

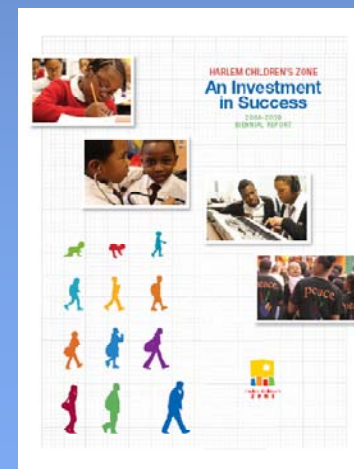
Creating a Strategic Financing Plan to Achieve Results at Scale: Resources and Tools

*Cross-Site Learning Exchange
November 11, 2009*

Strategic Financing Framework

Goal: To identify the range of fiscal resources needed to achieve your sustainability goals and to develop strategies to access them.

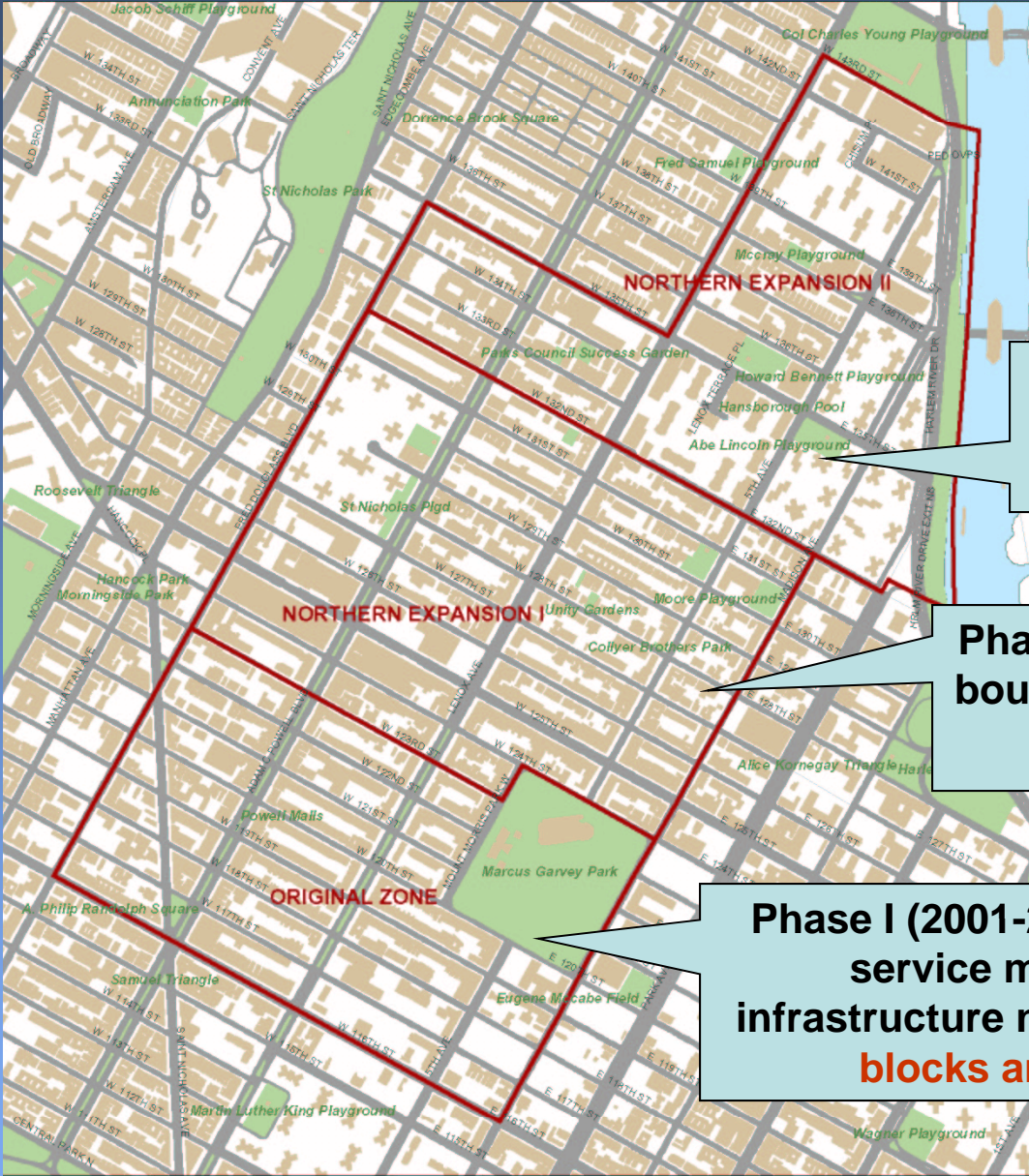
Resources:



1. Clarifying “Financing for What?”

- Strategies and activities; how will you build a results-based pipeline of services? How will you influence policy and system reform?
- Scope; how comprehensive will the supports and services be? At what standard of quality?
- Scale; how many children and families will be served? Over what geographic area?
- Ramp up assumptions; how will the initiative expand (either by providing more services, or expanding the service area)? Over what time period? With what benchmarks?

Harlem Children's Zone Systematic Plan for Growth



Phase III (2007-2009)-further expansion; adding 31 blocks and 8,000 more children

Phase II (2004-2006)-expansion of boundaries; adding 36 blocks and 4,100 more children

Phase I (2001-2003)-refining the core service model and internal infrastructure needed to support it; 24 blocks and 6,990 children

2. Estimating Costs Using a Results-Based Budget

- Program costs: both start-up and operating
- Infrastructure costs: administrative/management structure, data and evaluation, communications, training, technical assistance, etc.
- Capital costs: facilities, equipment, etc.
- Take into account ramp-up goals and cost escalation assumptions
- Consider several ways to present the information (by result areas; strategy/activity; cost per participant/child)

Tools: Estimating Program & Initiative Costs

Program Level Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Etc...				
By Results Area											
<i>Strategy/Activity:</i>											
Staff (indicate FTEs)											
Core Activity Costs											
Other											
Subtotal											
<i>Strategy/Activity:</i>											
Staff (indicate FTEs)											
Core Activity Costs											
Other											
Subtotal											
<i>Strategy/Activity:</i>											
Staff (indicate FTEs)											
Core Activity Costs											
Other											
Subtotal											
Total Program Costs											
Initiative Level Costs					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Etc...
Program Costs											
Infrastructure Costs											
Administrative/management											
Data and Evaluation											
Communications											
Technical Assistance											
Etc...											
Capital Costs											
Facilities											
Equipment											
Etc...											
Total Costs											
Participants Served											
Total Costs per Participant											

Harlem Children's Zone Cost Estimates

PROGRAM-LEVEL FINANCIAL SUMMARY

	2,001	2,002	2,003	2,004	2,005	2,006	2,007	2,008	2,009
	ACTUAL	ACTUAL	ACTUAL	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN
Booker T.W. Center 54 Beacon	656,812	610,958	1,238,214	1,275,361	1,313,622	1,353,030	1,393,621	1,435,430	1,478,493
Countee Cullen	598,437	985,249	1,055,332	1,086,991	1,119,601	1,153,189	1,187,785	1,223,419	1,260,121
E&T	457,201	644,031	698,152	719,097	740,670	762,890	785,776	809,350	833,630
Family Development Program	1,594,765	1,624,561	1,884,668	1,941,208	1,999,444	2,059,428	2,121,210	2,184,847	2,250,392
Family Support Center	490,126	749,597	758,490	781,245	804,682	828,823	853,687	879,298	905,677
General preventives	49,449	67,577	170,873	175,999	181,279	186,718	192,319	198,089	204,031
HCZ General	237,631	462,479	163,340	168,240	173,287	178,485	183,840	189,355	195,036
Midtown Family Place	374,691	457,636	465,943	479,921	494,319	509,148	524,423	540,155	556,360
Parent Help Center	178,848	208,884	231,818	238,772	245,936	253,314	260,913	268,740	276,803

Project Class

Truancy Prev

Asthma initiat

Baby College

CHES

Community P

Dental servic

Peacemakers

TRUCE

TRUCE fitness

Charter Beac

Harlem Gems

Head Start

Health - scho

based/educat

SMART + sch

Smoking Ces

5th Grade Init

Promise Acac

Practitioners i

Neighborhood

ParentCorp

Senior Center

Total

Agency Level Outputs

	FY 2003 Actual	FY 2004 Target	FY 2005 Target	FY 2006 Target	FY 2007 Target	FY 2008 Target	FY 2009 Target
Children Served	7,670	8,326	9,203	10,000	10,470	10,670	11,060
Individuals Served	12,521	13,212	14,452	15,494	16,257	16,617	17,231
Direct Program Expenses per Participant	\$1,036	\$1,165	\$1,422	\$1,626	\$1,804	\$1,880	\$2,039
Operating Costs (\$M)							
Total Budget	\$16.0	\$19.0	\$24.7	\$29.5	\$33.7	\$35.7	\$39.8
Program Expenses	\$13.0	\$15.4	\$20.6	\$25.2	\$29.3	\$31.2	\$35.1
Overhead Costs/Total Costs	19%	19%	17%	14%	13%	13%	12%

3. Map Current Resources

- What are your current sources of funding (cash and in-kind)?
- How flexible are the resources?
 - Are they restricted to specific strategies/activities?
 - Can they be redirected to other purposes as needed?
- How durable are the resources?
 - Over what time period will they be available?
 - Will they be automatically renewed?
 - Are there funding sources that are at risk of being cut or reduced?
- How robust is the initiative's overall funding mix?
 - Is there a balance of public and private funding, short- and long-term support, restricted and flexible resources

4. Assess Gaps

- Gaps = estimate of costs - current resources
- Pinpoint the nature of the initiative's funding needs:
 - What strategies/activities or infrastructure?
 - What categories of spending (e.g. staff salaries)?
 - What timeframes (e.g. next year or longer-term)?

5. Identify Funding Sources

- **Federal funding – formula/block grants, discretionary grants, entitlement programs**
- **Foundation grants—national, regional, community, family, and corporate foundations**
- **State/local government funding – general funds, agency funds (e.g. education, children and family services, community development), children’s cabinets**
- **Community resources—schools, universities, hospitals and health clinics, businesses, civic and faith-based organizations, etc.**
- **Individual Donors**

Selected Federal Funding

< Child Care and Development Block Grant >

- Early Learning Challenge Fund (ARRA)
- Head Start/Early Head Start *

- Race to the Top (ARRA)
- Title I
- Improving Teacher Quality (Title II)
- Education Technology State Grants
- Public Charter Schools Program
- Striving Readers
- Safe & Drug Free Schools
- 21st Century Community Learning Centers

- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) *
- College Graduation Initiative (2010 budget proposal)
- TRIO (multiple discretionary grants)*
- WIA Youth Activities
- Youthbuild*



Healthy Start Initiative*, Maternal & Child Health Block Grant, SCHIP, Consolidated Health Centers, Parental Assistance Centers*, Volunteer Income Tax Assistance Program*, Community Development Block Grant, Community Services Block Grant, Americorps*, Retired and Senior Volunteer Program*

Foundation Funding

Develop a targeted list of foundation prospects based on their:

- current funding priorities (programmatic, geographic, types of grants)
- grantmaking history (have they funded similar initiatives? What size are typical grants?)

National Foundations

- Atlantic Philanthropies
- Kellogg Foundation
- Charles Stewart Mott Foundation
- Edna McConnell Clark Foundation
- Annie E. Casey Foundation
- Robert Wood Johnson Foundation
- Starr Foundation

Corporate Foundations/Giving Programs

- American Express
- Walmart Foundation
- AT&T Foundation
- Gap Foundation
- J.P. Morgan Chase Foundation
- Altria/Phillip Morris USA

Regional, Community and Family Foundations

Resources

- **TFP's searchable federal funding catalogue** – www.financeproject.org/fedfund_search
- **Federal funding** – www.cfda.gov, www.grants.gov (grant opportunities and online applications), Census Consolidated Federal Funds Report and agency websites (grantees)
- **Foundation Center** – www.fdncenter.org
- **CHAPPS brief** – national, corporate, regional, and community foundations by Making Connections sites
- **State and local agency websites**
- **Private donors** – www.grassrootsfundraising.org and www.techsoup.org (technology support for nonprofits, including donor development)

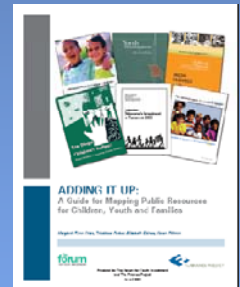
Developing a Strategic Financing Plan

- Begin with clarity on results and priorities for the work—spend scarce resources on the functions that matter most
- Match short-term needs to short-term funding; long-term needs to longer-term funding
- Allocate restricted funding first; then use flexible funding to fill in the gaps

Tools and Resources: Template and Examples of a Written Sustainability Plan

Influencing Policy/System Reform

- Setting bigger/bolder goals
 - Building public and political will
 - Strategies/activities that citywide/statewide systems can pursue to support and sustain reform
 - Estimating costs of policy changes/system reform
 - Mapping how funding is currently being allocated at the state or local level
 - Does funding align with key goals/outcomes?
 - Are fiscal resources being leveraged effectively?
 - What are the gaps?
 - Pursuing financing strategies
 - Making better use of existing resources
 - Maximizing public and private funds
 - Generating new dedicated revenue
- Financing for What?
- Estimating Costs
- Mapping Current Resources
- Assessing Gaps
- Identifying Financing Strategies



Analyses in MI, NY
Hampton Roads (VA)

