

Corporation for National and Community Service

2010 Social Innovation Fund

The Mayor's Fund to Advance New York City

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2010 Social Innovation Fund

The Mayor's Fund to Advance New York City

Section 1 – Application

PART I - FACE SHEET

APPLICATION FOR FEDERAL ASSISTANCE		1. TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Non-Construction
2a. DATE SUBMITTED TO CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS): 04/08/10	3. DATE RECEIVED BY STATE:	STATE APPLICATION IDENTIFIER:
2b. APPLICATION ID: 10SI115457	4. DATE RECEIVED BY FEDERAL AGENCY: 04/08/10	FEDERAL IDENTIFIER: 10SIHNY002
5. APPLICATION INFORMATION		
LEGAL NAME: Mayor's Fund to Advance New York City DUNS NUMBER: 606888431	NAME AND CONTACT INFORMATION FOR PROJECT DIRECTOR OR OTHER PERSON TO BE CONTACTED ON MATTERS INVOLVING THIS APPLICATION (give area codes): NAME: Megan Sheekey TELEPHONE NUMBER: (212) 788-4257 FAX NUMBER: INTERNET E-MAIL ADDRESS: msheekey@cityhall.nyc.gov	
ADDRESS (give street address, city, state, zip code and county): 253 Broadway, 8th Floor New York NY 10007 County: New York		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 133783906	7. TYPE OF APPLICANT: 7a. Non-Profit 7b.	
8. TYPE OF APPLICATION (Check appropriate box). <input checked="" type="checkbox"/> NEW <input type="checkbox"/> NEW/PREVIOUS GRANTEE <input type="checkbox"/> CONTINUATION <input type="checkbox"/> AMENDMENT If Amendment, enter appropriate letter(s) in box(es): <input type="text"/> <input type="text"/> A. AUGMENTATION B. BUDGET REVISION C. NO COST EXTENSION D. OTHER (specify below):	9. NAME OF FEDERAL AGENCY: Corporation for National and Community Service	
10a. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 94.019 10b. TITLE: Social Innovation Fund	11.a. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Mayor's Fund to Advance NYC SIF 2010 11.b. CNCS PROGRAM INITIATIVE (IF ANY): SIF - Issue Area Opportunity	
12. AREAS AFFECTED BY PROJECT (List Cities, Counties, States, etc): New York City, NY Bronx, NY Brooklyn (Kings), NY	13. PROPOSED PROJECT: START DATE: 09/30/10 END DATE: 09/30/11	
14. CONGRESSIONAL DISTRICT OF: a.Applicant b.Program	15. ESTIMATED FUNDING: Year #: <input type="text" value="1"/>	
a. FEDERAL \$ 5,700,000.00	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? <input type="checkbox"/> YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE: <input checked="" type="checkbox"/> NO. PROGRAM IS NOT COVERED BY E.O. 12372	
b. APPLICANT \$ 6,948,570.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> YES if "Yes," attach an explanation. <input checked="" type="checkbox"/> NO	
c. STATE \$ 0.00	18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.	
d. LOCAL \$ 0.00	a. TYPED NAME OF AUTHORIZED REPRESENTATIVE: Megan Sheekey	
e. OTHER \$ 0.00	b. TITLE: President	
f. PROGRAM INCOME \$ 0.00	c. TELEPHONE NUMBER: (212) 788-4257	
g. TOTAL \$ 12,648,570.00	d. SIGNATURE OF AUTHORIZED REPRESENTATIVE:	
e. DATE SIGNED: 07/07/10		

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Executive Summary

Mayor's Fund to Advance New York City

Lead intermediary: Mayor's Fund to Advance New York City (MF) (partner: Center for Economic Opportunity (CEO))

Key collaborator: MDRC (evaluation, program oversight, technical assistance, and fiscal management)

Issue-based SIF (Economic Opportunity)

Grant amount and period: \$5,700,000 for 1 year

No pre-selected subgrantees

The SIF provides an exciting opportunity for the MF and its partner, CEO, to expand and replicate 5 program models with strong track records now operating in NYC and demonstrate their effectiveness in diverse urban settings with rigorous evaluation. The programs promote economic opportunity through human capital development and aim to achieve transformative change on critical measures such as education, job skills, employment, and assets. Three models have strong evidence based on large randomized control trials (RCTs) or strong quasi-experimental studies, and 2 are backed by preliminary evidence of positive results. All have evidence of feasibility and scalability.

The models include: Jobs-Plus, a site-based employment initiative for public housing residents; WorkAdvance, a sector-focused employment program for low-income individuals; Family Rewards, a conditional cash transfer program to reduce current and future poverty; \$aveUSA, a savings initiative linked to the Earned Income Tax Credit; and Young Adult Internship Program, a work exploration program for disconnected young adults. The MF and CEO propose to deploy the SIF to replicate each program model at scale in up to 4 other cities -- in all, 16 programs in up to 8 cities, including: greater Cleveland, OH (with Youngstown/Akron); Kansas City, MO; Memphis, TN; Newark, NJ; New York, NY;

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San Antonio, TX; Savannah, GA; and Tulsa, OK.

The MF is a grantmaking institution that leads joint ventures between philanthropy and city government. CEO, in the NYC Mayor's Office, designs, implements and evaluates innovative anti-poverty programs, then uses evidence to inform future funding decisions. MDRC is a leader in conducting RCTs and managing multi-site, federally-funded projects. MF, CEO and MDRC have partnered effectively over the past 4 years on a \$58 million anti-poverty portfolio. This collaboration will be expanded for the SIF, as MDRC's national expertise complements and extends the MF's and CEO's experience in NYC.

A 2-stage competitive selection process will be used to identify subgrantees. City-specific selection committees (CSCs), with staff from the MF-CEO-MDRC collaborators and local partners, will first review applicants' alignment with specific program models, programmatic and organizational capacity, and commitment to rigorous evaluation. Applicants advancing to stage 2 will submit more detailed plans on program implementation, performance measures, and budget, and each CSC will make final selections.

Four models will be evaluated through RCTs at selected sites, with implementation and cost analyses. Since Jobs-Plus already has strong evidence of large and sustained impacts, its evaluation primarily will assess implementation fidelity to the model, operational performance at scale, and costs.

To support subgrantee operations, the MF-CEO-MDRC team will draw on its extensive experience with program monitoring, technical assistance, corrective action plans and capacity building.

Net assets, in millions: MF = \$33.9; CEO = NA; MDRC = \$83.0

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MF's annual grants budget: \$34.9 million

Number of staff: MF = 6; CEO = 12; MDRC = 200

MF and MDRC will jointly manage the grants and provide fiscal oversight using systems developed by MDRC to manage \$257 million in federal funds over the past decade, including subgrants to dozens of local sites. CEO and MDRC will jointly oversee and provide technical assistance for site operations, drawing on their combined experience in NYC and throughout the US. Knowledgeable operations staff will be assigned to each site.

The applicants request \$5,700,000 for the first SIF year, but will seek more SIF funding beginning in year 2. Subgrantees will be allocated 80% of year 1 federal SIF funding.

\$6,934,320 in match funding will be provided in the first year, for a match ratio of 1.2:1. Major sources of match funding include the Bloomberg Family Foundation and the Open Society Institute.

The proposed budget is well-aligned with the replication and evaluation plans as it is grounded in the collaborators' direct experience in NYC and elsewhere.

Program Design

IA and B: GOALS, OBJECTIVES, AND EVIDENCE

New York City's Center for Economic Opportunity (CEO) was created by Mayor Michael R. Bloomberg to test innovative solutions to poverty with the goal of improving the lives of low-income people while optimizing limited resources. Other cities have expressed interest in replicating some of CEO's 40 program models, but lack of vehicles for coordination and funding for implementation have impeded formal collaborations to date. The creation of the Social Innovation Fund (SIF) now provides an exciting

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opportunity to expand 5 economic opportunity program models with strong track records, and demonstrate their effectiveness in diverse urban settings and populations with rigorous evaluation.

This proposal deploys the SIF to replicate each of 5 programs underway in NYC in up to 4 other cities -- in all, an expected 16 programs in up to 8 cities. The programs attack economic disadvantage through human capital development by emphasizing work, skills-building, and asset development. They include:

1. Jobs-Plus, a site-based employment initiative for public housing residents;
2. WorkAdvance, a skills-focused career development program for the working poor and low-income individuals disconnected from the labor market;
3. Family Rewards, a conditional cash transfer (CCT) program to reduce current and future poverty;
4. \$aveUSA, a savings program linked to the Earned Income Tax Credit (EITC); and
5. Young Adult Internship Program, a work exploration program for disconnected young adults.

All programs have evidence attesting to their feasibility and scalability. Three program models have strong evidence of improving economic security, based on randomized control trials (RCTs) with large samples ranging from 2,000 to 16,000 or strong quasi-experimental studies. Two models are backed by preliminary evidence of positive results. Each model's replication will add improvements based on experience and research, with the aim of achieving transformative change across diverse cities and population groups on critical measures of economic opportunity, including education and vocational skills, employment outcomes, savings, and other measures of family well-being. All programs will operate at a substantial scale, with some subgrantees serving as many as 1,400 participants at any given time. Four models will be evaluated rigorously using RCTs with implementation and cost analyses; the replication of Jobs-Plus, which has the strongest evidence base, will have a more modest evaluation.

The Mayor's Fund to Advance New York City (MF), a grantmaking institution, and CEO, part of the NYC Office of the Mayor, will partner as an intermediary to propose an Economic Opportunity issue area SIF

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to implement the 5 programs in up to 8 cities. The MF-CEO partnership will collaborate closely with the nonprofit social policy demonstration and research firm MDRC. Building evidence and promoting evidence-based policymaking are at the heart of CEO's and MDRC's institutional missions, and supported by MF's evaluation requirements for its funded programs.

CEO and MF have worked with over 150 non-profit organizations and have strong support from local government, academic, business, social service and media sectors. They have secured written commitments to collaborate on this SIF proposal from local government executives and foundations in 8 cities, including: greater Cleveland, OH (with Youngstown and Akron); Kansas City, MO; Memphis, TN; Newark, NJ; New York, NY; San Antonio, TX; Savannah, GA; and Tulsa, OK. These collaborators have strong relationships with their local communities. The mayors of each partner city have committed to embracing innovation and prioritizing evidence-based policies and programs. They have each dedicated in-kind staff support to: ensure the SIF initiatives are executed promptly and successfully, align the program models with ongoing local efforts, and use program evaluations to inform the city's future policy making and funding decisions, as well as identify ongoing financial support. The partner cities are also eager to participate and share experiences through a CEO-organized national learning network.

These cities all have substantial poverty rates, high poverty concentrations, and many residents chronically disconnected from work. They encompass a range of labor markets, opportunity structures, service environments, philanthropic support, populations and geographies. The 2006-08 American Community Survey showed overall poverty rates in these partner cities range from 19% in San Antonio to 31% in Cleveland, with most over 20%. In Newark, 27% of working-age adults do not have a high school credential, and in Savannah, 14% of adults are poor despite working, highlighting the challenges to economic advancement and the importance of programs that build human capital, strengthen labor market connections, and increase families' economic resources. The composition of poor populations

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varies widely: 79% African-American in Memphis, 73% Latino in San Antonio, 46% white in Tulsa, and 45% immigrant in NYC. This plan will evaluate whether the 5 programs can make transformative changes in economic opportunity when operating at scale under diverse conditions--a precondition for further replication or expansion.

JOBS-PLUS

Many public housing (PH) developments have high concentrations of poverty and social ills, with nearly half or more of nondisabled adults not working. Jobs-Plus (JP), designed by HUD, the Rockefeller Foundation, and MDRC, is a saturation model targeting all working-age residents of a PH development with 3 core strategies: 1. employment services at on-site job centers; 2. rent rules that reward work; and 3. community networks to exchange information about job opportunities and services.

An MDRC evaluation of JP involving random assignment of PH developments and comparative analysis in 6 cities found the model produced large and sustained impacts on earnings. In sites where all components were in place and sustained, the program group experienced annual earnings impacts of 16% or \$1,300 that endured for 7 years without abating. Strong effects were observed across different cities and labor markets (LA, St. Paul, and Dayton), and for diverse populations (black single mothers, Latino families, Hmong refugees, young adults, and older participants). For some groups the impacts exceeded \$3,000 per year (Bloom, Riccio, Verma 2005, www.mdrc.org/publications/405/full.pdf; Riccio, 2010, www.mdrc.org/publications/542/policybrief.pdf).

The strong evidence of strong impacts suggests JP is ripe for replication and scaling up, which has begun in NYC. In 2009 CEO replicated JP in a large PH development in Harlem, and as a testament to the model's appeal and feasibility of operation by nonprofits, a NYC community development corporation recently launched JP in the largest PH development in the nation.

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The MF and CEO propose to build the capacity of more nonprofits to run JP, informed by the demonstration captured in MDRC's "how-to" practitioner guide (www.mdrc.org/publications/506/full.pdf) and NYC's experiences. Further evidence-building will assess fidelity to the model, operational performance, and costs. See Part III for more detail on evaluation plans.

WORKADVANCE

NYC's Advance at Work program seeks to improve the earnings of low-income workers by providing career advancement coaching, training and education, and other services. A quasi-experimental evaluation shows participants were 3.5 times more likely to be placed in a job or receive a promotion, earned about \$0.50 more per hour, and had more weekly hours than those served by NYC's traditional workforce centers (see Henderson et al., 2010; www.nyc.gov/html/ceo/downloads/pdf/workforce_programs_evaluation_report.pdf).

Another approach, NYC's Workforce1 Transportation Career Center, targets sector-focused job placement, training and support to low-income individuals interested in new or higher-wage positions in the transportation sector. A quasi-experimental analysis showed its participants were 3 times more likely to be placed in jobs, on average earned \$1.90 more per hour (see Henderson et al., 2010; same website), and worked, on average, 4 more hours per week for a total of approximately \$115 more per week than those in the traditional federally-funded workforce system.

Given these positive results and strong evidence of impacts from RCT evaluations of related programs, the MF and CEO propose to combine the post-employment strategies of Advance at Work, the sector-focused strategies of the Transportation Career Center, and elements of other successful programs into a

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composite model with increased transformational potential. The WorkAdvance program will focus on a set of occupations within a few growing industry sectors. Two or more nonprofits will operate the program in each city, each focusing on up to 3 sectors. The nonprofits will facilitate enrollment in training courses, pay tuition for some participants, or arrange WIA training grants or other aid. To increase training completion rates, the program will tie tuition and completion stipends to performance, as in other advancement programs. WorkAdvance stresses short-term training of a year or less followed by job placement in relevant sectors. Participants receive post-employment job coaching for up to 1 year.

Additional evidence for WorkAdvance comes from RCTs testing related strategies. MDRC's large-scale RCT evaluations of 2 Employment Retention and Advancement (ERA) projects point to the effectiveness of elements of WorkAdvance. The Corpus Christi, TX ERA program for unemployed TANF applicants and recipients found assistance and incentives increased participants' average annual earnings by 15% over 4 years, and by 18% or \$1,400 per worker in year 4 (Hendra et al., 2010, forthcoming; <http://sif.mdrc.org/ERA-C.pdf>). A Riverside, CA ERA program providing post-placement assistance to working single parents exiting welfare produced similar RCT results with average annual earnings increases of 10% over 4 years, and earnings impacts of \$1,440 per worker in year 4 (Hendra et al., 2010, same website). A benefit-cost analysis showed each government dollar invested increased participants' income by more than a dollar (Redcross et al., 2010, forthcoming; <http://sif.mdrc.org/ERA-B.pdf>).

Other relevant evidence on post-employment services comes from Britain's UK ERA program and the Work Advancement and Support Center (WASC) demonstration, both of which show impacts on training receipt. UK ERA also produced substantial earnings gains (Riccio et al., 2008; www.mdrc.org/publications/475/full.pdf and Miller, et. al, 2008; www.mdrc.org/publications/519/full.pdf). Also P/PV's in-progress RCT of 3 sector employment programs attests to the potential benefits of the sector focus of WorkAdvance. These programs for

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disadvantaged job seekers increased earnings over 2 years by 18% or \$4,500 (Maguire et al., 2009; www.ppv.org/ppv/publications/assets/294_publication.pdf). The WorkAdvance evaluation will use a large RCT, implemented in select sites, to estimate effects over multiple years on skills-building, employment, earnings, safety net use, advancement, poverty, and quality-of-life.

FAMILY REWARDS

Inspired by Mexico's Oportunidades program, conditional cash transfer (CCT) programs now operate in more than 24 lower- and middle-income countries. NYC is piloting Family Rewards, the first comprehensive and two-generation CCT program in a developed country and a fundamentally different way of addressing poverty in the US. The 3-year program, still underway, offers very low-income families a broad range of financial rewards for activities and outcomes intended to reduce current poverty while promoting investments in human capital to reduce longer-term poverty. 22 specific rewards include: payments for children's high attendance at school, scoring well on standardized tests, accumulating sufficient high school course credits, and meeting other educational outcomes; preventive medical and dental visits by all family members, and maintaining health insurance coverage; and parents' full-time employment and training. CEO and MDRC designed the model with assistance from the nonprofit Seedco and others, using evidence from RCTs of CCT programs in Mexico and elsewhere (Levy, 2007, www.brookings.edu/global/progress/pap_total.pdf; Fiszbein and Schady, 2009, <http://catalogue.nla.gov.au/Record/4660884>) and from RCT results for single-domain incentive programs in education, health, and employment.

MDRC recently released initial findings from its large RCT of Family Rewards. Early results from mid-way through the 3-year intervention show that there are no or weak impacts in some areas, yet strong results in others such as poverty/hardship reduction and educational outcomes for high school students. This application includes replication of CCTs in an amended form in several cities, including NYC, based

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on these early lessons. The early evidence shows the potential of CCTs to significantly reduce poverty in a way that has not been broadly explored in the US, meriting replication and a multi-city test.

Specifically, the study provides strong evidence of a range of early impacts on outcomes that are often very difficult to influence in a short-period of time for a very poor population. In the first 1-2 years, the program reduced severe poverty by 13 percentage points (pp), reduced food insufficiency by 7 pp, increased savings \$221 (62%), reduced reliance on emergency rooms for routine care by 6 pp for high school students, and increased parents' full-time employment by 6 pp. It had impacts on students who entered the program somewhat better-prepared for high school -- increasing the % with high attendance in school by 15 pp, reducing repetition of Grade 9 by 6 pp, increasing the % on track for graduation by earning course credits by 8 pp, and passing standardized tests by 6 pp. These early effects are expected to grow as families' engagement in the program deepens -- reflecting the program's theory of change, which postulates that families would need several years to fully adapt their behaviors in response to the incentives offer. MDRC will continue tracking the program's impacts for 5 years, including 2 years after the program ends.

The SIF CCT model will be strengthened and further tested using RCTs. Building on lessons learned from the initial test, the replicated model will include a reduced set of incentives, discontinuing those that appear least effective or most difficult to administer. The rewards will include, for example, promising educational incentives for high school students, and for parents' work and training. Families still will be eligible to participate for 3 years. The streamlined incentives will be easier for families to understand and respond to, and more cost effective. Incentives for maintaining health insurance, which had positive effects, seem less necessary in light of health care reform and relatively high take up rates revealed in the initial test. The program will also offer more support to help families achieve the outcomes, a revision based on implementation evidence. The RCT will be modeled after the original

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study, collecting similar outcome data through surveys and administrative records over multiple years (Riccio, et al., 2010; www.mdrc.org/publications/549/full.pdf).

\$AVEUSA

Roughly 30% of working families have zero or negative net worth, putting them at risk of greater economic peril in the event of job loss, illness, or marital breakup. Because building assets is vital to economic security, the MF and CEO propose to replicate \$aveNYC, an innovative CEO pilot operated by non-profits running Volunteer Income Tax Assistance (VITA) sites. \$aveNYC encourages tax filers to open a special account at a local financial institution and directly deposit a portion of their refund. They commit to save up to \$500 and receive a 50% match for keeping the funds in the account for one year. Some studies suggest that holding even small amounts of unrestricted, emergency savings -- as little as \$500 -- is associated with fewer incidences of overdrawing checking accounts, initiating high-cost loans, or failing to meet monthly bills. \$aveUSA can help participants avoid these problems, which can quickly escalate into economic disasters for low-income families.

Preliminary evidence from a quasi-experimental design evaluation of \$aveNYC by the Center for Community Capital at UNC-Chapel Hill shows \$aveNYC attracted over 1,200 savers in its first 2 years. Of these, 23% were previously unbanked and 40% reported no savings or history of saving, demonstrating \$aveNYC's appeal to a segment of the low-income population disinclined or unable to save. 80% of program participants saved for at least 1 year and qualified for the match, and about 75% continued saving after the match, according to program records (NYC Dept. of Consumer Affairs, 2009; www.nyc.gov/html/ceo/downloads/pdf/savenyc_research_brief_2009.pdf). Moderate evidence from the 2nd cohort indicates participants are 4 times more likely than a matched comparison group to retain a portion of their tax refund 6 months after filing taxes. They are also twice as likely to report using savings to handle financial emergencies instead of debt or other mechanisms

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(<http://sif.mdrc.org/SaveNYC.pdf>).

Relevant supporting evidence from an RCT of incentives encouraging retirement savings showed participants offered a 50% match at tax preparation time had 17% higher IRA contributions than the control group (Duflo, et. al, 2005; www.povertyactionlab.org/sites/default/files/publications/24_Saving_Incentives.pdf). RCTs of Individual Development Account (IDA) programs have found incentives can increase saving levels among low- and moderate-income households. However, \$aveUSA, which focuses on liquid savings, is much simpler and less costly than IDAs and can be much more transformative by reaching many more people.

\$aveUSA will preserve the structure of the original model while strengthening its marketing and delivery. It will serve low-income tax filers at VITA sites in NYC and 3 other cities, with marketing and procedures adapted to suit local conditions. The sites will be operational in early 2011, in time for tax season.

\$aveUSA will be evaluated through a 4-year RCT using survey data on such outcomes as: savings rates, banking behaviors, unfavorable banking events, credit scores, payday loans, check-cashing outlets, debt, home-buying, foreclosures, and material hardship.

YOUNG ADULT INTERNSHIP PROGRAM

Many cities have large numbers of disconnected young adults--not working or in school, and often without a high school diploma or GED. For this group, the MF and CEO propose to replicate an enhanced version of NYC's promising Young Adult Internship Program (YAIP). Currently operated by 14 nonprofits serving over 1,300 participants per year, YAIP offers job readiness training and work

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internships followed by placement into unsubsidized work, education, or further training, with 9 months of follow-up job-retention services. YAIP uses high quality internships or job placements to enable young adults to gain valuable work experience, earn immediate income, and ultimately serve as the "hook" that encourages them to enroll in education or other skills-building to improve their longer-term earnings potential.

The program has had no formal impact evaluation, but monitoring data show it is meeting performance targets with 85% of youth completing internships, 70% placed in unsubsidized jobs or education, and 60% retained in employment or education 9 months later (Westat and Metis, 2009; www.nyc.gov/html/ceo/downloads/pdf/yaip_report_2009.pdf).

A quasi-experimental study of the Youth Incentive Entitlement Pilot Projects (YIEPP), a 17-city/76,000-participant program, offers relevant supporting evidence for YAIP. It showed that guaranteeing low-income teenagers part-time and summer jobs if they stayed in or returned to school generated high take-up rates and, for black youths, increased employment by 20% and earnings by 39% in the immediate post-program period, eliminating the black-white differential in youth employment (Gueron, 1984; www.mdrc.org/publications/303/full.pdf).

The replication of YAIP will target low-income disconnected 18-24 year olds, and the model will improve the link between the internships and participation in appropriate skills-building activities, lengthen the internship period, and support skills-building during a lengthened post-internship period. The program will be evaluated through a large RCT using survey and administrative records over the SIF period to assess its effects on the acquisition of skills, credentials and labor market outcomes.

IC: COMMUNITY RESOURCES

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See Part III.

I D: DESCRIPTION OF ACTIVITIES

SUBGRANTING: The MF and CEO propose a 2-stage, 5-month competitive process to select nonprofits in which the partners will solicit information on candidates' abilities to replicate the models at scale, with potential for further growth and commitment to evaluation. In stage 1, nonprofits will submit information on existing capacities. A city-specific selection committee (CSC) with staff from MF, CEO, MDRC, local municipal governments, local philanthropic partners, and others will assess each applicant's capacity based on pre-determined criteria. Only nonprofits with strong capacity will advance to stage 2 and submit a preliminary plan for operating the model.

SELECTION PROCESS: Each CSC will notify its local nonprofit community about the SIF projects electronically and by mail. Interested nonprofits will notify the MF, which will send an application packet, background materials, and invitation to bidders' teleconferences. Interested parties will send a letter of intent to the MF. The LOI will provide an early indication of whether additional outreach is needed to increase the applicant pool.

Stage 1 will assess 5 areas: 1. agency history, mission and alignment with the model; 2. leadership capacities (e.g., prior experience of managers to launch and lead the project) and transitions; 3. information on its similar programs, including numbers of staff and participants, track record of achieving outcomes, use of performance measures, and prior evaluations and how the findings influenced service delivery; 4. overall financial health including recent external audit results, financial

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and management information systems, technological capacities, corporate budget, assets, funding sources, and data security systems to protect participants' personal identifiable information; and 5. feasibility of workplan for program start up and implementation. Applicants will submit reference letters from knowledgeable community leaders.

The CSC will review the applications, assigning relative weights to areas outlined above. Applicants advancing to stage 2 will develop preliminary program plans with information on: 1. how they would implement the model's theory of change, 2. recruitment messages and strategies, 3. content and flow of services and strategies for engaging participants, 4. staffing structure, job descriptions, and staff resumes, 5. projected number of clients, 6. performance outcome measures and tracking systems and, 7. program budget.

The CSC will assess the plans and identify questions for site visit interviews. Proposals will be scored based on a predetermined point system emphasizing the quality of the service approach, model-specific capabilities, level of organizational capability, and the proposed budget. Members of the CSC will conduct interviews at each applicant's place of business. The CSC will make a final selection, determine fiscal soundness, and notify the nonprofits.

EFFECTIVENESS OF THE APPROACH: The collaborative partners collectively have 55 years selecting nonprofits through competitive site selection processes to implement innovative programs. One example is the MF and NYC Service's Middle School Mentoring Initiative. The MF issued the RFP on the NYC Service website in addition to the City's Daily Record. It also contacted 935 nonprofit organizations registered with the NYC Service initiative. There were 14 initial responses to the RFP, and 5 organizations were ultimately chosen. Another example is the MF's Greater NY program, a public-private initiative that pairs business executives with nonprofit executive directors to build stronger and

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more effective nonprofits. The MF received applications from over 160 nonprofits and coordinated a selection process involving a committee review and rating of each application on a set of defined criteria, followed by interviews and matching for the strategic mentoring pairs.

CEO, in cooperation with other NYC agencies, has worked with over 100 nonprofits in implementing dozens of anti-poverty programs. CEO selects nonprofits under competitive processes as required by government procurement regulations. These require publication of available funding opportunities, open solicitation of bids, and objective assessment of proposals. CEO has organized and participated in numerous selection committees that include major stakeholders and subject matter experts. As a public agency that awards over \$25 million in contracts annually, it ensures that selection processes are fair, transparent, not unduly burdensome on applicants, and yield high quality providers. MDRC has significant institutional experience designing and implementing site selection processes over the last 3 decades, choosing partners competitively and strategically using predetermined selection criteria.

ENGAGEMENT OF EXPERTS: Each CSC will include 7-8 members: 3 from the MF-CEO-MDRC team, 1-2 national experts, and 3 from local government and funding partners.

TECHNICAL ASSISTANCE AND SUPPORT: The MF and CEO will convene meetings for each selected nonprofit to learn more about the SIF and discuss the program models in depth. The collaborators will use a team approach to technical assistance (TA), guiding nonprofits through 3 phases: program planning, implementation and monitoring, and sustainability. A site liaison will be assigned by the MF-CEO-MDRC collaborators to work closely with each nonprofit, delivering TA directly and coordinating additional TA over the life of the initiative.

The collaborators will make a long-term commitment to work with subgrantees by dedicating significant

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resources to ongoing TA and to ensure the nonprofits secure their match requirement. In the program planning phase, nonprofits will get help adapting the program to their local context and input on: marketing and recruiting target groups; client intake and service flow; staffing plans; program services and procedures; and performance measures. TA during the implementation and monitoring phase will focus on ensuring the model is replicated at the maximum scale permitted by the available funding, and with quality that meets or exceeds the best examples from the original programs. To assess that quality, the TA team will monitor participation rates, staff-client interactions, management practices, and performance outcomes, and it will help the nonprofits make changes necessary to ensure good performance.

In the sustainability phase, the nonprofits will receive assistance on how to maintain or expand service delivery, including TA on building longer-term public-private funding partnerships working from the foundation established for the SIF; guidance on how to serve more customers and/or replicate the model elsewhere; TA on a communications strategy for sharing evaluation findings with policy audiences and stakeholders; and strategic planning assistance to identify organizational adjustments required for further expansion, especially as they relate to the nonprofit's leadership structure, financial management and administrative systems.

By the end of this process, nonprofits should be well-positioned to serve more people, expand the model to other locations, or help other organizations implement it in their locations. To guide ongoing operations and future expansion, the TA team will prepare toolkits for each program, with design papers, materials on delivery, performance reports, and changes to program designs.

For those nonprofits participating in a RCT, the site liaison and MDRC research staff will work with staff to determine the appropriate point of random assignment within the service flow. During start-up,

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nonprofits will be trained on informed consent, data management, and data security and will pilot random assignment procedures and program services with a small group of participants who will not be included in the research sample. After assessing this experience, nonprofits will get approval to formally launch services, and the evaluation will commence.

CEO and the MF will facilitate learning across nonprofits and government partners by scheduling regular webinars, conference calls, and cross-site meetings. Practitioners from prior CEO and MDRC projects will join peer-to-peer learning exchanges. A website will allow the groups to share documents and tools.

PERFORMANCE, ACCOUNTABILITY, TRACK RECORD: Nonprofits will be accountable for fidelity to the models and operating at scale. The collaborators will work to help them develop metrics and performance targets covering such outcomes as the number of in-person contacts, number of job placements, wages/hours, retention, enrollment in training/education, degrees/certification attained, savings goals, and savings performance, and incorporate them into performance-based contracts or memoranda of understanding. Performance targets will be reviewed monthly and nonprofits will meet with their site liaison to identify strategies for improving performance. The programs must also demonstrate that they are fully entering data into their tracking systems, confirmed by 2 formal assessments. CEO and MDRC also will schedule periodic phone calls and visits, and nonprofits will submit quarterly performance and expenditure reports.

CEO, MDRC and the MF have a history and culture of using data to measure and improve organizational performance and effectiveness for all of their programs. For example, a CEO employment program for probationers was not meeting job placement targets. CEO offered extensive TA to the provider and put it on a corrective action plan, signaling the possibility of contract termination. These actions set the

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provider on track and it met its targets. Periodically, CEO hosts group meetings with multiple providers to set expectations, review performance data, and share best practices. MDRC, similarly, has decades of experience performing site liaison, TA, and accountability roles.

As an intermediary, CEO and the MF will be accountable for raising sufficient matching funds to sustain the SIF projects and evaluations, reporting on progress of all of the non-profits, and ensuring that MDRC meets its obligations for TA and evaluation. CEO and the MF will develop specific milestones for each of these areas.

Organizational Capacity

II A: PROGRAM OVERSIGHT

The Mayor's Fund to Advance New York City (MF), a grantmaking institution, and the NYC Center for Economic Opportunity (CEO) are partnering to form the intermediary for this proposal. They will work closely with MDRC, their main collaborator. Together these 3 institutions are deeply committed and well-positioned to meet the objectives of the SIF: they have complementary missions well-aligned to SIF goals; collective experience supporting, administering, monitoring, and evaluating programs; experience building the capacity of nonprofits; a commitment to and experience replicating and expanding effective programs; and histories of community investment and involvement. The role of the existing MF-CEO-MDRC collaboration, now in its 4th year, on OpportunityNYC, a \$58 million portfolio, is being expanded for the SIF. All major procedures, roles, and responsibilities across the 3 organizations will be similar but expanded so the collaboration will accomplish all functions required by the SIF.

Over 100 programs with a cumulative budget exceeding \$150 million have been funded or administered by CEO or the MF. The MF has raised most of the private dollars invested in CEO's public-private initiatives, over \$65 million. MDRC brings extensive independent evaluation experience and a long history of managing large national research demonstrations, providing on-the-ground technical

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assistance (TA) on program implementation, evaluation, strengthening and expanding programs, and disseminating findings so that evidence is central in policymakers' deliberations about funding programs.

This SIF proposal is distinctive because of the central role of CEO, a city government agency. CEO is pursuing the SIF with other cities in recognition of most resources for human capital development and anti-poverty programs are controlled by federal and state government policies and agencies, not city governments. Consequently, NYC and other cities have a vested interest in identifying effective programs to reduce poverty so they can make a strong case for investment by other levels of government in addition to investments by local government and private funders. This evidence will be more convincing if it comes from a variety of cities and states. Thus, with its partner cities, CEO hopes to build a broader and more compelling evidence base than it ever could alone, and create opportunities for learning from experiences in other cities. CEO also views the SIF as an opportunity to build alliances with other local government officials, private funders, and stakeholders who will remain deeply supportive of the SIF innovations and evidence-building mission and helpful in securing longer-term resources to ensure the sustainability and expansion of successful programs.

MISSIONS, HISTORIES, ACCOMPLISHMENTS: The MF is a 501(c)(3) nonprofit organization designed to support public programs and enhance NYC's ability to serve its residents. Established in 1994 as Public-Private Initiatives, the MF spearheads joint ventures between philanthropy and city government. It raises and invests private donations in programs carried out or overseen by city agencies in partnership with nonprofits, and it supports evaluations of them. For example, it is the grantmaker and contracting agent for 2 of the projects this SIF proposal aims to replicate: Family Rewards and \$aveNYC. In coordination with CEO, the MF monitors the expenditures and performance of the program operators and evaluators.

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The MF also supports learning networks to share best practices across cities, as illustrated by its role in establishing the national coalition of Mayors Against Illegal Guns--now a separate nonprofit organization involving more than 500 mayors from over 40 states to stop the flow of illegal guns into US cities.

CEO was established in 2006 at the recommendation of the city's Commission for Economic Opportunity. With a mission to identify effective ways to reduce poverty in NYC, CEO manages a dedicated annual fund of \$100 million and works collaboratively with 20 City agencies to create, implement, and advocate for a range of new anti-poverty programs, policy proposals, and research projects that represent nationwide best practices (e.g. Nurse Family Partnership), adaptations of models proven outside of NYC (e.g. Jobs-Plus), and cutting-edge ideas (e.g. Opportunity NYC). CEO's strategies all share a common commitment to build human capital and end the cyclical nature of poverty. CEO's in-house evaluation team works with nationally recognized, independent evaluation firms and City agencies to rigorously measure program impacts and provide objective evidence to inform decisions of whether to continue, replicate, or eliminate programs.

Established in 1974, MDRC is a nonprofit, nonpartisan organization whose mission is to learn what works and disseminate the results to improve the well-being of low-income people. MDRC is best known for mounting large-scale, multi-site RCTs. MDRC is equally adept at designing, developing and improving programs and sponsoring organizations, and using research results to leverage public and private support for capacity-building. In addition to researchers, its staff includes program operations experts and finance staff experienced in managing federal funds. Through projects in nearly every state and more than 500 communities, MDRC has produced definitive reports on the implementation, operations, impacts, benefits, and costs of key social interventions in the areas of employment and

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training, welfare reform, education, family income generation, child well-being, and community-based initiatives for a range of populations.

RELATIONSHIPS WITH COMMUNITIES SERVED: The MF-CEO partnership has invested in programs that touch every one of the diverse communities within NYC, involving over 100 local organizations. Community leaders from the business, government, academic, and nonprofit sectors have collaborated in program design and service delivery. The MF's method of supporting innovation by investing directly in community nonprofits to provide new services, in partnership with designated city agencies, fosters strong community relationships.

The MF-CEO partnership has engaged in national collaborations as well. For example, CEO established the Office of Financial Empowerment (OFE) to help low-income NYC residents make the most of their financial resources; OFE is now co-leading a national coalition of cities advocating for improved bank products for low-income individuals.

MDRC brings a long history of working in and with diverse low-income communities across the US as an evaluator, program developer, and TA provider. In many sites, MDRC has built local support for participation in RCTs and other rigorous studies; briefed key local leaders on the aims, methods, and scope of the research; minimized research burdens on day-to-day program operations; and negotiated comprehensive site agreements so they understand their programmatic and research-related responsibilities. Many communities have become repeat participants in MDRC research projects.

The MF, CEO, and MDRC each have a broad base of financial support, with local and national private and public contributions. Most contributions to the MF are from corporations, philanthropic foundations, and individual donors, but the MF has also been the primary grantee or supporting partner

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on federal grants. CEO receives both public and private funds from nearly 40 different local and national foundations plus individuals. About half of MDRC's budget comes from federal agencies, and the remainder from 70 private, family, and corporate foundations.

EVALUATION SUPPORT, EXPERIENCE, CAPACITY: All programs supported by the MF and CEO are evaluated, relying on a range of strategies, including descriptive analysis, quasi-experimental analyses, and RCTs. Reflecting the high priority it places on evidence, CEO's continued funding of initiatives is contingent on evaluation results. Successful programs are sustained or expanded; unsuccessful programs are terminated. For example, the NYC Transportation Career Center program was expanded based on its evaluation results, while ineffective programs serving noncustodial parents were terminated. CEO also uses evidence to establish performance targets to guide program improvements and provide TA.

Depending on project size, data availability, and required expertise, MF-CEO evaluations have been conducted by: 1. CEO's in-house evaluation team; 2. service providers and city agencies documenting outcomes to maintain CEO funding; 3. nationally recognized evaluation firms, such as MDRC, Westat, Metis Associates, and Mathematica; or 4. researchers from universities such as Harvard.

MDRC has a history of conducting ground-breaking research, all focused on economic opportunity. It has been a pioneer in the application of RCTs to estimate the causal impacts of social interventions in real world settings and is currently conducting many of the most ambitious national, state, and local social experiments. While RCTs remain a company hallmark, MDRC has also advanced new rigorous quasi-experimental evaluation techniques such as regression-discontinuity and comparative interrupted time-series analyses, as well as qualitative techniques. MDRC's methodological rigor is widely recognized as setting high standards for reliability in social program evaluation research.

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CEO and MDRC have active evaluation dissemination policies, and the MF's city agency partners also post evaluation results on their Web sites (www.nyc.gov/ceo; www.mdrc.org; www.nyc.gov), distribute printed reports, and actively communicate findings at conferences. Over 80,000 MDRC publications are downloaded monthly and MDRC's work is cited in some 1,000 articles in print and electronic media. (See Part I for web links to evaluation reports.)

CAPACITY FOR TA, STRENGTHENING PROGRAMS, SUPPORTING REPLICATION AND EXPANSION: CEO and the MF, with partner agencies, build nonprofit capacity by: 1. assessing the designs of nonprofits' programs and whether they are adequately staffed and funded; 2. advising on program improvements in response to performance data or staff reports; 3. building provider networks to promote the sharing of ideas, experiences, and solutions; 4. measuring performance against benchmarks and through evaluations; 5. providing formative feedback to help strengthen operations; and 6. securing other public and private resources. CEO also uses performance data to terminate projects or develop corrective action plans.

The MF-CEO partnership also promotes capacity-building in nonprofits by requiring that they measure their performance and report on it to government and private funders. The MF is also funding and managing Greater NY, a project explicitly designed to build nonprofit capacity by pairing over 20 corporate executives (now expanding to 35) with nonprofit directors for strategic mentorships.

Many promising programs supported by the MF-CEO partnership have been expanded over the past year. In 2009, the MF-CEO partnership leveraged more than \$50 million to serve an additional 65,000 city residents. The \$aveNYC program's privately-funded matching pool grew from \$70,000 in its first year to \$465,000 in the third. In addition, using federal stimulus funds, several CEO programs

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including Advance at Work and YAIP were expanded to serve more people or new target populations. Since its creation in 2006, CEO and the MF have attracted \$82 million in private funding to support CEO programs, evaluation, replication and expansion, and learning networks. CEO has also assisted replication and expansion by providing curricula and operating manuals, identifying core metrics and performance targets, and offering feedback on expansion plans.

The local governments of each partner city have committed to work closely with the Partnership through in-kind staff time to see that the SIF initiatives are executed promptly and successfully, and to ensure that the programs are working in complement with the city's ongoing anti-poverty efforts. This local expertise and buy-in are crucial to ensure the programs are supported and sustained over time.

In conducting demonstration projects, MDRC regularly helps program operators scale-up, replicate, adapt, and strengthen programs. Among many possible examples are: 1. the After-School Project, which instituted enhanced reading and math instruction models in 50 schools and CBO after-school centers in 13 states; and 2. the Performance-Based Scholarship Demonstration, where MDRC is replicating in several states a community-college scholarship model found effective through an RCT.

MDRC, a national organization, complements the MF-CEO partnership's local focus and expertise by bringing to the collaboration experience and systems to work with nonprofits throughout the country. MDRC builds capacity in nonprofits by providing engaging, highly professional TA to program administrators, operators, and line staff, guided by implementation research and other evidence. The TA often includes refinement of program models, training of front line staff, formative feedback on operations, strategizing on mid-term corrections, and cross-site information sharing. MDRC also presents operational lessons through its "how to" TA guides.

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MDRC's commitment to replication and expansion of effective programs is sustained through dissemination work and advising organizations seeking to replicate or expand researched programs. For example, following the Jobs-Plus demonstration, MDRC provided TA to help CEO and its partners adapt the program to a public housing development in Harlem, and MDRC played similar roles after the Career Academies demonstration and many welfare-to-work program evaluations.

MANAGEMENT AND STAFFING: The plan for managing and staffing the proposed SIF activities leverages the collaborators' respective strengths and builds on their nearly 4-year history of working together on Opportunity NYC. Overall leadership responsibility for SIF activities will reside in the MF-CEO intermediary partnership. They will conduct the competitive process for selecting subgrantees and negotiate grant requirements for subgrantees. As grantmaker, the MF will be responsible for funding decisions, disbursement, and reporting to the Corporation. CEO and MDRC will jointly oversee and monitor the programmatic design and performance of subgrantees, provide TA, and assist with implementation. The MF and MDRC will jointly monitor the fiscal performance of subgrantees, with MDRC reviewing expenditures, performing due diligence functions, and providing the information needed by the MF to control payments. The MF, CEO, and MDRC will participate in the subgrantee site selection process, the cross-grantee and cross-city learning network, and information dissemination. MDRC will lead the evaluations, conferring frequently with the MF and CEO on strategies and emerging findings. MDRC will recruit other organizations and experts to help execute some parts of the research agenda.

The MF has a 46-member Board of Advisors, comprised of NYC business, corporate, and nonprofit leaders. The Board of Directors includes NYC's First Deputy Mayor, the Chief of Staff to the First Deputy Mayor, and the Counsel to the Mayor. For the SIF effort, the Board of Advisors will help to leverage private funds and provide academic and intellectual capital. The MF has 6 staff, and Jenny Sharfstein,

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the Managing Director of Special Initiatives, will be most involved with the SIF. For the past 3 years, she has been a grants manager for the MF's programs and public/private partnerships.

CEO does not have a Board of Directors but seeks counsel from the original members of the Commission for Economic Opportunity, including Richard Parsons, Chairman of Citigroup, and Geoffrey Canada, President of the Harlem Children's Zone. CEO is also subject to oversight from several NYC government bodies -- City Council, City Comptroller, and City's OMB. CEO has a staff of 12, including an Executive Director, communications, fundraising, and policy advisors, program development and evaluation staff, and researchers who lead CEO's poverty measurement work. CEO has executive sponsorship from Mayor Bloomberg, who initially conceived of the data-driven, experimental innovation laboratory and reports to Linda Gibbs, Deputy Mayor for Health and Human Services, who provides day-to-day guidance and support. Veronica White, CEO's Executive Director, will supervise overall execution of the SIF. She has many years of experience as a government official and advisor to nonprofits, and coordinator of public/private partnerships. Kristin Morse, CEO's Director of Program Management and Evaluation, will lead CEO's involvement in TA, monitoring, and evaluation oversight, drawing on many years of experience developing and operating social service programs for nonprofits conducting evaluations and policy research. Stacey Warady Gillett will serve as the liaison among the city partners, coordinate learning networks, and assist with fundraising, drawing on her experience in intergovernmental affairs at CEO and as a legislative aide in Congress. Subject matter experts Carson Hicks, David Berman, and Caitlyn Brazill, using their research and direct service experience, will oversee 4 of the SIF initiatives; Allegra Blackburn-Dwyer, who raised funds for Opportunity NYC, will help oversee the CCT initiative and ensure sufficient matching funds for SIF programs.

MDRC's Board includes prominent academics, researchers, administrators, and business leaders, including its current chairman, Nobel prize-winning economist Robert Solow, as well as renowned

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scholars William Julius Wilson, Richard Murnane, Lawrence Katz, Mary Jo Bane, Ron Haskins, and Isabel Sawhill. Board members serve on committees to review program models and research designs, preliminary findings, and draft reports. Findings are also reviewed at full Board meetings. In addition to using Board members as peer reviewers, MDRC solicits prominent outside experts to review program and research designs and preliminary evaluation results, and assigns senior MDRC staff who are not on the project to serve as internal peer reviewers.

Headed by Gordon Berlin, President, MDRC contains 5 policy areas, including the Low-Wage Workers and Communities (LWWC) area, which will contribute the key research and operations staff who will be involved in the SIF project. Leadership will be provided by James Riccio, Director of LWWC, who leads the evaluation of Opportunity NYC, leads a US-UK research knowledge exchange consortium, and led the Jobs-Plus (JP) evaluation; Frieda Molina, Deputy Director of LWWC, who runs the WASC demonstration and has program operations experience from many MDRC projects; and Gayle Hamilton, Senior Fellow, who directs the national ERA project, co-leads implementation research efforts for the UK ERA project, and advises on many projects. Key Senior Associates--all of whom have lengthy experience in managing evaluation demonstrations and conducting operations, TA, field research, impact analysis, or data collection and processing--will include: Donna Wharton-Fields, Project Manager of Opportunity NYC; Cynthia Miller, Research Director for the WASC demonstration and the AutoSave project; Richard Hendra, impact analysis and data collection lead on ERA; Nandita Verma, Director of the Chicago New Communities Program evaluation, and Senior Analyst for Opportunity NYC; and David Greenberg, Director of Field Research for Opportunity NYC.

As part of the proposed SIF work, the MF, CEO, and MDRC will apply existing ongoing organizational self-assessment methods to improve the SIF collaboration's management, staffing, operating systems, and other capacities. These include systematic annual staff performance reviews, and contracting with

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outside experts and management consultants to review organizational performance, obtain the views of key stakeholders, and propose improvement plans. For the SIF, the collaborators will regularly assess their achievements in such key areas as selection of qualified sites, supporting quality implementation, completed evaluation plans, monitoring subgrantee performance, and maintaining fiscal controls. Ultimately, CEO measures itself on its ability to establish programs in a short time frame and demonstrate positive results. (For a CEO example, see http://www.nyc.gov/html/ceo/downloads/pdf/organizational_change_report.pdf.)

II. B: FISCAL OVERSIGHT

The MF-CEO partnership is an eligible intermediary for the SIF, with the MF as the grantmaking institution. Since 2002, the MF has awarded \$81.9 million in grants to more than 100 public-private initiatives such as those previously described. MF has selected grantees through open and competitive processes, negotiated the terms and conditions of grants, and monitored grantees' performance. The Greater NY program and the Middle School Mentoring Initiative illustrate these roles in two recent competitions it sponsored. The MF provides fiscal oversight for all of its programs. All nonprofit service providers have formal contracts with clearly defined scopes of work and project budgets. The MF makes payments to nonprofits after NYC agency partners confirm the necessary fiscal and commissioner-level approvals that deliverables have been met. The MF tracks every payment request against approved budgets, while contracting with an external accounting firm to process all checks and to ensure accurate records. The MF undergoes an external audit annually and convenes regular meetings of the Audit Committee of its Board of Directors.

The MF has managed substantial federal funds such as a \$2 million grant from the U.S. Department of Agriculture for the MillionTreesNYC Training Program, a CEO initiative that provides training and job placement for disconnected young adults. The MF has worked with the federal Payment Management

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System. The MF submits Federal Cash Transaction Reports, receiving \$620,000 so far under this grant, while complying with all reporting requirements.

The collaboration will draw on the joint capacity of the MF and MDRC for the fiscal oversight of SIF funds. MDRC brings special capacity and expertise to the fiscal management of federal and foundation funds, notably including the funds that will be allocated to subgrantees outside New York City. Over the past 10 years, MDRC has managed more than 50 federal grants and contracts, totaling more than \$257 million, from agencies such as the Departments of Labor, Education, HHS, and HUD. MDRC's staff has developed expertise and reliable systems to work with Federal agency funders -- MDRC has never had any disallowed Federal expenditures. MDRC conducts reviews of local sites' fiscal capacity, including review of Dun and Bradstreet reports, 990 returns, financial statements and operating budgets for current and previous years, cash flow projections, and subgrantee fiscal systems.

MDRC's recent experience in providing fiscal oversight of subgrantees is illustrated by its Supporting Healthy Marriages federal contract with HHS. MDRC is managing and disbursing approximately \$30 million in program operating funds to local organizations in 8 sites while providing general project management, delivering TA, monitoring site operations, and conducting a comprehensive evaluation of each site.

COLLABORATING ORGANIZATIONS' BUDGETS: The current annual budget of the Mayor's Fund is \$35 million; the initial SIF grant would represent 16.3% of its budget. The current budget of CEO is \$100 million; no portion of the initial SIF grant will be allocated to CEO. MDRC's current budget is \$71 million; the portion of the initial SIF grant allocated to MDRC would represent 1.6% of its current budget.

Budget/Cost Effectiveness

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III. COST EFFECTIVENESS AND BUDGET ADEQUACY

IIIA: BUDGET AND PROGRAM DESIGN

This proposal's budget includes resources for the MF-CEO intermediary partnership, subgrantee program operations, and collaborator and other support costs for MDRC. In accordance with the 3-16 conference call, the budget includes 12 months of intermediary costs and a full year of subgrantee operations.

The anticipated total 5-year budget for this proposal covers the following expenditure categories for a portfolio of 5 Economic Opportunity models implemented in up to 8 cities: subgrantee selection, subgrantee program operations, capacity building/technical assistance, program evaluation, project management, and learning communities. Variations in budgets across the 5 program models reflect the numbers of participants/families served; the intensity, type, and duration of program services; and the strength of existing evidence for the models and, hence, the corresponding level of evaluation research to be conducted in the SIF.

Program operating costs were estimated using cost data from comparable programs currently operated and funded by CEO and the MF: Jobs-Plus, Advance at Work, Workforce1 Transportation Career Center, Family Rewards, \$aveNYC, and the Young Adult Internship Program (YAIP), as well as cost data from MDRC demonstrations: Work Advancement and Support Centers (WASC), and Jobs-Plus.

Program operating costs cover such activities and features as incentives, education and training, job coaching, job and internship placement, program administration, TA, and capacity-building. These costs are included in the Other Costs Subgrants line of the budget. Final funding amounts to subgrantees will be based on the scope of work covered by their proposals, local operating costs, and the number of participants/families they serve.

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In keeping with the Corporation's priorities, 80% or more of the federal SIF grant will be used to cover subgrantee costs. Most of the overall 5-year budget, including intermediary and subgrantee match, will be expended by subgrantees. This figure reaches 79% in the second, full-operations SIF year. Evaluation plans were developed by CEO and MDRC based on the level and strength of existing evidence for each model and will be further refined during planning and start-up phases, after the selection of subgrantees. MDRC will lead the evaluation, and related costs are included in the Contractual and Consulting Services line of the budget. Comprehensive evaluations are planned for 4 of the program models, with impact assessments using RCTs, implementation analyses, and cost analyses. The budget for this work covers evaluation design, site visits, random assignment, evaluation-related TA, data collection (baseline data, administrative records from multiple state and local agencies), surveys, observations, in-depth qualitative interviews with staff and participants, data processing and coding, analysis, and dissemination of results. Findings will be shared with the Corporation via memos, briefings, and reports. Recognizing the importance of sustained program effects, plans will be in place for continuing the evaluations and estimating longer-term impact results (based on additional survey waves and administrative data) and benefit-cost results after the SIF 5-year period ends, pending availability of future resources.

All budget figures referenced below reflect the eGrants budget submission, which does not include the subgrantee match in the first year or an in-kind contribution from CEO of approximately \$300,000 per year. The Year 1 budget of \$12.6 million will be spent on subgrantee site selection and due diligence reviews, start-up activities to replicate the programs to local conditions, evaluation design work, and systems-building to support RCTs, staff training and program piloting activities, and service delivery. Approximately \$4.6 million will be awarded to subgrantees in the first year and subgrantee awards will increase in subsequent years -- e.g., \$10.5 million per year in Years 2 and 3 -- as programs scale up and

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reach full operational status. In tandem, Federal SIF funds requested would peak at approximately \$7.4 million in Year 3. Evaluation costs will also be higher in subsequent years as data collection, analysis and report production are underway. Full 5-year SIF costs are difficult to estimate. They will be heavily influenced by factors unknowable prior to subgrantee selection, such as the actual operating expenses of the selected subgrantees, local adaptations of the program models, program service take-up rates, and actual scale of operations. At this point, the full 5-year project costs are estimated to be in the neighborhood of \$111 million, most of which would be covered by diverse non-Federal resources including subgrantee match and CEO in-kind contributions.

PROGRAM, TA, AND EVALUATION COSTS BY MODEL: The Jobs-Plus replication will give subgrantees the resources to provide on-site employment services and referrals, rent-based and other work incentives, and neighbor-to-neighbor outreach, offered to all residents of selected housing developments in 4 cities for over 4 years. In addition, the budget will cover TA by CEO and MDRC on program implementation and other capacity building support by local TA providers. For evaluation, costs cover a limited assessment since this model already has a strong evidence base showing strong impacts. This will include a comparative analysis in 2 cities using Unemployment Insurance (UI) wage records to confirm previous impacts on a limited number of employment outcomes. A modest implementation analysis in up to 4 cities will assess fidelity to the model, quality of program operations, and costs. The Year 1 Jobs-Plus budget is \$2.0 million.

Costs for the WorkAdvance model include program operating expenses; incentive payments for participants to complete certain education/training activities; training tuition for 4,800 families across 4 cities for over 4 years; intensive career counseling, training placements, guidance on training selection and persistence; employer outreach and job matching; and other services. The budget allows MDRC and CEO to provide TA to subgrantees on program design, recruitment, and program operations, and on

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random assignment in the 3 cities participating in the RCT. Evaluation costs for WorkAdvance -- a program combining features of other evidenced-backed models -- cover RCTs in 3 cities with a total sample size of up to 4,500 adults, a program implementation study in all 4 cities, and cost analyses. In the RCTs for this project and the others described below, research activities include: baseline data collection; negotiation of data acquisition agreements with state and local agencies for administrative records covering employment, welfare, training services, and other outcomes; and data analysis for program impacts for multiple years. The evaluation also includes a 4,500-person survey (program and control groups) at 18 months following random assignment plus an implementation study in all 4 sites. The Year 1 WorkAdvance budget is \$2.5 million.

The Conditional Cash Transfer (CCT) budget includes program operating expenses and CCT payments, assuming an average payout of \$2,000 per family per year, to serve up to 1,800 families in 2 or more cities for a total of 3 years. Also included are resources to hire local TA support for organizational capacity building, and for MDRC and CEO to provide TA on program design and operations. The evaluation costs cover RCTs in both participating cities with a total sample size of up to 3,600 families. Impacts will be analyzed over multiple years using extensive administrative records and surveys of 3,600 sample members at 18 months and 30 months after random assignment. Full implementation and cost analyses will also be conducted. The Year 1 CCT budget is \$3.1 million.

The \$aveUSA budget provides subgrantees with resources to assist in opening savings accounts and provide a savings match for as many as 1,800 participants in up to 3 cities. Because the intervention is a simple matched savings strategy tied to EITC refunds, fewer resources have been budgeted for technical assistance than in the other models. RCTs with related implementation and cost analyses are planned in 2 cities, with a total sample of 1,800 people. Field visits to all 3 cities will review program operations and participation. A follow-up survey of sample members will be conducted at 12-months post-random

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assignment for both RCT cities, and at 36-months for a portion of the sample. The Year 1 \$aveUSA budget is \$772,000.

The budget for YAIP, replicated from the current NYC model, funds subgrantees to provide paid internships or job experiences, education or training placements, and follow-up services to as many as 1,200 young adults in up to 3 cities over 3 years. In addition, TA support including subgrantee monitoring visits and check-ins, and needs assessments, have been budgeted. Comprehensive RCTs and related research will be conducted in 2 cities, with a total sample of 1,800. The impact analyses will use UI and other administrative records plus a 12-month follow-up survey of sample members. Full implementation and cost analysis will also be conducted. The Year 1 YAIP budget is \$1.5 million.

OVERALL MONITORING AND INFORMATION DISSEMINATION COSTS: In order to ensure timely communication and progress on program model implementation and evaluations as well as careful accounting of all monies used in this initiative, the budget assumes a comprehensive system of administrative, financial and overall subgrantee monitoring activities drawing on the collective capacity of the MF, CEO and MDRC. MF, CEO and MDRC will meet together regularly and with the Corporation throughout the competitive subgrantee selection process and on an ongoing basis to provide updates on program implementation, evaluation and future program sustainability. Working in close collaboration with the Corporation, CEO and MF will lead the subgrantee selection and oversee all project activities, with support from MDRC on due diligence and further assistance from a financial audit/accounting subcontractor. The subgrantee selection process will involve a staged review of proposals from subgrantee applicants. As previously described, the initial review and selection process will occur over a 5-month period, with the bulk of this work reflected in the Year 1 budget. All finalists will be visited by a team of CEO and MDRC staff; travel estimates were calculated using GSA per diem rates for 2010.

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Information dissemination to a range of stakeholders, including the Corporation, subgrantees, and other SIF intermediaries is a vital component of this proposal. In addition to disseminating evaluation findings through research reports and briefings, the budget includes information sharing via learning communities. The MF and CEO will develop and lead a range of learning opportunities, such as conferences, webinars, listservs and subgrantee-focused web pages. Through this system, MF and CEO will be able to share with and obtain timely information from subgrantees for reports to the Corporation as well as documentation that may be used to leverage additional resources from private funders.

IIIB: MATCH SOURCES

For the intermediary match, the MF and CEO so far have secured a commitment of otherwise uncommitted funds including \$25 million over 5 years from the Bloomberg Family Foundation and \$2 million from the Open Society Institute. The partners will provide \$6.9 million of intermediary funds as match in the first year, \$1.2 million above the 1:1 required match. The MF and CEO have led the effort, in collaboration with city and local philanthropic partners, to help raise funds to meet the subgrantee match requirement. Through the duration of the SIF, the MF and CEO will continue to play a lead role in the intermediary and subgrantee fundraising processes.

The MF-CEO partnership has also received commitments or strong expressions of interest from the following local foundations to support this SIF proposal in their respective cities of interest: Kansas City, MO: Kauffman Foundation and United Way of Greater Kansas City; New York, NY: New York Community Trust and Tiger Foundation; Memphis, TN: Poplar and Plough Foundations; Newark, NJ: The Nicholson Foundation, Victoria Foundation and The Prudential Foundation; Cleveland Metropolitan Area: Fund for Our Economic Future; San Antonio, TX: Annie E. Casey Foundation, Goodwill Industries; Tulsa, OK: Tulsa Community Foundation (with support from George Kaiser); and Savannah, GA: Annie E. Casey Foundation, commitment of city government resources.

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Clarification Summary

1. Some cities will replicate 1 model, and others will replicate several. Family Rewards is planned for 2-3 cities (NYC, Savannah and/or Memphis); Jobs-Plus for 3-4 (NYC, San Antonio, Tulsa and/or another city); \$aveUSA for 3-4 (NYC, Newark, San Antonio, and/or Tulsa); WorkAdvance for 4 (NYC, NE Ohio, San Antonio and Tulsa); and Young Adult Internship Program (YAIP) for 3-4 (Kansas City, NYC, Newark and/or San Antonio). In total, 16 programs overall will be in 7-8 cities, depending on the ability to secure sufficient matching funds. Family Rewards will be in a minimum of 2 cities in Year 1. If sufficient funding cannot be raised from local foundations for at least 1 non-NYC location, MF/CEO are prepared to subsidize the local match for 1 non-NYC location with additional intermediary overmatch funds.

To determine the number and location of programs, MF/CEO surveyed the country and targeted cities that are geographically and demographically diverse and have demonstrated dedication to innovation. While MF/CEO initially contacted over 20 cities, the final group consists of those most strongly interested in replicating 1 or more of the proposed models, and able to commit local government and philanthropic support.

2. Of the locations listed, all except Memphis and Savannah are definite. Memphis and/or Savannah will be included if sufficient matching funds are secured. Both cities have very strong Mayoral interest but a limited philanthropic sector. MF/CEO are working with both cities to secure adequate foundation support, and expect funding will be available for at least one.

3. The decision of which programs to implement was driven by the local government and philanthropic stakeholders in consultation with MF/CEO and MDRC. The parties worked together to determine which programs would best address local needs, complement local efforts already underway, fit the strategic

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interests of local funders, and have local funder capacity to provide the necessary matching dollars while meeting MF/CEO's goal for each model to be implemented in 2-4 cities.

4. The cost per individual served will vary based on the types of program services and components provided. The overall cost per individual served for each model consists of the cost of direct services and general program operating expenses. The latter include staff salaries, local training/TA, and capacity building and assistance to scale up (e.g., infrastructure support for IT, data, legal, finance).

With the exception of Family Rewards, all of the programs will serve more individuals than just those included in the impact research samples. This is because the programs will continue to enroll new participants through the end of the SIF period, after the evaluation participants have been recruited and even beyond when they begin to exit the programs. The numbers below refer to the estimated costs of serving all program participants over the 5-year SIF period.

Family Rewards: 1,800 families or 6,400 individuals would be served at a cost of approximately \$14,390/family or \$4,054/individual. This includes general costs plus the costs of financial rewards for a range of family activities.

Jobs Plus: 3,600 individuals would be served at a cost of approximately \$3,490/person. In addition to general costs, this includes the costs of employment/job services and rent-based work incentives.

\$aveUSA: 1,800 individuals would be served at a cost of approximately \$1,950/individual. This cost includes general costs plus the savings match costs.

WorkAdvance: 4,800 individuals would be served at a cost of approximately \$4,600/individual. In

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addition to general costs, this includes participation incentives and the provision of education and training services.

YAIP: 1,200 individuals would be served at a cost of approximately \$8,500/individual, including general costs plus internship payments.

In total, over 17,800 individuals would be served at an average cost of about \$4,175 per individual.

Research shows these types of programs can increase individuals' income by more than the government spends to provide the programs -- and at times at no additional cost to the government. For example, in the Employment Retention and Advancement (ERA) program in Riverside, CA, a rigorous benefit-cost analysis showed that every government dollar invested in the program yielded more than a dollar in income for those eligible for the program. Also, the additional amount spent by the government on ERA services was recouped by the government via savings in welfare and other benefit expenditures as well as increases in tax revenues. The Jobs-Plus model would yield a similarly positive cost-effectiveness outcome for public housing residents in light of that program's enduring impacts on earnings. Thus, there is some evidence that these types of programs can be cost-effective.

While this evidence does not perfectly predict the overall costs and benefits of the specific models proposed, improvements from previous versions are expected to increase their impacts, make them more efficient to operate, and, in turn, enhance their cost-effectiveness. Expansion also should provide some economies of scale. Comprehensive benefit-cost analyses are included in the evaluation designs to generate much stronger evidence on whether these programs represent good investments from the perspectives of the government and private funders as well as the participants.

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5. Each program is being tested as a stand-alone intervention and participants will not be allowed to engage in more than 1 program. The programs target different populations and enrollment will be coordinated to avoid overlap. MDRC has experience designing same-location random assignment procedures to ensure that members of the control group in 1 trial do not become program group members in another, and that people do not become program group members in multiple trials.

While it will not be possible to rigorously estimate the net effects of the combination of programs on community-level poverty rates or labor market outcomes, the 5 program models strategically attack economic disadvantage from alternative vantage points for diverse populations. If successful and adopted together, the programs could form an important part of a city's coordinated assault on poverty. This multi-program approach is a hallmark of CEO, which recognizes that poverty has no single cause, and is investing in and evaluating 40 different programs in NYC. Therefore, in discussing research findings for each SIF city with multiple programs, summaries will be prepared of the independent effects of each program on a variety of measures of poverty and economic opportunity to help illustrate the role that the various programs might play in a comprehensive city strategy.

6. Letters of commitment from local government executives have been received from all 8 target cities, specifically: Mayor AC Wharton, Newark Mayor Cory Booker, NYC Mayor Michael Bloomberg, San Antonio Mayor Julian Castro, Savannah Mayor Otis Johnson, Tulsa Mayor Dewey Bartlett, Kansas City, MO City Manager Troy Schulte, Akron Mayor Donald Plusquellic, Youngstown Mayor Jay Williams, Cuyahoga County Administrator James McCafferty, and Cleveland/Cuyahoga County Workforce Investment Board Executive Director Larry Benders. Each letter expresses the executive's intent to collaborate with MF/CEO and MDRC to promptly implement and evaluate the evidence-based anti-poverty strategies presented in the proposal, and to ensure that the programs receive adequate financial support so long as they demonstrate positive results. The executives also agreed that they or their staff

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will participate in a MF/CEO national learning network, and verbally committed to appoint at least 1 staff member to lead this effort.

For year 1 of the SIF, local commitments totaling over \$5.1MM have been secured toward the subgrantee match requirement, and the gap may be partially filled by the intermediary. Written commitments from foundations vary, ranging from a strong indication of interest to a firm commitment of \$1MM in some or all of the 5 years. In Tulsa, the Tulsa Community Foundation, with support from the George Kaiser Family Foundation, intends to support 3 initiatives, totaling over \$1,000,000 per year. In San Antonio, Goodwill Industries committed to fund the WorkAdvance initiative in full at approximately \$725,000 a year and the Annie E. Casey Foundation local chapter made annual commitments of \$200,000 for \$aveUSA, \$413,000 for the YAIP, and \$275,000 for Jobs-Plus. In Northeastern Ohio, the Fund for Our Economic Future pledged over \$1,000,000 in the first year and at least \$800,000 in future years. In Kansas City, the Kauffman Foundation committed \$480,000 over 2 years and expressed its firm intent to work with other local funders to support the project in subsequent years, while the United Way of Greater Kansas City committed \$175,000 for the first year and support in subsequent years. In Savannah, the Mayor committed at least \$500,000 in local government funding annually. In Newark, the Victoria Foundation pledged to support the initiatives and the Nicholson Foundation expressed its intent to continue conversations and consider support. In Memphis, the Plough and Poplar Foundations expressed their interest in collaborating. In NYC, the Tiger Foundation and New York Community Trust, both MF/CEO supporters, expressed their intent to consider funding. In addition, the national Annie E. Casey Foundation committed \$600,000 to support either WorkAdvance or \$aveNYC in Savannah or San Antonio. These subgrantee match commitments may be supplemented by the intermediary support of \$25MM from Bloomberg Philanthropies and \$2MM from the Open Society Institute, both of which were referenced in the original application.

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A change in local government leadership over the course of the SIF should not negatively impact the replication and evaluation efforts. Funding for the local SIF programs is coming largely from the philanthropic sector and federal government, and the initiative overall would bring an infusion of new federal and private funds to local nonprofits, which should be welcomed by any local government officials in this fiscal environment. It will be important for local government officials to embrace the SIF initiative and become full participants in the national learning exchange, and when there is turnover, efforts will be made to engage the new officials fully in the partnerships and learning exchange. Participation in the SIF will help anti-poverty-focused public-private partnerships expand, deepen and become institutionalized in each city, so that over time, a change in government leadership would not disrupt the dialogue and joint efforts.

7. The average subgrantee award in each target city will be influenced by several factors: the number of programs operated in each city, the number of subgrantees operating each program in each city, and whether some subgrantees in a city operate more than 1 program. The average total subgrantee awards per city for each program model over the SIF 5-year period are estimated to be:

Family Rewards \$12,950,000

Jobs Plus \$3,140,000

\$aveUSA \$1,168,000

WorkAdvance \$5,527,500

YAIP \$3,400,000

If, for example, 3 different subgrantees operate a program model within a city, as is expected in the case of the WorkAdvance model, that city's average subgrantee award for WorkAdvance would be \$1,842,500.

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8. It is important to clarify that press reports suggesting that Opportunity NYC--Family Rewards was discontinued prior to the scheduled end of the project were inaccurate. The program was funded as a 3-year time-limited pilot and will conclude on schedule in August of this year. The 5-year evaluation will continue to follow sample members for 2 additional years after the 3-year program period, as originally planned. Mayor Bloomberg and the project's private sponsors remain deeply supportive of the project, and its replication in NYC and elsewhere as part of the SIF initiative.

The SIF model will benefit from early lessons from the original NYC project. It will build on the original systems and procedures for marketing and processing the incentives, but it will offer a streamlined schedule of incentives, focusing only on rewards that are most promising according to the early evidence from the current demonstration. These will include rewards for high school students' school performance, preventive dental and doctor visits, and parental employment. The less complex schedule of rewards will be easier for families to understand and respond to and will be less expensive for nonprofits to market and process. All of these refinements should strengthen the program's impacts and cost-effectiveness. Because early evidence indicates that many families would welcome more direct assistance, the replicated program will include proactive guidance from frontline staff to link families with relevant services (e.g., tutoring, school-related services, job search assistance and training referrals).

9. By working with local government executives and foundations in the 8 target cities in preparation of the SIF application, MF/CEO and MDRC have obtained a reasonable sense of local nonprofit capacity. The local stakeholders, who know their communities well, are confident that appropriate well-qualified local nonprofits can be identified. This aligns with MDRC's experiences working with many of these same cities in previous evaluations.

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In the event no suitable local subgrantee can be found, MF/CEO and MDRC would consider asking strong organizations from other cities to provide TA to local nonprofits to build their capacity. TA to be provided by MF/CEO/MDRC or by other nonprofits is included in the budget. In addition, the nonprofits will be part of a national learning network, organized by MF/CEO, which will serve as built-in and free TA.

10. In recruiting the target cities, MF/CEO and MDRC were explicit with local funders and government officials that each of the models except Jobs-Plus would be evaluated through an individual-level randomized control trial, and that their agreement to be part of such an evaluation was a precondition for partnership in the SIF application. All local partners have agreed to this stipulation and embrace the SIF's rigorous evidence-building agenda.

Convincing subgrantee nonprofits to participate in an RCT will entail some challenges. However, MF/CEO/MDRC succeeded in recruiting nonprofits in NYC to operate two conditional cash transfer (CCT) models with random assignment evaluations with no negative repercussions. In addition, MDRC has over 30 years of experience recruiting organizations for multi-site RCTs. All involved staff appreciate the concerns that arise and will explain how RCTs can be ethical, and how to adapt the process to local agencies' existing enrollment procedures to minimize disruptions in day-to-day operations. Insurmountable obstacles in recruiting nonprofits are not anticipated, especially given the support of local funders and officials and CEO's success implementing RCTs in other sponsored projects. In the RFPs to select nonprofits, the random assignment precondition will be made explicit. If responses to the RFPs suggest that the applicant pool lacks high-quality nonprofits because of their discomfort with random assignment, extra efforts to address those concerns will be made prior to closing off the competition.

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In the unlikely event that nonprofits cannot be recruited to participate in an RCT in a given city, or if RCT research is not feasible for technical reasons like inadequate sample sizes, MF/CEO and MDRC would explore whether a quasi-experimental design might be feasible and provide strong and convincing evidence of effectiveness. If a suitable design could not be identified, and an agreement could not be reached, consideration would be given to dropping that city as a partner, although based on experience plus the upfront commitments obtained, this is considered highly improbable.

11. The proposal is to subgrant a total of \$7.78MM in year 1, of which CNCS would contribute \$4,560,000, as shown in the budget and described in the proposal narrative.

12. The 2 SIF Coordinators will perform vital complementary functions. One Coordinator will ensure that MF/CEO, MDRC, and local government partners remain informed, supportive and active in the learning networks; that the intermediary and subgrantee matches are met; and that program design, implementation and evaluation efforts are timely and aligned with the local stakeholders' objectives. This Coordinator will also serve as the primary liaison with CNCS and White House Office of Social Innovation and other federal government partners. The second Coordinator will be responsible for providing fiscal oversight of the SIF grant and subgrantee awards. This person also will be responsible for addressing the localities', Corporation's and private funders' reporting requirements. The salary of \$75,000 is equivalent to an Administrative Staff Analyst position in the NYC Mayor's Office, a role that entails similar tasks and level of responsibility.

13. YAIP's effects will be measured over several years to determine program impact. Participants and the control group will be followed for at least 3 years. Additional funds will be pursued to continue evaluation beyond the SIF funding period to assess YAIP's longer-term effects, as MDRC has done in the

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past with Jobs-Plus.

14. The \$4.57MM budgeted under contractual/consultant services in year 1 includes MDRC's TA and subgrantee selection (\$1.97MM), evaluation (\$1.56MM), and fiscal monitoring (\$1.04MM).

In year 1, \$1.21MM will be used for subgrantee selection, which covers the total cost of selecting up to 24 different subgrantees for 16 models in up to 8 cities. Most models have 1 subgrantee per city, but WorkAdvance assumes 3. The selection cost would average \$50,000 per selected subgrantee.

The subgrantee selection budget includes selection costs plus precontract TA and fiscal monitoring. Selection costs include: development of a request for qualifications (RFQ); RFQ marketing to generate competitive pools of qualified applicants; development of a request for proposal (RFP) for qualified applicants; bidders conferences; and qualification and proposal reviews by the partners and other experts, and coordination with CNCS. These selection costs for all 5 projects are estimated at \$881,000, or \$36,700 per subgrantee.

Following selection, each of the 24 subgrantees will undergo 2 days of due diligence by a team of CEO and MDRC experts prior to contract signing. The team will review IT, data protection and financial systems, program operations, and organizational capacity to scale up models and institute evaluation (including RCT) procedures. The budget covers teams of up to 4 MDRC staff visiting all 24 subgrantees. The teams will prepare written feedback that begins the TA process to help the final subgrantees launch high-performance programs, and that provides guidance on fiscal monitoring. The cost to prepare and conduct these visits is estimated at \$329,000, or \$13,700 per subgrantee.

At the direction of CNCS, the precontract TA and fiscal monitoring costs--about 27% of the total

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subgrantee selection budget--could be reallocated to the TA and fiscal monitoring budgets.

Upon selection of subgrantees, the partners will work with CNCS to develop model research designs for the implementation and impact studies. This work is budgeted at \$1.19MM in year 1. Research planning activities include program and evaluation design adaptation to address subgrantees' contexts; confirmation of key research questions, measures, and outcomes; and development of a detailed data collection plan. Once design plans are confirmed, MDRC will clarify evaluation roles and responsibilities; train on RCT procedures; and collect program data.

As subgrantees prepare to recruit and serve participants, the partners have budgeted \$760,000 to provide extensive TA. Subgrantees will be visited at least quarterly in year 1 by experts who will assess the development, progress, and TA needs of each service provider. Between visits, monthly calls will ensure that providers have appropriate support.

\$370,000 for data collection is budgeted for the design of baseline instruments, submission of the data collection plan, MDRC's IRB process, and collection of baseline and demographic information for the research sample.

15. CEO was created to fulfill recommendations issued by the Mayor Bloomberg's Commission on Economic Opportunity which sought new solutions to breaking the cycle of poverty. This Commission, which included leaders from the nonprofit, academic, business and philanthropic sectors, scanned the city, nation and globe to identify the most promising strategies on the ground as well as emerging themes and approaches based on cutting-edge research. CEO imported many of these practices to NYC, and sought to create new strategies where there was an evidence gap. Similarly, MDRC has searched extensively to identify, and improve upon, evidence-based strategies, and its broad understanding of the

Narratives

field provides confidence that those programs most suitable for replication have been identified. The 5 models selected for the SIF are among the most promising in CEO's portfolio, rely heavily on local nonprofits and are likely to be transferable to other communities.

All 5 project models rest on a base of evidence that ranges from strong to preliminary, as defined by the NOFA. The evidence base for Jobs-Plus is particularly compelling. There is no other comparably strong evidence of an effective employment initiative in public housing; in that sense, the project stands alone. In contrast to the Moving-to-Opportunity random assignment experiment, which offered special vouchers to help public housing families move to low-poverty communities, and the Welfare-to-Work Vouchers random assignment experiment, which attempted to facilitate the efforts of welfare recipients leaving welfare to remain off the rolls in part by making it easier for them to move closer to job opportunities, Jobs-Plus is the only one to have produced positive effects on earnings. Furthermore, when the earning impacts of the Jobs-Plus sites that fully implemented the model are compared with those of 30 welfare-to-work and other important employment programs evaluated with random assignment designs, Jobs-Plus ranks near the top in terms of effectiveness. (See Table 7.1, p. 153, in Howard Bloom, James Riccio, and Nandita Verma; Promoting Work in Public Housing--The Effectiveness of Jobs-Plus; New York, MDRC: 2005; <http://www.mdrc.org/publications/405/full.pdf>).

The WorkAdvance program combines sector-focused skills training, performance-based stipends for training completion, and post-placement job coaching adopted from successful sector-based and post-employment experiments. These strategies are based on projects that offer evidence from random assignment experiments in the US and UK of effective interventions in the field of advancement for low-income individuals--a field in which many innovations have not been found to be effective, including HHS's early 4-site experiment, the Post-Employment Services Demonstration (PESD).

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NYC's Family Rewards program is the first comprehensive CCT program of its kind in the US, so there are no comparable US programs. Based on evidence summarized in a recent World Bank book on CCTs (Ariel Fiszbein and Norbert Schady; Conditional Cash Transfers--Reducing Present and Future Policy; The World Bank, Washington, DC: 2009), some of the early impacts of Family Rewards are consistent with those observed in Mexico's Oportunidades program and other carefully evaluated CCTs in lower- and middle-income countries that reduced poverty and had some positive effects on school and health care outcomes. In addition, to the large and sustained effects of Family Rewards on poverty, economic hardship, banking, and savings, its substantial positive initial impacts on passing Regents exams among the somewhat better-prepared high school students represent the first evidence of a CCT program improving educational achievement as measured by standardized tests. Its positive effects on dental care and survey-based measures of employment are also distinctive among international CCT programs.

YAIP and \$aveUSA initiatives have a more limited evidence base, as noted in the proposal. It is well known that there are few programs with proven success for very disadvantaged young adults, despite many attempts, and comparatively few rigorously evaluated asset-building programs for the poor. Ramping up and carefully testing these two promising and innovative strategies will help fill that evidence void.

16. Each of the proposed projects is intended to expand effective ways to improve economic opportunities for low-income families. They touch many of the key components that affect one's economic status: education, housing, workforce and health. All are based on earlier pilot projects that represent the cutting-edge of policy innovation in various domains.

All of the replication versions of these programs are backed by a range of strength of evidence, but have not yet attained a significant place in mainstream public policy or as ongoing public-private enterprises.

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The SIF, with its emphasis on scaling up, embedding the programs within existing systems, and deeper evidence-building, offers a rare opportunity to bring these innovations to many more people and catapult them into a more prominent role in the social sector.

Jobs-Plus is distinctive for being the only rigorously tested place-based employment intervention, and one of the few employment strategies to target high-poverty public housing developments. In addition, it is the only strategy to blend rent-based work incentives and community supports for work with on-site employment and training assistance while targeting an entire community.

WorkAdvance helps people who typically cycle in and out of low-wage jobs to remain employed and advance, and thus challenges the dominant focus of the current workforce and welfare systems, which are largely focused on simple job placement.

Family Rewards looks beyond the current work-based safety net to provide low-income families with new ways to build current income while investing in their own human capital, and targets inter-generational poverty in a way that no other current safety net program does. The program has the potential to lead to the greatest changes in the system since welfare reform.

YAIP offers not only employment services or educational services to chronically disconnected youth, but innovatively integrates the 2 strategies by conditioning work opportunities on educational investments.

The unique \$aveUSA savings incentives strategy, tied to EITC refunds, holds far greater potential than Individual Development Accounts for scaling up, and tries to fill a void in current public policy by helping very low-income families improve their economic security through asset building.

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This SIF proposal is also innovative in the way it brings together local governments, nonprofits, and funders with national evaluators and funders to develop programs with broad policy potential and strong local support. In addition, it will strengthen the appreciation and acceptance of using evidence at the local level. In a way similar to what CEO has done in NYC, the SIF will help build the capacity of localities to evaluate anti-poverty strategies and to use this analysis to make informed investments.

17. In addition to the proposed program operations, TA, and evaluation costs, the partners will actively build collaborations between subgrantees and CNCS. Training of subgrantees will be provided in part during TA visits conducted by team members. To meet sites' needs, the program operations budget includes resources for subgrantees to obtain services and TA directly from local agencies, organizations, and their local funders. These relationships will help to build local networks that will be important for program sustainability.

The budget also includes \$60,700 to build a learning community website where webinars, TA tools and resources, and other information can be shared among the partners, subgrantees, and CNCS. In-person and 1-on-1 contact are key components of building collaboration among subgrantees, funders, and CNCS, and thus the budget includes \$18,620 for travel and sufficient time of key team members to ensure regular communications between all SIF stakeholders.

In addition to these budgeted resources, CEO and the Mayor's Fund will devote significant in-kind staffing and resources estimated at more than \$400,000 per year to this effort.

CEO's strong commitment to building partnerships for the SIF is evidenced by its successful efforts to bring its SIF application partners to NYC between the application deadline and the July announcement using CEO funds. In 2009, CEO was named a finalist for the Innovations in American Government

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Narratives

Awards from Harvard University's Kennedy School, which included a financial award to be spent on "encouraging the replication of outstanding programs." With these resources, CEO and the MF brought representatives from the SIF application cities to NYC to observe the CEO programs described in the application, thus helping to build the relationship between local governments and philanthropic partners. These relationships and first-hand observations will be tremendously helpful in replicating the programs quickly and effectively should SIF funding be awarded.

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2010 Social Innovation Fund

The Mayor's Fund to Advance New York City

Section 2 – Clarification Questions

First Round Clarification Questions:

1. You propose to replicate five programs and “each program model at scale in up to 4 other cities – in all, 16 programs...” Please clarify your statement. How and why did you arrive at the 16 figure?
2. You propose to work in “up to 8 cities” and provide a list of locations. Will you work in all 8 cities? If not, upon what criteria would you base your decision? Have you made these determinations yet?
3. How will you determine which interventions a city should receive? How will you determine whether a city should receive more than one of the interventions?
4. What is the cost per individual served of your application? In clarifying, please provide relevant background data. Generally, describe the cost-effectiveness of your proposal.
5. How does your proposed evaluation work plan to capture the impacts of having more than one intervention operating in a city at the same time? How will you look at the interactions among the programs and their participants? Particularly, how will this be accomplished given your reliance on the RCT methodology?
6. Please describe in greater detail the commitments you have secured from “local government executives and foundations” in the 8 target cities. Please also address how a change in local government executives could impact the success of your SIF.
7. Do you have an estimate of the average subgrant award in your target cities?
8. Please explain any relevant recent developments in your knowledge-base around conditional cash transfers and how that may impact your program design. How does the discontinuation of the Opportunity NYC program impact your proposal?
9. Do you anticipate any challenges in identifying well-qualified subgrantees in your target cities? Have you done any assessment that would indicate challenges?
10. Do you anticipate any challenges in getting approval for random assignment experiments in your target cities? How would those challenges be overcome? Have you secured support from local government executives and partner foundations for this evaluation approach? What methodology would be employed if opposition proved insurmountable?
11. On page 33 you state that “approximately \$4.6 million will be awarded to subgrantees in the first year”. Please confirm that this represents only the CNCS share and that the total amount to be subgranted in year one is \$7.78 million as outlined in your budget.
12. Please detail the roles and responsibilities of the “SIF Coordinator” role. In particular, please detail how you arrived at your salary estimate of \$75,000/year.
13. Will the long-term impact of the Young Adult Internship Program be evaluated under your current plans?
14. Evaluation and technical assistance costs are included in the same line-item in your budget. Please provide a more detailed break-out of these costs in year one.
15. Please provide evidence of whether and to what degree the impacts of the five programs to be replicated are stronger than other comparable models in the economic opportunity arena.
16. Briefly discuss the contribution of your proposed project to innovation in the social sector.

17. The costs of your project are primarily for direct program operations, technical assistance, and evaluation. Please describe in greater detail costs associated with training, building local networks, and other collaboration work likely to be necessary.

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Responses in "Clarification Summary" section of application.

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Round 2 Clarifications to email to applicant:

1. The \$1.21 million allocation to MDRC to run your competitive subgrant selection process does not seem cost-effective and reasonable. Please justify this amount and detail the costs associated with the process in your revised response to clarification question #14.
2. You indicate in your clarification answers that only Savannah and Memphis are interested in implementing Family Rewards, but note that both cities' involvement in the SIF is not definite. Can you firmly commit to test a robust Family Rewards program in a non-NYC market in Year 1?

2010 Social Innovation Fund

The Mayor's Fund to Advance New York City

Section 3 – Budget

Mayor's Fund to Advance NYC SIF 2010
Mayor's Fund to Advance New York City

Application ID: 10SI115457

Budget Dates: 08/01/2010 - 07/31/2015

	Total Amt	CNCS Share	Grantee Share
Section I. Program Costs			
A. Project Personnel Expenses	150,000	0	150,000
B. Personnel Fringe Benefits	6,390	0	6,390
FICA	8,040	0	8,040
Health Insurance	17,175	0	17,175
Retirement	13,395	0	13,395
Life Insurance	0	0	0
Total	\$45,000	\$0	\$45,000
C. Travel	18,620	0	18,620
D. Equipment			
E. Supplies	10,000	0	10,000
F. Contractual and Consultant Services	4,644,950	1,140,000	3,504,950
H. Other Costs			
Subgrants	7,780,000	4,560,000	3,220,000
Total	\$7,780,000	\$4,560,000	\$3,220,000
Section I. Subtotal	\$12,648,570	\$5,700,000	\$6,948,570
Section II. Indirect Costs			
J. Federally Approved Indirect Cost Rate			
Indirect Costs	0	0	0
Total	\$0	\$0	\$0
Section II. Subtotal	\$0	\$0	\$0
Budget Totals	\$12,648,570	\$5,700,000	\$6,948,570
Funding Percentages		45.1%	54.9%
Required Match		n/a	
# of years Receiving CNCS Funds		n/a	

2010 Social Innovation Fund

The Mayor's Fund to Advance New York City

Section 4 – Budget Narrative

Budget Narrative: Mayor's Fund to Advance NYC SIF 2010 for Mayor's Fund to Advance New York City

Section I. Program Costs

A. Project Personnel Expenses

Position/Title -Qty -Annual Salary -% Time	CNCS Share	Grantee Share	Total Amount
SIF Coordinator: - 2 person(s) at 75000 each x 100 % usage	0	150,000	150,000
CATEGORY Totals	0	150,000	150,000

B. Personnel Fringe Benefits

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
FICA: 5.36% x \$75,000 x 2	0	8,040	8,040
Health Insurance: 11.45% x \$75,000 x 2	0	17,175	17,175
Retirement: 8.93% x \$75,000 x 2	0	13,395	13,395
Life Insurance:	0	0	0
Supplemental Employee Welfare Benefits (including life insurance): 3.41% x \$75,000 x 2	0	5,115	5,115
Worker's Compensation: 0.68% x %75,000 x 2	0	1,020	1,020
Unemployment Insurance: 0.17% x \$75,000 x 2	0	255	255
CATEGORY Totals	0	45,000	45,000

C. Travel

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
Visits to SIF subgrantee: \$665 per trip x 28 trips	0	18,620	18,620
CATEGORY Totals	0	18,620	18,620

D. Equipment

Item/Purpose -Qty -Unit Cost	CNCS Share	Grantee Share	Total Amount
CATEGORY Totals	0	0	0

E. Supplies

Item -Calculation	CNCS Share	Grantee Share	Total Amount

Computers: \$2,500 each x 2	0	5,000	5,000
Misc. office supplies:	0	5,000	5,000
CATEGORY Totals	0	10,000	10,000

F. Contractual and Consultant Services

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
Evaluation and Technical Assistance: MDRC: 1.97M for site selection and TA + 1.56M for evaluation + 1.04 for fiscal oversight	1,125,750	3,444,250	4,570,000
Web designer for Learning Communities:	0	60,700	60,700
Background Checks: \$75 per person x 190 people (10 for CEO/Mayors Fund, 20 for MDRC, 160 for subgrantees)	14,250	0	14,250
CATEGORY Totals	1,140,000	3,504,950	4,644,950

H. Other Costs

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
Subgrants:	4,560,000	3,220,000	7,780,000
CATEGORY Totals	4,560,000	3,220,000	7,780,000
SECTION Totals	5,700,000	8,948,570	12,648,570
PERCENTAGE	45%	55%	

Section II. Indirect Costs

J. Federally Approved Indirect Cost Rate

Calculation -Cost Type -Rate -Rate Claimed -Cost Basis	CNCS Share	Grantee Share	Total Amount
with a rate of and a rate claimed of	0	0	0
CATEGORY Totals	0	0	0
SECTION Totals	0	0	0
PERCENTAGE	0%	0%	

BUDGET Totals	5,700,000	8,948,570	12,648,570
PERCENTAGE	45%	55%	

Source of Funds

Section	Match Description	Amount	Type	Source
Source of Funds	\$1,934,320 match from the Open Society Institute	1,934,320	Cash	Private
	\$5,000,000 match from the Bloomberg Family Foundation	5,000,000	Cash	Private
Total Source of Funds		6,934,320		