervised volunteers provide one-on-one literacy tutoring. The program is designed to support the highest-need students identified by reading assessments. Founded in 1999, RP has grown to serve 1,830 struggling readers a year in 37 schools throughout California and in Washington DC. (RP is currently piloting an afterschool model that will not be the focus of EMCF's SIF investment.)

Rationale for Investment

Much of the population RP serves and the educational outcomes it seeks are priorities for the EMCF SIF portfolio, and so are two of the states, California and North Carolina, in which RP plans to grow. RP has the potential to expand even farther throughout the country. Improving reading skills in elementary school is of vital importance because students arriving in middle school already behind are in danger of failing or eventually dropping out. Narrowing the academic achievement gap between economically disadvantaged minority children and affluent white children is one of the nation's greatest and most persistent challenges, and RP's model is a promising way to meet it.

What This Grant Will Support

An EMCF SIF investment will help RP serve an additional 5,000-6,000 more youth by 2014, including an additional 3,250 to 3,900 young people in EMCF's age range. Scenario-based planning to be completed by June 2011 will confirm or adjust this projection and the sites where RP will expand. This grant will also support a new randomized controlled trial that is likely to prove the effectiveness of the RP model.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Strong	Strong	Exceptional	Exceptional
Overall Rating: 1st Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Exceptional	Strong	Exceptional	Exceptional
Overall Rating: Exceptional			

Program & Evidence

Developed in partnership with Stanford University, RP's customized balanced-literacy curriculum is specifically designed for volunteer tutors with limited experience. RP tracks data about all participants, including demographics and outcomes such as reading level, classroom improvement and self-confidence. Memoranda of Understanding with school district partners allow it to access state testing data and other assessments. RP monitors student progress, and if a student is not making sufficient gains, it reassesses the youth's tutoring plan.

An internal randomized controlled trial evaluation, initiated in 2010, is currently underway. The randomization and data collection are conducted by Reading Partners staff, overseen and analyzed by Dr. Deborah Stipek, Dean of the Stanford School of Education. Preliminary analyses by RP show that RP students significantly outperform peers in the same classroom. Standardized assessments have shown that 89 percent of RP students measurably accelerate their progress in reading, gaining on average an entire grade level in reading skills for every 25 hours in the program.

RP will plan for another rigorous evaluation during the term of the EMCF SIF grant. This will assess the program's effectiveness in increasing reading proficiency and sustaining this improvement in multiple school sites. The due diligence team concluded this evaluation would very likely prove the effectiveness of the program model.

Current evidence of effectiveness: High-Apparent

Projected evidence of effectiveness by FY14: Proven

Population & Geography

The students RP serves have fallen below grade level and are in danger of dropping out of school or engaging in high-risk behaviors later in life. Forty-one percent of them are in EMCF's 9-24 age range and

have the risk factors of EMCF's target population. Two of the states under consideration for expansion, California and North Carolina, are geographic priorities for EMCF SIF investments.

Leadership & Growth

Strong leadership has guided RP's growth over a decade from four staff to 58, and from 150 students to 1,830. In the past three years alone, the number of youth the organization serves has increased by 289 percent. RP plans to address capacity gaps, particularly in the eastern U.S., before additional growth. Identifying and developing talent as the organization replicates nationally will be a priority since building relationships with school leaders is essential to the adoption and success of the program.

Financial & Operational Strength

RP has increased revenues an average of 44 percent annually, from \$1 million in 2007 to \$3.5 million in FY11. Although it has not undertaken a federal A133 audit, compliance reviews have indicated the organization is ready, and it will do so within the year. Private donors have expressed a willingness to help with the requisite matching funds. RP is well positioned to absorb a SIF grant, since it has already conducted scenario planning to understand the impact of significant growth.

RP has a tightly managed staffing structure and strong organizational culture. Program delivery is codified to ensure ease of use by volunteers, who report receiving high levels of support. This results in most of them returning year after year. Site coordinators are all trained AmeriCorps members. A management track for the most skilled site coordinators creates a pipeline of future RP employees.

Risks and Issues the Foundation Will Monitor

- Whether RP continues to attract and retain quality talent at the senior and manager levels, and maintains its high-performance culture.
- Whether it can recruit, train and retain enough quality volunteers to provide direct 1:1 tutoring.
- Whether the 41 percent of RP participants who are currently in EMCF's target population holds steady or increases, rather than declines, as the organization expands.
- Whether RP can expand its support sufficiently to meet the matching fund requirement.

Phase 1 Review Team: Kate Gualtieri (MDRC), Aaron Jacobs, and Woody McCutchen

Phase 2 Due Diligence Team: Jehan Velji (Bridgespan), Gabriel Rhoads, Samantha Fernandez (Bridgespan), Adam Mizrahi, Alison Black (MDRC), Alma Moedano (MDRC)

SIF INVESTMENT SUMMARY

March, 2011

The SEED Foundation

Washington, DC

Investment

EMCF has approved a three-year investment in the SEED Foundation (SEED), with a first-year award of \$2 million to support implementation of its plan to open two to four additional schools in different states and rigorously evaluate its program in schools beyond its original Washington, DC site. Awards in years two and three, which are contingent on grantee performance and renewal of federal SIF funding, will provide up to \$1.5 million, for an overall investment of up to \$3.5 million over three years.

States this investment will support growth in: SEED is developing plans to expand to two to four states, possibly including Ohio and Florida.

Number of youth this investment will serve: SEED is developing plans to serve an additional 600 to 800 young people between 2012 and 2014.

A scenario-based growth plan indicating the states in which SEED has decided to replicate and projecting the additional youth this investment will enable SEED to serve will be available in June 2011.

Grantee Profile

Executive Director: Eric Adler and Rajiv Vinnakota (co-managing directors and co-founders)

Locations and states currently active in: Washington, DC and Maryland

Number of youth currently served: 582

Expense Budget: \$3.3 million in FY11 (does not include funds raised/used for developing schools or \$22.8 million in operating budgets for its two schools)

Program Summary: The SEED Foundation opens and supports public boarding schools for disadvantaged students who are highly unlikely to succeed in a traditional public school setting and would benefit greatly from a 24-hour-a-day learning environment. The schools, which start in middle school and extend through high school (and include post-secondary support), combine a rigorous college-prep academic curriculum with youth development activities and intensive social supports in the afterschool hours to provide comprehensive services that help young people improve their life trajectories by succeeding in school and pursuing post-secondary educational opportunities.

Rationale for Investment

SEED serves students of great interest to EMCF: youth with multiple risk factors who need significant support in order to succeed in school and life but currently have very few effective services to assist them. SEED provides strong educational and youth development services in a supportive, structured, boarding school environment. Though the cost of SEED schools is high (\$35,000 per student per year), an investment in SEED is an opportunity to reach greater numbers of a population generally considered least likely to complete school with a long-term intervention that shows significant promise in improving

their life prospects and yielding long-term economic returns. SEED has initial evidence of its program’s success at one of its two schools and is poised to expand its operations and evidence base.

What This Grant Will Support

An EMCF SIF investment will support planning work, the development of a detailed blueprint to guide high-quality replication in two to four new schools in different states, the upfront costs of opening these schools, and rigorous evaluations of current and new schools to expand its evidence base. (Note: EMCF SIF funds will not be used to secure real estate or buildings.) Afterward, all of the schools will be supported by sustainable public funding streams. Business planning to be completed by June 2011 will project the growth in youth served and in revenue this grant will make possible. As it continues to replicate in new communities, SEED has the potential to serve as an innovative model for how to support youth facing serious challenges so they are able to graduate from high school and, ultimately, college. Once its evaluation plans have been finalized within the next three months, EMCF will determine whether a portion of the evaluation work will be covered under this grant.

Summary of Findings

Phase 1: Summary of Application Review

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength (20%)
Strong	Strong	Strong	Strong
Overall Rating: 2nd Quartile of Eligible Organizations			

Phase 2: Summary of Due Diligence Findings

Program & Evidence (40%)	Population & Geography (20%)	Leadership & Growth (20%)	Financial & Operational Strength(20%)
Exceptional	Exceptional	Exceptional	Exceptional
Overall Rating: Exceptional			

Program & Evidence

SEED offers an unusually high dosage of academic, social and personal services 24 hours a day, five days a week during the school year for seven years (with additional post-graduation support). Understanding that not all students require this level of support, SEED focuses on those who are most in need and have many risk factors, including eligibility for free/reduced-price lunch, involvement with the social service system, a family member who is/was incarcerated, and/or living with single or non-custodial parent. SEED tracks all of these risk factors for students in its Maryland school and will base its enrollment criteria for expansion schools on the same risk factors.

The organization is data-driven, frequently measuring student performance and tracking long-term outcomes. A study completed by Roland Fryer in 2011 analyzed results from the random assignment of youth to the SEED school in Washington DC in 2007 and 2008 and found that the school significantly increased students’ standardized test scores in reading and math, compared to youth who attended other schools, with much larger effects for girls than for boys.

SEED leadership is interested in continuing to follow this sample and in conducting other evaluation activities as part of the EMCF SIF portfolio. The organization is currently planning for another evaluation,

which may take advantage of the lottery for admission to its Maryland school to ensure random assignment.

Current Evidence of Effectiveness: Demonstrated

Projected Evidence of Effectiveness by FY14: Proven

Population & Geography

Wherever SEED replicates, it will serve EMCF's target population of economically disadvantaged young people with multiple risk factors, and seek educational outcomes that are a priority for the Foundation.

Leadership & Growth

Co-Managing Directors Eric Adler and Rajiv Vinnakota are extremely knowledgeable about education and regarded as passionate visionaries. A strong senior team has opened two schools, increasing the number of youth SEED serves by 46 percent in three years, and negotiated complex deals to support growth, including changes in state legislation to cover the full cost of SEED programming. SEED has the support of, and works with, high-level political officials and policymakers.

Financial & Operational Strength

SEED assumes responsibility for initial fundraising and capital campaigns for schools. Once a school is up and running, these assets are transferred to the school's independent organizational entity. Given this structure, SEED's revenue fluctuates considerably. However, it is highly conservative in its expansion efforts, opening schools only in states where it has secured funding for initial capital needs and a revenue stream that covers the full cost for students. SEED has a solid track record of private fundraising, both for capital costs and ongoing operations. Policies and procedures required to administer a SIF grant do not exist currently, but EMCF is confident SEED can develop them.

Both SEED schools utilize Power School, a school information system, for grading, scheduling and other school-related activities. As SEED establishes new schools, it plans to continue utilizing this system to help ensure consistent data tracking across sites. SEED also has a strong financial system, Great Plains, which will support the organization as it continues to grow. SEED is planning to develop a "Blueprint for Expansion" detailing operational processes for adding new schools.

Risks and Issues the Foundation Will Monitor

- Whether SEED can influence legislation in a timely fashion to secure operating revenue streams for new schools.
- Whether future evaluations show positive findings, given that the existing evidence is very preliminary.
- Whether SEED can maintain its policy of serving the students at greatest risk, given district mandates and required lotteries for admission.
- Whether SEED can recruit and retain strong school leadership as it expands to new geographies.

Phase 1 Review Team: Lissette Rodriguez, Kelly Campbell (Bridgespan), Janet Quint (MDRC)

Phase 2 Due Diligence Team: Kelly Campbell (Bridgespan), Shazeen Virani (Bridgespan), Adam Mizrahi, Dan Bloom (MDRC), Alison Black (MDRC)

III. Review Team

35 staff from EMCF, MDRC and the Bridgespan Group took part in the review and assessment process.

EMCF	MDRC	Bridgespan
Kelly Fitzsimmons	Rob Ivry	Kelly Campbell
Ralph Stefano	Dan Bloom	Jehan Velji
Woody McCutchen	John Martinez	Alex Neuhoff
Lisette Rodriguez	Alison Black	Shazeen Virani
William Moon	Janet Quint	Samantha Fernandez
Sarah Pacheco Najarian	Jay Sherwin	
Danielle Scaturro	Mike Bangser	
Gabriel Rhoads	Bethany Miller	
Aaron Jacobs	Kate Gualtieri	
Liz Bender	Julianna Alson	
Teresa Power	Caroline Mage	
Partheev Shah	Emily Schneider	
Adam Mizrahi	Emma Mackinnon	
	Alma Moedana	
	Zeest Haider	
	Ivonne Garcia	
	Sarah McNeil	

In addition, EMCF's Evaluation Advisory Committee (EAC), four external independent experts in youth development, evaluation and philanthropy, reviewed the due diligence findings of all 21 finalist organizations:

- Robert Granger (chair), President, W.T. Grant Foundation
- Kristin Moore, Senior Scholar and past president, Child Trends
- Elizabeth Reisner, founder, Policy Studies Associates
- Jason Snipes, Vice President, Director of Education Research, Impaq International

Jason Snipes also took part as a reviewer in situations where MDRC's participation presented a potential conflict of interest.

Review teams comprising staff from EMCF, MDRC and Bridgespan were assembled to balance skills and knowledge (operations, growth, evidence, finance, etc.) and ensure impartiality. In creating review teams, EMCF identified previous or present relationships that staff from EMCF, Bridgespan, MDRC and members of EMCF's EAC had with applicants and adjusted teams as necessary to assure impartiality and maintain the integrity of the selection process. Specifically:

- All EMCF, MDRC and Bridgespan staff, EAC members and any other individuals or institutions participating in the review process were required to disclose their individual and institutional relationships with organizations that had submitted applications.

- In instances where Bridgespan or MDRC (a) had a current working relationship with an applicant, (b) had had a working relationship with an applicant within the past two years, or (c) was in substantive discussions with an applicant about forming a working relationship, reviewers from that organization recused themselves from assessing and rating that applicant in Phase 1 and Phase 2.
- In instances where individual reviewers from EMCF, Bridgespan or MDRC had close personal relationships with the leadership of an applicant (but there was no institutional relationship), those reviewers recused themselves from assessing and rating that applicant in Phase 1 and Phase 2.
- In instances such as the above where MDRC or Bridgespan reviewers recused themselves from assessing and rating an applicant in Phase 1 and Phase 2, they did on occasion participate in other aspects of the selection process, including materials review and clarifications during due diligence, and discussions regarding investment recommendations presented to EMCF's board.
- In instances where an applicant was a current or past grantee of EMCF or had undergone due diligence in the past two years, the applicant's lead portfolio manager at EMCF recused him- or herself from any participation in the applicant's review process.
- In instances where an EAC member had a current, past (within two years) or potential working relationship with an applicant or a close personal relationship with the leadership of an applicant, the EAC member recused him- or herself from reviewing the applicant.

IV: EMCF's Commitment to Transparency and Disclosure

When we announced the SIF opportunity on our website in September 2010, EMCF set forth the following four principles to guide our transparency and disclosure policy with regard to the selection process:

- Share knowledge that will advance the practice and benefit the field of youth development,
- Demonstrate that EMCF is a responsible steward of government funds,
- Keep applicants informed of their status throughout our selection process, and
- Respect the integrity and confidentiality of all applicants by not releasing information that may adversely affect their operations.

With these goals in mind, this report reflects EMCF's commitment to sharing information with applicants at major decision-points during our selection process, in accordance with the four principles outlined above. This report includes:

- The names of all EMCF, MDRC and Bridgespan staff, members of EMCF's Evaluation Advisory Committee (EAC), and any other individuals who participated in the selection process
- The names of all applicants, contact information, and summaries of their programs (as submitted by each organization in Section 1.5 in the SIF Online Application)
- For organizations that receive SIF funds, a summary of what the organization aims to accomplish over the course of the SIF investment, and of our findings in Phases 1 and 2, including the following:
 1. Phase 1 Summary: summarizing how the grantee ranked on the competitive criteria in our initial review
 2. Phase 2 Summary: summarizing findings from due diligence and how the grantee ranked on the competitive criteria based on due diligence and final review
 3. EMCF's Rationale for Investment: describing the purpose and terms of the grant
- A formal assessment of EMCF's selection process, summarizing EMCF's findings at an aggregate level during each phase, including the number of organizations that advanced from one phase to the next.

EMCF will not share publicly ratings or assessments of applicants that were not selected for SIF awards. However, these applicants have been invited to speak with EMCF staff to learn why their organization did not receive a grant. As of March 31, 2011, 70 organizations have taken EMCF up on this offer.