

**TO: OSI U.S. Programs Board**  
**FROM: Sherrilyn Ifill**  
**RE: OSI-BALTIMORE**  
**DATE: September 23, 2009**

---

The Board of OSI-Baltimore approved the budget for 2010 on September 22, 2009. The budget reflects our ongoing emphasis on four areas: criminal and juvenile justice; drug addiction treatment ; education and youth development; and our Community Fellowships program.

Two things bear emphasis in reviewing the materials submitted by OSI-Baltimore. First, as stated above, our Board engages in a very hands-on, close and careful review of program goals and objectives and budget. This review is ongoing because of the unique operation of OSI-Baltimore . Our board reviews and votes to approve grants, and also is intimately involved in fundraising from third party sources.

Second, OSI-Baltimore must raise funds from third party sources. We received a \$20 million matching gift challenge from Mr. Soros. We are more than half the way towards completion of the match from third party sources, with the goal of raising the remaining \$7.4 million in matching funds by the end of 2010. Our budget for \$2010 is \$6 million per year. We use \$2million from OSI each year. This figure has remained consistent from year-to-year and has not been projected to increase for 2010. These funds are used almost exclusively to cover program development and administrative expenses. Additional support from OSI covers our “overhead” line, which OSI has covered from the office’s inception. The remainder of our funds is raised from third party sources. The use of OSI funds for program development and administration costs enables us to assure third party funders that their funds go directly to grants. Third party sources include individual donors, local foundations, some corporate support and Board contributions. The need to raise these funds, and the scale of the challenges in Baltimore, has led OSI-Baltimore to place a strong emphasis on efficiency in programming in order to maximize resources for program work. The result has been the development of positive partnerships and compacts with local and state governmental entities, like the Department of Corrections, in which public money saved as a result of OSI-supported programming can be seeded back into support for programs that support our target populations.

We cannot overestimate the challenge of raising significant funds in Baltimore – a small city with a tight core of wealthy individuals. In order to reach our goals for this year, for example, we must raise \$746,000 by the end of this year. This summer we completed the hiring of our new development team, which has vastly increased our capacity to successfully raise funds. But the need to raise these funds means that OSI-Baltimore must spend a considerable portion of our time and funds developing donors and increasing our public profile in Baltimore. Donor development and communications therefore are significant line items that we have included in our budget over the past few years.

As indicated in our report, prior to 2006 when we first began to diversify our funding sources, OSI-Baltimore spent conservatively and developed a reserve fund (over \$2 million) in anticipation of these fundraising challenges. The economic recession, which has hit all of our donors and prospects hard, makes meeting our immediate fundraising goals particularly difficult.

OSI-Baltimore's work continues to provide unique and dynamic opportunities for collaboration with other U.S. Programs initiatives. The work of the national Closing Addiction Treatment initiative in Baltimore is an example of the value of OSI-Baltimore as an urban laboratory. The experience of OSI-Baltimore's place-based philanthropy can serve as a useful resource for U.S. program initiatives in New Orleans. The three-year strategic plan for U.S. Programs suggests additional opportunities for Baltimore's integration in the larger work of the Program. Support of 'government watch' transparency efforts and response to the journalism crisis by the Transparency & Integrity Program, the focus of Democracy and Power program on increasing the capacity of grassroots youth organizing groups, and the ongoing work of the Equality and Opportunity Program – particularly the efforts of the Campaign for Black Male Achievement – present especially fertile opportunities for collaboration. It is our expectation that Baltimore will continue to be regarded as an important and useful location for program work identified in the strategic plans of U.S. Programs.