

**Special Fund for Poverty Alleviation Docket  
Summary of Recommended Grants  
June 30, 2010**

<u>Program Area/Organization</u>	<u>Grants Totals</u>	<u>Term</u>
<u><b>Charles Stewart Mott Foundation (20029304)</b></u> Earn and Learn Initiative (The C. S. Mott Foundation will serve as fiscal agent for The Michigan Department of Energy, Labor and Economic Growth)	\$7,500,000.00	2.5 years
<u><b>YouthBuild USA Inc. (20029143)</b></u> Scaling Up for Increased Impact	\$6,000,000.00	2.5 years
<u><b>Center for Employment Opportunities Inc. (20029309)</b></u> National Replication of CEO Programming	\$2,000,000.00	1 year
<u><b>National Association of Service and Conservation Corps, d/b/a The Corps Network (20029508)</b></u> Civic Justice Corps demonstration project	\$1,750,000.00	2.5 years
<u><b>Center for Law and Social Policy (20029311)</b></u> Spotlight on Poverty and Opportunity	\$525,000.00	2.5 years
<b>GRANTMAKING TOTAL THIS DOCKET:</b>	\$17,775,000.00	

*Angel Nair*

Approval Signature

*June 30, 2010*

Date

# **Special Fund for Poverty Alleviation Memo**

To: Aryeh Neier

From: Ann Beeson, Mimi Corcoran and the Special Fund for Poverty Alleviation Staff

Date: 23, June 2010

Re: Special Fund for Poverty Alleviation June 30, 2010 Docket Grant  
Recommendations

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The Special Fund for Poverty Alleviation (SFPA) recommends five (5) grants totaling \$17,775,000.00 for consideration on U.S. Programs docket scheduled for June 30, 2010. All five of these grants are new grants.

## **Michigan**

Michigan was given a \$15 million challenge grant. The Board has already approved (at the May 2010 Board meeting) the Mo' Bucks Double Coupon initiative, being led by the Fair Food Network. Below, the Special Fund recommends a grant to support the Michigan Department of Energy, Labor and Economic Growth to implement the Earn and Learn Initiative. The Charles Stewart Mott Foundation will serve as the fiscal agent for this investment. SFPA staff are actively working on a third project designed to engage community based organizations, community colleges, and the Michigan Re-Entry Project, in partnership with the Michigan Department of Human Services, to connect low-income families to public benefits. In total, the proposed investments are designed to connect low-income, un/underemployed individuals to education, employment and the social safety net.

### **Charles Stewart Mott Foundation for the Earn and Learn Initiative**

*\$7,500,000 over two-and-a-half years (new; project support)*

The purpose of this grant is to create immediate subsidized job opportunities structured to incent participation in education and training programs among disconnected, at-risk youth (18-24) with limited workforce attachment, particularly young minority males; ex-offenders re-entering the workforce; and chronically unemployed adults. Earn and Learn will focus efforts in the cities of Grand Rapids, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Saginaw, and Greenville. These cities represent a combination of urban and rural communities in need of immediate employment and educational opportunities. Some 2,000 participants will engage in approved education or training programs that solidify their basic skills and ultimately result in the attainment of degrees and/or certificates with labor market value while they earn wages in subsidized employment programs. This initiative represents a partnership among several foundations and Michigan's Department of Energy, Labor and Economic Growth. SFPA's investment will be matched on, at least, a 1:1 basis by the Joyce, Kellogg and Mott Foundations, the New Economy Initiative, and combined with public funds (state and ARRA funding) to implement the \$22.6 million Earn and Learn Initiative.

### **Employment and Education for Disconnected Youth**

#### **YouthBuild USA**

*\$6,000,000 over two-and-a-half years (\$2m each year) (new; project support)*

The purpose of this grant is to support YouthBuild USA's to dramatically expand their capacity to serve low-income 16 to 24 year olds, who are out of school and unemployed, in a comprehensive full-time program that allows them to complete their secondary education, prepare for college and a good-paying career, and learn construction skills by building affordable housing for homeless and low-income people under skilled supervision in their own communities. SFPA support will enable YouthBuild to: 1) Nearly double the impact of their post-secondary education work by providing five additional YouthBuild program sites technical assistance to align curriculum and institutional practice with credit bearing course work at post-secondary institutions, while developing an evidence base for how to successfully increase low-income youth's attainment of work credentials; 2) Hire staff needed to help interested states initiate and expand their use of the YouthBuild model, increase the national visibility of YouthBuild USA, build out their "green development" initiatives, and strengthen their quality assurance system; and 3) Initiate the "YouthBuild 1000 Leaders Network" and the "YouthVoice Policy Network" to promote the leadership development and advocacy power of YouthBuild alumni. SFPA's investment will be matched on a 1:1 basis by funds from the Gates and WalMart Foundations, and public investments from i3 and AmeriCorps.

### **Center for Employment Opportunities**

*\$2,000,000 over one year (new; project support)*

The purpose of this grant is to support the Center for Employment Opportunities' (CEO's) program replication outside of New York City (e.g., to California) while maintaining model fidelity and program outcomes, thereby allowing CEO to double the number of people served each year, from 3,000 to 6,200, by 2013. Through this plan, CEO will be able to reach 3,200 new individuals annually by 2013 (approximately 1,200, or 40%, of which would be young adults between the ages of 18 and 25). In the first year of its three year growth plan, CEO will serve 900 new individuals in seven discrete locations outside New York City, 600 in counties in upstate New York and 300 in California. CEO serves people on parole and others with criminal convictions offering paid transitional jobs as a gateway to unsubsidized full-time employment so that individuals can remain crime-free. SFPA support will allow CEO to increase their capacity to offer immediate, transitional employment to individuals with criminal convictions, provide full-time job placement services, and job retention efforts that promote longer-term attachment to the labor market. CEO will also continue to build its national profile, offering support and assistance to other jurisdictions to improve practice and to set the stage for future expansion opportunities in jurisdictions that meet CEO's growth criteria. SFPA's investment will be matched on a 1:1 basis by the Edna McConnell Clark Foundation as part of year one of CEO's growth plan.

### **The National Association of Service and Conservation Corps d/b/a/ The Corps Network for the Civic Justice Corps (CJC)**

*\$1,750,000 over two-and-a-half years (new; project support)*

The purpose of this grant is to help The Corps Network (TCN) to scale the Civic Justice Corps (CJC) model designed to connect youth who are not in school and not working – all of whom have been previously incarcerated – to stipended service corps jobs in their communities (with health benefits and intensive case management) while they are working toward their high school degrees or studying for the GED. SFPA's grant will allow the Corps Network to support its project demonstration. The grant was contingent upon the receipt of a competitive grant from the U.S. Department of Labor, which CJC was awarded last Friday, June 18<sup>th</sup>, 2010. With the Department of Labor award and the SFPA grant, CJC will replicate and expand its program at six Corps sites, in at least two states, to engage 600 participants, with the aim of establishing evidence that will make the case for future federal funding for CJC.

### **Advocacy**

#### **Center for Law and Social Policy (CLASP) for Spotlight on Poverty and Opportunity**

*Up to \$525,000, over two-and-a-half years, (new; project support)*

The purpose of this grant is to leverage and amplify the work of the Special Fund by drawing greater attention to the Fund's efforts to reduce poverty, strategies that work for the most disadvantaged populations, and the implications for the country of sustained poverty and growing inequality. SFPA support will augment Spotlight's capacity to use its comprehensive website, weekly e-grams, commentaries and webcasts to reach key policy makers, experts and opinion leaders on both sides of the political aisle with new ideas for and evidence about effective solutions for fighting poverty. With SFPA support, Spotlight will: 1) Develop tailored activities with and provide a national platform to highlight the anti-poverty work of the Fund's grantees; 2) Draw greater national attention to new poverty levels; 3) Target attention to the Recovery Act and efforts to support individuals and families in need; and, potentially, 4) Create a peer learning network for state government officials to facilitate discussion about innovative strategies for reducing poverty, and/or develop a "virtual" public engagement component regarding poverty reduction solutions. CLASP is anticipating a 1:1 match on SFPA's investment by the Annie E. Casey, Atlantic, and other foundations.

**Name of Organization:** Charles Stewart Mott Foundation for the Earn and Learn Initiative

**Tax Status:** 501(c)(3)

**Purpose of Grant:** To utilize national and local philanthropic investments in conjunction with federal workforce development financing to provide immediate subsidized employment and education and training opportunities to disconnected, at-risk youth (18-24) particularly young minority males, ex-offenders re-entering the workforce, and chronically unemployed adults.

**Previous OSI Support:** N/A

**Organization Budget:** \$9,449,222.00 (According the C. S. Mott Foundation's 2008 Form 990)

**Project Budget:** \$22,600,000

**Amount Requested:** \$7,500,000.00

**Amount Recommended:** Up to \$7,500,000.00 pending match requirement

**Term:** June 1, 2010 – December 31, 2012

**Match:**

<b>Sources of Private Support (as of June 1, 2010)</b>	<b>Amount of Support</b>
Community Foundation for Southeastern Michigan	\$2,500,000 (New Economy Initiative)
Charles Stewart Mott Foundation	\$2,000,000
Joyce Foundation	\$250,000
Kellogg Foundation	Board commitment pending
Kresge Foundation	Board commitment pending
Skillman Foundation	Board commitment pending

**Description of Organization:**

Headquartered in Flint, Michigan, the Mott Foundation is a private grantmaking institution that supports nonprofit organizations throughout the United States and on a limited geographic basis internationally, in South Africa and in Central and Eastern Europe. Through its four major grantmaking programs—Civil Society, Environment, Flint (its home community) and Pathways out of Poverty—the Foundation seeks to fulfill its mission of supporting efforts that promote a just, equitable and sustainable society. In 2008, the Foundation paid \$109,867,816.00 in contributions, gifts and grants, and its total net assets at the end of the year were \$1,844,533,337.00 according to its 2008 Form 990. The Pathways Out of Poverty program has a

long-standing interest in linking low-income people to well-paying jobs, a strategy that intervenes in a sector within a particular regional labor market either to improve access to good jobs or to improve the lower-quality jobs to which low-income people already have access. Moreover, Mott staff have over twenty years experience as workforce development grant makers. The Earn & Learn Initiative aligns with the current best practices in sectoral employment and builds on the Mott Foundation's deep workforce development expertise.

The Michigan Department of Energy, Labor, & Economic Growth promotes and ensures Michigan's future through education, job training, innovation and collaborative partnerships in service and protection of customer needs. Within DELEG, the Bureau of Workforce Transformation (BWT) serves as the state's lead workforce development authority. The BWT administers federally funded programs providing training, employment, and reemployments services at levels in excess of \$1 billion. BWT oversees programmatic operations of the Workforce Investment Act, including Wagner-Peyser and Rapid Response; Adult Education; Trade Adjustment Assistance; Jobs, Education & Training; and Food Assistance Employment & Training. BWT's combination of experience and workforce innovation uniquely qualifies the BWT to successfully implement the Earn and Learn Initiative.

The Michigan Department of Energy, Labor & Economic Growth will be responsible for implementing the Earn and Learn initiative, and the Charles Stewart Mott Foundation will serve as the fiscal and oversight agent for this grant.

**Description of Project for Which Funding is Sought:**

The Earn and Learn Initiative will connect more than 2,000 individuals to approved education or training programs that solidify their basic skills and ultimately result in the attainment of degrees and/or certificates with labor market value while they earn wages in subsidized employment programs. The initiative will target disconnected, at-risk youth (18-24) including young minority males, former prisoners re-entering the workforce, and chronically unemployed adults living in the cities of Grand Rapids, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Saginaw, and Greenville. These cities represent a combination of urban and rural communities in need of immediate employment and educational opportunities. Participants will receive wraparound services and placement in a subsidized job for 32 weeks conditioned on his or her agreement to enter and remain in educational activities designed to address basic skills gaps in math, reading, "soft skills," or a combination of these.

Earn and Learn will build upon two established workforce development partnership models – the Jobs, Education and Training Plus (JET Plus) and the Michigan Skills Alliances (MSA) models – both of which are customized to collaborate with local service delivery partners. These regional partners will provide follow up services (e.g., resume writing, interviewing) to help participants transition from subsidized employment to full-time jobs. Earn and Learn's strategic alignment with Michigan's JET Plus Program and MSA provides the required "shovel ready" capacity, including infrastructure, employer engagement, interagency relationships, and provider readiness through existing regional and sectoral efforts. In order to successfully reach urban males, state and regional area partners will collaborate with and strengthen effective existing initiatives and

partnerships such as the Michigan Prisoner Reentry Initiative and Shared Youth Vision Partnership.

Support from OSI will enable Michigan to launch an implementation-ready project, with the infrastructure and capacity in place both to put people to work immediately and to engage them in education for long-term success. OSI's investment will be matched by \$7.8 million from other foundations and \$7.3 million from the state, for a total of \$22.6 million to support 2,000 participants (primarily males) through a two-year Earn and Learn Initiative. Up to 640 hours of subsidized employment activities at Michigan's Minimum Wage rate of \$7.40 per hour are planned for all 2,000 Earn and Learn participants. In addition, the state will invest \$33 million in American Recovery and Reinvestment Act (ARRA) Temporary Assistance for Needy Families Emergency Contingency Funds (TANF ECF) to engage another 2,500 TANF recipients (mainly mothers with children) in subsidized employment and education activities via a new JET Plus programs during the next two years. All 2,000 Earn and Learn participants and all 2,500 JET Plus participants will be concurrently placed in subsidized employment and an occupationally relevant training/education component.

All subsidized employment activities conclude within the two-year project period. Participants that have begun educational activities during the two-year project period will continue to receive the services necessary to complete their programs. Formal program evaluation will track outcomes for program participants up to one year after program completion and report the final results accordingly.

#### **Rationale for Recommendation:**

This grant advances the goals of the Special Fund for Poverty Alleviation by reducing barriers to employment for disconnected, at-risk youth (18-24) including young minority males, former prisoners re-entering the workforce, and chronically unemployed adults by connecting them to subsidized jobs and education programs allowing them to simultaneously earn wages and credentials with labor-market value that create pathways for self-sufficiency and career advancement.

Individuals targeted by the Earn and Learn Initiative face significant barriers to successfully entering the workforce. Many represent the third generation of families and communities with low employment and skills. On average, over 25 percent of the populations in the targeted cities live at or below the poverty level and approximately one-third of residents are less than 18 years of age. Unemployment in Michigan is at an all-time high, exceeding 25 percent in areas like Detroit, Flint and Highland. There is an immediate need to connect these at-risk youth and unemployed adults with jobs, so they can earn wages and launch or maintain a work history. Just as crucial, these same vulnerable individuals need to be involved in training that enables them to attain and sustain better jobs over the long term.

This initiative represents a partnership among several foundations, including the Joyce, W.K. Kellogg, and Charles Stewart Mott Foundations, and the New Economy Initiative, and the state of Michigan. OSI's catalytic investment in this partnership will be matched 2:1 and comes at a critical time for Michigan, leveraging substantial efforts and resources to help low-wage, low-skill workers advance in the labor market. Foundation investments will capitalize on public funding from sources such as TANF, Workforce Investment Act (WIA), Adult Education, and

Wagner-Peyser. The Earn and Learn Initiative will result in the convening of regional partnerships (workforce, education, employers) that can serve as long-term workforce and economic development catalysts in some of Michigan's most depressed areas. In addition, new jobs created by Earn and Learn will increase Michigan's subsidized employment expenditures, positioning the state to secure additional federal funding to sustain and expand the Initiative. The Special Fund for Poverty Alleviation recommends a grant of up to \$7,500,000.00 be awarded over a two-year period to enable Michigan to launch an implementation-ready project, with the infrastructure and capacity in place both to put people to work immediately and to engage them in education for long-term success.



**Name of Organization:** YouthBuild USA

**Tax Status:** 501(c)(3)

**Purpose of Grant:** To support YouthBuild USA's capacity development to achieve increased scale and impact with the goal of poverty alleviation for low income communities and low-income youth who have left high school without a diploma and/or been court-involved.

**Previous OSI Support:** None

**Organization Budget:** \$24,095,069.00

**Project Budget:** \$12,000,000.00

**Amount Requested:** \$6,000,000.00

**Amount Recommended:** \$6,000,000.00

**Term:** July 1, 2010 – December 31, 2012

**Matching Funds:**

Sources of Public and Private Support (as of June 1, 2010)	Amount of Support
The Bill and Melinda Gates Foundation	\$4,200,000
Americorps	\$6,000,000
WalMart Foundation	\$2,600,000

**Description of Organization:**

YouthBuild USA contributes to the alleviation of poverty in the United States through a proven social innovation that simultaneously addresses the key issues facing low-income communities: education, employment, housing, crime prevention, leadership development, and environmental protection.

YouthBuild programs break the cycle of poverty for individuals and their families by engaging low-income 16 to 24 year olds, who are out of school and unemployed, in a comprehensive full-time program that allows them to complete their secondary education, prepare for college and a good-paying career, and learn construction skills by building affordable housing for homeless and low-income people under skilled supervision in their own communities. It places core emphasis on motivating young people to become leaders so as to generate a new group of ethical young leaders rooted in low income communities. It provides students with the caring adults, multi-faceted skills, value system, peer support network, college supports, and placement opportunities that provide reliable pathways out of poverty.

YouthBuild has been dramatically expanded through continuous majority bi-partisan support in Congress over four consecutive Administrations, and its leaders have been recognized, embraced, and widely touted in the non-profit sector. It has become a model for a social change process that is being replicated by the Obama administration and has been studied by several researchers and non-profit analysts. There are now 273 YouthBuild programs in 45 states, Washington, DC, and the Virgin Islands. 92,000 YouthBuild students have built 19,000 units of affordable, increasingly green, housing since 1994.

**Description of Project for Which Funding is Sought:**

YouthBuild USA needs flexible general operating support to manage its current growth fueled by federal funds from the Obama Administration, to maximize other emerging growth opportunities such as state-based and city-based growth, to build a robust public policy voice of low-income young adults toward eliminating poverty, and to continue to generate cutting edge innovations. YouthBuild USA will accomplish this by developing its own organizational capacity for higher impact, bringing increased levels of state funding to programs, deepening its green construction/green businesses work with programs, helping more young people to earn a postsecondary credential, and ensuring that YouthBuild students and graduates have their voices incorporated into policy at the local, state and federal levels.

Support from OSI will enable YouthBuild to accomplish three critical milestones. First, it will allow YouthBuild to nearly double the impact of its post-secondary education work by providing five additional program sites with technical assistance to align curriculum and institutional practice with credit bearing course work at post-secondary institutions, while simultaneously developing an evidence base for how to successfully increase low-income youth's attainment of work credentials. Specifically, YouthBuild will:

- Add five additional programs to its existing Post Secondary Education (PSE) cluster of seven programs to increase the evidence base for this work and more broadly disseminate lessons learned. YouthBuild will support a PSE learning community where programs will share best practices and receive targeted technical assistance and training for improved student outcomes with an ultimate goal of influencing DOL YouthBuild programs to incorporate innovations into their own programming; and
- Provide consistent teacher training and professional development to ensure rigorous curriculum resources prepares students for postsecondary pathways. YouthBuild will explore the development of an online curriculum and teacher training platform. They have already launched a pilot project with the nationally known Education Development Corporation (EDC).

Second, OSI support will allow YouthBuild to hire staff needed to help interested states initiate and expand their use of the YouthBuild model. New staff will also work to increase the national visibility of YouthBuild USA, develop YouthBuild's "green development" initiatives, and strengthen the organization's quality assurance system. Specifically, YouthBuild will:

- Develop a robust process of spreading knowledge and systems to other interested state governments to position YouthBuild as a signature educational, job training, civic engagement, and crime prevention alternative in cities and states.;
- Build on current national work to map and implement meaningful green certifications, work with the public housing authorities and unions to help green public housing, and provide capital or start-up grants for 10-20 local programs to launch their revenue-generating, job-creating initiatives; and
- Continue to build its capacity to manage the development of program design and performance standards for the field, create an accreditation process against those standards, build out a comprehensive data management system, and support a democratic decision-making process (including equal numbers of program directors and graduates) related to policies governing the network and model fidelity.

Finally, with OSI support, YouthBuild will initiate the “YouthBuild 1000 Leaders Network” and the “YouthVoice Policy Network” to promote the leadership development and advocacy power of YouthBuild alumni. The Special Fund’s investment will be matched on a 1:1 basis by funds from the Gates and WalMart Foundations, and public investments from i3 and AmeriCorps. Specifically, YouthBuild will:

- Develop their “YouthBuild 1000 Leaders Network” into a more effective leadership force by better integrating their six core graduate leadership activities, including their Young Leaders Council, their National Alumni Council, select YouthBuild Regional Youth Gatherings, the YouthBuild Speakers Bureau, the PSE Advisory Group, and a budding partnership with Casey Family Programs, to organize YouthBuild graduates who have been in foster care to advocate for policy reforms in foster care; and
- Organize the *YouthVoice Policy Network* – a broad coalition of young leaders from low-income backgrounds at the local, state, or national levels to participate in policy discussions, public speaking, policy forums, and developing and promoting policy positions toward ending poverty. YouthBuild will connect these youth leaders to strategic forums such as the National League of Cities, gatherings of Governors and Attorneys General, the Alternative High School Initiative, the Center for American Progress, the National Council of Mayors, and others.

**Rationale for Recommendation:**

This grant advances the goals of the Special Fund for Poverty Alleviation to broaden educational and employment opportunities for disconnected youth with limited education by helping them earn diplomas or other credentials with labor-market value, and expand their access to good jobs that pay family-sustaining wages. This grant also advances the goals of the Campaign for Black Male Achievement to ensure that black boys have the opportunities to excel academically, prepare for college, and to learn skills essential to earning a living wage.

YouthBuild USA has achieved important success over time and significant gains since launching its breakthrough growth strategy in 2006. The time is right to build even more aggressively on these advances to leverage additional support from the Department of Labor, Corporation for National and Community Service, the federal Departments of Education and Justice, and states and cities looking for solutions to the interconnected crises of high drop out rates, youth unemployment, and disproportionate incarceration of young African American and Latino men. YouthBuild can help to play a key role in diminishing poverty in the United States.

YouthBuild programs directly break the cycle of poverty for the most disadvantaged youth, who are otherwise most likely to raise the next generation of children in poverty. The young adults who enroll in YouthBuild are 100% low-income, 93% without a high school diploma, 75% African American or Latino, 73% male, 40% court-involved, with an average reading grade level at entry of 7.2. Despite these challenges, a recent study of 800 YouthBuild graduates up to 7 years after completion showed 75% were in college or jobs with wages averaging \$10/hour. About 20% were in college, 86% were civically engaged, and the recidivism rate for those previously convicted of a felony was just 15% compared to a national rate of 67%. A stunning 65% reported that they expected to live an average of 32 years longer as a result of YouthBuild. Prior to YouthBuild they expected to be dead or in jail by their mid-twenties.

The Special Fund for Poverty Alleviation recommends that a grant of \$6,000,000.00 be awarded over a three year period to allow YouthBuild to build needed capacity to take the organization to “full scale”, and develop and test a powerful education component integrated with its effective employment model, and to promote the leadership development and advocacy power of YouthBuild alumni.

**Name of Organization:** Center for Employment Opportunities

**Tax Status:** 501(c)(3)

**Purpose of Grant:** To support the Center for Employment Opportunities' (CEO's) capacity to offer employment to individuals with criminal convictions, including program replication outside of New York City (e.g., California, Upstate New York) that will allow CEO to more than double the number of people served each year, from 3,000 to 6,200, by 2013.

**Previous OSI Support:** None

**Organization Budget:** \$16,662,714

**Project Budget:** \$34,968,000 (3 years); \$7,594,649 (1 year)

**Amount Requested:** \$2,000,000

**Amount Recommended:** \$2,000,000

**Term:** 7/1/10-6/30/11

<b>Match: Sources of Private Support (as of June 1, 2010)</b>	<b>Amount of Support</b>
Edna McConnell Clark Foundation	\$2,000,000

**Description of Organization:**

The Center for Employment Opportunities (CEO) is dedicated to providing immediate, effective and comprehensive employment services to men and women with recent criminal convictions, and has over 30 years of experience in serving this population. CEO was launched as a demonstration project by the Vera Institute of Justice in the 1970s to test whether people coming home from prison or jail would achieve better outcomes if, instead of facing barriers to employment, they were offered immediate paid transitional work. Today, CEO is one of the nation's largest and most well-regarded employment programs for recently released people. CEO's highly structured and tightly supervised programs help participants regain the skills and confidence needed for a successful transition to a stable, productive life. Currently, 3,000 individuals (including over 2,000 parolees) come to CEO every year. Since it became an independent nonprofit organization, in 1996, CEO has made over 13,000 placements in hundreds of area businesses and non-profit organizations.

**Description of Project for Which Funding is Sought:**

To improve its outcomes and prepare for growth, CEO began intensive business planning in 2004 with the support of the Edna McConnell Clark Foundation. The first stage of their business plan dealt with improving services and outcomes in New York City and engaging in independent

evaluation to determine CEO's impact on employment engagement and reducing recidivism. Following CEO's successful execution of its business plan, and based on the strength of the evaluation results on CEO's impact on crime, CEO began laying the groundwork to replicate its model to jurisdictions outside New York City. As part of that effort, they built the needed human capital and performance management systems to support their growth, and led extensive outreach efforts to other jurisdictions that met their criteria for replication. Most importantly, using federal stimulus dollars, CEO actually tested and implemented growth pilots in other locales that today have the capacity to serve 450 parolees annually in four jurisdictions in upstate New York. Taken together, these efforts indicate that CEO has the capacity to expand to additional jurisdictions while maintaining fidelity to their employment model, and that there is a demand for CEO's model outside New York City.

With support from the Special Fund for Poverty Alleviation, CEO proposes to continue its growth plan and replicate its proven model in jurisdictions outside New York City, more than doubling the number of formerly incarcerated people it serves, from 3,000 to over 6,200 over the three year period ending in 2013. By implementing this business plan, CEO will be able to reach 3,150 new individuals annually by 2013 (approximately 1,200 of which would be young adults between the ages of 18 and 26 – a target population for the Special Fund). In year one of their three-year growth plan, CEO will maintain the 450 served in their growth pilot sites and serve an additional 1,120 (new) individuals outside New York City (820 in upstate New York and 300 in California), for a total of 1,575 in the first year of the plan. Over the three-year period, CEO will focus attention on post-placement services that help people earn higher wages and make meaningful, long-term attachments to the labor market.

OSI support will be targeted toward year one of CEO's three-year growth plan. Specifically, CEO will:

- Maintain four new offices, started in 2009/2010, with capacity to serve 450 parolees annually;
- Open one new office in New York and two in California to serve 1,120 parolees annually, securing space, establishing systems and protocols, and hiring locally;
- Create transitional jobs partnerships in new locations to serve parolees;
- Build relationships with criminal justice partners to ensure a steady pipeline of program referrals;
- Build relationships with local businesses to create a network of employers that will provide full-time job opportunities to CEO clients;
- Place 50% of clients engaged in transitional jobs in full-time employment when sites are fully operational outside New York City;
- In New York City, launch pre- and post-employment training initiatives, job retention enhancements, and increased services for young adults.

**Rationale for Recommendation:**

This grant advances the goals of the Special Fund for Poverty Alleviation by reducing barriers to employment for formerly incarcerated individuals, immediately connecting them to a paying job, and supporting their job retention and advancement for up to one year post-release. For over 30 years, CEO has offered immediate, effective and comprehensive employment services exclusively to men and women with criminal records. CEO's vision is that anyone with a recent criminal history who wants to work has the preparation and support needed to find a job and to stay connected to the labor force. CEO's programs help participants regain the workplace skills and confidence needed for a successful transition to a stable, productive life. CEO is one of the few organizations in the nation that exclusively serves people with criminal convictions and offers immediate employment during the critical first days after release from jail and prison. CEO represents a critical partner for the Special Fund in providing quality workforce development services and improved employment outcomes for formerly incarcerated youth and adults.

CEO seeks to raise \$14.6 million in growth capital to advance its full implementation plan, and needs \$3.6 million for the FY2011/Year 1 of the plan. An initial commitment of \$2 million from OSI to support the first year (July 2010 through June 2011) of this large employment reentry initiative will be matched by the Edna McConnell Clark Foundation (EMCF) and enhanced by CEO's board and other funders. OSI's commitment of funds will enable CEO to start its plan strong and achieve its first year's milestones. EMCF has committed to playing a lead role working with CEO to raise additional funds.

The Special Fund for Poverty Alleviation recommends that a grant of \$2,000,000.00 be awarded over a one-year period to enable CEO to continue its expansion plan and replicate its proven model in jurisdictions outside New York City, more than doubling the number of formerly incarcerated people it serves, from 3,000 to 6,200 by 2013.

**Name of Organization:** National Association of Service and Conservation Corps, d/b/a The Corps Network

**Tax Status:** 501 (c) (3)

**Purpose of Grant:** To provide support for a national demonstration project of the Civic Justice Corps (CJC), in partnership with the US Department Of Labor, to advance CJC as a national service model for people with criminal records.

**Previous OSI Support:**

- 1) \$200,000.00 grant, from the Criminal Justice Fund, to continue programmatic and technical assistance to 17 Civic Justice Corps demonstration sites and to advance the Civic Justice Corps as a national service model for people with criminal records; Grant period: 4/1/2010 to 3/31/2012
- 2) \$300,000 grant, from the U.S. Justice Fund, to continue programmatic and technical assistance to fifteen Civic Justice Corps demonstration sites; Grant period: 12/1/2008 to 11/30/2009
- 3) \$20,000 grant, from the U.S. Justice Fund, to subsidize travel, hotel, and food costs for Civic Justice Corps members and staff to attend Green For All's Dream Reborn, a four-day conference that explores promising, equitable, ecologically friendly solutions with a focus on youth of color; Grant period: 4/1/2008 to 9/30/2008
- 4) \$100,000 grant, from the U.S. Justice Fund, to continue providing programmatic and technical assistance to fifteen Corporation for National and Community Service (AmeriCorps) and U.S. Department of Labor Civic Justice Corps demonstration sites; Grant period: 12/1/2007 to 11/30/2008
- 5) \$192,000 grant, from the U.S. Justice Fund, to provide programmatic and technical assistance to fifteen Corporation for National and Community Service (AmeriCorps) and U.S. Department of Labor Civic Justice Corps demonstration sites; Grant period: 12/1/2006 to 11/30/2007
- 6) \$25,000 grant, from the U.S. Justice Fund, to launch a public relations and marketing campaign that will highlight the involvement of people with criminal records in service and conservation corps in NASCC's new Youth Civic Justice Corps; Grant period: 8/1/2006 to 7/31/2007

**Organization Budget:** US \$4,029,285.00

**Project Budget:** US \$11,750,312.00

**Amount Requested:** US \$1,750,000.00

**Amount Recommended:** US \$1,750,000.00



**Term:**

June 30, 2010 to December 31, 2012

**Matching Funds**

	Amount of Support
U.S. Department of Labor	\$10,000,000.00 As announced on Friday, June 18 <sup>th</sup> , 2010

**Description of Organization:**

The Corps Network, created in 1985, is a national non-profit association, which represents the nation's Service and Conservation Corps, with over 25 years of experience in program development, national project administration, and training and technical assistance to local Corps. Annually, the Corps Network enrolls more than 30,000 youth and young adults. The vision of the Corps Network is to see high quality, well-funded Corps serving every community. Over the last year, the Corps Network engaged in a strategic planning process. The strategic priorities outlined are: to strengthen the outcomes focus of the network by implementing a national data collection system; to enhance the health and sustainability of member Corps by specialized training and technical assistance to local Corps; and to grow the network to serve more Corps members. The number one opportunity for growth, as identified by the business plan, is the Civic Justice Corps, an OSI initiated and seeded national service model for reengaging formerly incarcerated youth ages 16-24.

**Description of Program for Which Funding Is Sought:**

The vision for the Civic Justice Corps (CJC) is to see federal initiatives established that provide the means for engaging 100,000 youth and young adults - at least half of whom have been formerly incarcerated - by 2015. CJC aims to build its organizational capacity to advance a national demonstration of its effectiveness. CJC was established with support from the US Department of Labor (DOL), the Corporation for National and Community Service (CNCS), the Bill & Melinda Gates Foundation and OSI. Initially conceived by Susan Tucker, Director of the After Prison Initiative at OSI, and Dennis Maloney, Director of the Cascade Center for Community Change, CJC has been developed by OSI and The Corps Network in cooperation with Service and Conservation Corps across the country.

CJC is a service corps model that affirmatively recruits formerly incarcerated and court-involved youth to improve communities, preserve the environment, and transform their own lives. The CJC service-learning model emphasizes eco-literacy, industry-recognized green trade skills and habits, and responsibility for community and stewardship of the land. CJC transitions Corps members into community college and other post-secondary opportunities, providing multiple, guided pathways to college, apprenticeships and/or living wage work.

The model has been successfully replicated with training and technical assistance provided by The Corps Network. In 2008, the Conservation Corps of Greater New Orleans, funded under a US DOL National Emergency Grant, supported five Corps based on the CJC model and enrolled

800 young people in four-month terms of service. Performance measures were exceeded, and of the five, two permanent Corps remain active while the other three continue to serve youth, although they are not currently active members of The Corps Network. Two New York Justice Corps, supported by the Mayor's Center for Economic Opportunity, managed by John Jay College of Criminal Justice, engaged 273 Corps members in their first year. They are now implementing their second year of programming and have launched a random assignment evaluation (the first report is due in late 2012). Three new sites supported by the Attorney General's Office and Council of New Jersey Grantmakers will begin operations in late 2010. Public officials in Arkansas and Michigan have requested assistance from The Corps Network to establish CJsCs both in communities and inside state prisons.

Civic Justice Corps reengages the young people that other providers find hard to reach. Through CJC, the Corps Network is determined to increase its efforts to help member Corps effectively serve disconnected youth. CJC supports successful transitions to adulthood through youth empowerment and high expectations, youth involvement, and a clear code of conduct; program design components including experiential learning, self-paced curricula, and incentives; staff and leadership who build strong relationships with youth and garner community support; and holistic comprehensive services, including counseling, health services, housing and food assistance, and child care.

Civic Justice Corps' program creates a support system that begins in the corrections facility, continues through the young adult's time in the Corps, and extends 12 months after the Corps experience. Importantly, it formalizes effective working relationships with justice agencies, employers, and other partners, enabling Corps members to earn a high school diploma or GED while preparing for careers in high-growth industries or opportunities in post-secondary education. Sites provide formerly incarcerated CJC members with education, workforce preparation, living stipends, education awards, and access to vital support services, such as childcare and healthcare benefits (which may include prescription medicine, hospitalization, doctor visits, substance abuse treatment, transportation help, and mental health care). In addition, Corps members are empowered through service projects that meet community needs, including learning, working, and service opportunities in sectors likely to lead to viable careers emphasizing restorative and sustainable green construction, community development, and active citizenship.

CJC is cost-effective and increases public safety. For an average yearly cost of \$19,583 per Corps member, the great majority will become contributing members of their communities. When compared to the average annual incarceration cost of \$88,000 (and as high as \$135,000 in states like California) this represents a significant cost savings. Moreover, low-income communities benefit as the recipients of CJC service projects (i.e., additional and energy-efficient affordable housing units, energy audits, weatherization and retrofits, community gardens and green spaces, public lands maintenance, habitat restoration, and wildfire mitigation). Service is essential: young people give back, creating changes that directly benefit the local community. This gives them a sense of their value, their competence, and their ability to leave behind tangible and positive contributions.

Furthermore, CJC seeks to reform public and private systems that fail to coordinate efforts in a way that effectively support a person's re-entry. CJC promotes system change by altering how key stakeholders interact. Sites bring together players with shared interests—justice agencies, employers, educators, all people who want to see these young adults succeed.

The Special Fund for Poverty Alleviation worked with CJC to submit a proposal to the US Department of Labor. Should they be selected, CJC will receive a \$10 million grant to expand the Corps. The Corps Network will select six sites in at least two states that can manage 600 participants among them and implement the model with high levels of fidelity to program elements and the brand. DOL awards are anticipated by the end of June 2010, with a six-month planning period, likely to begin in September 2010, followed by two years of program operations. Under this service model, each participant will serve for six months in a crew managed by a Crewleader. Each youth will participate in employment, case management, training and educational strategies, and mentoring, and will contribute to restorative justice projects, and community-wide efforts to reduce crime and violence. Sites will provide a full year of follow-up support to promote retention in job and/or education. Corps member outcomes will be tracked according to US DOL requirements. In negotiation following the award US DOL will set national performance goals in these areas: reducing recidivism, increasing employment rates, increasing the rate at which participants receive high school diplomas and industry-recognized credentials, and increasing the rate at which participants enter post-secondary education and training.

### **Rationale for Recommendation:**

This grant advances the goals of the Special Fund for Poverty Alleviation by reducing barriers to employment for disadvantaged and adjudicated youth, connecting them to work and earnings through subsidized jobs, and allowing them to gain a foothold in society. The 200,000 young people exiting incarceration each year – often with nowhere to go and nothing to do – are among the nation's 3.8 million young people who are neither working nor in school, many of them homeless or without a stable place to live, or in foster care. From 2000 to 2004, the ranks of these disconnected young adults grew by 700,000. One in 30 men between the ages of 20 and 34 is behind bars—and for black males in that age group the figure is one in nine. According to the Bureau of Justice Statistics, approximately 120,000 youth under the age of 18 are currently incarcerated in juvenile detention centers, state prisons, and local jails. The problem is not just being court-involved, but being multiply disconnected: 75 percent of America's state prison inmates and 59 percent of federal prison inmates are high school dropouts.

These young people are considered among the most difficult to reach, engage, and reconnect to educational achievement, community engagement, successful employment, and solid family participation. The lack of direction among these young men and women, and their involvement with negative and destructive options including gangs, drugs, and prison, not only deprives them of positive, satisfying lives, but discourages and fragments their families and drains and further impoverishes their communities. Their absence in family life and as producers of income, their lack of opportunities and consequent failure to develop work readiness skills and academic abilities, and their belief that they have no future as responsible leaders in community, drives poverty even deeper into the fabric of these high-incarceration neighborhoods. By helping these

young people get back on their feet and assist their communities, the CJC project will advance the poverty alleviation advocacy goals of the Special Fund and create lasting change.

The Special Fund for Poverty Alleviation recommends that the grant of \$1,750,000.00 be awarded over a two-and-a-half year period to allow the Corps Network to support its project demonstration. Please note the Corps Network was awarded the grant from the US Department Of Labor on Friday, June 18<sup>th</sup>, 2010, which meets the Special Fund's contingency requirements. The DOL grant, along with the SFPA grant, will establish sites with a strong fidelity to the CJC model, with the aim of establishing evidence that will make the case for future federal funding for CJC.

**Name of Organization:** Center for Law and Social Policy

**Tax Status:** 501(c)(3)

**Purpose of Grant:** To build long-term public and political will to reduce poverty and enhance economic opportunity by fostering an informed dialogue that advances solutions to the challenges facing disadvantaged people and communities in America as part of the Special Fund for Poverty Alleviation's communications platform.

**Previous OSI Support:**

- 1) \$375,000.00 grant, from the Campaign for Black Male Achievement, to implement a research, communications, and advocacy strategy to address the particular needs of disconnected young men of color as the Workforce Investment Act is reauthorized and implemented; Grant period: 10/1/2009 to 9/30/2011
- 2) \$75,000.00 grant, from the Government & Political Development/Effective Government program, to support efforts to make welfare work via TANF reauthorization; Grant period: 12/31/2002 to 12/31/2003
- 3) \$100,000.00 grant, from the Government & Political Development/Effective Government program, to research welfare and workforce development and to educate the public on the findings; Grant period: 12/1/2000 to 12/1/2001
- 4) \$100,000.00 grant, from the Government & Political Development/Effective Government program, to support CLASP's work to carry out a set of coordinated activities around welfare reform, workforce development, child care, child support enforcement and welfare reform aspects of reproductive health and teen parenting; Grant period: 11/1/1999 to 10/30/2000
- 5) \$100,000.00 grant, from the US Political Campaign Reform program, to support the "Beyond Devolution: Technical Assistance and Tracking Project," which will involve monitoring developments in states as federal responsibilities are shifted to lower levels of government; Grant period: 9/1/1998 to 8/31/1999
- 6) \$100,000.00 grant, from US Programs/Old Grants, to support "Beyond Devolution: Technical Assistance Project"; Grant period: 1/1/1997 to 12/31/1997

**Organization Budget:** US \$14,422,765

**Project Budget:** US \$1,911,510

**Amount Requested:** US \$525,000.00

**Amount Recommended:** US \$525,000.00

**Term:**

July 1, 2010 to December 31, 2012

<b>Match:</b> Sources of Private Support (as of June 1, 2010) Pooled Leverage 2010-2012	Amount of Support
Annie E Casey Foundation*	\$375,000
EOS Foundation*	\$50,000
Northwest Area Foundation*	\$25,000
Bill & Melinda Gates Foundation*	\$150,000
California Endowment*	\$50,000
The Atlantic Philanthropies*	\$131,250
NH Endowment for Health^	\$12,000
<b>Total</b>	<b>\$1,318,250</b>

**Additional Projected Funders:**

Louisiana Disaster Relief Foundation - seeking \$100,000 for 2011

Hagedorn Foundation - seeking \$50,000 for 2011

Public Welfare Foundation - seeking \$75,000 for 2011

AARP - seeking \$10,000 for 2011

Winthrop Rockefeller - seeking \$5,000 for 2010-2011

\*CLASP will seek refunding from each of these foundations. Currently, a total of \$449,500 has been secured through 2010

^Proposal pending but likely

**Description of Organization:**

The mission of the Center for Law and Social Policy (CLASP) is to develop and advocate for policies at the federal, state and local levels that improve the lives of low-income people. Founded in 1968, CLASP currently works to secure policies that strengthen families and create pathways to education and work. Through research, analysis, and effective advocacy, it develops and promotes new ideas, mobilizes other groups, and directly assists governments and advocates who are putting in place successful strategies that deliver meaningful results to people across America.

CLASP's focus areas include disadvantaged and disconnected youth, safety net programs, child welfare, postsecondary access and success, workforce development and training, job quality, child care and early education, targeting poverty, and civil legal aid. CLASP approaches all of their work with a commitment to social and racial justice. The present annual budget of CLASP is approximately \$5 million, and they have a staff of 30 full-time employees. Most of CLASP's funding comes from national foundations and CLASP is governed by a diverse board of 14 trustees.

CLASP will manage the project on behalf of collaborating funders such as The Annie E. Casey Foundation, the Melinda & Bill Gates Foundation, and The Atlantic Philanthropies. CLASP

serves as the project grantee, which collaborates with the project contractors: The Hatcher Group, Freedman Consulting, LLC, and Civic Enterprises.

### **Description of Program for Which Funding Is Sought:**

The *Spotlight on Poverty and Opportunity: The Sources for News, Ideas, and Action* project is a funder-led initiative that will build upon *Spotlight's* prior success in building the public and political will needed to address poverty and opportunity in America. The project will focus on pathways to employment and access to public benefits in particular. At the core of *Spotlight's* mission are disadvantaged populations including disconnected youth, ex-offenders, immigrants, low-income individuals, and communities of color.

Spotlight provides a unique communications vehicle through its award-winning website, which offers data, news stories, ideas, and high-profile exclusive and bi-partisan commentaries about alternative strategies to address poverty and opportunity; webcasts with public officials and leading experts; and weekly e-updates to opinion leaders and interested individuals around the nation.

Through effective communications, *Spotlight* seeks to set the stage for informed advocacy at the federal, state, and local levels. CLASP believes that the complexity of tackling poverty requires a sustained effort. *Spotlight* focuses on the conversation around policy ideas and does not advocate for particular legislation. *Spotlight* helps leverage not just the contributions of a range of foundations – including smaller and regional funders – but the staffing and expertise of those foundations as well. For instance, foundation staff contribute commentaries, recommend experts for webcasts, and help identify organizations and individuals whose efforts would benefit from accessing the *Spotlight* resource.

### **Rationale for Recommendation:**

In a short time, *Spotlight* has become one of the leading forums for advancing a bi-partisan discussion of poverty and opportunity. In 2009, the site had approximately 220,000 visits and reached roughly 400,000 page views. The project's work has been picked up by Politico, Huffington Post, *Congressional Quarterly*, and other media. Likewise, *Spotlight* has received positive feedback from advocates as well as federal officials. Moving a poverty and opportunity agenda will require a big-tent, however. The *Spotlight* project is on the cusp of expanding its strategy to include explicit public engagement.

The *Spotlight* project will function as a crucial component of the Special Fund for Poverty Alleviation's communications platform and, as such, does not require CLASP to demonstrate matching, private dollars. The project will increase the profile of the Special Fund direct service investments, while supporting its overarching goal of promoting research and collaboration. Furthermore, *Spotlight's* unique communications capacity and demonstrated results have the potential to foster more effective dialogue on a range of policy issues that affect people and places struggling with poverty. Thus, the project will advance the poverty alleviation advocacy goals of the Special Fund and create lasting change.

The Special Fund for Poverty Alleviation recommends that the grant of \$525,000.00 be awarded over a two-and-a-half-year period to allow the *Spotlight on Poverty and Opportunity* project to draw attention to the intersection of educational achievement, pathways to employment, access to benefits, poverty and opportunity, to serve as the “go-to” resource on poverty and opportunity, and to provide a platform for a diversity of perspectives and for debate around solutions.



May 17, 2010

Ms. Mimi Corcoran  
The Open Society Institute  
400 West 59<sup>th</sup> Street  
New York, NY 10019

THE  
Edna McConnell  
Clark FOUNDATION

New York, New York 10017  
P 212 551 9100  
F 212 421 9325  
www.emcf.org

Dear Ms. Corcoran,

The Edna McConnell Clark Foundation (EMCF) is pleased to continue its support of Center for Employment Opportunities (CEO). EMCF has invested \$9.75 million in CEO since 2004 and is reinvesting in the organization to provide a portion of the total private growth capital CEO requires to execute its new business plan. EMCF is bringing a recommendation to its Board of Trustees' June 2010 meeting for an initial reinvestment of \$2 million in CEO to match the proposed grant of \$2 million from the Open Society Institute (OSI). Together with OSI's support, EMCF's proposed bridge grant would provide CEO the short-term growth capital and flexibility it needs to begin executing its plan while CEO, with EMCF's support, aggregates the additional growth capital required to pursue the organization's most viable multi-year business plan scenario. After the recommended bridge grant, EMCF expects to consider additional reinvestment in CEO as part of its full capital aggregation.

CEO is one of the largest and only proven programs in the country providing reentry employment support to the formerly incarcerated. Since EMCF's initial investment in 2004, CEO has grown to serve over 2,600 formerly incarcerated individuals, strengthened retention services for participants, and increased its evidence base. An MDRC-conducted randomized controlled trial evaluation found that participants who came to CEO within three months of release experienced a 22.4 percent reduction in convictions and 26.4 percent reduction in incarceration for a new crime, as compared to the control group. At a time when our nation's prisons are overflowing and early release programs are being used to alleviate state budget crises, CEO has begun executing on a new business plan to move beyond New York City, bring its model to new jurisdictions, and become part of a national reentry solution.

EMCF expects to continue to support CEO as it executes on its expansion plan to serve more formerly incarcerated individuals. We look forward to the opportunity of investing alongside OSI as CEO pursues its next phase of growth.

Sincerely,



Nancy Roob  
President