

MEMORANDUM

To: George Soros; Jonathan Soros; Aryeh Neier
From: Ann Beeson
Date: April 1, 2009
Re: National Fund for Basic Needs

In response to your interest in establishing a national fund to assist the poor with basic needs during the economic crisis, I have had a number of conversations with colleagues to gather ideas and options. Deepak Bhargava, Bob Greenstein, and Geoffrey Canada have provided particularly valuable insights into how this fund could provide direct services to the poor while also advancing OSI's advocacy mission and goals.¹ We are in the process of scheduling a meeting to discuss these options with the three of you in more detail, and will invite Geoff, Deepak, Bob, Stewart Paperin, and Mimi Corcoran to join us (as you know, Mimi is being considered as a program officer to manage the special fund).

Below I have summarized some key principles that have emerged. I am also attaching a separate memo with preliminary suggestions prepared jointly by Deepak's and Bob's staff members at the Center for Community Change and the Center on Budget and Policy Priorities.

- We should prioritize support for organizations that provide direct services while also advancing OSI's goals for broader structural reform. For example, we could support prisoner re-entry programs that work in partnership with criminal justice reform advocates. Similarly, we could support homelessness prevention services that work in partnership with advocacy organizations in seeking systemic solutions to the subprime crisis.²
- We should support services for populations that are most at risk and least likely to receive government benefits, including people who are formerly incarcerated, undocumented immigrants, and unemployed youth.
- Several colleagues emphasized the need to closely coordinate funding of direct services with support for advocacy at the state and local level related to the economic stimulus. As you will recall, we are funding advocacy efforts to ensure equity in the recovery through the Seize the Day Fund. These state and local groups are advocating for stimulus funds to be directed to particular communities and services, and many state coalitions advocating for equity in the distribution of recovery funds include some direct service organizations. We could maximize the impact of both

¹ I also spoke with Gara LaMarche; Colin Greer, President of New World Foundation; and CBPP Associate Director, Susan Steinmetz.

² Gara noted the parallel connection in the Emma Lazarus fund, in which we jointly funded direct services and advocacy.

funds by building stronger connections between direct services and advocacy.

- We should prioritize support for services that would have a multiplier effect on funding. Possibilities (discussed in more detail in the attached memo) include support for legal services to ensure that low income people have legal counsel to assist them in obtaining access to fair wages, housing and other benefits, and support for youth job training and service (e.g., the Civic Justice Corps which provides employment opportunities for formerly incarcerated youth).

Regarding a funding approach, there was a consensus that a local or regional approach would be preferable to funding large national intermediaries that provide direct services. It would be easier to measure the impact of the dollars by choosing 5-10 cities or regions rather than spreading the funds among many national organizations. To build the connections identified above, we might consider choosing cities in which OSI is already substantially invested (including Baltimore). The attached memo identifies a number of strong, progressive local foundations that may be good partners. We could also support the establishment of a national consortium of local partners in the cities or regions we choose to fund. Finally, there are a number of different options for using the fund to leverage additional funds, either through challenge grants to other local or national foundations or by partnering with government where feasible.

At Geoffrey Canada's suggestion and with Aryeh's approval, I have asked Angela Glover Blackwell of PolicyLink to conduct a scan of innovative initiatives already underway. She will provide information about: 1) foundation-led initiatives on urban poverty; 2) govt-led initiatives; and 3) other non-profit-led initiatives. She expects to provide us with initial data within a week or two, and will complete the full scan within the next two months.

I look forward to your feedback and to discussing options for this important effort with you soon.