Corporation for National and Community Service

2010 Social Innovation Fund

New Profit Inc.
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2010 Social Innovation Fund

New Profit Inc.

Section 1 – Application
PART I - FACE SHEET

APPLICATION FOR FEDERAL ASSISTANCE

Modified Standard Form 424 (Rev. 02/07 to confirm to the Corporation's eGrants System)

1. TYPE OF SUBMISSION:
   Application [x] Non-Construction

2a. DATE SUBMITTED TO CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS):
   04/07/10

2b. APPLICATION ID:
   10S114710

3. DATE RECEIVED BY STATE:

4. DATE RECEIVED BY FEDERAL AGENCY:
   04/07/10

5. APPLICATION INFORMATION

LEGAL NAME: New Profit Inc.

DUNS NUMBER: 015292654

ADDRESS (give street address, city, state, zip code and county):
   2 Canal Park
   Cambridge MA 02141 - 2231
   County: Middlesex

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
   043967686

7. TYPE OF APPLICANT:
   7a. Non-Profit

7b. TYPE OF APPLICATION (Check appropriate box).
   - NEW
   - NEW/PREVIOUS GRANTEE
   - CONTINUATION
   - AMENDMENT

If Amendment, enter appropriate letter(s) in box(es): 
A. AUGMENTATION  B. BUDGET REVISION
C. NO COST EXTENSION  D. OTHER (specify below):

7a. NAME OF FEDERAL AGENCY:
   Corporation for National and Community Service

10a. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 94.019
10b. TITLE: Social Innovation Fund

12. AREAS AFFECTED BY PROJECT (List Cities, Counties, States, etc.):
   Chicago, IL; Denver, CO; Miami, FL; New York City, NY; Oakland, CA; Boston, MA; Seattle, WA; Philadelphia, PA; New Orleans, LA, plus four mid-western cities over the five-year course of the grant.

13. PROPOSED PROJECT: START DATE: 09/30/10  END DATE: 09/30/11

15. ESTIMATED FUNDING: Year #: 1
   a. FEDERAL $ 5,000,000.00
   b. APPLICANT $ 5,000,000.00
   c. STATE $ 0.00
   d. LOCAL $ 0.00
   e. OTHER $ 0.00
   f. PROGRAM INCOME $ 0.00
   g. TOTAL $ 10,000,000.00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
   - YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:
     DATE:
   - NO. PROGRAM IS NOT COVERED BY E.O. 12372

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
   - YES  if "Yes," attach an explanation.  [x] NO

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.

a. TYPED NAME OF AUTHORIZED REPRESENTATIVE: Vanessa Kirsch
   b. TITLE: President & Founder
   c. TELEPHONE NUMBER: (617) 252-3221
   d. SIGNATURE OF AUTHORIZED REPRESENTATIVE:
   e. DATE SIGNED: 04/07/10
Executive Summary

New Profit Inc.

Blue Ridge Foundation New York (subgrantee selection; technical support)

Robin Hood Foundation (subgrantee selection; evaluation)

Open Society Institute

SeaChange Capital Partners (subgrantee selection; subgrantee match raising)

Issue-Based SIF (Youth Development and School Support)

$10,000,000 for Sept. 2010-Sept. 2011, as year one of a five-year plan

Yes (3; College Summit-$3MM; Year Up-$3MM; iMentor-$1.125MM)

Program Design.

The focus of the intermediary fund proposed by New Profit (NPI) and its collaborators—referred to as the "Pathways to Prosperity" fund—is to select and invest in a portfolio of high-potential social innovations that offer critical interventions for low-income youth transitioning from high school to post-secondary education and productive employment. The statistics and research are clear: the most effective and sustainable solution to poverty is education, specifically post-secondary education and training. The American High School, which has historically treated graduation as its metric of success, must now serve as a conduit for all students to post-secondary success. The goal of these investments is to improve measurable outcomes in high school success, college and workforce readiness, college enrollment and persistence, and other key areas in youth development, while leveraging the combined strengths of the distinct innovations in the portfolio to inform public discussion and affect broader systems change.

The subgrantees will increase the number of youth they serve in the communities in which they already work, and will grow to three to five new communities each during the SIF. NPI will help subgrantees
Narratives

support each other’s growth by facilitating network sharing among sites and, when appropriate, help subgrantees collaborate to plan expansion to new locations. Co-location of subgrantees will create a stronger support structure in communities and may lead to direct subgrantee collaboration. To reach smaller, more remote communities—for example, cities in non-coastal states such as Iowa, Missouri, and Arkansas—NPI will launch a city-based competition to generate local financial support and goodwill for subgrantees in communities where they are not currently present. NPI and its collaborative partners will use an open and competitive process to select an eligible portfolio of six to eight subgrantees; collectively, the portfolio will serve 7,000–9,000 youth ages 14–24 annually.

NPI, the lead partner, is an 11-year-old grantmaking institution that provides large, multi-year operating grants to innovative nonprofit organizations with outstanding leaders who have the drive and vision to grow their organizations and transform the fields in which they work. NPI has worked with many high-profile nonprofits whose impressive results have changed the fields in which they work, including Teach For America, Citizen Schools, Jumpstart, KIPP, and Project HEALTH. To support impact, growth, and sustainability, NPI program officers provide in-depth technical assistance to grantees. To build a base of evidence about what works, a portion of each subgrant will support independent evaluations of subgrantees. Robin Hood, supported by NPI, will help subgrantees design evaluations that build on past work and strengthen proof of the efficacy of their intervention.

Organizational Capacity.

$43,687,789

$9,983,000

40

NPI’s internal operations and staff are structured to effectively oversee the finances, reporting, and management of grants; NPI is in compliance with federal requirements. NPI has nine program officers,
Narratives

four of whom will be dedicated full-time to SIF, as well as 4.85 additional positions. NPI’s highly engaged board of directors and legal counsel also provide guidance on all areas of grant oversight and governance. NPI will require at least semi-annual reporting on financial, compliance, and programmatic data from all subgrantees.

Cost-Effectiveness & Budget Adequacy.

Federal funds to be subgranted: $8,200,000 or 82%

Major sources of matching funds: New Profit Inc.

NPI is providing a 1:1 match. NPI plans to disperse $18,200,000--82% of federal funds and 100% of matching funds--as subgrants. The remaining $1,800,000 will support administrative costs, such as subgrantee selection, evaluation, technical assistance, community building, and operations. Each activity has been assessed and assigned a budget sufficient to meet its needs cost-effectively.

Program Design

A. Goals & Objectives

Priority Issue Area & Need.

NPI and its collaborative partners propose to focus on the issue area of Youth Development and School Support within multiple low-income communities. Specifically, the focus will be on scaling the impact of subgrantees with innovative and effective approaches to college and workforce readiness and college enrollment and persistence, which are crucial determinants of a young person's ability to achieve economic stability and access opportunity.

Navigating the transition from high school to adulthood is a challenging process that a significant number of young Americans fail to complete successfully. Only 60% of America’s low-income youth graduate from high school. Fourteen percent of 18–24 year olds in the United States, or 4.3 million young adults, are not attending school, not working, and have no credential beyond high school. In
contrast, virtually all jobs that offer wages sufficient to support a family require at least some training beyond high school.

In the first year of the SIF, the subgrantees will serve large, urban areas, such as Chicago, Denver, Miami, and New York City, where many of the greatest challenges in youth development exist. For example, principal school districts of the 50 largest cities educate one eighth of all students, yet produce one quarter of all students who fail to graduate. In most major cities, 17-20% of young adults are disconnected, meaning one in five 18-24 year olds is neither working, nor in school, disabled, or incarcerated and has no degree beyond a high school diploma or a GED.

In Chicago, 56% of children under 18 live in families with income below 200% of the poverty level compared to a national rate of 40%. The graduation rate for the largest school district in Chicago is only 51% compared to a national average of 71%. In addition, the city of Chicago is home to 54,000 disconnected young adults or 19% of 18-24 year olds.

In Denver, 51% of children live in families with income below 200% of the poverty level. The graduation rate for the largest school district in Denver is 59% and the city is home to 8,000 disconnected young adults (17%).

In Miami, 62% of children live in families with income below 200% of the poverty level. The graduation rate for the largest school district in Miami is 56% and the city is home to 7,000 disconnected young adults (20%).

In New York City, 49% of children live in families with income below 200% of the poverty level. The graduation rate for the largest school district in NYC is 51% and the city is home to 139,000
disconnected young adults (17%).

Sources:
http://datacenter.kidscount.org
Year Up estimates

Measurable Outcomes & Availability of Data.
NPI and its collaborative partners will select subgrantees that can deliver impact at key interim milestones along the pathways to post-secondary and job success, such as high school graduation, college acceptance, college persistence, GED attainment, workforce skill development and internships, and living wage employment.

NPI will track the following outcomes:
- Increase in high school graduation and GED attainment: the high school graduation rate (percentage change in high school graduation rate over baseline year or number of GEDs attained) and number of at-risk beneficiaries that graduate.

- Increase in college enrollment: percentage change in program year college enrollment rates over baseline year rates.

- Increase in college credit accumulation rates: percentage of students who complete a year of college course credits within two years of high school graduation. (In jurisdictions where state longitudinal data systems do not yet have the capacity to track credit accumulation, college persistence will be tracked into the second year.)
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- Achieving living wage employment: interim metrics including employment wages and access to benefits beyond one year of employment.

State level data on test scores, enrollment, graduation rates, college matriculation, and college persistence that can be linked to the student and/or school level also will be used, as available. NPI also will use national level data on graduation, college matriculation, and college persistence that can be linked to the student and/or school level through sources such as the National Student Clearinghouse.

In the area of workforce readiness, NPI will review publicly available statistics on income levels by age at either the national or state level to assess the value of outcomes around living wage employment. NPI will also have access to data tracked directly by subgrantees, such as attendance records and test scores.

Lead Partner Qualifications.

NPI is a grantmaking institution that provides large, multi-year operating grants and technical support to innovative nonprofit organizations with outstanding leaders--or "social entrepreneurs"--who have the drive and vision to grow their organizations and to transform the fields in which they work. NPI's collaborative partners bring a wealth of subject matter expertise in education, poverty alleviation, and workforce development, as well technical expertise in capacity-building, evaluation, and fundraising, among other areas, to the Pathways to Prosperity fund.

NPI's 22 U.S. based grantees operate programs that address the key issues affecting social mobility and opportunity, including education and workforce development. Selected grantees include: BELL, Citizen Schools, Jumpstart, KIPP, New Leaders for New Schools, LIFT (formerly National Student Partnerships), Project HEALTH, and Teach For America. In many cases, NPI supported these grantees before they achieved national acclaim and was instrumental in their growth and success. NPI's program
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 officer to grants-managed ratio is no higher than one-to-four to ensure all grantees receive high levels of capacity building support. ("Program officer" refers to partner- and manager-level staff members who provide technical assistance to grantees.)

To monitor performance, NPI develops and tracks a set of specific program impact metrics for each grantee, and also measures revenue growth and growth in the number of beneficiaries served. In 2009, NPI's aggregate portfolio of grantees realized a 35% compound annual growth rate (CAGR) for revenue and a 40% CAGR for the number of beneficiaries served.

Pre-selected subgrantees.
NPI and its collaborative partners are applying with three pre-selected subgrantees: College Summit, Year Up, and iMentor. NPI has been a long-term funder of College Summit and Year Up and supports iMentor. Blue Ridge has been a long-term funder of iMentor and supports College Summit and Year Up. Robin Hood supports Year Up and iMentor.

COLLEGE SUMMIT
College Summit (CoS) builds the capacity of high schools to dramatically increase college enrollment rates of low-income students. NPI made its first grant to CoS in 2001 when the organization was in five sites serving 1,000 students and had achieved a college enrollment rate of 79% through its summer programs (nearly double the national rate for low-income students).

College Summit's initial model focused on serving a small sub-section of the senior class. NPI supported CoS' shift to serve all school seniors in order to create a strong college-going culture. NPI advised on the development of new supportive technology, an expanded curriculum and training program, and a professional development program for teachers. This shift was validated by a recent independent
evaluation that found that, on average, CoS programs with a higher proportion of students participating achieved greater increases in college-going rates.

In 2005, NPI helped CoS structure and implement a multi-year growth plan to demonstrate the scalability of the model and outcomes. CoS now serves 17,000 students in 11 states and the District of Columbia and has reduced its cost per student by 34%.

NPI helped CoS develop a field-wide impact strategy to ensure that all high schools across America focus on students' college and career success (rather than only focusing on success in high school) by advocating for "college enrollment rate" as a core high school success measure through federal policy. As a result, CoS drafted language signed into law in the Higher Education Opportunity Act, which calls for every high school in America to learn its college enrollment rate.

YEAR UP

Year Up (YU) provides urban young adults with the skills, experience, and support to succeed in professional careers and post-secondary education. In 2005, when NPI selected YU as a grantee, YU was serving 205 students annually in three sites. Today, 85% of YU graduates secure professional positions within four months of graduation and earn an average of $30,000/year.

New Profit supported YU in identifying critical program structures that would allow individual sites to scale while maintaining or improving programmatic outcomes. These structures included the creation of smaller-scale learning communities within each site and the development of a consistent learning community leadership model. This work was essential to YU’s success in rapidly scaling its Boston site between 2006 and 2009. In those three years, the Boston program was able to double in size amid a challenging economy while maintaining consistent or better outcomes in all key areas including student
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retention, graduate employment and college enrollment rates, and corporate internship partner satisfaction.

In addition, NPI helped YU create a five-year expansion strategy targeting five to seven major cities, identify critical capabilities for continued program growth and new site launches, and develop a successful $20 million growth capital fundraising campaign. During the course of NPI's engagement, YU has grown to serve more than 1000 students per year in seven sites.

NPI also assisted YU in prioritizing early activities to impact public policy and other workforce development organizations. Building on that effort, YU currently pursues an influence strategy aimed at systemic change that targets deepening employer engagement and policy and advocacy efforts on social innovation in workforce and education funding mechanisms at the federal, state and city level.

iMENTOR

iMentor (iM) uses technology-enabled mentoring to equip low-income students with skills and resources for personal, academic, and career success. Blue Ridge helped launch iM in 1999, providing the organization's first funding, building its board of directors, and helping it design a curriculum-based mentoring model. That model now serves more than 1,200 mentor-mentee pairs in 14 schools in New York City. In an internal study (2006-2008) of seven participating schools that host multiple interventions, 94% of 12th grade mentees graduated from high school and 77% enrolled in college.

In 2005, Blue Ridge helped iM pilot and then expand iMentor Interactive (iMi), a software platform that is used by school and nonprofits, such as Year Up, to add mentoring to their model. iMi helps organizations streamline management activities and structure mentoring programs to achieve impact for participating students. More than 60 organizations in 22 states representing more than 3,000
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mentor/mentee pairs now use iMi.

B. Use of Evidence

Applying & Incorporating Evidence.

The lead partner, NPI's, mission is to build, over time, a portfolio of grantees that is most likely to demonstrate strong evidence of strong impact. NPI typically invests in nonprofit organizations that have preliminary evidence. As part of NPI's grant selection criteria, organizations must have a demonstrated commitment to and a track record of using data and evaluation for performance and program improvement. NPI helps its grantees build and create well-defined plans for the technical capacity to achieve specific measurable program outcomes, evaluation of program effectiveness, performance improvement, and replication. NPI aims to help organizations move from preliminary evidence to moderate and strong evidence over the course of its grant.

For example, in 2001, NPI invested in BELL, an organization with after-school and summer programs for low-income, urban youth, when it had preliminary evidence. By 2005, BELL had strong evidence of impact; the Urban Institute had conducted a random assignment evaluation of BELL's summer program and determined it produced superior academic gains against gains made by similar summer programs. This evidence helped validate BELL's belief that its summer program was the more powerful intervention (as opposed to its after school program), and thus drove NPI and BELL's decision about where BELL should invest time, energy, and financial resources for replication.

In 2008, NPI made an investment in Peer Health Exchange (PHE), which recruits and trains college volunteers to deliver a comprehensive 12-module health curriculum to low-income, urban high school students, when it had preliminary evidence. NPI's program officer joined PHE's national board of directors and in 2009 was named program development committee chair. The program officer
Narratives

encouraged PHE to hire a new evaluator, ETR Associates, which created a survey instrument that expanded PHE's pre- and post-data collection and includes questions from the National Adolescent Student Health Survey, allowing PHE to benchmark its data against national data. Data collected from this new survey will allow PHE to make program improvements to drive specific measurable outcomes in advance of investing in significant replication or a quasi-experimental study that can establish moderate evidence.

Use of Evidence to Improve What Works.

NPI has used rigorous evidence to drive program improvement and increase the base of evidence of what works with multiple programs across its portfolio of grantees.

For example, in April 2001, NPI and Monitor Group, a leading strategy consulting firm, worked with Teach For America (TFA) to understand how its brand was perceived and how it could be repositioned to most effectively support the organization's mission. NPI and Monitor gathered qualitative data through nine focus groups, each with six to eight students, and 29 interviews across three key constituent groups: prospective applicants, teachers, and alumni. From this data, TFA expanded its student market by making the opportunity more appealing to students with ambitions of long-term social change, while also enhancing its differentiated positioning versus other post-college options. In 2009, TFA exceeded 35,000 applications (up from 4,946 in 2001), and of those, offered positions to approximately 10% of applicants (versus a 28% acceptance rate in 2001).

As a second example, in May 2009, NPI and Monitor worked with Project HEALTH to refine Project HEALTH's definition of success, design a program model for the future, and articulate a test plan to validate the new strategy. NPI and Monitor gathered qualitative data through interviews with staff, volunteers, alumni, doctors, other clinical staff, and stakeholders. In addition, the team conducted full-
day workshops with program staff to supplement interviews. Finally, the team analyzed site-level outcomes and financial data, and synthesized results to identify the most successful sites and which characteristics set them apart. These characteristics then were turned into actionable steps for replication across all program sites. By using evidence to improve program quality, Project HEALTH increased the evidence base of what works for connecting low-income patients with health resources.

http://www.newprofit.com/materials/index.html

Sharing Lessons Across Grantees.
NPI has a full-time manager dedicated to portfolio learning who leads NPI's effort to better understand the barriers to growth facing nonprofits, and develops and circulates related tools and content to grantees. NPI ensures the relevance of shared learning by interviewing its program officers and social entrepreneurs to understand their most critical challenges. This year NPI will share learning modules with its grantees on "Developing a Robust Revenue Model" and "Understanding and Measuring Direct Program Model Impact."

Since 2005, NPI has shared key learning on evaluation with all grantees and other leading social innovators who are not grantees through its annual conference on social entrepreneurship, the Gathering of Leaders. At the 2010 Gathering, an anchor session, "World Class Measurement," disseminated leading evaluation practices in the field to explore how evaluation can evolve in the nonprofit sector. In addition, NPI organized 16 small-group peer-led sessions on various content areas to further facilitate the sharing of key lessons, such as "Rigorous About Results: Embedding Program Measurement In Your Organization" and "What Really Matters: Understanding a Program's Most Powerful Drivers of Impact."
Narratives

Finally, NPI program officers meet weekly to discuss each grantee, share best practices, and recognize patterns across the portfolio.

Pre-selected subgrantee evidence.

COLLEGE SUMMIT: Preliminary Evidence, moving toward Moderate.

Since 2003, CoS has focused its metrics on externally validated college enrollment rates. College enrollment rates are tracked annually and CoS meets with school partners, district leaders, and principals quarterly in "Milestones Meetings" to review data on key indicators they believe to be essential to a student's transition to college.

CoS has recently completed a third party evaluation of its 2008 cohort through IronBridge Systems. This study is a time-series design, demonstrating impact as a change in trends after intervention and looking at the shift in college enrollment rates from baseline data to post-intervention data. This study does not use a control group. According to the evaluation of 55 high schools with 9,000 graduates, CoS produces an 18% increase in college enrollment for participants.

NPI believes that CoS can build on this base with more formal and systematic studies in multiple sites and thereby move toward a moderate evidence base. CoS' program emphasizes a high-expectations environment, attaining a high school diploma, and engagement in school, all of which literature cites as critical competencies to healthy youth development and college readiness.

YEAR UP: Moderate Evidence.

Beyond YU's internal measurement efforts, two quasi-experimental design studies were conducted (2003, 2009) and a randomized controlled study with a small sample size is under way (complete in May 2010). The latter study will assess whether participants do substantially better than they might
Narratives

have done without the program and which aspects of the program drive performance, such as youth characteristics, program content or delivery, and participation levels. The results will help inform future evaluation efforts and requisite programmatic changes. YU has consistently met its goal of 85% graduate employment at an average wage of $15.25/hour and both quasi-experimental studies demonstrated that a YU graduate’s gross lifetime earnings exceed that of a non-program participant by more than $1,000,000.

With the randomized controlled study currently under way, and a commitment to ongoing outcome evaluation, YU has the evidence and tools it needs to continue to refine and scale its program nationally. According to research reported by Child Trends (2008; 2009), it is critical that youth secure steady employment and are prepared for a productive career. YU’s program emphasizes engagement in work, career planning and job search skills, and the use of knowledge, information, and technology interactively, all of which literature cites as critical competencies directly related to workforce readiness.

iMENTOR: Preliminary Evidence

Since iM’s inception in 1999, its program staff has conducted internal and external evaluations and developed a number of evaluation tools. Since 2007, iMentor Interactive (iMi) has been used as a platform to track participant data and pre/post program evaluations that provide iM with real-time reporting and analysis. The iMi platform also allows iM to track communication between mentors and mentees, monitor growth and progress toward goals, and assess program effectiveness at any time.

In 2007-08, iM contracted with a consulting company to update and strengthen its evaluation instruments. The evaluation had four goals: articulate a logic model, strengthen evaluation methods and strategies, analyze all pre/post 2007-08 iM surveys, and analyze 2007-08 DOE data. The analysis assisted iM in re-defining outcomes and led to the creation of a revised 2009-10 survey to facilitate
standardization across pre/post tests. iM's program emphasizes many key competencies that are strongly identified within research as critical for readiness in college and work: communication skills (oral, written, effective use of communication tools), engagement, appropriate planning, and opportunities to learn how to act appropriately in a larger context.

The following link includes supporting materials for the above:

http://www.newprofit.com/materials/index2.html

C. Community Resources

See Part III: Match Sources

D. Description of Activities

1. Subgranting

Subgrantee Selection.

NPI and its collaborative partners will select subgrantees through an open and competitive two- to six-month process, which will be based on NPI's current approach to investment selection and will draw on the best elements of the collaborative partners (e.g., Robin Hood's fluency in evaluation). This hybrid approach will be crafted to meet the goals of the Pathways to Prosperity strategy and the specific requirements of the SIF.

Subgrantee selection will use NPI's three-phase stage-gate procedure as a foundation:

1. Pipeline: candidate grant application review
2. Screening: analysis of additional program evidence and full audited financial statements and budgets, leadership team interviews, and site visits
3. Due Diligence: assessment of management systems, plan for achieving measurable outcomes, and
Narratives

growth strategy; interviews with diverse community stakeholders including subject matter experts, beneficiaries, collaborating organizations, customers (e.g., teachers or principals), and board members

Throughout the selection process, qualifying organizations will be evaluated against a set of Investment Criteria, which will blend the best elements of the criteria used by collaborative partners into NPI's current criteria, which are as follows:

1. Social Entrepreneur
   - He/she boldly aspires to and articulates a strong theory of change to connect the organization's direct work to broader systems change.
   - He/she relentlessly attracts high-quality resources (e.g., talent, funding, partnerships) that significantly advance the size, capabilities, and influence of the organization.
   - He/she integrates data rapidly to courageously make tough choices that drive organizational performance.

2. Direct Impact
   - Organization addresses an urgent problem of significant scale and breadth with a focus on improving program outcomes defined for Pathways to Prosperity.
   - Organization's program model can be replicated and/or expanded to serve significantly more direct beneficiaries in a cost-effective way.
   - Organization shows a track record of promising data, both outputs and outcomes, and is committed to collecting data that drives performance and program improvement and building the evidence base of what works.

3. Systemic Impact
Narratives

- Organization has a compelling and plausible strategy that leverages the direct program model to change the system driving the core problem.

4. Organizational Capacity
- Leadership team, staff, and board of directors are aligned around organization's mission, strategy, desire for national scale, and need for long-term sustainability.

5. New Profit Fit & Value Add
- NPI's strategic support capabilities and partnership have the potential to accelerate organization's impact and sustainability.
- Social entrepreneur desires a candid, collaborative relationship based on a rigorous exchange of ideas.

During the investment selection process, NPI program officers will build deep relationships with the candidate organization's social entrepreneur, key staff, and board of directors, testing collective alignment around a plan to achieve specific measurable program outcomes, evaluate program effectiveness, performance improvement, and replication. New Profit typically spends more than 100 hours on due diligence per organization and the analysis results in a ten-page memo.

Competitiveness of Selection.
NPI's open and competitive selection process historically begins with a pre-Pipeline pool of approximately 200 organizations; NPI selects up to four as grantees. NPI's process is augmented by referrals from its Investment Referral Network (IRN). The IRN is a formalized network of 200+ colleagues, funders, thought-leaders, academics, government officials, journalists, and nonprofit leaders who recommend organizations for investment. Further, NPI solicits input during the due diligence process from subject matter experts, academics, peer funders, nonprofit leaders, and community
Narratives

stakeholders to gain deeper insight into each potential investment.

Pre-Selected Subgrantee Eligibility.
Each pre-selected grantee meets the stated eligibility requirements. Each is a multi-state nonprofit focused on Youth Development and School Support that serves in or has plans to replicate to the proposed geographic areas, and has achieved specific outcomes related to those proposed here. For example:

COLLEGE SUMMIT
Each year, approximately 200,000 low-income students who could succeed in college do not enroll. By providing the tools and guidance necessary to access college and by catalyzing federal legislation reform to shift high school incentives to focus on college access, College Summit (CoS) enables low-income students to access college at the same rates as their middle-income peers.

At the helm for more than fifteen years, J.B. Schramm has grown CoS to reach 25,000 total students annually. He and his talented senior team successfully meet the fundraising demands of a $20 million annual run rate from a healthy combination of philanthropic, corporate, and individual givers as well as an increasingly breakeven fee-for-service model. Moreover, Schramm has undertaken two growth capital campaigns--most recently raising $16 million over the last few months toward a $45 million campaign--to support growth.

Schramm consistently holds CoS to impact metrics that are increasingly more rigorous than peer organizations in the college access field. Cos uses third-party data (National Student Clearinghouse) to measure the increase in the percentage of students who enroll in college over baseline. A recent third-party time-series evaluation of 55 College Summit high schools with 9,000 graduates found that CoS
For Official Use Only

Narratives

produces an 18% increase in college enrollment for participants.

Moreover, CoS has demonstrated the ability to replicate. In 2005, NPI helped CoS structure and implement a multi-year growth plan. Since implementation, CoS expanded from serving 3,600 students in four states to 17,000 students in 11 states and the District of Columbia, while reducing the cost per student by 34%. By 2014, CoS plans to serve 50,000 students annually and create a suite of services to distribute to high schools around the country aiming to dramatically increase college access.

YEAR UP

By teaching disconnected young adults technical and professional job skills and promoting hands-on work experience in a corporate environment, Year Up (YU) increases young adults' ability to secure livable-wage jobs and earn college degrees.

Founder and CEO Gerald Chertavian's commitment to working with urban youth spans more than 20 years. The recipient of the 2003 Social Entrepreneurship Award, Chertavian brings inspirational vision and invaluable business perspective to YU's operations, including his exceptional skill at building public and private sector relationships integral to YU's success. These include partnerships with local and national corporations that provide internships and jobs, community colleges that offer college credits, and community organizations that assist with student outreach and enrollment in YU programs. Under Chertavian's leadership, in 2007, YU successfully completed a $20 million growth capital campaign, enabling expansion to four new cities, bolstering local site fundraising capabilities, and establishing a sizable cash reserve.

YU uses a comprehensive management dashboard that tracks all operational metrics, financial indicators, and program outcomes. Data is available to management for real-time review and to YU's
Narratives

senior leadership team and board of directors quarterly. Recent evaluation show that more than 85% of YU graduates secured full-time employment earning an average wage of $15/hour (equivalent to $30,000 annual salary) within four months of graduation. YU has augmented its alumni programs and is implementing and alumni tracking system to aid measurement of long-term impact.

iMENTOR

Through a pioneering, technology-enriched mentoring platform, iM promotes high-quality mentoring relationships to propel chronically underperforming, low-income students to graduate from high school and enroll in college. By alleviating the time and location constraints of conventional mentoring programs, iM also significantly boosts the number of skilled professionals who are willing and able to mentor disadvantaged youth.

Mike O'Brien joined iM in 2003 and rapidly moved up the ranks to CEO by 2006. Under O'Brien's exceptional leadership, iMentor expanded across four New York City boroughs and increased its reach from serving 650 mentor-mentee pairs to 1,200 by 2009.

iM systematically tracks program results, growth targets, financial metrics, and organizational development. Moreover, it has instituted a dashboard to continually communicate progress reports against goals with internal managers and its board of directors. iM applies similar rigor to impact assessment, using pre/post surveys to gauge program effectiveness. iM also has commissioned a third-party study to analyze its impact on standardized test scores and attendance.

Since 2008, iM has reduced its reliance on philanthropy by increasing earned income revenue through sales of iMentor Interactive (iMi), which currently accounts for almost 20% of revenues. iM's strategic growth plan is anchored in growing the number of youth it serves, while building a sustainable base of
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iMi revenue as well as corporate and individual donors. By 2013, iMentorNYC anticipates serving 3,000 mentor-mentee pairs, and iMi projects bringing mentoring services to 227 organizations and connecting 113,000 mentees with mentors.

2. Technical Assistance and Support
Grantee Relationships & Goals.

As the lead partner, NPI has and will continue to commit to long-term relationships with each of its grantees; its standard grant term is four years and it has extended grantee relationships for up to 10 years. NPI will provide technical assistance to subgrantees to establish long- and short-term goals as they expand existing sites and grow to new sites in communities with other subgrantees. With each subgrantee growing to three to five new communities, subgrantees will create between 20-35 new sites over the five years of the SIF.

NPI's program officers will work with subgrantees to establish expansion goals through the use of its proprietary tool, the Growth Diagnostic, which provides a framework for understanding and evaluating organizational growth. NPI determines a grantee's organizational maturity by assessing proficiency in five areas: impact/innovation, growth strategy, leadership/governance, organizational strategy, and measurable metrics. The Growth Diagnostic defines three distinct stages of organizational growth and helps the program officer understand the capacities the organization possesses and the competencies it must develop to successfully replicate and grow. Through such individualized oversight, NPI moves organizations through the growth stages, thereby achieving greater impact and sustainability.

Using Data for Performance Improvement & Program Effectiveness.

A portion of each subgrant will be designated for third-party evaluation to improve program
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effectiveness. Robin Hood will lead the development of return on investment tools with subgrantees and the design of third-party research to improve program effectiveness. Robin Hood applies a rigorous system of metrics to calculate benefit-cost ratios for every dollar it grants by monetizing the value of the outcomes. Michael Weinstein, senior vice president at Robin Hood, is an evaluation subject matter expert and has authored leading thinking in the field. (See "Measuring Success: How Robin Hood Estimates the Impact of Grants," http://www.robinhood.org/media/169437/2009_metrics_paper.pdf.)

In addition, NPI's director of research and evaluation will disseminate key learning on evaluation to all subgrantees.

NPI program officers will also integrate performance measurement tools for performance improvement into the data collection and evaluation processes of each subgrantee. Data-driven tools—such as the Balanced Scorecard (BSc)—will enable subgrantees to clarify and communicate their strategies and progress against goals. The BSc is a strategic planning and management system that is used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

Finally, starting in the first year of SIF, NPI and its collaborative partners will engage consultants to create case studies on the implementation of co-located subgrantees. These case studies will explore how organizations can work together to achieve greater impact on students served and will be the springboard for larger scale implementation and evaluation of co-location in years two through five.

Building Subgrantee Capacity.

To drive impact, growth, and sustainability, NPI provides extensive technical assistance tailored to each grantee’s specific needs through a dedicated program officer who acts as the day-to-day advisor to the social entrepreneur and leadership team. All NPI program officers have expertise in organizational
capacity building and growth, and will provide support, as needed, in the following areas:

- **Leadership Development**: Encourage and guide social entrepreneur self-reflection on leadership to accelerate personal development and learning; coach social entrepreneur on management and development of staff and board; support social entrepreneur and leadership team on recruitment and selection of senior talent.

- **Theory of Change for Program Model/Transform the Field**: Work with senior leadership and external subject matter experts to craft robust theory of change including program inputs, outputs, and outcomes to refine organization's program model; help create a compelling hypothesis connecting the organization's direct program model and growth plan to a path to transform field in which they work.

- **Honing of Program/Delivery Model**: Improve efficacy, consistency, and scalability of program model by analyzing data to identify and learn from positive outliers and examine best program practices from other nonprofits in NPI portfolio.

- **Growth Planning and Economic Modeling**: Build growth plan to grow to new locations with projected achievable revenues and expenses that will sustain the organization.

- **Board Development/Governance**: Increase effectiveness of board of directors by defining board's activities, roles, responsibilities, and cultural norms, and supporting transitioning board members on and off the board.

- **Organizational Strategy**: Help evolve organizational staffing chart, human resource performance management systems, decision rights, and culture to enable high organizational performance as they grow.

- **Organizational and Program Metrics**: Help develop a management dashboard for staff and the board to measure and guide overall organizational performance. Advise on collection of program data and development of key program metrics to measure and guide program performance.
Learning Across Subgrantees.

NPI has a full-time manager of portfolio learning on staff who will work with a manager and program officer to facilitate learning and improvement across the portfolio. Together, they will seek to understand barriers to growth facing subgrantees, and circulate tools to help overcome them.

NPI's director of convenings will organize a recurring forum for NPI's subgrantee portfolio. During year one, NPI anticipates holding two meetings of this kind: a one-day event at the beginning of the subgrant cycle to discuss learning and design opportunities for collaboration and a two-day event near the completion of the first year to discuss overall experiences.

NPI also shares learning with all grantees and other leading social innovators annually through the Gathering of Leaders. All SIF subgrantees will be included in this event, which will provide a unique opportunity for them to learn from a large, diverse audience of social sector experts.

Supporting Subgrantee Match & Sustainability.

To help subgrantees secure their required matching dollars, SeaChange will host fundraising events with its network of 200 high-net-worth individuals to help subgrantees collectively raise 50% of their matches. NPI's chief development officer (CDO) will also advise subgrantees' in-house development teams on fundraising strategy, mshare networks, facilitate funder collaboration, and establish challenge grants to stimulate giving from local networks. The CDO will oversee all subgrantee matches to ensure fundraising success and long-term sustainability.

Track Record of Using Data.

NPI has a consistent track record of using data to measure and improve grantee performance and program effectiveness. NPI's track record is evident in its work with Citizen Schools, which expanded
nationally through an affiliate model from 2002 through 2004. In 2004, NPI undertook a formal strategy review with Citizen Schools to assess whether the affiliate model was an effective way to replicate Citizen Schools' program. Through a series of 14 interviews, benchmarking, and a literature review, NPI found that the affiliate model, as executed, was not replicating the program model with fidelity due to a lack of alignment on the part of affiliates and a lack of capacity at Citizen Schools to provide necessary supports to a rapidly expanding number of affiliates. As a result, Citizen Schools refocused its expansion model on organic growth led by the central organization, which has resulted in high levels of programmatic fidelity and organizational cohesion.

Subgrantee & Intermediary Accountability & Metrics.
NPI will take an active role to ensure accountability to measurable outcomes with its subgrantees. NPI will take a board seat at each organization to ensure that outcomes are measured and managed by the senior staff and board. NPI will require each subgrantee to report semi-annually on their progress against key outcome and leading output measures. For example: College Summit could be accountable for the outcome measure of increasing the percentage change in program year college enrollment rate for participants by 20% over baseline. College Summit could also be accountable for key lead outputs metrics that tie to this outcome such as the percentage of 12th grade students who apply to college by the end of the academic year and percentage of 12th grade students who submit the FAFSA for student aid prior to March 1st.

Organizational Capacity
A. Ability to Provide Program Oversight
   a) Ability to Provide Sound Programmatic Oversight.
   History.
   New Profit was founded in 1998 on the belief that solutions to many of our nation's most pressing social problems already exist but are unable to reach high-need communities across the country due to a lack
of financial and technical assistance to support growth. In response, NPI pursues two strategies: it provides multi-year financial and technical support to a portfolio of innovative organizations to help them realize their full potential for impact and uses a range of approaches to transform the field of social entrepreneurship in America.

NPI made its first grants in 2000 and focused on selecting and investing in a portfolio of grantees in education, workforce development, public health, and poverty alleviation. NPI devoted its early years to building a community of donors and is today funded by roughly 50 individuals and families. A pro-bono partnership with strategic consulting firm Monitor Group also was forged and since, nearly 300 Monitor consultants have worked closely with NPI and its grantees to address the strategic issues facing nonprofits today. To date, Monitor has contributed approximately $53 million in pro-bono resources to NPI and its grantees.

As NPI began to see strong program results from its first group of grantees, it created an initiative known as the Action Tank to pursue strategies to address broader systems change and create a supportive environment for social innovation at national scale. In 2005 NPI launched its annual conference on the field of social entrepreneurship, the Gathering of Leaders, which draws leaders from across sectors to share and generate ideas for accelerating social change in America. The Action Tank also launched America Forward, a bi-partisan coalition of more than 90 nonprofits that works with policymakers and thought-leaders to identify ways to leverage the impact of social innovation through public and private resources.

In 2007, NPI created a five-year strategic plan with a budget of approximately $125 million to grow its internal capacity and grantmaking capacity. Today, NPI has secured commitments of $76 million in financial contributions toward this plan and a pro-bono pledge of $25 million from Monitor. In 2010,
NPI anticipates adding four new organizations to its portfolio (not including potential SIF subgrantees), to bring its lifetime number of grantees to 30.

Experience in Youth Development & School Support.
NPI has extensive experience in supporting organizations focused on Youth Development and School Support. In NPI's 11 years of grantmaking, it has made multi-year financial commitments to 22 U.S. nonprofits, 19 of which have operated in the area of Youth Development and School Support. NPI's grantees focus on a range of topics within this issue area, including mentoring, career training, college preparedness and access, urban after-school activities, summer academic and social enrichment, and healthy decision making.

The Youth Development and School Support programs NPI has overseen have demonstrated strong programmatic outcomes. For example, 85% of students enrolled in KIPP charter schools matriculate to college compared to the national average of 40%. Preschoolers in programs run by Jumpstart made 29% average gains in school readiness skills. NPI's proposed Pathways to Prosperity fund will include organizations comparable in size, mission, and target demographic to organizations currently in its portfolio.

Capacity to Manage a Federal Grant.
NPI has built its internal operations and staff to effectively manage the finances, reporting, and management of a grant; because this is its first federal grant, NPI plans to expand its staff and systems in order to fully comply with federal requirements.

NPI's financial recording system tracks expenses by department, function, and funding source. For external grants, each expense is tracked according to a budget and reported. NPI's finance team
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manages expenses and organization budgets. In 2005, NPI received a grant from a private foundation that has been renewed yearly because of successful execution and accurate reporting. NPI completes an annual third-party audit, which includes financials, internal controls, and personnel policies. The resulting documents and financial statements are published and available for public viewing. NPI will hire a qualified finance manager to support the additional layer of compliance.

NPI is well-equipped to monitor a grant at the subgrantee level. To accommodate the reporting needs of a federal grant, NPI plans to expand its semi-annual reporting to include match, spending (e.g., expense allocations, time and activity reporting), compliance, and programmatic data. To collect best practices on federal grant monitoring, NPI may consult with experienced grant recipients or local experts, such as the Massachusetts Service Alliance. NPI requires that all grantee organizations submit organizational audits prior to being selected in order to ensure financial stability. NPI staff will communicate regularly with subgrantees to support them with the necessary tools to manage their subgrants.

Grantee Evaluations.

NPI’s grants, given as general operating funds, may be used to commission evaluation studies. NPI actively integrates results from studies conducted during its investment into its decision making. Examples of evaluation studies conducted during NPI’s investment include:

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A two-year randomized controlled trial for BELL, "Impacts of a Summer Learning Program: A Random Assignment Study of Building Educated Leaders for Life (BELL)," in which the Urban Institute used random assignment and a comparison group to measure the effectiveness of BELL's summer program. Results are available at http://www.urban.org/UploadedPDF/411350_bell_impacts.pdf.

Robin Hood contracts directly with distinguished evaluation firms to collect data from its grantees to ensure effectiveness. Robin Hood has a long-standing partnership with Philliber Research Associates, which specializes in evaluation of organizational effectiveness for nonprofits. For example, in benchmarking study for Year Up, Robin Hood commissioned Philliber to compare Year Up's outcomes to those of other job training programs also part of Robin Hood's portfolio. Results are available at http://www.newprofit.com/materials/Section_1.13_Robin_Hood_Evaluation.pdf

Procedures for Evaluation Quality.

NPI and its collaborative partners will direct a portion of each subgrant toward third-party evaluation. Michael Weinstein, senior vice president at Robin Hood, will lead the design of each organization's evaluation to ensure that evaluations meet high standards of technical quality and independence. NPI's director of research and evaluation (to be hired) will support Weinstein in the design of each organization's evaluation and will manage the performance progress reporting of performance goals, supporting data and methodology, and analysis of subapplication progress and performance measures. Weinstein and director of research and evaluation will encourage use of industry-standard guidelines, such as those proposed by the American Evaluation Association and the What Works Clearinghouse. NPI has also developed an advisory board of eight evaluation experts, including Lisbeth B. Schorr (Senior Fellow, Center for the Study of Social Policy and Lecturer in Social Medicine, Harvard University) and Anne Kubisch (Director, Roundtable on Community Change, Aspen Institute), to offer
counsel on the design of subgrantees' plans for evaluation.

Using Results for Program Improvement.

NPI uses and shares the results of grantee evaluations to drive program improvement. For example, NPI grantee Computers for Youth (CFY) worked with Education Testing Service (ETS) to examine the relationship between specific home computing practices and low-income adolescents' school engagement and achievement. The research identified two positive predictors for increased math scores: the use of computers for self-regulated learning and student engagement. The study further showed that the significant predictors of student engagement were family computing activities and the number of different software programs used by students at least a few times a week. When CFY was founded, it believed that the presence of hardware (a computer) would significantly improve a child's learning environment at home. At the time of this study, CFY had only recently begun focusing on software. As such, the results of this study validated and increased CFY's focus on software.

Replication & Expansion.

Each of NPI's 22 U.S. based grantees has replicated and expanded at a national level. For example, when NPI made its first grant to Year Up in 2005, the organization served 205 students and operated in three sites. Year Up had expanded to now serve 1,000 students and in seven sites. Together, NPI's U.S. based grantees operate programs in 41 states and the District of Columbia, and in 163 cities.

NPI's program officers, along with the director of research and evaluation, manager, and analyst, will work closely with subgrantees to build capacity for replication and expansion. NPI will offer tools such as the Balanced Scorecard and Growth Diagnostic to help organizations assess and plan for growth. NPI will use web-based reporting to track subgrantee programmatic, evaluation, and financial data.
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NPI also will help subgrantees support each other's growth by facilitating the sharing of networks among sites and, when appropriate, help subgrantees collaborate as they plan expansion into new locations. Co-location of subgrantees will create a stronger support structure in communities and broader networks to increase the viability of new sites.

To replicate the organizations in the SIF to smaller, more remote communities, the Pathways to Prosperity fund will run a city-based competition beginning in year two to generate local interest in supporting the subgrantees. If this pilot is successful, NPI may choose to run additional city competitions over the term of the SIF. In year one, NPI will host an event to generate interest and publicity for the competition.

Supporting & Monitoring Programs.
NPI’s vast experience in replicating and expanding nonprofits makes it fluent in the challenges and advantages of centralization and multi-site management. NPI cultivates a deep programmatic relationship with each grantee it supports through its program officers. NPI employs at least one program officer for every four grantee organizations and they take board seats with their grantees. According to a report by the Center for Effective Philanthropy, the typical ratio of portfolio officers to grantees amongst NPI’s peer funders is 1:49. NPI’s ratio allows it to provide high-engagement technical support to grantee programs.

NPI’s program officers are generalists with expertise in growth, capacity building, and data management, as opposed to deep subject matter knowledge. Instead of launching new initiatives or programs, NPI seeks and funds leadership teams and organizations engaged in compelling work that are interested in improving their programs through rigorous evaluation. Program officers speak with the leaders of the grantee organizations on a bi-weekly basis and have in-person meetings at least six times
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annually, including board meetings, one-on-one meetings, or NPI’s annual conference. Due to NPI’s low program officer to grantee ratio, NPI is also able to support travel to and from grantee sites across the country. NPI believes that these hands-on relationships are crucial to grantees’ successful absorption and integration of technical expertise and guidance.

The NPI program officer assigned to each organization will be chiefly responsible for monitoring the subgrantee’s site compliance. Individual program officers will report regularly to the entire program officer team to share indicators of program effectiveness and ensure programmatic compliance. The program officer will work with the director of research and evaluation to ensure progress on the subgrantee’s evaluation plan.

Subgrantees will submit a semi-annual report to NPI detailing programmatic data, basic spending activity, fundraising progress, and other compliance measures as required. All reports on site compliance with programmatic requirements will be shared with NPI’s board of directors, which will provide critical governance for NPT’s strategy and operations.

b) Board of Directors, Administrators, & Staff

NPI’s 40-person staff is organized into four departments: Portfolio Management, Development & Communications, Management & Headquarters, and Action Tank (nonpartisan public initiatives). Portfolio Management oversees grantmaking and grantee management and is staffed by partners and managers (program officers) and analysts.

NPI will appoint a partner from Portfolio Management to lead the SIF fund and will expand on existing portfolio staff to effectively support and oversee subgrantees. All of NPI’s Portfolio Management staff will be involved in due diligence to select subgrantees. NPI’s administrators will oversee the general management and strategic guidance of the SIF grant. NPI’s board of directors will convene quarterly to
review NPI’s management and oversight of SIF funds.

NPI has established relationships with specialized search firms to work with NPI’s director of talent to recruit and select the partner, manager, and financial manager. The typical search takes two to three months; onboarding for a partner, three months; onboarding for the managers, two months. All training will be complete or near-complete by the time subgrants are awarded.

Key program positions at NPI—and for the SIF fund—are held by administrators, Portfolio Management staff, and other staff.

1. Administrators

VANESSA KIRSCH is the President and Founder of NPI. Vanessa founded two nonprofit organizations, Public Allies and the Women’s Information Network. Vanessa has received Ernst & Young’s "Entrepreneur of the Year" in the category of Social Entrepreneur and by Forbes as one of 15 innovators who will reinvent the future.

DOUG BORCHARD is NPI’s Chief Operating Office. He has worked as the Vice President at Dun & Bradstreet, cofounder of iMarket, Inc., and consultant at Bain & Co., and at Save the Children.

JEFF BERNDT, NPI’s chief development officer, oversees all fundraising efforts and advises grantees on fundraising strategy. Jeff has 15 years of fundraising and capital campaign experience.

2. Portfolio Management

SARAH DITROIA will be the lead partner of NPI’s SIF fund and will act as program officer for two subgrantees, manage NPI’s SIF fund and selection, and serve as lead contact with the Corporation.

Sarah was an associate director at The Center for Effective Philanthropy and has five years of venture capital experience.

DIRECTOR OF RESEARCH & EVALUATION (to be hired): The director of research and evaluation will work with Michael Weinstein of Robin Hood to help each subgrantee determine a plan for evaluation.
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and advise in the choice of third-party evaluator and will integrate learning at the intermediary and subgrantee levels and manage consultants working on collaboration case studies.

PARTNERS (filled internally/to be hired): Two additional partners will serve as program officers to subgrantees. The partners will participate in the selection process and serve as program officer to three to four subgrantees each.

MANAGER (to be hired) and ANALYST (filled internally): The manager and analyst will participate in selection activities and work with partners to provide technical assistance to subgrantees.

3. Other Staff

FINANCIAL MANAGER (to be hired): The financial manager will oversee the day-to-day financial management of the SIF and ensure compliance with federal regulations and reporting.

DIRECTOR OF CONVENINGS (existing): The director of convenings will coordinate events related to the SIF, including the annual convenings of subgrantee leaders and events associated with the cities competition.

c) Plan for Self-Assessment/ Improvement

NPI conducts ongoing internal assessment and improvement of overall systems, structure, staffing, and other capacities primarily through the use of the Balanced Scorecard (BSc). (See Program Design.) Implementing the BSc throughout the organization has led to a number of critical internal decisions and has aligned NPI and its stakeholders around key measures.

NPI also seeks to improve its internal systems by soliciting grantee feedback. The Center for Effective Philanthropy conducted a detailed survey of NPI's grantees on the quality and impact of NPI's work with them, and then compared the results with 148 of NPI's peer funders. The feedback helped NPI improve communication with grantees and streamline technical support across the portfolio. NPI will conduct a
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small scale review process during year one of the SIF.

Sound Record of Accomplishment.
NPI's track record of supporting organizations is discussed in Part I: Use of Evidence to Improve What Works.
NPI's track record of raising resources is discussed in Part III: Resources for Program Implementation & Sustainability.
NPI's track record of community support is discussed in Part II: History.

B. Ability to Provide Fiscal Oversight
Eligibility & Qualifications.
At its core, NPI is a national grantmaking institution that provides multi-year financial and technical support to innovative nonprofit organizations to help them realize their full potential for social impact. NPI is a 501(c)(3) organization that has been in operation since 1998. NPI made its first grant in 2000, and since that time has made grants to 26 organizations. NPI is currently managing 18 multi-year grants. For the SIF, NPI is collaborating with four other grantmaking institutions—Blue Ridge Foundation New York, Open Society Institute, SeaChange Capital Partners, and Robin Hood Foundation, whose roles are described in previous and following sections. In particular, Robin Hood has a deep expertise in measurement and evaluation that will be a significant contribution to the SIF.

Grants Management Experience & Infrastructure.
NPI has more than 10 years of experience managing grants and has developed effective processes to handle all aspects of grants management. Upon grantee approval, a program officer works with NPI's legal counsel and the grantee to draft a contract defining grant terms. The contract defines: 1) Relationship between NPI and the grantee, 2) Terms of payment and expected technical assistance, and
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3) Conditions of the grant, including reporting requirements. Once the contract is signed, NPI's operations team works with the program officer to ensure timely and accurate payment to grantees. NPI's team of analysts manages the grantee's semi-annual reporting requirements, and works with representatives at each organization to ensure timeliness and accuracy. Throughout the grant's duration, NPI's portfolio management team evaluates the extent to which each grantee is fulfilling its grant contract.

Budget & Compliance.

NPI's annual budget is $16,922,534. A $10MM grant from the Social Innovation Fund would represent 59% of NPI's budget.

NPI reviewed the Administrative and National Policy Requirements listed in the NOFA and is fully compliant with those currently applicable. NPI will regularly consult with its pro-bono counsel to ensure full legal compliance with all federal requirements of the SIF. For those only applicable after a grant is received, NPI has outlined plans to follow those requirements:

- 2 CFR Part 215 & 45 CFR Part 2543: The financial manager will lead efforts to comply with all financial, budget, reporting, procurement, and all other relevant requirements. NPI has and will continue to make all internal staff responsible for oversight of SIF funds aware of all federal requirements.

- 2 CFR Part 230: NPI has reviewed all cost requirements and has budgeted accordingly. NPI has already notified pre-selected subgrantees and will do the same for all additional subgrantees.

- The Single Audit Act: NPI will undergo a programmatic audit as outlined in the Single Audit Act.
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Budget/Cost Effectiveness

A. Budget & Program Design

Resources for Program Implementation & Sustainability.

NPI's experienced and successful development team has an extensive track record in securing diverse, non-federal resources. NPI focuses on building long-term relationships with a highly engaged community of approximately 50 individual contributors and family foundations to support and sustain an effective and robust program. NPI's contributors make multi-year commitments (generally at least four years) and many contributors renew their agreements year after year. Since 2008, NPI has raised $101MM, including $76MM in multi-year cash commitments and a $25MM pledge of pro-bono resources from Monitor Group. The cash commitments came from approximately 50 individual donors and family foundations, and included one $25MM contribution, one $20MM contribution, and 16 $1MM contribution.

Budget Adequacy.

NPI plans to disperse $18,200,000--82% of federal SIF funding and 100% of matching funds--as subgrants. The remaining $1,800,000 for administrative costs will support five programmatic activities, detailed below. Note that staff costs include salary, payroll taxes, benefits, and computer and phone lease costs (NPI receives rent as an in-kind contribution, so rent charges are not included). NPI plans to deploy $239,587 in administrative expenses to support SIF activities, apart from federal or matching funds, that are mentioned here but not included in the budget.

1. Subgrantee Selection ($333,281)

- Online Application System: NPI's web developer will spend 50% of his or her time overseeing the expansion of the online application process, for a total cost of $25,626. Other costs will include consulting time for NPI's web programmers ($10,000) and web designing costs ($1,000).
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- Portfolio Staff Time: NPI estimates that the analyst will spend 50% of his or her time, the manager 40%, and the partners and lead partner 30% each, participating in the selection process, for a total cost of $276,717. NPI's president will spend 2.5% of time engaged in an overall review of applications, for a total of $7,938. Two staff will travel to an estimated eight organizations during the selection process, totaling $12,000.

2. Program Evaluation ($282,581)
- Subgrants: A portion of each annual subgrant will be devoted to building the evidence base of each subgrantee (costs included with subgrants).
- Portfolio-level case studies: During year one, 3rd party consultants will study the co-location of subgrantees. After discussions with its advisory board, NPI anticipates this work (an estimated 68 days of work, plus administrative fees and travel) will cost $100,000.
- Director of research and evaluation: The director will oversee NPI’s evaluation strategy, for a total cost of $176,581. The director will make eight trips per year, for a total cost of $6,000.
- Advisory Board: The members of NPI’s evaluation advisory board have agreed to provide their services free of charge.
- Michael Weinstein, Robin Hood: Michael Weinstein has agreed to provide his services free of charge.

3. Technical Assistance to Subgrantees ($530,011)
- Portfolio Staff Time: The lead partner, partners, manager, and analyst will spend 50%, 70%, 50%, and 30% of their time, respectively, providing technical assistance to subgrantees. Costs associated with these positions are $492,811.
- Travel: Partners will travel to eight subgrantees an estimated six times per year for a total cost of $36,000.
- Meetings: NPI expects to incur costs of $100/month ($1,200) for internal strategy sessions and on-site
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subgrantee meetings.

4. Partnership and Community Building ($231,320)
- Annual SIF Subgrantee Convenings: To host the first SIF subgrantee convening (likely held in connection with the Gathering of Leaders, thus minimizing travel costs), NPI anticipates venue and travel costs of $13,825. To host the second subgrantee convening, NPI anticipates costs of $45,000.
- City Competition Launch Event: To host this event, NPI anticipates travel and venue costs of $95,500.
- Gathering of Leaders: NPI will incorporate leaders and learnings from its SIF subgrantees into the agenda at the Gathering. Venue and accommodation costs to bring the leaders of each SIF subgrantee (assuming eight) to the event will cost, $17,440, not included in the budget.
- Director of convenings: NPI's director of convenings will spend 20% of her time organizing the subgrantee convenings and city competition launch, for a total of $30,661. The director's time spent organizing the Gathering of Leaders (50%, $76,652) will support SIF and is not included in the budget.
- Manager of portfolio learning: The manager will spend 20% of his time working with the SIF portfolio, for total costs of $9,702, which is not included in the budget.
- Sr. Leadership: NPI's president and managing partner will spend 2.5% and 5% of their time, respectively, engaged in community building and facilitating learning across subgrantees, for a total cost of $22,334.
- 3rd Party intermediary assessment: To continuously assess its support and processes to subgrantees, NPI will engage in a yearly assessment. Estimated costs in year one are $15,000.
- Travel: Employees engaged in the learning community (Sr. Leadership, director of convenings, program officers) are anticipated to make six trips per year with two staff per trip, for an estimated $9,000.
- Development: NPI will deploy internal resources toward managing its matching funds, as well as providing development support to its SIF subgrantees. The costs of this staff time and travel, are
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estimated at $98,729 and are not included in the budget.

5. Operational Support ($422,805)
- Portfolio Staff Time: NPI's analyst will spend 20% of his or her time and the manager will spend 10% of his or her time supporting semi-annual reporting. The lead partner will spend 20% of time overseeing all operations and serving as the CNCS contact. Total costs associated with these responsibilities are estimated at $70,459.
- Other Staff time: The finance manager and executive assistant will spend 100% of their time on operational support, for a total of $163,342.
- Website Building: NPI's web developer will spend 50% of his or her time overseeing the expansion of the online reporting process, for a total cost of $25,626. NPI's web programmers will execute the expansion for $15,000.
- Recruiting: NPI will use a search firm to assist in the search for a partner, director of research and evaluation, manager, executive assistant, web manager, and the financial manager; total costs will be $116,100 (20% of salary plus advertising). NPI's director of talent will manage the external search firm, internal searches to replace employees that move to the SIF, and coordinate on-boarding of new employees. The director will spend an estimated 20% of her time on SIF hiring during year 1, totaling $22,063, which is not included in the budget.
- Audit: Based on costs of its prior organization and program audits, NPI budgeted $25,000 for a federal audit of its SIF fund.
- Technology: NPI anticipates mobile costs to be $110/month each for partners and director of research and evaluation and $45/month for the executive assistant, totaling $5,820.
- Shipping & Supplies: Total costs, based on estimates from current operational spending, are budgeted at $1,457.
- Branding & Design: To inform NPI's constituents and the public about its SIF activities, NPI will build
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a new pages and feature each SIF organization on its website. Costs are estimated at $15,000, and are not included in the budget.

B. Match Sources

NPI has the following firm commitments secured to meet its match requirement. In sum, these commitments represent 83.5% of NPI's matching dollars for the first year of the SIF.

New Profit: $5,000,000 (unrestricted cash-on-hand)
Open Society Institute: $1,500,000
SeaChange Capital Partners: $1,000,000
Blue Ridge Foundation New York: $750,000
Robin Hood Foundation: $100,000

Signed documentation of these commitments has been sent to the Corporation, as has a signed statement of NPI's chief operating officer verifying this reserve of cash-in-hand designated for the sole purpose of performing a SIF grant.

The budget presented represents a SIF match of 1:1. The Pathways to Prosperity fund designed by NPI and its collaborative partners contains extensive leverage on federal dollars. By matching SIF funds 1:1 with additional resources and using those funds to replicate and expand subgrantees to new sites, this grant will increase the number of beneficiaries served and improve program impact over five years without a corresponding increase in annual federal investment.

Clarification Summary

PROGRAMMATIC

1. NPI would like to take this opportunity to describe the revisions to the Pathways Fund's activities and measurable outcomes based on a $5,000,000 grant from the Social Innovation Fund.
The focus of the Pathways Fund proposed by NPI and its collaborators is to select and invest in a portfolio of high-potential social innovations that offer critical interventions for low-income youth transitioning from high school to post-secondary education and productive employment. The selected subgrantees will increase the number of youth they serve in the communities in which they already work, develop organic collaborations with co-located subgrantees, and grow to three to five new communities each during the five-year funding period. NPI and its collaborative partners will use an open and competitive process to select an eligible portfolio of five to six subgrantees; collectively, the portfolio will serve 6,000-8,000 youth ages 14-24 annually. For its three pre-selected subgrantees, NPI has adjusted the dollars committed: iMentor $750,000, College Summit $2,000,000, and Year Up $2,000,000.

2. NPI is committed to the long-term sustainability of subgrantee program sites beyond the grant period. In the first year of the Pathways Fund, SIF dollars will support subgrantees in the following locations:
   - Baltimore, MD
   - Chicago, IL
   - Indianapolis, IN
   - Los Angeles, CA
   - Miami, FL
   - New York City, NY
   - Providence, RI
   - San Francisco, CA
   - Seattle, WA
   - West Virginia
To determine geographies, NPI surveyed the pre-selected subgrantees to determine which communities currently could support an expanded program site, which communities offered opportunities for collaboration born out of co-location, or which communities were top choices for program replication in the coming year. The size of the beneficiary population, presence of community infrastructure or partnerships required for program implementation, community demand, and fundraising support all were considered factors in the feasibility of program expansion within current locations and replication to new locations. In addition to understanding the needs of organizations, NPI researched which of the selected locations had high percentages of families living below the poverty level, low graduation rates, and high numbers of disconnected youth.

The following data provides greater context on the pressing needs of each selected location (Chicago, Miami, and New York City are detailed on page five of the application).

In Baltimore, 53 percent of children under 18 live in families with incomes below 200 percent of the poverty level compared to a national rate of 40 percent. The high school graduation rate for Baltimore Public Schools is 42 percent compared to a national average of 71 percent. Eighteen percent of 18-24 year old youth in the city of Baltimore are not attending school, not working, and have no degree beyond high school.

In Indianapolis, 49 percent of children under 18 live in families with incomes below 200 percent of the poverty level. The high school graduation rate for Indianapolis Public Schools is 31 percent. Seventeen percent of 18-24 year old youth in the city of Indianapolis are not attending school, not working, and have no degree beyond high school.
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In Los Angeles, 57 percent of children under 18 live in families with incomes below 200 percent of the poverty level. The graduation rate for the largest school district in Los Angeles is 44 percent. The city of Los Angeles is home to 59,000 disconnected young adults or 14 percent of 18-24 year olds.

In Providence, 33 percent of children live in families with incomes below the poverty level. The graduation rate for the largest school district in Providence is 74 percent. The city is home to 30,000 disconnected young adults.

In San Francisco, 29 percent of children live in families with incomes below 200 percent of the poverty level. The graduation rate for the largest school district in San Francisco is 57 percent. The city is home to 3,000 disconnected young adults.

In Seattle, 22 percent of children live in families with incomes below 200 percent of the poverty level. The graduation rate for the largest school district in Seattle is 69 percent. The city is home to 15,000 disconnected young adults.

In West Virginia, 47 percent of children under 18 live in families with incomes below 200 percent of the poverty level (7th highest percentage in the country). West Virginia’s college enrollment rate is 58 percent, according to the U.S. Department of Education. Twenty percent of 18-24 year old youth in West Virginia are not attending school, not working, and have no degree beyond high school.

Given iMentor’s innovative technology platform, iMentor is capable of scaling to many more communities in Year One than are currently listed in the application, and may do so should the Fund receive a SIF grant. Further, additional subgrantees will be selected with an eye toward geographic overlap with the pre-selected subgrantees; however, NPI may add additional sites in order to
accommodate truly innovative programs that may currently only exist in cities not listed in the application.

3. Several of NPI's grantees have demonstrated the value of co-location. In NPI's first year of grantmaking, three grantees - Jumpstart, Citizen Schools, and BELL - co-located their headquarters in Boston. Their shared commitment to innovation, impact measurement, and growth generated community interest and catalyzed a stronger support structure in the form of partnerships and substantial individual and institutional financial philanthropic commitments, which enabled the grantees' growth and sustainability. NPI invested in building relationships among these grantees through meetings and annual retreats that led to substantial sharing of operational and program practices, as well as an experiment in integrating the back office administrative functions between Jumpstart and Citizens Schools.

Recently, Stand for Children (Stand) and Teach For America (TFA) developed a partnership to establish regional talent pipelines to serve the needs of both organizations. At a regional level, Stand is focused on recruiting strong leaders with an informed passion for urban education reform to be community organizers. In turn, directing alumni into opportunities in education careers directly supports TFA's mission to develop the next generation of leaders in education reform. By partnering to place TFA alumni in Stand's regional offices, both organizations are maximizing talent needs.

NPI believes that trusting relationships are core to strong support and collaboration among grantees. To that end, NPI intends to convene the Pathways Fund grantees annually to at multi-day retreat to build relationships and create opportunities to learn together. NPI will bring together grantees' staff from the cities in which organizations co-locate, share best practices, and host quarterly evaluation-related calls. NPI has deep experience doing this from our history of hosting the Gathering of Leaders, at which NPI
convenes innovative nonprofit organizations to build relationships through informal networking and structured learning opportunities.

4. Given changes to the scope and structure of our application, NPI will not launch a city-based competition to reach more remote communities. NPI will reevaluate the opportunity to create city-based competitions next year.

5. College Summit, Year Up, and iMentor were selected by the Pathways Fund based on NPI's established open and competitive investment selection process along with updated benchmarking data on comparable program models, an assessment of each organization's level of evidence, and the subgrantees' known history of strong leadership, commitment to use of data collection, success in replicating, and track record of achieving measurable outcomes that are connected to those of the Pathways Fund. Both NPI's established open and competitive process and the SIF open and competitive process will use the same investment selection criteria. All three pre-selected subgrantees, which meet the enhanced eligibility requirements as detailed in Question 6 of NPI's proposed open and competitive process for the remaining subgrantees, will be required to submit and have approved a well-defined plan for replicating and achieving measurable outcomes with the funds provided, and must meet the matching fund requirement before they receive subgrants.

NPI's open and competitive investment selection process historically began with an approximate annual pool of 200 potential organizations that had contacted NPI for information about applying for funding. Upon contact, NPI staff would conduct interviews with potential grantees, and based on their fit with NPI's five investment criteria, would promote organizations to screening and later, to due diligence. As described on pages 17-18 of the application, NPI's five investment criteria are social entrepreneur, direct impact, systemic impact, organizational capacity, and NPI fit and value add. During due diligence on the direct impact selection criteria, NPI staff evaluated organizations on commitment to use of data.
collection, success in replicating, and benchmarked the potential grantee's program outcomes and cost-effectiveness compared to peer organizations with similar intervention models or with similar outcome goals. This was the open and competitive process used to select College Summit in 2001, Year Up in 2005, and iMentor in 2009.

Beyond NPI's initial investment, NPI updated its benchmarking data of comparable models for its earlier investments, College Summit and Year Up. In 2009, NPI conducted extensive benchmarking of College Summit against 23 organizations that define themselves as primarily focused on facilitating American high school students' access to college. This benchmarking affirmed College Summit as a leader in this field in terms of impact and cost effectiveness. In 2009, NPI reviewed the Workforce Strategy Center's report on 14 education and workforce development models, which highlighted Year Up's unique and powerful approach and affirmed the strength of its outcomes and its position as a leader in the field. NPI also conducted a thorough assessment of each organization's level of evidence based on the quality and outcomes of the studies conducted by their third-party firms, which is detailed on pages 14-16 of the application.

6. The pool of 200 organizations referenced in the application is not a pre-selected pool of organizations, but an approximation of how many organizations contact NPI for information about applying for funding through NPI's open and competitive process. For the Pathways Fund, NPI will launch a two-month open application period during which organizations may review the Pathways Fund eligibility criteria listed on the website and, if they meet the stated requirements, apply for funding. NPI's eligibility criteria will mirror its current eligibility requirements for potential grantees; however, it will have enhanced eligibility requirements including: signed letters by subgrantee match funders verifying 25 percent of the match requirement, articulated outcomes that are connected to the measurable outcomes for the Pathways Fund, a beneficiary population between the ages of 14 and 24, and
replication of its program sites, including fundraising capacity and management operations, to at least two cities 150 miles apart and/or two U.S. states. The Pathways Fund application will include short answer questions to assess proven/promising evidence and a demonstrated track record of achieving specific outcomes related to the measurable outcomes of the Pathways Fund, and to gauge the applicant’s commitment to the use of data collection and evaluation for improvement of the initiative. Information in the application will be used to promote organizations into the screening phase of investment selection outlined in the body of the main application.

7. See Question 6.

8. The open and competitive Pathways Fund subgrant selection process will have a three phase process--pipeline, screening, and due diligence--and will use NPI’s investment selection criteria, both of which are detailed on pages 16-18 of the application. As noted in Question 6 of this document, NPI’s standard eligibility requirements and application will be enhanced to meet the eligibility criteria detailed in the NOFA and to the specific measurable outcomes for the Pathways Fund.

The Pathways Fund is focused on ten geographies described in Question 2. We will have a stated preference in our application for organizations that have some amount of current or planned geographic overlap with those locations; however, NPI may add additional locations in order to accommodate truly innovative programs that may currently only exist in cities not listed in the application. NPI is seeking programs that deliver the specific measurable outcomes for the Pathways Fund or deliver outputs that research findings tie to the specific measurable outcomes for the Pathways Fund. The specific measurable outcomes for the Pathways Fund are: high school graduation, college enrollment, post-secondary persistence, and living wage employment. Collectively, the pre-selected subgrantees will deliver against college enrollment and living wage employment. We will prioritize seeking critical
interventions that deliver against high school graduation and post-secondary persistence.

9. The subgrantees’ independent capacity for fundraising and evaluation will be enhanced through NPI research, trainings, and additional professional guidance. To build fundraising capacity, NPI will share research from its portfolio, including best practices on increasing national and local advisory board giving, developing and managing a fundraising pipeline, and engaging individual donors in growth capital campaigns. SeaChange will work with each subgrantee to hone its fundraising materials and to rehearse presentations for various audiences. To build evaluation capacity, NPI will host quarterly calls on evaluation practices that initially will feature members of NPI’s eight-member evaluation advisory board. NPI will conduct new research on best practices including selecting evaluation firms and building internal evaluation staff function and external evaluation advisory boards. NPI will hire a Director of Research and Evaluation to provide individual guidance to subgrantees. Part of the funds awarded to the subgrantees must be used to contract with third-party evaluation firms to help organizations demonstrate over time strong evidence of strong impact.

10. NPI’s revised plan includes 10 staff positions funded by SIF. Of those, only four—Partner, Director of Finance, Director of Research and Evaluation, and Analyst—currently are not filled. In addition, NPI has existing staff that will support all aspects of the SIF fund but will not be a part of the SIF budget. NPI’s CEO and COO will oversee the fund’s operations and strategy. The portfolio team will serve as mentors to SIF staff and contribute to the subgrantee selection process. The development team will secure multi-year commitments to meet the remainder of the intermediary match requirement, serve as advisors to help the subgrantees meet their own match requirements, and ensure the long-term stability of the fund. The communications team will manage the web expansion for the online application and reporting process, and all external communication. The Convenings Director will manage the SIF convenings.
11. Of the $10M total revised SIF budget, $7M represents new money to NPI’s grant-making budget, a 41 percent increase in grant funding ($2M of the subgrant funding will come from redirected, unrestricted funding from NPI). Comparatively, the additional $1.22M in administrative funding in the budget will increase NPI’s operating funds by 14 percent. The 14 percent increase in operating expenses will contribute to the additional needs of NPI to help subgrantees grow and expand their evidence base--through the role of the program officer--and manage a federal grant--through increased intermediary and subgrantee evaluation, talent building, and financial and programmatic reporting.

The foundation of NPI’s model is the close relationship between its program officers and the leaders of its grantee organizations. These close relationships facilitate the customized solutions and tailored strategic support that enable NPI’s continual success in helping organizations scale impact nationally and demonstrate a basis of evidence of what works. As a consequence of this structure, NPI devotes a high level of resources to in-house talent. The increase in NPI’s capacity included in the SIF grant--housed mostly in talent--is in accordance with the level of operational resources NPI provides to its entire portfolio of grantees.

12. Robin Hood has a strong track record of expertise designing rigorous impact studies and metrics that calculate the benefit/cost ratio of grants. To better evaluate program results, Robin Hood contracts directly with distinguished evaluation firms, such as Philliber Research Associates, Rand, and Mathematica. Michael Weinstein, senior vice president at Robin Hood, and the program staff work closely with these firms on selected programs to guide the design of appropriate impact studies. Examples include the creation of several pilot programs that address the very high dropout rates for low-income students at community colleges; locating a benefits access site at New York City’s major jail on Riker’s Island; and developing a scatter-site housing initiative to address homelessness.
To better understand the cost-benefit ratio of its investments in the community, Robin Hood developed an innovative methodology to understand the poverty-fighting value of any single program or intervention. This methodology is detailed in "Measuring Success: How Robin Hood Estimates the Impact of Grants," authored by Michael Weinstein. It is available online at http://www.robinhood.org/media/169437/2009_metrics_paper.pdf.

Metrics are developed for each program area - job training and economic security, early childhood, youth, education and survival (housing, hunger, health) - and then, each individual grant. For each current or proposed grant, staff estimate the impact, per-dollar cost to Robin Hood, on the living standards of poor New Yorkers. For each grant, Robin Hood estimates the sum of the impact on earnings, non-earnings income, and health status (which is then translated into dollars). From that estimation comes a benefit/cost ratio for the grant that clarifies the benefit to poor New Yorkers per dollar cost to Robin Hood.

13. NPI has a strong track record for success in moving organizations toward stronger evidence. NPI typically seeks early-stage organizations with developing program models that have a track record of promising data and are committed to the use of data collection and evaluation for program improvement. At the beginning of a relationship with NPI, organizations typically demonstrate a preliminary level of evidence. NPI supports organizations as they develop internal impact evaluations that test inputs, activities, and outputs, allowing organizations to make program improvement. An example of an early-stage NPI investment is Project HEALTH, an organization that connects low-income individuals to critical resources to improve health outcomes, such as food or housing. Project HEALTH tracks the number of patients it screens for resource needs (number of beneficiaries served) and those who were connected to a resource within 90 days (desired output), but it is not yet able to measure improvement in patient health status (desired outcome).
As organizations mature, NPI helps them shift the focus from inputs, activities, and outputs to outcomes. Toward the end of NPI's initial four-year investment, organizations typically have an established program model and are ready to engage in third-party impact evaluation of quasi-experimental or randomized control trial design. The examples put forth in NPI's application of organizations that have moved toward stronger evidence - including BELL, KIPP, Year Up, and Computers for Youth, among others - broadly represent organizations at the later stages of NPI investment who undertook this type of third-party impact evaluation. Approximately half of organizations in which NPI has invested have engaged in third-party evaluations, many of which were at the experimental level.

14. NPI is deeply committed to understanding its contribution to the success of its grantees. When NPI invests in an organization, the organization's program officer develops an engagement plan that identifies areas for growth and NPI support. Given NPI's open and candid relationship with its organizations, program officers receive ongoing, real-time feedback, and are able to track whether organizations adopt NPI input and assess whether the input was successful. NPI's full portfolio management team meets weekly to formally discuss and assess one organization's progress against NPI's Growth Diagnostic tool and how the program officers' work could better support that progress. NPI recognizes that movement along this diagnostic is a combination of the organization's efforts and NPI's support. Each organization and program officer pair is peer-reviewed twice annually. Through this formal peer-review, NPI can better understand its ongoing successes and areas for improvement in its support across the portfolio.

Beyond the biannual peer reviews on each organization, NPI has engaged in a variety of annual data collection activities to better understand its performance. These have included third-party qualitative
Narratives

interviews with grantees about our performance, using a Grantee Perception Report conducted by the Center for Effective Philanthropy, as well as in-person facilitated conversations with the full portfolio. In NPI's application, $17,500 was built into the budget in order to hire a third-party evaluator to conduct an assessment of NPI's contribution to its grantees should it receive SIF funding. In the coming year, grantee feedback will be incorporated into annual reviews of all NPI program officers.

15. The director of research and evaluation will serve as the operational lead for the Pathways Fund evaluation efforts. Michael Weinstein will serve as the advisory lead of the fund's evaluation strategy, providing high-level strategic guidance to the director. The director will work with prominent evaluation firms to design high-quality subgrantee evaluation plans, manage the reporting and analysis of subgrantee progress, integrate lessons from across the portfolio, and facilitate quarterly calls on evaluation. As an evaluation subject matter expert, Michael Weinstein will support NPI's director of research and evaluation by offering counsel on the design of subgrantees' plans for evaluation. He will also lead a workshop for all subgrantees to aid them in understanding Robin Hood's approach to assessment and to help them develop approaches to maximize their programs' performance and outcomes and thus their cost-benefit ratios. Michael Weinstein will continue to be fully employed by Robin Hood with a full portfolio of activities.

NPI has developed a formal advisory board of eight evaluation experts who will also offer counsel to the director on the design of subgrantees' plans for evaluations. This advisory board will be led by the Director and includes the following individuals: Darleen Opfer, Ph.D., University of Cambridge; Ellie Buteau, Ph.D., The Center for Effective Philanthropy; Anne Kubisch, Director, Roundtable on Community Change, Aspen Institute; Carol Emig, M.P.P., President, Child Trends; Michelle Gambone, Ph.D., President, Youth Development Strategies, Inc.; Angela Boatman, Harvard University; Wendy Wheeler, President and CEO, The Innovation Center for Community and Youth Development; Carla
Roach, Senior Director, Resource Development & Partner Building; and Lisbeth B. Schorr, Senior Fellow, Center for the Study of Social Policy and Lecturer in Social Medicine, Harvard University.

16. NPI defines growth of beneficiaries as the number of individuals served by a program (inputs) and impact as the outcomes of the program, or the effect of the program on the lives of the individuals it serves. Through its semi-annual reporting process, NPI tracks growth in beneficiaries served by counting the number of beneficiaries who both enter and complete an organization's program, and tracks impact through measuring the activities, outputs, and outcomes which lead to an individual organization's desired outcomes. NPI distinguishes among activities, outputs, and outcomes, and helps its grantees identify, differentiate, and track these discrete metrics.

For example, to measure the growth of KIPP (a charter management organization), NPI tracks the growth in the number of schools and students. To measure impact, NPI's assessment includes: the annual increase in the percentage of KIPP's 8th grade class achieving above proficiency on state standardized tests (activities), the percentage of KIPP students who graduate high school (outputs), and the percentage of KIPP seniors who enroll in college (outcomes). For organizations that do not yet have data that ties directly to outcomes, NPI tracks outputs as indicators of outcomes, and then works with grantees to move toward true outcomes data.

BUDGET

2. b. The high percentage of personnel costs in the budget (now 71%) is consistent with NPI's operating model of hiring staff to provide operational and strategic guidance; in the 2010 budget, 69% is allocated to personnel costs. Of the SIF personnel costs, 80% are for the partners, director of research and evaluation, and analysts, who will serve as direct advisors and support and to subgrantees--NPI's foundation for technical assistance. Most of the remaining personnel expenses will support the
management of the grant in two areas where NPI needs the most support—talent and financial management. Other administrative costs, such as travel and events, are sufficiently scoped in the budget to meet the additional needs of the fund.

5. The director of research and evaluation will serve as the operational lead in helping subgrantees design and execute their evaluation plans, with Michael Weinstein serving as the lead high-level strategic advisor. Because of the director's pivotal role in leading successful evaluation of subgrantees, NPI will seek an experienced researcher and evaluation designer, likely at the $150,000 level. Michael Weinstein's time and resources will be fully covered by Robin Hood, with no administrative costs to be covered by SIF or matching funds.

ADDITIONAL SIF CLARIFICATIONS
1. iMentor has a two-part model: 1) iMentorNYC is a direct service, high school-based mentoring program operating in New York City with a focus on advancing mentees' academic and career success; 2) iMentor Interactive (iMi) is a fee-for-service, web-based mentoring platform sold to schools and youth development organizations to bolster the quality of mentoring programs or to create new ones. While iMentor will use some funds to expand its program in New York City, it will use the majority of its funds to support the development of new iMi partnerships with community-based organizations who can reliably implement high quality mentoring programs across the country. As these partnerships are not yet established for the upcoming program year, iMentor cannot name the conclusive list of geographies that its program may touch; however, in addition to New York City, it anticipates serving students in San Francisco, CA, Chicago, IL, and Miami, FL. As required before distribution of funds, iMentor will submit a budget request to the Pathways Fund, and at this time, iMentor will name all geographies to which it intends to expand. The Pathways Fund will review and approve iMentor's proposed geographies based on their fit against the criteria detailed in Question Two of the original
Narratives

Clarification Letter.

NPI and the collective partners will conduct an open and competitive subgrant selection process through which any interested and eligible organization may submit an application for funding. The initial open application period will last two months and will be publicized at both the national and local levels. For greater detail on the collective partner's approach to publicizing the competition, please see Question Four.

During the initial application stage, all potential subgrantees will be asked to identify which, if any, of the nine named geographies are locations in which they currently offer programming or intend to offer programming. This list will not be used to disqualify organizations from the competition, but will instead be used as one of many criteria to be considered in the subsequent stages of the investment selection process--Screening and Due Diligence. Given the Pathways Fund's explicit desire to have organizations co-locate, organizations that have sites in one or more of the named geographies will be given preference over those that do not. However, if an organization is assessed highly against all other criteria but is not yet in one of the nine named geographies, NPI and its collective partners may still consider selecting the organization for funding.
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2010 Social Innovation Fund
New Profit Inc.
Section 2 – Clarification Questions
Round 1 Clarification Questions:
1. Your organization is being considered for a total grant amount of up to $5,000,000 for one year. In addition to addressing the budget issues described below, you will need to revise your budget based on this maximum amount.

2. The NOFA required Issue-based SIF applicants to identify the specific geographies in which they would focus their investments. NPI proposes to focus on “large urban areas” in Year One, such as Chicago, Denver, Miami and New York City. Are these locations definite? Has NPI determined its target geographies for Year One? If so, how were those decisions made? If not, how will NPI determine which locations to focus on?

3. The application states that co-location of subgrantees will create a stronger support structure in communities and may lead to subgrantee collaboration. Please substantiate. Has NPI seen this effect occur through its previous or current investments? How would NPI encourage and support the development of strong support structures and collaboration among its grantees?

4. The application references a “city based competition” to generate local financial support and goodwill for subgrantees in communities where they are not currently present. Describe how NPI has done this for its current or previous grantees. How would NPI do this in communities where it has not worked before? Does NPI have existing relationships to leverage in communities where it does not currently invest?

5. What was the process by which the pre-selected subgrantees were chosen? The application does not directly address how College Summit, Year Up, or iMentor were selected through a competitive process consistent with the requirements as stated in the NOFA. Please provide.

6. The proposed process for additional Subgrantee Selection does not appear to be sufficiently competitive. The section about Competitiveness of Selection appears to contradict the initial description of the proposed selection process, which says it will be an open and competitive process. The later section addressing the competitiveness indicates NPI’s process begins with a pre-selected pool of approximately 200 organizations. Will NPI use this same approach for the SIF? If so, please clarify how this meets the SIF requirement of an open, competitive subgrant selection process. If not, describe how the selection process for the SIF will differ from NPI’s current process.

7. The application contains no additional information on the criteria for the pre-selected pool of 200 organizations from which NPI grantees are drawn, and provides no information on how the composition of the pool is determined. Please clarify.

8. Describe how the overall SIF competitive subgrant selection process would be run. What geographies would be targeted and what types of programs would those organizations offer? What are the critical interventions that NPI is seeking to include in
its SIF grantmaking portfolio, and how would NPI ensure that these are reflected in its subgrant selection pool?

9. While the application provides significant details on the program design focus on technical assistance, case study evaluations and fundraising on behalf of the grantees, it does not provide sufficient details about how the capacity of subgrantees would be built. Specifically, there are insufficient details about how subgrantees would develop independent capacity for fundraising and evaluation over the long term. Please clarify.

10. NPI proposes four new staff positions to manage the program portfolio and key components of the proposed program – evaluation, development of plans for scale and expansion, capacity building and technical assistance, and compliance with federal grant requirements. Please address what the existing capacity of NPI is to manage the proposed SIF program.

11. The application suggests that SIF dollars are intended to increase NPI’s capacity as much as they are intended to provide re-granting funds for subgrantees. Please justify.

12. Please provide additional information describing Robin Hood’s track record and expertise with respect to design of rigorous impact studies and calculations of benefit-cost ratios.

13. Provide details on NPI’s track record for success in moving organizations toward stronger evidence. In your response, please address to what degree the examples of success cited in the application are representative of NPI’s investments and how often NPI succeeds in moving its grantees toward stronger evidence.

14. How does NPI assess its own contribution to the success of its grantees? How does NPI determine which elements of its support were instrumental in yielding what results? Does NPI collect data to affirm its conclusions?

15. Provide additional details on the proposed role for Michael Weinstein. How do his proposed responsibilities compare to those of the proposed full-time Director of Research and Evaluation? Given these two roles, please justify the expectation for a full-time position for the Director of Research and Evaluation.

16. How does NPI discern between growth of beneficiaries serves and impact?

Round 1 Budget Clarification and Responses:
1. Under the Kennedy Serve America Act, all grantee and subgrantee staff included on the budget and funded under the grant (whether budgeted from Federal funds or matching funds) must go through a criminal history check as described in the Corporation’s regulations at 45 CFR 2540.200. Please revise your budget to cover those costs. Costs for background checks vary significantly state by state. For information on national
service criminal history checks, including Frequently Asked Questions with a list of designated state agencies who can advise you about costs for obtaining criminal history information from them, go to http://nationalserviceresources.org/criminal-history.

Response:
To cover the cost of background checks for NPI employees funded in the SIF grant, $200 each for 10 employees has been added to the budget (cost estimates from averaged data from other organizations in MA). Pending response from the Corporation, expenses for background checks for SIF-funded subgrantee employees will be included in the subgrants.

2. Costs included in Federal grant budgets must meet the reasonable and necessary criteria described in the Cost Principles, OMB Circular A-122. There are several line items in your budget that do not meet that criteria and need additional justification or adjustment as follows:

a. Salaries for the Lead Partner, the Partners, the President and the Managing Partner are higher than normally supported with Corporation funds. Adjust the budget to move those costs in whole to the Grantee Share or by at least 50%.

Response:
The salaries for the lead partner and partner have been adjusted to fifty percent funded by grantee share. The president and managing partner salaries have been removed from the budget.

b. Of the Corporation funds not scheduled for subgranting, about 72% is budgeted in salaries and benefits ($1,297,918 of $1,800,000). Please justify the high percentage of costs for salaries compared to other program operating costs.

c. Fringe benefits include a high cost for bonus compensation. Please send a copy of your personnel policies that describe the policies and criteria for setting bonus amounts. Please also be aware that the Corporation does not generally cover these costs and may require you to remove them from your budget.

Response:
Upon review of NPI’s pay structure, NPI’s management has made the decision to discontinue incentive compensation and combine all compensation into base salary. Bonuses, therefore, have been removed from the budget, and fifty percent of the partners’ salary has been moved to the grantee share.

d. Costs for hotel rooms for the two convenings are very high. Please justify the costs.

Response:
Hotel costs were based on costs from the most recent Gathering of Leaders, which ranged from $300-$400 per night. Convening #1 will be held in conjunction with the next Gathering, thus requiring the same hotel rates. Convening #2, in the revised budget,
reflects a lowered estimation cost of $250 per night. The City Competition launch is not included in the revised budget.

e. Please describe the purpose for the separate costs for meetings described under supplies. What are these meetings and why is separate support required?

Response:
Expenses for meetings include collateral, printing, and other supplies for internal (and some small external) strategy meetings. These costs are consistent with NPI's typical meeting expenses.

f. The federal government generally does not cover search fees as a percentage of salaries. Please remove the three search fee costs from section F. You may include costs for help wanted ads, travel for interviews and other reasonable and necessary costs for staff hiring.

Response:
Search fees now covered entirely by the grantee share have been reduced to a flat fee of $20,000 each for the partner and director of evaluation and $10,000 each for the director of finance and senior analyst. Search advertising expenses are included at the same rate as the original budget.

g. The costs of catering for the convenings and the City Competitive Launch at $175 per day per participant is very high. You must justify the costs or reduce the amount to a reasonable daily per diem rate.

Response:
The City Competition Launch has been removed from the budget.

h. The Guest Speaker fee at the City Competition Launch is also very high and does not meet the reasonable and necessary test. You must justify the high cost or remove it from the budget.

Response:
The City Competition Launch has been removed from the budget.

3. There are two items in the budget that are allocated under personnel fringe benefits that should be under supplies or office expenses - computer and phone lease and mobile phones. Please explain why you need to allocate them as fringe benefits or move them to appropriate cost categories.

Response:
Computer and phone lease and mobile phones have been moved to supplies.

4. You have allocated $25,000 for an annual program audit. Please explain this audit more fully. Is it the cost of an A-133 audit that is required for any Federal grantees?
expended more than $500,000 annually, a portion of the customary financial statement audit or an audit for another purpose?

Response:
Yes, this audit refers to the A-133 audit. The estimated cost has moved to contractual and consultant services and been increased to $30,000.

The proposed annual salary for each partner seems high at $165,000, for a total of $330,000 of Federal grant funds. While this figure may be in line with NPI's current pay structure, the application does not make that clear. The salary appears unreasonable and not in line with cost effectiveness according to the NOFA.

Response:
For senior team members (Partner-level and higher), NPI benchmarks compensation levels against similar positions at other organizations in our sector, including Bridgespan, New Schools Venture Fund, Robin Hood Foundation, and Venture Philanthropy Partners. The salaries of the partners are in line with NPI’s pay structure and benchmarking results.

5. NPI proposes a salary of over $175,000 for support of a full-time Director of Research and Evaluation. Please justify the salary, especially in light of the proposed role for Michael Weinstein, who is described as leading the design of evaluations.

6. NPI has budgeted $15,000 for a third-party assessment. This proposed amount appears extremely low for conducting a high-quality, useful assessment of the quality of the intermediary's work. Please explain.

Response:
During year one of the grant, NPI will conduct comprehensive qualitative interviews, administered by a third party, to assess its effectiveness as an intermediary. The budget, now $17,500, is based on NPI’s recent Grantee Perception Report. NPI intends to conduct a more in-depth assessment of its work with subgrantees in year two.

Round 2 Clarification Questions:
1. In your response to question #2, you stated: “Given iMentor’s innovative technology platform, iMentor is capable of scaling to many more communities in Year One than are currently listed in the application, and may do so should the Fund receive a SIF grant.” Please explain.

You also stated: “Further, additional subgrantees will be selected with an eye toward geographic overlap with the pre-selected subgrantees; however, NPI may add additional sites in order to accommodate truly innovative programs that may currently only exist in cities not listed in the application.” How would NPI determine those additional sites, and at which point in the process would NPI make such a determination? How would NPI ensure that an open and competitive subgrant selection process would be made accessible to any interested nonprofit organization in those sites?
2. Please address the impact of not holding a city-based competition in Year One. How does this differ from the approach NPI is now proposing to take with respect to the 9 target geographies identified?

2. The original Pathways Fund application did not propose holding a city-based competition in Year One; rather, it proposed designing and publicizing a city-based competition in Year One that would launch in Year Two. By not designing and publicizing a city-based competition in Year One, the Pathways Fund is not eliminating the concept but delaying it; NPI and its collaborators may raise additional capital in order to pursue this idea in future years. NPI’s Year One approach to the ten named geographies has not changed from the original application; however, NPI has increased the number of named geographies from the original application.

3. You stated: “College Summit, Year Up, and iMentor were selected by the Pathways Fund based on NPI’s established open and competitive investment selection process.” In this case, what constituted an “open and competitive investment selection process”? How did organizations learn about the opportunity to apply? How did NPI announce and promote the competition? Please be specific in describing the outreach and application process that was implemented.

3. As stated in the NOFA, the Pathways Fund pre-selected organizations were “selected on a competitive basis, pre-award.” NPI did not hold a competitive process between the time the NOFA was released and the application deadline. Rather, the Pathways Fund selected College Summit, Year Up, and iMentor based on the results of the open and competitive selection processes by which they were originally selected into NPI’s portfolio. Each organization went through a selection process during the year in which they received their first investment and have since undergone periodic investment reviews, including a review prior to the submission of the Pathways Fund application. Details of this review are described in Question Five of the Clarification Letter.

During the original investment process, NPI conducted widespread outreach to find organizations, and then ran a three-stage application process. Organizations learned about the opportunity to apply for NPI funding through three avenues: visiting the NPI website, meeting a member of NPI’s staff at an industry conference, or being referred to NPI through networks. NPI’s website posted NPI’s complete investment selection criteria and offered an email and phone number through which interested potential grantees could contact NPI to learn about funding. In addition, NPI staff attended industry conferences such as Independent Sector and New School Venture Fund Summit where potential grantees could directly meet NPI staff and learn about the opportunity to apply. NPI also attended grantmaker conferences at The Center for Effective Philanthropy and Grantmakers for Effective Organizations where NPI staff networked with other funders and actively solicited new deals. Finally, NPI would call and email members of its network to announce and promote the availability of funding.
Prior to the redesign of the website in 2009, NPI’s application process began with a staff member having a conversation with an organization to determine its basic eligibility for funding. In 2009, to better manage the volume of inquiries, NPI launched a short-form written application on its website to screen for the eligibility guidelines. In both scenarios, if an organization appeared to be a good fit with the criteria based on the initial pre-screen, the leadership of the organization would meet additional NPI staff, who would then assess the organization against the investment criteria and vote to decide if an organization should be moved into Screening.

4. Similarly, regarding NPI’s proposed SIF competition, please address further what will constitute an “open application period”? How will a broad base of organizations working in low-income communities across the nine target geographies learn about the opportunity to apply? Will NPI announce and promote the competition beyond its own website? If so, how? Please specify how NPI will ensure that customization of its established process meets the criteria for an open and competitive subgrant selection process as defined in the NOFA.

4. The open application period is the first two months of the six-month subgrantee selection process during which NPI will launch an active outreach campaign and accept funding applications from eligible organizations. Organizations interested in applying will be directed to NPI’s website, which will describe eligibility criteria, application instructions, and application selection criteria and subcriteria.

To provide sufficient public notice of the availability of subgrants to eligible nonprofit organizations, NPI and its collaborative partners will launch a national communications plan using traditional media, social media, and established networks. NPI has hired an external communications firm to manage the outreach plan and has convened the communications directors at its partnership organizations to coordinate outreach and ensure that a broad base of eligible organizations receives up-to-date, consistent information.

At the beginning of the two-month open application period, NPI and its collaborative partners will distribute national press releases announcing the Pathways Fund status as SIF intermediary and basic details of the grant and application process. Each partner (including NPI) will actively reach out to key constituents in its nine target geographies and within the field of Youth Development to advise the partners on the details of the fund and application process and ask them to spread the work among their own networks. NPI will post updates on Twitter, on which it has over 2300 followers and is listed as the 7th most influential in social entrepreneurship and 20th in philanthropy, and Facebook, on which it has 460 fans and averages 300 page views per week.

As the process unfolds, NPI will seek additional channels of outreach and will follow the Corporation’s lead on communication strategy.
**Round 3 Clarification Questions**
Could you please clarify the language below, and tell us the total number of subgrantees that NPI has proposed to fund in Year 1 of the SIF, including those pre-selected and any subgrantees selected post-award?

"NPI and its collaborative partners will use an open and competitive process to select an eligible portfolio of five to six subgrantees; collectively, the portfolio will serve 6,000-8,000 youth ages 14-24 annually."

Will those 5-6 subgrantees be in addition to the three pre-selected subgrantees, or does that number include those pre-selected subgrantees?

Response:
The 5-6 subgrantees includes the 3 pre-selected subgrantees, so should New Profit and its collaborators receive funding, we would expect to add 2-3 additional organizations to the portfolio.

**Round 4 Clarification Questions:**
To be clear, the $8.8 million proposed for subgranting in Year One is then intended for a total of 5 – 6 subgrantees. Since NPI has proposed to give $4.75 million to the three preselected subgrantees, then does this mean that NPI proposes to award $4.05 million to the balance of 2 – 3 additional subgrantees, with levels of investment proportionate to the subgrantees' demonstrated levels of evidence as required by the NOFA?

Response:
Yes, the $8.8 million is intended for a total of 5-6 subgrantees, with $4.75 million going to the three pre-selected subgrantees.

The remaining $4.05 million will be allocated among the 2-3 additional subgrantees with levels of investment proportionate to (1) the subgrantees' demonstrated levels of evidence and (2) the subgrantees' ability to metabolize capital as defined by the investment selection criteria detailed in the application.

**Round 5 Clarification Questions:**
We have one final clarification we need related to salaries to ensure we are meeting the reasonable and necessary test mentioned in our clarification letter. Thank you for revising your budget as we requested and taking the very high salaries off the budget. We need to ensure the remaining salaries for the Lead Partner and Partner are comparable to salaries in the locality for similar work in similar organizations. Please provide that information for us, e.g. how do you set salaries for those positions and can you demonstrate they are comparable to salaries paid in other organizations in the Boston area doing comparable work?

Clarification from New Profit that could not fit into the clarification section of the application is included below. New Profit provided data that confirmed its executive
salaries are in line with comparable positions in organizations conducting similar work. With this information, the revised budget, New Profit has addressed all CNCS issues.
2010 Social Innovation Fund

New Profit Inc.

Section 3 – Budget
New Profit Inc.

New Profit Inc.

Application ID: 10S114710

<table>
<thead>
<tr>
<th>Section I. Program Costs</th>
<th>Total Amt</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
</tr>
</thead>
<tbody>
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<td>497,313</td>
<td>250,000</td>
</tr>
<tr>
<td>B. Personnel Fringe Benefits</td>
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<td>2,449</td>
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<tr>
<td>FICA</td>
<td>44,710</td>
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<td>Life Insurance</td>
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<td>D. Equipment</td>
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<td>E. Supplies</td>
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<td>F. Contractual and Consultant Services</td>
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<td>60,000</td>
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<td>H. Other Costs</td>
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<td>Subgrants</td>
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<td>4,653,525</td>
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<td>Required Match</td>
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<tr>
<td># of years Receiving CNCS Funds</td>
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2010 Social Innovation Fund

New Profit Inc.

Section 4 – Budget Narrative
Budget Narrative: New Profit Inc. for New Profit Inc.

Section I. Program Costs

A. Project Personnel Expenses

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<th>Position/Title</th>
<th>Qty</th>
<th>Annual Salary</th>
<th>% Time</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
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</thead>
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<td>80%</td>
<td>80,000</td>
<td>80,000</td>
<td>160,000</td>
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<td>Partner:</td>
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<td>190,000</td>
<td>100%</td>
<td>95,000</td>
<td>95,000</td>
<td>190,000</td>
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<tr>
<td>Senior Analyst:</td>
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<td>55,000</td>
<td>100%</td>
<td>110,000</td>
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<td>110,000</td>
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<td>52,500</td>
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<tr>
<td>Director of Research:</td>
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<td>150,000</td>
<td>100%</td>
<td>75,000</td>
<td>75,000</td>
<td>150,000</td>
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<tr>
<td>Executive Assistant:</td>
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<td>60,000</td>
<td>100%</td>
<td>60,000</td>
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<td>60,000</td>
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<tr>
<td>Director of Talent:</td>
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<td>Talent Associate:</td>
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<td>10%</td>
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<td>4,100</td>
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<td>Operations Associate:</td>
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<td>40,000</td>
<td>30%</td>
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<td>12,000</td>
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**CATEGORY Totals**

<table>
<thead>
<tr>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>497,313</td>
<td>250,000</td>
<td>747,313</td>
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B. Personnel Fringe Benefits

<table>
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<tr>
<th>Purpose - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA: OASDI for staff over max: [6.2% * income max($106,800) * #FTEs (2.8)] = $18,541,</td>
<td>31,815</td>
<td>12,895</td>
<td>44,710</td>
</tr>
<tr>
<td>OASDI for staff under max: [6.2% * salaries ($247,313) = $15,333] + Medicare tax [1.45% * total salaries ($747,313) = $10,836] = $44,710. (CNCS covers 5.5, grantees 1.5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Insurance: $500/month * 12 months * 7 SIF Staff (CNCS covers 5.5 staff, Match covers 1.5 staff)</td>
<td>33,000</td>
<td>9,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Retirement: 401(k) match contribution (average of all contributing employees) = 8% of salary and 25% match: 8% * 747,313 * 25% = $14,946 (CNCS covers 5.5 staff, Match covers 1.5 staff)</td>
<td>11,743</td>
<td>3,203</td>
<td>14,946</td>
</tr>
<tr>
<td>Life Insurance: $46 / month * 12 months * 7 SIF Staff = $3,864 (CNCS covers 5.5 staff, Match covers 1.5 staff)</td>
<td>3,036</td>
<td>828</td>
<td>3,864</td>
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<tr>
<td>Dental Insurance: $100/month * 12 months * 7 SIF Staff (CNCS covers 5.5 staff, Match covers 1.5 staff, as shown in salaries)</td>
<td>6,600</td>
<td>1,800</td>
<td>8,400</td>
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<tr>
<td>Unemployment Tax (MA): 3.09% * salaries with max of $432,60/employee. All employees reach max of $432,60, so $432,60 * 7 SIF Staff = $3,028,20. (CNCS covers 5.5 staff, Match covers 1.5 staff)</td>
<td>2,379</td>
<td>649</td>
<td>3,028</td>
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**CATEGORY Totals**

<table>
<thead>
<tr>
<th>CNCS Share</th>
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<tbody>
<tr>
<td>88,573</td>
<td>28,375</td>
<td>116,948</td>
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C. Travel
### D. Equipment

<table>
<thead>
<tr>
<th>Item/Purpose Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
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### E. Supplies

<table>
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<tr>
<th>Item/Calculation</th>
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<th>Grantee Share</th>
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### F. Contractual and Consultant Services

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<tr>
<th>Purpose Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting - Case Study Work: $1000/day * 33 days = $33,000 + 10% admin fee + 10,000 in travel = $79,300</td>
<td>79,300</td>
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### Search Fee - Partner: $20,000 flat fee plus $750 search advertising

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<th>CNCS Share</th>
<th>Grantee Share</th>
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<tbody>
<tr>
<td></td>
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### Search Fee - Dir. Research & Evaluation: $20,000 flat fee plus $750 search advertising

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<th>Grantee Share</th>
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<tbody>
<tr>
<td></td>
<td>750</td>
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### Search Fee - Director of Finance, Sr. Analyst: ($10,000 flat fee plus $500 search advertising) * 2 positions = $21,100

<table>
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### Website Building - Selection Process: Contract with Mediapolis = $10,000

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### Website Building - Reporting: Contract with Mediapolis = $15,000

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### 3rd party intermediary easement: Contract with CEP (or similar) = $17,500

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### Convening #2: Catering: $100/day for 2 days for 25 attendees = $5,000

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<th>CNCS Share</th>
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<tbody>
<tr>
<td></td>
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### Convening #2: Audio / Visual: $350 per day for 2 days = $700

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### Convening #1: Catering: $100 per attendee per day for 1 day for 15 attendees = $2,625

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<th>CNCS Share</th>
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### Convening #1: Audio / Visual: $350/day for 1 day

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<th>Grantee Share</th>
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### Website Building - Selection: Design: $1000 contract with J Sherman Studio

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### Background Checks - New Profit Employees: 10 employees * $250/check = $2,000

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### Annual Program Audit:

<table>
<thead>
<tr>
<th></th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31,125</td>
<td>0</td>
<td>31,125</td>
</tr>
</tbody>
</table>

### CATEGORY Totals

|          | 168,575    | 60,000        | 228,575      |

### H. Other Costs

<table>
<thead>
<tr>
<th>Purpose - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subgrants:</td>
<td>4,146,475</td>
<td>4,653,525</td>
<td>8,800,000</td>
</tr>
</tbody>
</table>

### CATEGORY Totals

|          | 4,146,475  | 4,653,525     | 8,800,000    |

### SECTION Totals

|          | 5,000,000  | 5,000,000     | 10,000,000   |

| PERCENTAGE | 50%        | 50%           |

### Section II. Indirect Costs

### J. Federally Approved Indirect Cost Rate

<table>
<thead>
<tr>
<th>Calculation - Cost Type - Rate - Rate Claimed - Cost Basis</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>with a rate of and a rate claimed of</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### CATEGORY Totals

|          | 0          | 0             | 0            |

### SECTION Totals

|          | 0          | 0             | 0            |

| PERCENTAGE | 0%         | 0%            |

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Match Description</th>
<th>Amount</th>
<th>Type</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funds</td>
<td>New Profit Inc. (Unrestricted cash-on-hand)</td>
<td>5,000,000</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Open Society Institute</td>
<td>1,500,000</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>SeaChange Capital Partners</td>
<td>1,000,000</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td>Total Source of Funds</td>
<td></td>
<td>7,500,000</td>
<td></td>
<td></td>
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</tbody>
</table>