Corporation for National and Community Service

2010 Social Innovation Fund

REDF
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2010 Social Innovation Fund

REDF

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)

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<th>1. TYPE OF SUBMISSION:</th>
<th>Application [x] Non-Construction</th>
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| 2a. DATE SUBMITTED TO CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS): | 04/07/10 |
| 2b. APPLICATION ID: | 10S1114347 |

| 3. DATE RECEIVED BY STATE: | |
| 4. DATE RECEIVED BY FEDERAL AGENCY: | 04/07/10 |

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<th>5. APPLICATION INFORMATION</th>
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<tr>
<td>LEGAL NAME: REDF</td>
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<td>DUNS NUMBER: 933174109</td>
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ADDRESS (give street address, city, state, zip code and county):
631 Howard Street, Suite 320
San Francisco CA 94105 - 3935
County: |

| 6. EMPLOYER IDENTIFICATION NUMBER (EIN): | 542132153 |

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If Amendment, enter appropriate letter(s) in box(es):

| A. AUGMENTATION |
| B. BUDGET REVISION |
| C. NO COST EXTENSION |
| D. OTHER (specify below): |

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<th>9. NAME OF FEDERAL AGENCY:</th>
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<td>Corporation for National and Community Service</td>
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| 10a. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 94.019 |
| 10b. TITLE: Social Innovation Fund |

| 11a. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: |
| REDF |

| 11b. CNCS PROGRAM INITIATIVE (IF ANY): |
| SIF - Issue Area Opportunity |

| 12. AREAS AFFECTED BY PROJECT (List Cities, Countires, States, etc): |
| Nine-county San Francisco Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Suisun), and Fresno, Los Angeles, Sacramento, and San Diego counties. |

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

| 14. CONGRESSIONAL DISTRICT OF: |
| a. Applicant [CA 008] |
| b. Program |

| 15. ESTIMATED FUNDING: Year #: 1 |
| a. FEDERAL | $ 3,000,000.00 |
| b. APPLICANT | $ 8,073,582.00 |
| c. STATE | $ 0.00 |
| d. LOCAL | $ 0.00 |
| e. OTHER | $ 0.00 |
| f. PROGRAM INCOME | $ 0.00 |
| g. TOTAL | $ 11,073,582.00 |

| 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: |
| [x] 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: Carla Javits |
| b. TITLE: President |
| c. TELEPHONE NUMBER: (415) 561-6681 |
| d. SIGNATURE OF AUTHORIZED REPRESENTATIVE: |
| e. DATE SIGNED: 04/07/10 |
Narratives

Executive Summary

I. TITLE
REDF

II. SUMMARY INFORMATION
II.A NAME OF SOLE INTERMEDIARY
REDF

II.B KEY COLLABORATIVE PARTNERS (CORE COMPETENCY(IES))
Assoc. for Corporate Growth (business network); CA Dept. of Corrections and Rehabilitation (CEO replication); CA Workforce Assoc. (policy development and local funding); Center for Employment Opportunities (social enterprise technical assistance); NISH/AbilityOne Pacific West Regional Office (social enterprise grantmaking and technical assistance); San Francisco Office of Economic and Workforce Development (workforce policy and support); United Way of Greater Los Angeles (technical assistance); Bay Area Workforce Funding Collaborative (technical assistance)

II.C OPERATIONAL MODEL (PRIORITY AREA)
Issue-Based SIF (Economic Opportunity)

II.D REQUESTED GRANT AMOUNT (GRANT PERIOD)
$2,500,000 (9/30/10-9/30/11)

II.E PRESELECTED SUBGRANTEES?
No
III. PROGRAM DESIGN

III.A FOCUS AND GOALS
REDF's SIF program addresses the compounding problems that arise from chronic joblessness. It offers an efficient, cost-effective, sustainable approach—nonprofit social enterprise—that transforms the lives of low-income young people and adults with multiple barriers to employment. Over a five-year period, REDF will develop a replicable, sustainable and scalable model that has the potential to address a pressing social challenge and positively impact thousands in communities throughout America.

III.B QUALIFICATIONS AND TRACK RECORD
REDF is the only intermediary in the country that provides grants and technical assistance exclusively to nonprofit social enterprises that employ low-income people with multiple barriers to employment. For 13 years, REDF has led the field to improve data and evidence and pioneered the development of social return on investment (SROI). REDF has helped grantees start more than 40 social enterprises that have increased economic opportunity for more than 5,000 individuals.

III.C COMPETITIVE SUBGRANT SELECTION PROCESS
REDF will enhance its existing process by issuing a request for qualifications (RFQ), assessing the responses using transparent, objective criteria and applying its tested due diligence process, incorporating stakeholders at all levels, to make subgrantee selections before February 1, 2011.

III.D EVALUATE AND SUPPORT
To evaluate impact, REDF will help each subgrantee implement: a customizable, web-based performance management platform called Efforts to Outcomes (ETO); practices to incorporate this data into continuous program improvements; and full reports to stakeholders. REDF will provide its support to each subgrantee for 3-5 years. This timeframe is necessary to establish a successful nonprofit social enterprise.
enterprise, measure longitudinal impact, improve effectiveness, and facilitate expansion.

IV. ORGANIZATIONAL CAPACITY

IV.A DETAIL

Net Assets: $5,477,420

2010 Grants Budget: $1,177,500

Number of Staff: 13

IV.B OVERSIGHT, SUPPORT, AND GRANTS MANAGEMENT CAPACITY

REDF is an experienced grantmaker with infrastructure built over 13 years of practice. REDF provides on-site as well as web-based grantee oversight through staff and consultants, frequent standing meetings, monthly reporting, and real-time monitoring of outcome data through ETO.

The Director of Operations maintains fiscal responsibility for REDF’s grantmaking and reports to REDF’s President, whose previous position included oversight of a finance department that managed grants from 100 sources. Support is provided by REDF’s auditor and a financial consultant, both CPAs. Systems to approve and monitor grantee performance are under the supervision of the Managing Director of Programs and have been and are reviewed by REDF’s auditor and Board Finance Committee.

V. COST EFFECTIVENESS AND BUDGET ADEQUACY

V.A DETAIL

Federal Funds Proposed to Subgrant (Percent of Total Request): $2,000,000 (80%)

Proposed Match (Ratio): $3,304,949 (1:1.3)

Major Sources of Matching Funds: (1) Cash-on-hand reserves ($1,500,000); (2) Individual Donor Pledge ($1,000,000); (3) Contributions from non-Federal sources ($804,949).
V.B BUDGET ALIGNMENT WITH PROGRAM DESIGN

REDF's SIF program budget of $5.8 million balances the costs of delivering extensive technical assistance and measurement and evaluation support with the substantial investment in subgrantees that is required to achieve success. It provides more than the requisite match funds from diverse, non-Federal sources.

Program Design

I.A. GOALS AND OBJECTIVES

I.A.1. PROPOSED PRIORITY ISSUE AREA

REDF, a California-based intermediary, proposes an issue-based Social Innovation Fund (SIF) that focuses on the Economic Opportunity priority. REDF's SIF program addresses the compounding problems that arise from chronic joblessness for distinct populations of economically disadvantaged individuals. It offers an efficient, cost-effective, sustainable approach that transforms the lives of low-income young people and adults with multiple barriers to employment, providing them with a pathway into the workforce and strengthening their participation in their families and communities. Over a five-year period, REDF will develop a replicable, sustainable, and scalable model that has the potential to address a pressing social challenge--made worse by the recent recession--and positively impact thousands of others in communities throughout America.

Promising evidence shows that supportive, transitional employment provides a pathway into the workforce and greater social mobility for economically disadvantaged young people who are disconnected from work and school, and for adults who have experienced incarceration, homelessness, or who have severe mental illness. In addition to creating economic opportunity, a job provides dignity and hope to the individual. Society also benefits as public costs are reduced. However, the available opportunities for these individuals fall far short of the need because of the limited funding available.
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from public or private sources to subsidize their employment, a competitive disincentive for the
marketplace to employ them, and the lack of a widely replicable model and sufficient capacity among
nonprofits to effectively assist them. To address this gap, REDF invests in and builds the capacity of
nonprofit organizations to operate businesses--social enterprises--that create wage-paying jobs
expressly for this target population accompanied by the supports that help them remain employed and
improve their economic opportunities. The social enterprises also earn income that offsets what would
otherwise be ongoing public costs.

REDF has the skills, experience, tools, and network to build on the promising evidence base by
developing a widely replicable nonprofit social enterprise model. To do so, REDF will expand its core,
tested practices to multiple communities throughout California that demonstrate high need. In these
locales, REDF will build the capacity of nonprofits to operate social enterprises, successfully employ
individuals facing the most daunting challenges, and measure results to develop the evidence base about
what works sustainably and at scale.

I.A.1.a. THE ISSUE: INCREASING ECONOMIC OPPORTUNITY FOR ECONOMICALLY
DISADVANTAGED INDIVIDUALS
For distinct populations of low-income people--young people who are not in school or working
("disconnected" or "idle" young adults), people who have been homeless or incarcerated, and people
with severe mental illness--the current economic downturn exacerbated already disproportionately high
unemployment rates, and bleak prospects for economic opportunity. In addition to the economic
disadvantage this creates for the individual, society bears the cost of a systemic failure to integrate these
individuals into the economy through employment.

REDF proposes to develop a widely replicable solution, while incorporating the evidence-based practices
that will generate even more powerful results. Nonprofit social enterprises offer a paid employment experience with training, mentorship, counseling, and other work supports including connections to education for economically disadvantaged individuals with multiple barriers to work. Employees regain hope, reconnect to families and community, strengthen their skills and education, and stay employed. Making them uniquely cost effective and sustainable, these enterprises also earn income, offsetting program costs and decreasing the costs to society of negative behaviors related to violence, crime, and deteriorated family and social networks.

I.A.2. STATISTICAL INFORMATION SHOWING HIGH NEED
REDF’s SIF program targets economically disadvantaged people that, because of the multiple barriers they face, are likely to experience unemployment rates three to five times higher than that of the general population (Stuart 2006; full references sent to SIFApplication@cns.gov). For example, more than half of California’s parolees--70,000 individuals--are unemployed (CA Legislative Analyst’s Office 2008), and an estimated 300,000 to 400,000 young adults in California between the age of 18 and 24 (8-10% of the total population in that age group) are neither working nor attending school (Montalvo 2008; U.S. Dept of Commerce 2008). Unemployment among the severely mentally ill is estimated at 80% percent (Stuart 2006).

REDF has selected thirteen counties within California that demonstrate high concentrations of these individuals: the nine-county San Francisco Bay Area, and Fresno, Los Angeles, Sacramento, and San Diego counties. A review of statewide census and other data on the total numbers of individuals with the identified barriers shows that more than 50% of them live in the counties targeted by REDF’s SIF program. For example, 55% of individuals on parole in California (Bureau of Justice Statistics 2008) and 70% of the State’s homeless people (U.S. Dept. of Housing and Urban Development 2009) reside within the selected geographies. In the City of Los Angeles alone, an estimated 80,000 to 101,000 young adults
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between the age of 18 and 24 are not working or attending school (Montalvo 2008; U.S. Depat. of Commerce 2008).

The selected geographies also mirror the issues and challenges found in communities throughout the U.S. and serve as an ideal laboratory for eventual national replication. Fresno, in addition to being one of the very poorest communities in the nation with one of the highest unemployment rates (Bureau of Labor Statistics 2010), also represents a philanthropically underserved area of the state, with per capita foundation giving of $20, as compared to $108 in Los Angeles and more than $250 in San Francisco (James Irvine Foundation 2006).

I.A.3. MEASURABLE OUTCOMES PROPOSED FOR IMPROVEMENT

REDF proposes four measurable outcomes for improvement over a five-year period:

(1) At least 2,500 low-income young people and adults with multiple barriers to employment will be working in jobs created by nonprofit social enterprises operated by REDF’s SIF subgrantees in California.

REDF will use the SIF investment to create jobs for at least 2,500 people in 13 counties in California by 2015. Because these jobs are in enterprises that become self-sustaining over time, based on REDF’s experience to date the number of people employed in these jobs will continue to grow post-REDF involvement—employing approximately 8,000 by 2020.

(2) 70% of those employed will remain employed for a total of at least one year.

From the review of 27 rigorous evaluation studies on paid work intervention for people with barriers
conducted by Mathematica Policy Research Inc. for REDF, the strongest evidence for positive impacts on wages, long-term job retention, and educational attachment was for programs in which the paid employment intervention lasted from 6 months to 1 year (Sattar 2010). REDF will seek to strengthen and document the retention and placement services that maximize retention of employment, while also promoting practices that result in longer term benefits to the individual and society.

(3) The social return on investment (SROI) of achieving results (1) and (2) will be higher than comparable alternatives.

To determine whether or not increased investment in and replication of social enterprise is worthwhile, REDF will conduct a complete SROI study; analyzing the program costs, the social enterprise's earned income, and, based on at least moderate evidence from a rigorous evaluation study, its impact on factors such as employee income, receipt of public and employer benefits, education, taxes, and incarceration rates.

(4) At the end of five years, REDF will have developed a written product ready for wide dissemination that provides the evidence, evidence-based practices, tools, business and financial model(s) for replication of the social enterprise approach tested through this SIF initiative. REDF will also produce a growth plan, grounded in evidence-based practices of scaling strategies, to guide replication nationally that will lead to the employment of several hundred thousand people in the identified target population.

I.A.4. AVAILABILITY OF RELEVANT DATA AND APPROACH TO DETERMINING WHETHER INVESTMENTS CAUSED IMPROVEMENTS

To measure outcomes (1) and (2), REDF will continue to use a customizable, web-based performance management platform called Efforts to Outcomes (ETO), developed by Social Solutions, which it deploys
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to all grantees. This system tracks the number of people in jobs, the length of employment, and changes in employee outcomes (e.g. housing status, wages, education, and incarceration). ETO also allows REDF to assess the inputs that led to the outcomes; REDF can track the impact of its investments, including the subgrantees' efforts to integrate evidence-based practices into their models.

Calculating social return on investment (SROI) is a methodology that can identify the extent to which social enterprise is a cost effective intervention with outcomes for the individual and society that are equal or superior to other comparable approaches for this target population. Through the SIF, REDF will use its pioneering SROI methodology in order to assess outcome (3), making explicit links between financial and non-financial inputs and integrating improved evidence of program impact. Data sources will include ETO, actual program costs and revenue, public administrative data, evaluation of program impact, and data from comparable programs, as available.

REDF is prepared to work with the Corporation for National and Community Service (the Corporation) to design and implement an outcome evaluation. An initial power analysis indicates sufficient sample size to participate in such an evaluation. The purpose of such a study will be to strengthen evidence of how social enterprise compares to other methods of training and employing people with significant employment barriers. This kind of impact data will be critical to credible and reliable calculations of SROI.

I.A.5. QUALIFICATIONS TO SUPPORT THE PROPOSED FOCUS, GOALS AND APPROACH

REDF is the only intermediary in the country that provides grants and technical assistance exclusively to nonprofit social enterprises that employ low-income people with multiple barriers to employment and has significantly expanded its practice over time. For 13 years, REDF has analyzed its impact and published widely-read reports on the factors contributing to the model's successes and failures. REDF
Narratives

has led the field to improve data and evidence and pioneered the development of SROI. REDF has also developed an expansive set of tools and trainings to enable nonprofit social enterprises to benefit from the best-practices learned from experimentation.

I.B. USE OF EVIDENCE

REDF has more than a decade of experience using evidence to select, invest in, support, and monitor the performance of grantees. As an experienced intermediary, REDF is in a unique position to use evidence gathered from the broader fields of transitional employment and workforce development to strengthen the nonprofit social enterprise model, while working with grantees to build the evidence base.

I.B.1. APPLYING EVIDENCE IN DECISION-MAKING

REDF systematically applies evidence in program decision-making and at all stages of grantee engagement. For example, in 1998, REDF began a 10-year pre- and post-survey evaluation of the impacts of nonprofit social enterprises on the lives of the people they employ. REDF's decision to continue to foster the social enterprise model was driven by the promising interim and final results of this preliminary level evidence. As another example, REDF's 2008 decision to support the replication of a transitional jobs program operated by the New York-based Center for Employment Opportunity (CEO) was guided by moderate-level evidence from an MDRC randomized control trial of the effectiveness of this model (Redcross 2009).

I.B.2. INCORPORATING EVIDENCE IN THE SELECTION, INVESTMENT, SUPPORT, MONITORING, REPLICATION AND EXPANSION OF GRANTEES

I.B.2.a SELECTION

REDF has developed an effective due diligence process to assess grantees based on the design of
program and services, ability to operate a commercially viable social enterprise, health of the broader organization, and potential for creating a net benefit to society. During the selection process, REDF considers available evidence of participant outcomes and results, as well as an organization's measurement systems, financial performance, and current operations.

I.B.2.b INVESTMENT AND SUPPORT

REDF invests in and supports nonprofit social enterprises because there is evidence of the efficacy of this approach. Once a grantee has been selected, REDF determines where its investment will add greatest value by using a variety of methods to determine the nonprofits' capacity to create jobs and deliver supports in alignment with evidence-based practices. REDF selects specific areas of focus (e.g. financial systems), and the level and type of investment required, based not only on in-depth review of the grantees financial, program, and outcome data, but also on the results of the Grid for Organizational Assessment and Learning (GOAL)—an annually administered survey tool that REDF developed. REDF's investment, support, and tools also build subgrantee skills and systems for collecting and using their own data, and integrating evidence-based practices from the field.

I.B.2.c MONITORING

All REDF grantees are required to track the number of social enterprise employees, their barriers, length of employment, and changes in major outcomes over time. Employee data is entered into ETO at the time of hire and every 6 months, for up to 2 years. An exit form captures the employee's status at the time of exit. REDF supports the development of reporting systems and use of these data to help each grantee optimize its own, as well as REDF's, real-time monitoring ability.

I.B.2.d REPLICATION

Since its founding, REDF has rigorously assessed what worked and what did not to determine how to
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most efficiently and effectively replicate the social enterprise model. REDF also reviews findings from the field to glean best practices and opportunities for replication. When REDF identifies evidence of what works, it develops resources and tools and delivers technical assistance to grantees, which helps them replicate either the social enterprise business model or the approaches to supporting social enterprise employees that have proven effective.

I.B.2.e EXPANSION

REDF expands social enterprises based on the market viability of the business model and the opportunity to create a significant number of jobs for the target population. REDF integrates data on financial and social outcomes and evidence from the field to establish with grantees annual expansion goals that are realistic, while accelerating job creation to the maximum extent possible.

I.B.3. SPECIFIC EXAMPLES OF USING EVIDENCE FOR PROGRAM IMPROVEMENT AND INCREASING THE EVIDENCE BASE

From 1998 to 2008 REDF partnered with BTW Consultants (BTW), an evaluation consulting firm, to gather long-term data about REDF portfolio social enterprise employees through a series of interviews at 6-month intervals over the following two years--regardless of whether the employee had left the nonprofit social enterprise. Based on this preliminary-level evidence, REDF provided grantees with program design expertise to improve programs (such as providing additional supports to increase job placements).

REDF also has used moderate- and strong-level external evidence for program improvement. In 2008 and 2009, REDF scanned the evidence-base on job placement and retention for individuals facing multiple barriers to employment, as well as the evidence from CEO's control randomized trial. Using the findings as its framework, REDF developed and administered a survey of its grantees and identified
Narratives

strengths and weaknesses in their long-term job retention approach. REDF found that they were offering limited supports that did not fully reflect the evidence of what works. As a result, REDF modified its technical assistance and selection process and established a new program to help grantees strengthen job placement and retention programs.

To date, REDF has contributed to the base of evidence of what works through its pre- and post-survey research, and by documenting and disseminating the concepts of its pioneering SROI methodologies, which measure the net benefits to society of the nonprofit social enterprise model.

I.B.4. STUDIES THAT GENERATED THE EVIDENCE

The 1998-2008 results from BTW’s research (http://bit.ly/dBZglG) involved approximately one-third of the 3,313 employees hired in REDF grantee social enterprises between 1998 and 2006. Among those interviewed 18-24 months after hire, 77% had worked in the previous 6 months. Between time of hire and follow-up, average wages increase by 31%. This evidence is promising, yet has the limitations associated with preliminary evidence. In addition to the lack of comparison data, the loss to follow up was high, and analysis showed those lost to follow up were more likely to have histories of homelessness.

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was positive and strong. Youth and young adults, in particular, were found to have stronger academic attachment by participating in these programs. Of particular note was the evidence from the RCT of CEO published by MDRC in 2009 (Redcross et al. http://bit.ly/cx6txx). This study showed decreased recidivism over time for the intervention group.

From 1998 to 2000, in consultation with professors from the Stanford Graduate School of Business, REDF staff created a methodology and conducted extensive research and analysis in order to calculate the SROI of its portfolio organizations, which quantified the costs and benefits of social mission activities and estimated some of the long-term returns realized by a community. REDF's approach to calculating SROI included measuring the tax dollars saved by helping employees reduce their dependency on public assistance, homeless shelters, and other government-supported services.

REDF published individual SROI reports for each of the social enterprises in its investment portfolio in a format similar to for-profit company stock reports and again reviewed findings to help grantees strengthen programs based on this new information. REDF's SROI work and publications--SROI Methodology Paper (http://bit.ly/d6g2UB) and SROI Reports (http://bit.ly/bdeVbi)--catalyzed new efforts to advance assessments of impact and cost effectiveness among academics, nonprofits, and philanthropists interested in increasing the effectiveness and transparency of their work. REDF has contributed to further development of SROI methodology with an open source model available on its website, articles, and presentations, including the 2009 publication of SROI Act II: A Call to Action for Next Generation SROI (http://bit.ly/d9pOi2).

I.B.5. TRACK RECORD OF SHARING AND INTEGRATING LESSONS FROM EVALUATION ACROSS GRANTEES

REDF synthesized BTW's pre- and post-survey findings and helped grantees integrate the lessons into
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Narratives

their practices, and create dashboards for program management and internal and external reports to stakeholders. Today, REDF grantees are part of a Learning Community on the implementation of ETO that informs current evaluation practices and the design of reports and future evaluations. REDF also gathers its grantees on a regular basis to discuss evidence from evaluations and other comparable programs.

I.C. COMMUNITY RESOURCES

REDF's current funders and several other foundations have pledged to consider continuing and enhancing their current collaboration with REDF if it is awarded a SIF grant. Funders that have pledged to consider side-by-side funding to REDF SIF subgrantees in their regions include: The California Endowment, the Fresno Regional Foundation, the Mitchell Kapor Foundation, the Walter & Elise Haas Fund, and the United Way of Greater Los Angeles. Dated and signed letters stating these funders' willingness to consider funding have been submitted to the Corporation.

I.D. DESCRIPTION OF ACTIVITIES

I.D.1. SUBGRANTING

I.D.1.a. APPROACH TO IDENTIFYING AND SELECTING SUBGRANTEES

REDF has a thirteen-year track record of identifying and selecting grantees with strong impact potential. To identify SIF subgrantees, REDF will enhance its existing process by issuing a request for qualifications (RFQ), assessing the responses using transparent, objective criteria and applying its tested due diligence process, incorporating stakeholders at all levels, to make subgrantee selections before February 1, 2011.

IDENTIFICATION: THE RFQ

REDF has designed its RFQ to learn about an organization's experience, effectiveness, and capacity for
increasing impact and scale by gathering information about 6 key criteria: 1) a strong theory of change, rooted in evidence of best practices, 2) a commitment to using evidence to inform the program as demonstrated by existing preliminary evidence or measurement systems, 3) a commitment to serving low-income people with multiple barriers to employment, 4) demonstrated social enterprise experience or capacity, 5) organizational and fiscal stability, and 6) organizational capacity with respect to budget size, revenue composition, staffing, and history. REDF also looks for an organization's participation in national networks that would facilitate replication and scale.

SELECTION: A COMPETITIVE EFFECTIVE APPROACH

To ensure that the selection process is competitive, REDF will disseminate its web-based RFQ widely in California and with sufficient notice to generate responses from a large number of diverse, qualified applicants. REDF will also host a "pre-bid" technical assistance conference, both live and web-based, to ensure that potential respondents are sufficiently informed of the process and selection criteria.

REDF staff and outside experts will identify the most qualified respondents to the RFQ for the Deep Screen phase of REDF’s due diligence process, which incorporates interviews with respondents and their references, site visits, and document review. The next step for those that qualify is a Trial Portfolio relationship.

The Trial Portfolio phase emulates a grantee relationship over a short (two-month) period of time. REDF will make a small grant; conduct a strategic business assistance project; review measurement, data, and financial management systems in detail; and observe the nonprofit organization’s leadership, culture, and decision-making processes. REDF will assess willingness and commitment to accept and use expertise, measure outcomes, adjust practice based on evidence, employ the target population, and replicate and scale.
I.D.1.b. RELATIONSHIPS WITH AND ENGAGEMENT OF EXPERTS, LEADERS, AND COMMUNITY STAKEHOLDERS TO ENSURE QUALITY AMONG SUBGRANTEES

REDF will use the professional experience of its Advisory Council, Board of Directors, and expansive network of leaders from philanthropy, social enterprise, government, and business to both vet the assessment criteria for screening subgrantees and to assist in identifying the most qualified respondents to the RFQ.

In addition to its Advisory Council and Board, REDF has an influential set of associations and diverse community-level relationships to assist in outreach to potential SIF subgrantees and provide REDF's SIF program with ongoing support. As examples, REDF's President is on the Northern CA Grantmakers' Board and the Youth Council of San Francisco's Workforce Investment Board, as well as Enterprise Community Partners local advisory council. REDF's Director of Fund and Business Development is on the board of Bay Area Blacks in Philanthropy. REDF is also an active member of the Social Enterprise Alliance, a national trade association, the Assoc. for Corporate Growth, a national business network, and is a member of the steering committee of San Francisco's Emerald Cities Collaborative with labor, local government, philanthropy, business and the nonprofit sector.

At the community level, the following is a partial list of key stakeholders that have committed to help REDF and its subgrantees: the United Way of Greater Los Angeles, the Fresno Regional Foundation, the San Francisco Foundation, The CA Endowment, the San Francisco and Los Angeles foundation collaboratives participating in the National Fund for Workforce Development, the CA Workforce Association (representing all workforce investment boards in CA), and the Western Region office of NISH/AbilityOne, a nationally-networked nonprofit social enterprise intermediary.
I.D.1.c. HOW PRE-SELECTED SUBGRANTEES MEET ELIGIBILITY REQUIREMENTS

Not applicable. REDF is not applying with any pre-selected SIF subgrantees.

I.D.2. TECHNICAL ASSISTANCE AND SUPPORT

I.D.2.a. COMMITMENT TO LONG-TERM RELATIONSHIPS WITH SUBGRANTEES AND PROCESSES FOR GOAL-SETTING

REDF’s standard practice is to engage with its grantees for 3-5 years. REDF has found that this timeframe is necessary for the start-up and establishment of a successful nonprofit social enterprise while also providing an opportunity to measure longitudinal impact, improve the model’s effectiveness, and facilitate expansion. REDF engages in the following practices with its current grantees and will utilize these tested approaches with SIF subgrantees.

SHORT-TERM GOAL SETTING

Short-term program goals between REDF and its SIF subgrantees will be negotiated annually through a Memorandum of Understanding. To monitor progress against these goals, REDF will hold standing monthly meetings with the organization (Venture Committee Meetings). REDF will also conduct a mid-year, two-way feedback meeting to mutually assess the overall relationship and progress towards the longer-term goals leading toward replication or expansion.

LONG-TERM GOAL SETTING

REDF’s business planning with each SIF subgrantee will establish three to five year goals for the financial sustainability of the social enterprise, the number of jobs to be created, the people to be employed and anticipated outcomes for those people. REDF will establish these goals at the beginning of the relationship based on a robust capacity assessment and formalize them in a plan with objective milestones to mark key decision points.
I.D.2.b. HELPING SUBGRANTEE INVEST IN PERFORMANCE IMPROVEMENT AND PROGRAM EFFECTIVENESS THROUGH DATA COLLECTION AND EVALUATION

REDF staff and experienced consultants will provide funding, extensive technical assistance, and capacity building support to help each subgrantee implement social outcome tracking and performance management through ETO, practices to incorporate this data into continuous program improvements, and dashboards and reports to internal and external stakeholders.

I.D.2.c. RESOURCES AND SUPPORT TO BUILD SUBGRANTEE CAPACITY

REDF's key resources for building subgrantee capacity are the staff, the tools (including outcome measurement tracking), the learning community, and the network that REDF leverages in its distinctive venture philanthropy model.

STAFF

REDF's team has deep, relevant experience in business and in strategic consulting to both nonprofit and for-profit organizations, including Fortune 500 companies and leaders of small- and medium-sized businesses. This talented team, along with third-party contractors, will provide a customized mix of business planning, financial and operational analysis, and marketing and sales assistance to each SIF subgrantee.

TOOLS

REDF will provide its suite of tested tools, which are widely accessed by organizations across the country, to each SIF subgrantee. To aid organizations with ongoing social outcome data collection and analysis, REDF will provide and support the implementation of ETO.
LEARNING COMMUNITY AND NETWORK ACCESS

REDF will continue its quarterly gatherings for SIF subgrantees and regular Learning Circle meetings for all subgrantee staff involved in ETO data collection and analysis. REDF will provide access to its extensive network of leaders, experts, and organizations in business, philanthropy, nonprofit, and government including REDF’s Board of Directors and Advisory Council members and REDF’s past grantees.

I.D.2.d. FACILITATING LEARNING AND IMPROVEMENT ACROSS SUBGRANTEES

REDF will also convene meetings of its subgrantees to share tools REDF has developed, to discuss evidence-based practices, to brainstorm and problem solve, and to share resources. REDF also will invite subgrantees to participate in national conferences and convenings in order to build the field of nonprofit social enterprise. REDF currently does this. In April 2010, REDF is gathering 60 nonprofit social enterprise leaders from around the country to share best practices and challenges, and form a broader learning community.

I.D.2.e. PROPOSED APPROACH TO SUPPORTING SUBGRANTEES IN ACHIEVING MATCH REQUIREMENTS AND ONGOING SUSTAINABILITY

REDF’s experience suggests that SIF subgrantees will earn sufficient income from the sale of goods and services they produce to fully meet the match requirement by their third year of operation. Over time, this revenue can be relatively more stable and sustainable than other sources of match funding such as private donations, foundation grants, and public support. Nonprofit social enterprises supported by REDF have earned more than $100 million from sales of goods and services since 1997.

In addition to helping SIF subgrantees earn income, REDF will support the traditional fundraising activities of subgrantee organizations. REDF will provide appropriate access to members of its Board of
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Directors, Advisory Council, and donor network who have, in the past, personally contributed to REDF grantees and provided consulting services to assist grantees with their fundraising goals. Finally, REDF will build on a track record of success in leveraging matching commitments and identifying co-funding opportunities with the current funders of prospective SIF subgrantees, with the foundations that have committed to work with REDF, and with individual donors.

I.D.2.f. TRACK RECORD OF USING DATA TO MEASURE AND IMPROVE GRANTEES' PERFORMANCE

Exemplifying REDF’s track record in this area, it recently assessed how the attrition of individuals interviewed 1 and 2 years after getting a social enterprise job impacted its 10-year longitudinal data. To examine the impact of survey loss to follow-up, REDF worked with BTW, to conduct a panel analysis for employees found at the 18-24 month follow-up and compare their baseline data with people not available for follow-up. This analysis found the only statistically significant difference in baseline variables measured between the two groups was housing status. As a result of this analysis, REDF has assisted its grantees with an ongoing assessment of social enterprise employee housing status in order to improve the likelihood of the employee’s availability for follow-up.

I.D.2.g. PROPOSED APPROACH TO ACCOUNTABILITY FOR AND WITH SUBGRANTEES; POTENTIAL METRICS FOR ASSESSMENT

REDF has a well-developed set of metrics related to social enterprise performance and enterprise employee outcomes that will be established with each subgrantee, integrated into each subgrantee's ETO system, monitored for progress on a monthly basis through Venture Committee meetings, and reported to REDF stakeholders quarterly. Metrics include: 1) the number of people employed in social enterprise jobs and the social outcomes resulting from their employment, 2) the fiscal and operational health of the social enterprises, and 3) the increase in nonprofit capacity as a result of REDF's engagement.
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Enterprise performance metrics have been refined over thirteen years of experience. Enterprise employee outcome metrics have been informed by reviews of clinical trials, the U.S. Census, and the federal Homelessness Management Information System to identify the best standardized questions. Additional metrics will be identified through consultation with the Corporation.

Additionally, in preparation for its assessment of cost effectiveness and social return, REDF will identify and engage public agencies as needed to obtain the information available from public data sets, and other sources, to assess, for example, educational attachment, recidivism of employees to jail or prison, or use of public assistance. Grantees will also be required to participate in the outcome evaluation as defined through consultation with the Corporation and evaluator selected for this purpose; standard metrics that the Corporation may require will be used across grantees as part of this evaluation.

Organizational Capacity

II.A. ABILITY TO PROVIDE PROGRAM OVERSIGHT
II.A.1. ABILITY TO PROVIDE SOUND PROGRAMMATIC OVERSIGHT
II.A.1.a. HISTORY, TRANSITION PERIODS, AND ACCOMPLISHMENTS
In 1990, George Roberts, founding executive of the global private equity firm KKR, started the Homeless Economic Development Fund (HEDF) to address issues of poverty and homelessness in San Francisco. In 1997, HEDF became The Roberts Enterprise Development Fund (REDF) which remained an operating program of Mr. Roberts' foundation, focused on job-creation through nonprofit social enterprise for low-income people with multiple barriers to work. In 2004 REDF made a successful transition to an independent 501(c)(3) public benefit corporation.

Two other transitions are notable. In 2006, REDF conducted an intensive assessment of its work and made the decision to extend the organization’s impact by: 1) expanding the types of grantees it supported to include nationally networked organizations; and 2) creating new tools, publications, and
training curriculum to advance the practice of nonprofit social enterprise. As a result, REDF added 4 new grantees to the initial portfolio of 5 in 2007. In 2009, REDF completed another strategic planning process that resulted in a decision to scale nonprofit social enterprise throughout California, with the intent to develop a nationally replicable model.

Today, REDF is seen as a pioneer of venture philanthropy and a national leader in the field of nonprofit social enterprise. REDF's grantmaking and technical assistance activities have helped a portfolio of San Francisco Bay Area nonprofits start more than 40 social enterprises that, in turn, have helped increase economic opportunity for more than 5,000 low-income people with multiple barriers to employment. These enterprises have generated over $100 million in social enterprise sales with an investment by REDF of $25 million in grants and technical assistance.

II.A.1.b. EXPERIENCE IN PROPOSED PRIORITY AREAS OF ACTIVITY AND IN OPERATING AND OVERSEEING COMPARABLE PROGRAMS

REDF has over 13 years of experience with the activities proposed in this application. Specifically, REDF's core operations include: 1) providing grants and technical assistance, building enterprise and organizational capacity to advance mutually agreed-upon objectives; 2) rigorously examining grantees progress, evaluating REDF’s contribution to their results, and making improvements in response to the findings; 3) tracking and evaluating outcomes and analyzing data to demonstrate the social return on investment of social enterprise; and 4) synthesizing and sharing evidence and learnings locally and nationally, and in partnership with grantees, to promote the improvement and expansion of social enterprise.

II.A.1.c. REDF’s CAPACITY TO MANAGE A FEDERAL GRANT AND PROVIDE ON-SITE MONITORING OF SUBGRANTEES’ FINANCIAL AND OTHER SYSTEMS
REDF provides on-site as well as web-based grantee oversight through its experienced staff and consultants, frequent standing meetings, monthly reporting, and real-time monitoring of outcome data through ETO. Mutual expectations are memorialized in a co-signed Memorandum of Understanding (MOU).

In preparation for its SIF application, REDF engaged professional consultants with extensive experience to ensure that REDF systems meet the highest Federal standards, as discussed in II.B.3.

II.A.1.d. EVALUATIONS CONDUCTED OR SPONSORED BY REDF

Beginning in 1998, and continuing through 2008, REDF partnered with measurement and evaluation consulting firm BTW Consultants (BTW) to design an evaluation of its portfolio’s impact on nonprofit social enterprise employees (http://bit.ly/dBZglG). BTW conducted baseline interviews, and then tracked social enterprise employees through follow-up interviews for up to 2 years after hire. This pre-post-survey evaluation resulted in the earliest available data on the impact of nonprofit social enterprise employment for low-income people with multiple barriers. This evidence is promising, yet has the limitations associated with preliminary evidence; in addition to the lack of comparison data, the loss to follow-up was high. Analysis showed that those lost to follow-up were more likely to have histories of homelessness than the entire sample.

REDF is also a pioneering contributor to the field of social return on investment (SROI), facilitating the practice of measuring the net benefit to society of a particular social investment. In its SROI Methodology (http://bit.ly/d6g2UB) and SROI Reports (http://bit.ly/bdeVbi), REDF demonstrated that an initial investment in nonprofit social enterprises could result in substantial dollar savings, as well as in other quantifiable and unquantifiable benefits to society as low-income people with multiple barriers to employment got jobs, earned wages, and became contributors to their communities.
II.A.1.e. PROCEDURES TO ENSURE THE TECHNICAL QUALITY AND INDEPENDENCE OF EVALUATIONS

REDF has both strong staffing to support evaluation planning and strong processes in place to ensure that evaluations can be completed independently and will adhere to the highest possible technical standards. Dr. Anna Martin, REDF’s Manager of Research and Evaluation, has 15 years of experience as a program evaluator in health and social services, including work on multi-site federal evaluations. REDF will hire a Measurement Associate in the first year of a SIF grant. Overseeing Anna Martin’s work is REDF’s Managing Director, Cynthia Gair, who helped develop REDF’s original SROI methodology.

In addition to this internal capacity, REDF will have a panel of external experts ensure that REDF’s work area is of high quality and meets all appropriate standards of technical quality and independence. They will review: 1) the elements of the RFQ related to measurement; 2) REDF’s overall evaluation approach; and 3) proposed evaluation partners. Panelists will include members of an existing measurement committee made up of REDF Advisory Council members and other professionals who have in the recent past, or now work in senior positions at MDRC, the Packard Foundation, and the University of California, and are experienced with evaluations supported by the federal government and national foundations. Participants will also include two members of REDF’s Board of Directors now in senior management at BTW (previously at MDRC) and The College Access Foundation (previously at The Rockefeller Foundation). REDF will also form a special panel of experts experienced in SROI analysis.

II.A.1.f. USE AND SHARING OF EVALUATION RESULTS FOR PROGRAM IMPROVEMENT

REDF is dedicated to sharing results with grantees to improve program practices. With its pre- and post-survey evaluation results and SROI research, REDF produced reports specific to each grantee and then convened them to discuss and compare findings with experts that could help them improve
REDF will continue these practices with SIF subgrantees.

REDF disseminates its evaluation reports through national and international conferences, in numerous publications, and through its website, accessed by thousands of individuals and organizations annually.

ILA.1.g. REPLICATIONS AND EXPANSIONS OVERSEEN OR SPONSORED
In October 2009, REDF launched the California Social Enterprise project as an initial step to identify prospective organizations for REDF's portfolio in Fresno, Los Angeles, Sacramento, and San Diego. Led by an experienced consultant, formerly a REDF Farber Intern and Fellow, the project has resulted in the identification of promising nonprofits, and offers of resources, programs and networks by prospective business customers, philanthropy, and local and state government agencies.

A specific project within this overall expansion effort is the California replication of a nonprofit social enterprise model operated by the New York-based Center for Employment Opportunities (CEO) which REDF was introduced to in 2008. REDF signed an MOU with CEO to replicate its approach in California and convened a series of meetings with public officials, foundations, and nonprofits that has now resulted in the commitment of state resources to an initial replication in Oakland in 2010 towards eventual statewide expansion.

REDF has expanded the enterprises of many of its grantees. For example, Community Housing Partnership (CHP) had previously employed the formerly homeless tenants of its supportive housing as desk clerks; but it sought to create new enterprises to employ many more. With REDF's support, CHP Enterprises has created jobs in three lines of business--outsourced desk clerk staffing, apartment maintenance, and bed bug remediation, profitably employing 91 individuals since launch. REDF is now working with CHP to start a fourth business, while codifying the business model for a planned
replication it will facilitate elsewhere in California with a new grantee.

II.A.1.h. RESOURCES AVAILABLE TO ASSIST WITH SUBGRANTEE REPLICATION OR EXPANSION

REDF's experienced staff, network of professional consultants, knowledge of what works in social enterprise, case studies, market analyses, guides, training materials, and a robust suite of tools, well-organized on a remotely accessible intranet, in addition to ETO, will assist subgrantees with replication and expansion of successful social enterprise models. REDF's 3 most senior program team members have a combined 50 years of business experience, more than half in nonprofit social enterprise. As an example, REDF's Business and Partnerships Manager, David Derryck, with 5 years of success leading a social enterprise, an MBA, and prior work in venture capital and a business technology startup, is REDF's lead on the California replication of CEO's model.

II.A.1.i. REDF'S ABILITY TO SUPPORT AND OVERSEE MULTIPLE PROGRAMS AT DIFFERENT LOCATIONS

To oversee multiple programs in different California locations, REDF will use seasoned staff to support subgrantees directly, and also to train, support, manage, and coach staff and experienced consultants that will be based in and deployed to expansion communities, often co-located with local funders. Also, REDF has provided more than 100 MBA Interns and post-MBA Fellows with experience working in social enterprise through its Farber program. This program will grow to serve the expansion communities.

II.A.1.j. REDF'S PROGRAMMATIC RELATIONSHIPS WITH THE PROGRAMS

REDF is not applying to the SIF with any pre-selected subgrantees. To identify and select SIF subgrantees, REDF will issue a request for qualifications, soliciting competitive responses from diverse and qualified organizations throughout California. Because of its long history with social enterprise,
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REDF is known to many of the organizations that are likely to apply. In addition, by selecting grantees that are part of state or national networks, like the Conservation Corps, and St. Vincent de Paul, REDF has built relationships that can support replication and expansion.

II.A.1.k. REDF'S PLANS FOR MONITORING SITE COMPLIANCE PROGRAMMATIC REQUIREMENTS

REDF will monitor subgrantee compliance with programmatic requirements in the following ways: 1) monthly Venture Committee meetings with subgrantee management teams to review enterprise performance, identify and resolve outstanding issues, including social enterprise financial statement review and tracking; 2) formalized mutual mid-year feedback to measure progress toward annual goals; and 3) formalized year-end portfolio assessment, which informs the annual MOU between REDF and the subgrantee.

II.A.2. BOARD OF DIRECTORS, ADMINISTRATORS AND STAFF

REDF's Board of Directors, administrators, and staff include leaders in the field of nonprofit social enterprise, venture philanthropy, nonprofit evaluation, and measurement. REDF's talent pool is especially deep because the people who have been most engaged in REDF from its inception are all either working at REDF today or serve on the Board of Directors or 16-member Advisory Council. Their knowledge is complemented by other individuals who have joined over the past several years, bringing additional experience in private sector entrepreneurship, business consulting, marketing, fundraising, and public policy.

II.A.2.a. MANAGEMENT AND STAFF STRUCTURE

REDF's President reports to the Board of Directors, which has 9 members. The President supervises a 3-member management team representing Programs, Fund Development, and Operations and
ILA.2.b. KEY PROGRAM POSITIONS AT REDF

In the first year of activities proposed in this application, REDF will rely primarily on its 8 current key program staff to implement SIF activities, with the support of an outstanding operations team, while also recruiting, training, and supporting additional staff and Farber Fellows to implement new activities in other locales to expand nonprofit social enterprise throughout California toward a replicable national model.

CURRENT REDF STAFF

Carla Javits is the President of REDF. She sets REDF’s strategy in partnership with the Board of Directors and oversees its operations. Prior to joining REDF, Carla was with the Corporation for Supportive Housing (CSH) for 15 years, leading its expansion from the Bay Area throughout California as Program Director and overseeing its work in 10 states and expansion into several new states as the organization’s President and CEO for the last 6 years of her tenure there. Carla was part of the leadership team as CSH grew from fewer than 10 staff in 2 locations to more than 100 staff in 10 locations, expanding supportive housing around the country and helping make it a central element of state and national policy. Carla holds a Masters of Public Policy and BA from the University of California, Berkeley, and an AA in Hotel and Restaurant Management from San Francisco City College.

Other key staff members, in alphabetical order, are as follows:

Vanessa Collins is REDF’s Director of Operations and Communications and reports to the President. She oversees REDF’s business operations with responsibility for human resources, and under the oversight of the Board of Director’s Finance Committee and with the support of a CPA-licensed financial
consultant, for financial management and human resources. She has been with REDF for 10 years and also leads REDF's communications work and knowledge management. Prior to joining REDF, Vanessa was the Manager of International Marketing Services for an international business. She received a BS in Communications and Political Science from Eastern Connecticut State University.

David Derryck is REDF's Business Partnerships Manager and reports to the Managing Director of Programs. He leads REDF's CEO replication, and provides technical assistance to REDF grantees. Prior to joining REDF, David spent three years as the Enterprise Director of Juma Ventures, a past REDF grantee, leading the development and subsequent national expansion of its social enterprise—doubling revenue and tripling the number of jobs created for at-risk youth. He received his MBA from Columbia Business School and BA from Wesleyan University.

Cynthia Gair is REDF's Managing Director of Programs and reports to the President. Cynthia has been with REDF for 13 years and oversees REDF's employment programs, measurement efforts, and innovation initiative. Cynthia worked in venture capital, has provided training in business management to hundreds of urban entrepreneurs, and has served on a variety of for-profit and nonprofit boards, including the Board and Loan Committee of the Northern California Community Loan Fund. She holds a BS in Finance and an MBA from George Washington University.

Samra Haider is REDF's Enterprise Manager and reports to the Portfolio Director. Samra is a former Farber Intern and manages business assistance projects with specific portfolio organizations and the pipeline by providing hands-on assistance, such as market research and financial analysis, as well as business mentoring. Samra was a Consultant with Oliver Wyman (formerly Mercer Management Consulting) and holds a BA in Economics from Columbia University, an MSc from the London School of Economics, and an MBA from the Wharton School.
Esther Kim is REDF's Portfolio Director and reports to the Managing Director of Programs. Esther is a former Farber Intern and oversees the relationships between REDF and its grantees, including policies, communications, and performance monitoring, while also providing direct technical assistance and mentoring to the portfolio, and overseeing the staff team. Prior to joining REDF, Esther was a management consultant with McKinsey & Company and holds a BS and MS in Environmental Engineering and an MS in Technology Policy, all from MIT.

Dr. Anna Martin is REDF's Manager of Research and Evaluation and reports to the Managing Director of Programs. Anna oversees all of REDF's evaluation strategies and activities. Anna has held research and evaluation roles at the University of California Berkeley, The Public Health Institute, BTW Consultants, the Harvard School of Public Health, and the Better Homes Fund in Massachusetts. She received her PhD in the Faculty of Social and Behavioral Sciences from The John Hopkins University School of Hygiene and Public Health, MA from The John Hopkins University School of Advanced International Studies, and BA from Carleton College.

Jason Trimiew is REDF's Director of Fund and Business Development and reports to the President. In this capacity, Jason oversees REDF's fundraising efforts and leads REDF's efforts specific to contracting with public agencies. Prior to REDF, Jason held senior fund development positions at other nonprofits in addition to working internationally in the field of microfinance. Jason has a master's degree in International and Development Economics from the University of San Francisco and a BA in Business Administration.

RECRUITING, SELECTING, TRAINING AND SUPPORTING ADDITIONAL STAFF

REDF will expand its Farber Program with Fellows placed in operational positions at subgrantee
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organizations to launch, accelerate, and replicate nonprofit social enterprises. Training and support for these managers and their eventual successors (staff at the subgrantees) will be provided by REDF. In the first year of the SIF program, REDF will add a full-time staff position (Beyond Bay Area Manager) to manage these remote positions and to provide a direct link to REDF's staff in San Francisco and will also add staff positions in other parts of California to oversee efforts in these communities as the program expands.

II.A.3. PLAN FOR SELF-ASSESSMENT OR IMPROVEMENT

REDF has a formal system for assessing its own performance and making improvements to systems, structure, and staffing. The key tool for this self-assessment is REDF's Action Plan, which details, by department or function, annual goals as well as tactics for reaching them. The Action Plan is anchored in the larger goals and objectives of the current multi-year strategic plan.

Progress made against the goals in the plan are monitored and updated quarterly. Staff members use the Action Plan to set individual goals and are evaluated during the annual performance review process each fall, which ensures that individual goal setting aligns with department or function goals. Reflection and evaluation of the Action Plan each year by REDF's management team allows REDF to prepare for next year's planning process with the full staff.

II.B. ABILITY TO PROVIDE FISCAL OVERSIGHT

II.B.1. REDF's EXPERIENCE WITH AND INFRASTRUCTURE FOR MAKING AND MANAGING GRANTS

REDF is an experienced grantmaker with infrastructure built over 13 years of practice. Since 1997, REDF has provided over $25 million in grants to support 40 nonprofit social enterprises in the San Francisco Bay Area.
REDF typically funds organizations for 3-5 years. Part of REDF's effectiveness in grantmaking is negotiating an annual MOU with each grantee. This MOU articulates the goals of the partnership between REDF and the grantee, the amount and timing of funding for the year, the types of technical assistance that will be offered by REDF, and REDF’s performance and reporting expectations of the grantee.

To effectively manage grants, REDF monitors the monthly financial performance of each nonprofit social enterprise that it supports. As stipulated in the MOU, grantees must provide financial information to REDF in both standard financial reporting formats and a unique double-bottom line format that reports both financial and social costs. This financial monitoring occurs in tandem with REDF’s programmatic monitoring.

REDF’s Director of Operations, Vanessa Collins, maintains fiscal responsibility for REDF’s grantmaking. A ten-year REDF veteran, Vanessa oversees REDF’s business operations. She is supported by REDF’s auditor, Carl Arntzen, CPA, and Peter Lippman, a CPA consultant to REDF. She is supervised by the President, Carla Javits, whose previous position as CEO of the Corporation for Supportive Housing included oversight of a finance department that managed a $30 million annual budget, a $50 million loan pool, and grants from more than 100 sources, including many federal and state agencies. In addition, the Director of Operations reports to the Finance Committee of REDF’s Board of Directors, which includes Richard Rosenberg, former President and CEO of Bank of America, and Stuart Davidson, a venture capital partner with Labrador Ventures. REDF’s systems for the approval and oversight of grantmaking have been reviewed by REDF’s auditor and Finance Committee.

Additionally, REDF recently initiated a review of its legal processes and procedures to ensure conformity
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and compliance to current laws and regulations regarding grantee contracts and engagements. A prior legal review was conducted in 2005. REDF also maintains a comprehensive conflict of interest policy that, among other stipulations, requires REDF Directors to recuse themselves from material decisions involving REDF grantees or prospective grantees (e.g. selection and investment decisions).

II.B.2. CURRENT ORGANIZATIONAL BUDGET AND GRANT REQUEST AS PERCENTAGE OF IT
REDF's current organizational budget is $4,029,978. REDF's projected organizational budget for the first year of the SIF is $6,237,662. REDF is requesting $2,500,000 from the Corporation representing 40% of this total organizational budget.

II.B.3. ENSURING COMPLIANCE WITH FEDERAL REQUIREMENTS
REDF will use the MOU and existing monitoring systems to ensure subgrantee compliance with Federal requirements. Matching fund requirements will be incorporated in all MOUs between REDF and SIF subgrantees, as will language indicating adherence to Federal requirements such as certifications and assurances. REDF's SIF budget includes $50,000 for the purpose of hiring a subgrantee monitoring consultant. If a subgrantee expends less than $500,000 in federal funds, REDF is prepared, as a part of the subrecipient monitoring process, to use a portion of its consulting budget to pay for limited scope audits. REDF will use its existing system of tracking monthly financial statements of the nonprofit social enterprises in a secure database, which allows for analysis, over time, of subgrantees' performance.

Additionally, and in preparation for its SIF application, REDF engaged professional accountants and financial management consultants with extensive experience with public funds to ensure that REDF systems meet the highest Federal standards. Their findings included: 1) independently certifying that REDF's general ledger system is adequately set up to separately track Federally-funded grants and contracts, 2) verifying that REDF is well-positioned to comply with auditing standards contained in
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OMB Circular A-133, 3) ensuring REDF's conformity with standard practices for cost allocation and indirect rate methodology, 4) reviewing job descriptions to guarantee consistency between descriptions and allocation of personnel costs across functional areas, and 5) confirming that REDF's independent auditor has qualifications and experience in handling multiple Federally funded clients and A-133 Audits.

Budget/Cost Effectiveness

III.A. BUDGET AND PROGRAM DESIGN

REDF's first-year SIF program budget is $5,804,949. REDF is applying to the Corporation for $2,500,000 (43%) of the program's total cost. Of this amount, $2,000,000 (80%) will be provided in grants to a competitively selected portfolio of subgrantees; $375,000 (15%) will fund SIF program activities, including the provision of technical assistance, subgrantee monitoring, and evaluation and measurement; and $125,000 (5%) will support the SIF program's indirect costs.

In addition to providing the required $1:$1 match of Federal funds ($2,500,000), of which $1,000,000 (40%) will be used for subgranting, REDF will provide an additional $804,949, making REDF's share of the total program costs 57%.

III.A.1. HAVING OR OBTAINING DIVERSE NON-FEDERAL RESOURCES FOR PROGRAM IMPLEMENTATION AND SUSTAINABILITY

REDF has a track record of obtaining diverse, non-Federal resources for its work. Since 2004, REDF has attracted $18,810,980 of non-Federal philanthropic funding (prior to 2004, REDF was an operating program of The Roberts Foundation, a private family foundation). Approximately 70% of this total has been provided by individual donors. Thirty percent has been received from a diverse group of corporate, community, and private foundations. REDF has never received public funding.
REDF’s track record of effectively leveraging challenge grants issued by individual donors and foundations is highly notable in the context of the SIF’s matching requirement. For example, in 2007 REDF received a $500,000 challenge grant from the William and Flora Hewlett Foundation. The terms required that REDF raise $2 for every $1 pledged by the Foundation. Through a targeted fundraising effort, REDF secured 12 multi-year pledges and one-time gifts totaling $1,200,000. This more than met the terms of the grant and was done in the first year of what was a planned three-year effort. As described below, REDF has also recently secured a multi-year pledge that will be leveraged to obtain the necessary resources for REDF’s SIF program beyond the first year.

REDF is also proposing a SIF program that incorporates earned income to sustain the program beyond the award period. Nonprofit social enterprises earn income from the sale of goods and services. This revenue is in direct support of their mission to create jobs that can provide employment and economic opportunity for low-income people with multiple barriers to employment. Based on experience and historical data, REDF conservatively projects that by the third year of operations, SIF subgrantees can fully meet the match requirements on an ongoing basis (it is anticipated that in the first and second years of the SIF program, as subgrantees launch new social enterprises, earned income may not completely meet the SIF subgrantee match requirements). Beyond the term of the SIF award, these businesses will continue to generate sufficient earned income to cover the direct costs of the employment (e.g. wages and benefits) of individuals from the target population. Additionally, this earned income can help support non-revenue generating programs.

III.A.2. ADEQUACY OF BUDGET TO SUPPORT PROGRAM DESIGN; SUFFICIENCY OF BUDGET TO SUPPORT PROGRAM ACTIVITIES; CONNECTION OF BUDGET TO DESIRED OUTPUTS AND OUTCOMES

III.A.2.a. ADEQUACY OF BUDGET TO SUPPORT PROGRAM DESIGN
REDF's SIF program budget is adequate to support the program design, is comprised of projected costs consistent with REDF's experience providing this program, and provides more than the requisite match funds from diverse, non-Federal sources. In 2009, REDF incorporated into its strategic planning an in-depth analysis of the budget required to scale the practice of nonprofit social enterprise in California toward a nationally replicable model. To carry out the expansion effort, this SIF grant would complement the initial 3-year commitment of our Board Chair and other resources from foundations and individual donors.

III.A.2.b. SUFFICIENCY OF BUDGET TO SUPPORT PROGRAM ACTIVITIES

REDF's budget balances the costs of delivering extensive technical assistance and measurement and evaluation support with the substantial investment in subgrantees that is required to achieve success. Particularly in philanthropically underserved communities like Fresno, where nonprofit infrastructure is less developed, REDF has incorporated additional funding for increased technical assistance and grantmaking.

TECHNICAL ASSISTANCE

Providing technical assistance that builds the capacity of nonprofit organizations to operate successful social enterprises is REDF's core business. As such, REDF's experienced staff comprises a significant portion of the total non-grantmaking budget. In the first year of the SIF budget, Project Personnel Expenses total $1,177,950, of which REDF will provide 80% ($941,950). Key personnel positions providing this assistance include REDF's Managing Director of Programs, Portfolio Director, Enterprise Development Manager, Business Partnerships Manager, Beyond Bay Area Portfolio Manager, and Public/Private Sector Contracts Development. In addition to providing overall program strategy and developing REDF's tools to promote social enterprise replication and scale, these positions provide the hands-on, intensive business planning, training, coaching, and mentoring to each of the subgrantee.
In some cases, REDF will also provide technical assistance through third-party contractors. Consultants will provide, for example, specific industry expertise in business sectors being considered for social enterprise expansion, and in in-depth reviews of subgrantee financial systems. REDF's first-year budget includes $525,000 for contractual and consultant services. REDF is requesting just over 11% ($58,387) of this cost from the Corporation.

**MEASUREMENT AND EVALUATION**

REDF's costs for measurement and evaluation are reflected in several budget categories. There are Project Personnel Expenses for REDF's Manager of Research and Evaluation ($68,000) and Measurement Associate ($60,000) and the associated Personnel Fringe Benefits. These positions directly oversee the deployment and implementation of ETO and the analysis of the data gathered, in addition to working with the Corporation and evaluator to design the larger, multi-year SIF program evaluation described in this application. There are also Travel costs enabling periodic convenings of those engaged in the California replication of CEO's social enterprise model, as well as costs associated with travel to SIF subgrantee sites ($25,000). There are costs for Contractual and Consultant Services to assist SIF subgrantees with the program and financial systems' integration, key to monitoring program costs and benefits, using REDF's groundbreaking social return on investment approach ($50,000). Finally, there are Other Costs such as providing interview incentives for social enterprise employees of subgrantee organizations ($9,000), convening subgrantees for training and to build a practice-based network ($55,000), publishing evaluation reports ($7,000), and for technology related to measurement ($49,000).

**SUBGRANTING**
REDF proposes to subgrant $3,000,000 in the first year of SIF funding. Of this amount, REDF will provide $1,000,000 and is requesting $2,000,000 from the Corporation. REDF will provide grants totaling between $300,000 and $400,000 to 7-9 competitively selected subgrantees in multiple California communities. REDF will provide 5 types of unrestricted and restricted grants to each SIF subgrantee: 1) social enterprise capacity building grants for operating and capital; 2) strategic business assistance grants to strengthen accounting and human resource systems, for technology upgrades, and for enterprise market expansion; 3) grants for one-year Farber Fellows; 4) grants for outcome measurement and evaluation; and 5) grants for the codification and dissemination of social enterprise best practices. Depending on the specific needs of the subgrantee and the stage of its social enterprise, REDF will customize the types of grants it provides (including stipulating any restrictions) and memorialize this commitment in its award letter an annual Memorandum of Understanding.

In addition, REDF is proposing to spend a total of $20,000-$30,000 to conduct a competitive subgrantee selection process that includes a Request for Qualifications (RFQ). This cost includes one-time costs to build a web-based RFQ utilizing REDF's existing Salesforce.com database, costs associated with marketing the RFQ widely, costs for convening a live and web-based "pre-bid" conference to provide information and technical assistance on how to respond to the RFQ, and the cost of a consultant and the facilitation of an advisory panel to help read, evaluate, and score responses.

CONNECTION OF BUDGET TO DESIRED OUTPUTS AND OUTCOMES
REDF's SIF program budget is designed to lay a foundation for achieving the five-year measurable outcomes proposed in this application. It provides costs that are reasonable and adequate to support the grantmaking, technical assistance, measurement, and other activities that will achieve the first-year accomplishments, which build toward the goals the program sets for 2015. The budget is informed by REDF's five-year strategic plan and its experience providing this program in the San Francisco Bay Area,
spreading its lessons nationally and internationally, the historical outputs and outcomes of its grantees, and it has been reviewed by its Board of Directors.

III.B. MATCH SOURCES

III.B.1. COMMITMENTS SECURED

REDF is applying to the Corporation with $1,500,000 cash-on-hand designated "as a reserve of otherwise committed funds for the purpose of performing a SIF grant" by REDF's Board of Directors. An additional $1,000,000 has been pledged from REDF's founder and Chair, George R. Roberts, contingent on REDF's successful receipt of SIF funding. This combination of funds will fully satisfy the $2,500,000 first-year match required by the Corporation. Dated and signed letters demonstrating these commitments have been submitted to the Corporation.

III.B.2. PROVIDING MATCHING FUNDS IN EXCESS OF THE MINIMUM REQUIREMENT.

In addition to the $2,500,000 to match its SIF award, REDF will provide $804,949 in first-year funds. These funds will be raised from non-Federal sources such as foundations and private donors. REDF has raised at least this amount from foundations and individual donors, excluding REDF's Board Chair, in every year since becoming a 501(c)(3) public benefit corporation.

REDF has also already secured a multi-year commitment that will allow it to match at least two additional years of SIF funding at the current level ($2,500,000). In 2009, REDF's founder and Chair, George Roberts, personally pledged $7,500,000 of unrestricted support to REDF over a 3-year period (2010-2012; $2,500,000 per year) of which $4,000,000 is contingent on raising matching funds. Of this contingent amount, $1,000,000 was restricted to support the first year of REDF's application to the Corporation. This unprecedented pledge will not only help REDF to meet SIF match requirements in subsequent years, but also offers the opportunity to leverage this non-Federal funding in attracting the
additional resources necessary for the full 5-year award period from individual donors and foundations.

Clarification Summary

REDF submits the following clarifying responses to the Corporation for National and Community Service in response to the Corporation's Clarification Letter received on June 22, 2010 and the subsequent phone call with the Corporation's staff on June 24, 2010.

I. Programmatic Issues for Clarification

I.A. SIF Program Outcomes and Evaluation Methods

REDF's SIF program aims to enable low-income people with multiple barriers to employment to move out of long-term unemployment or underemployment and into the mainstream workforce. REDF plans to participate in a rigorous evaluation of our model by engaging a national evaluation firm with significant expertise evaluating workforce development and transitional employment programs (for example MDRC, Mathematica Policy Research Inc.). This firm will work with REDF in the first year of the grant to design our evaluation research at an estimated cost of $75,000. The NOFA stated that The Corporation would like to have significant input into the choice of evaluation design, including the outcomes studied, measures used, and evaluators chosen. REDF welcomes this input.

I.A.1 Primary Outcomes

The evaluation of REDF's SIF program will focus on the following primary outcomes for the populations it targets: 1) increase in the likelihood of any paid employment, and 2) among those who find paid employment, increase in the percent that remain employed for at least one year. In consultation with the Corporation, the evaluation firm, and the subgrantees, the following outcomes are likely to be included and compared to appropriate comparison groups:

a) Whether employed
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b) Number of jobs
c) For each job:
   - Length of employment
   - Number of hours worked
   - Type of employment and level of responsibility
d) Wages earned, benefits received (health, etc.), and total income
e) Receipt of public benefits
f) Costs of social enterprise job supports; costs associated with changes in outcomes

I.A.2 Ancillary Outcomes

In an effort to measure and report on the attendant benefits of employment, REDF will also include in its evaluation some of the following ancillary outcomes:

a) Criminal behavior
b) Arrests
c) Convictions / recidivism
d) Incarceration
e) Housing status
f) Mental health status
g) Substance abuse
h) Educational attainment
i) Physical health status
j) Family stability
k) Marital Status
l) Child support payments
I.A.3 Program Evaluation Methods

REDF will work with the Corporation and contracted evaluator to choose and design the most rigorous study possible that incorporates both the primary and ancillary outcomes selected from those mentioned in the previous section. Given REDF’s model, and based on REDF’s experience with measurement and evaluation, REDF believes the most appropriate type of program evaluation methodology will build the base of moderate-level evidence, employ an experimental or quasi-experimental design, and involve the use of comparison groups.

Details of our research design will be determined during the first year of the SIF grant and will depend on a number of factors, including the number of people likely to be employed and the identification of appropriate comparison groups. In choosing between the moderate evidence-level approaches outlined in the NOFA, REDF will need to weigh the trade-offs associated with the generalizability of the results because of its program’s explicit goal of developing a replicable nonprofit social enterprise model.

I.B. Addressing Deficiencies in Past Evaluation Efforts

Participating in the SIF presents a unique opportunity to address deficiencies in REDF’s past evaluation efforts. Having learned from these efforts, REDF is now prepared to participate in a quasi-experimental comparison group study that: 1) builds on REDF’s prior experiences with data collection, tracking, and working with an evaluator to collect pre- and post-test data, 2) leverages its current work tracking social enterprise employees over time through Efforts to Outcomes (ETO), and 3) utilizes advances in data systems that make this kind of evaluation more viable.

Working with REDF’s selected evaluator to address loss-to-follow-up and the resulting response bias will be an important part of the SIF program’s evaluation design, as it is with any longitudinal research
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with a similar population. REDF's review of recent research conducted by MDRC, Mathematica, and other evaluators working in the field, as well as discussions with these evaluators, indicate that follow-up rates have been improved in recent rigorous evaluations as a result of advances in web-based data systems as well as the use of federal management information systems such as the HUD Homelessness Management Information System (HMIS).

Additionally, REDF believes that access to public records on employment, arrests and convictions, recidivism and parole, incarceration, receipt of welfare/general assistance, use of public hospitals and emergency rooms, use of publically funded substance abuse treatment, institutionalization, use of homeless services, and child support payment data can inform its evaluation design. These systems and records have been and can be used to track key outcomes and to locate individuals so that they can be invited to participate in follow up interviews. REDF will work with the evaluator to ensure that appropriate human subjects protection and privacy rights are also respected, ensuring that any follow-up using these methods is appropriate.

I.C. Capturing the Ancillary Benefits of Employment
REDF will monitor and report on ancillary outcomes, described in Section I.A.2. above, as part of its ongoing performance data collection. The methodologies and public sources described in Section I.B will be used as available/appropriate.

Additionally, REDF is interested in capturing self-reported data, collected through interviews, which convey social enterprise employees' perspectives on what is most important to them about their work and the changes in their lives that they perceive as most compelling. REDF's current ETO data collection, for example, asks subjects at time of hire what they are most looking forward to about their new job. REDF will incorporate specific questions on these less tangible benefits of work into our
I.D. REDF SIF Program Collaborating Partners

A central element of REDF's approach has always been collaboration. The strengths and roles of current and prospective partners in helping REDF achieve the outcomes proposed in its SIF application, scale the impact of its work, and develop a nationally replicable model are described in detail below. (An asterisk denotes those organizations from which REDF received letters of support for its SIF application.)

1) Association for Corporate Growth (ACG; http://www.acg.org/). ACG is the global community for middle market mergers and acquisitions dealmakers and business leaders focused on driving growth. ACG members have access to data, content, and networking to access capital, make deals, and drive corporate growth. REDF is an ACG member and a nonprofit partner of the local chapter located in San Francisco. ACG will provide access to its network of prospective business partners as REDF identifies both market niches prime for social enterprise involvement and prospective business buyers who will procure social enterprise goods and services.

2) California Department of Corrections and Rehabilitation* (CDCR: http://www.cdcr.ca.gov/). CDCR enhances public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into our communities. Working closely with CDCR, REDF has secured a total financial commitment of $2.4 million (from CDCR and the California Department of Transportation) to initiate the California replication of a highly successful social enterprise model pioneered by New York City's Center for Employment Opportunities (CEO). CDCR, with the active support of its chief executive, Secretary Matthew Cate, is actively working with REDF to assemble the resources for statewide replication.
3) California Workforce Association* (CWA; http://www.calworkforce.org/). The California Workforce Association is a non-profit membership organization that develops public policy strategies and builds local capacity to address critical workforce issues. CWA represents the 49 Workforce Investment Boards, over 200 One-Stop Career Centers, and other workforce development partners in California. CWA will convene and communicate with its members to help REDF and its competitively selected subgrantees implement the SIF program. CWA will connect local nonprofits, government, educational institutions, and community based organizations involved in training, education, economic development, welfare and employment with REDF, and mobilize their support and cooperation.

4) Center for Employment Opportunities (CEO; http://www.ceoworks.org/). Beginning as a demonstration project of the Vera Institute of Justice in 1996, CEO became an independent nonprofit providing comprehensive employment services to people newly released from New York prisons and detention facilities. Over the past decade it placed 10,000 formerly incarcerated persons into full-time employment. REDF and CEO initially formed a formal partnership supported by New York and California philanthropy in 2008, in order to replicate CEO’s rigorously evaluated social enterprise model in California. The partners have actively collaborated since then, engaging California local and state government, nonprofits and philanthropy, with start up of the first replication by the fourth quarter of 2010.

5) NISH/AbilityOne Pacific West Regional Office* (NISH; http://www.nish.org/). NISH is a national nonprofit with over 1200 nonprofit affiliates across the country employing 45,000 people with disabilities each year. NISH has committed to providing business development and technical assistance to REDF and/or select subgrantees to implement REDF’s SIF proposal. NISH noted in its letter of support that, "We can support REDF to create scalable business models for its subgrantees."
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6) San Francisco Mayor's Office of Economic and Workforce Development (MOEWD; http://www.oewd.org/). MOEWD operates 7 One Stop Career Link Centers that connect San Francisco residents with job search resources, case management, training, and job search assistance. MOEWD also staffs the Local Workforce Investment Board that sets San Francisco's workforce policy. MOEWD commits to connecting San Francisco residents with the social enterprise development programs that are funded through this [SIF] initiative, and will provide facilities and space for outreach efforts that the funded organizations will conduct at San Francisco One Stops.

7) United Way of Greater Los Angeles* (UWGLA; http://www.unitedwayla.org/). The Los Angeles Workforce Funder Collaborative is a project of UWGLA that it will leverage to educate local funders about social enterprise and how they might consider aligning their own investments with it. Further, UWGLA will work with REDF to broadcast the availability of SIF subgrants through its network of over 200 nonprofit organizations, and will inform REDF about Los Angeles workforce programs and economic trends. UWGLA has further committed to review applications of local nonprofits for REDF SIF subgrants.

8) Bay Area Workforce Funding Collaborative (BAWFC; http://www.sff.org/programs/community-development/bawfc). The BAWFC is a partnership of 13 philanthropic foundations, the California Employment Development Department, and the Economic and Workforce Development Division of the California Community Colleges System, which leverages public and private resources to support high quality job training programs and improve workforce development practices in the Bay Area and throughout California. REDF will leverage the BAWFC's network of funders and practitioners similarly to the UWGLA description above.
Narratives

In addition to these collaborating partners, REDF received letters in support of its SIF application from the following funders (with specific opportunities summarized in parenthesis): The California Endowment (TCE has recently made a 10-year commitment to invest in 14 communities in California as part of its Building Healthy Communities initiative. Because there is significant overlap between these communities and the geographies proposed in REDF's SIF program, TCE has expressed an interest in partnering with REDF's SIF program to maximize these local investments); Fresno Regional Foundation (FRF has committed to assisting REDF with the selection of SIF subgrantees in Fresno and inviting those selected to apply for funding through FRF's competitive grant cycle); Mitchell Kapor Foundation (a current REDF funder, MKF has pledged to support the work of REDF SIF subgrantees); Walter & Elise Haas Fund (a current REDF funder, that also funds several of REDF's grantees, has committed to enhance this collaboration if REDF is awarded a SIF grant).

I.E. Funding for Trial Portfolio Grants

REDF will use non-CNCS funding (including, but not limited to, match funding) to provide grants to prospective subgrantee organizations that enter the Trial Portfolio phase of REDF's due diligence process.

I.F. Historical Success Rate of Trial Portfolio

REDF provides all of its Trial Portfolio grantees with a Trial Portfolio grant. A majority of these organizations are invited to join the REDF Portfolio through which REDF provides its longer-term support. The Trial Portfolio phase was added to REDF's due diligence process in recent years as a way of identifying potentials and risks prior to investing significantly in an organization. Since the inception of the Trial Portfolio phase, nine organizations have entered into Trial Portfolio phase and 56% of them have moved on to full portfolio engagement. REDF intends to increase that rate with additional early-stage due diligence, including our new RFQ process.
I.G. 2-3 Most Significant Organizational Capacity Challenges

I.G.1 Working Outside of the San Francisco Bay Area

REDF has over 13 years of experience with the activities proposed in this application. This experience has all come through work within the nine-county San Francisco Bay Area. Replicating REDF's unique model outside of this geography will require REDF to develop additional methodologies for monitoring grants and delivering business assistance to subgrantees. REDF's well-developed systems for selecting grantees, mutually identifying goals, processing grants, delivering technical assistance, and deploying measurement support will be tested as REDF expands its work to new communities. In particular, REDF will need to increase its capacity to provide its highly customized, hands-on assistance to its subgrantees. This is a critical component of REDF's social enterprise model and central to its success.

To mitigate this challenge, REDF will utilize many of the collaborating partners referred to throughout its SIF application. REDF will develop well-articulated formal agreements with these partners, outlining how they will assist with identifying subgrantees in their local communities and identifying sources of matching funds to meet the SIF requirements, while providing a conduit for REDF's business assistance to ensure its high quality and effectiveness. REDF will also assign staff explicitly to the task of business assistance in other locales. As detailed extensively in REDF's application, once awarded a SIF grant, REDF will issue an RFQ to identify prospective SIF subgrantees. REDF will leverage the expansive network of its partners to ensure that the outreach and selection process is comprehensive. REDF's President will bring to bear fifteen years of prior experience advancing and overseeing successful California (and national) replication of an innovative nonprofit model (supportive housing).

I.G.2 Maintaining High Staff Quality While Expanding

Throughout its history, REDF has carried out its mission while maintaining a relatively small staff of
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high-quality, experienced professionals. As an intermediary, REDF has been able to attract talent from across sectors--business, government, and nonprofit--which has contributed greatly to the organization's success by leveraging the knowledge, skills, and experiences unique to each. Currently, REDF employs 13 full-time staff and augments their invaluable contributions with between 7-10 MBA interns and fellows annually, who provide material support to REDF and its grantees through REDF's signature Farber Program. This staffing pattern, while appropriate for regional programs, will need to be changed and supplemented for state-wide implementation. To meet the objectives of its ambitious SIF program, REDF must increase its staff size and skill set in order to catalyze greater impact as it replicates its model and approach throughout California. To maintain the excellence of its program, REDF's growth must be driven by the right people, in the right positions, and at the right time.

One immediately mitigating factor is the Corporation's consideration of committing two years of SIF funding in this year's award. As detailed in the revised budget, REDF will ramp up its staffing commensurate with the investment it anticipates making. This means that REDF's portfolio staff will grow over the two years as REDF anticipates working with 7-9 competitively selected subgrantees by that time. REDF will also dedicate a discrete position to oversee and train those staff members and contracted consultants supporting subgrantees outside of the nine-county San Francisco Bay Area. To fill these and other new positions, REDF will recruit heavily from its experienced and talented pool of Farber Program alumni--a number of whom already work or consult with REDF. These individuals are uniquely qualified to assist REDF subgrantees as they have first-hand experience with REDF's social enterprise model. Additionally, REDF will leverage its long-standing relationships with business schools, management consulting firms, and other nonprofit and public sector partners to identify and select the most qualified candidates.

II. Budget Issues for Clarification
Narratives

In response to the Corporation's request, REDF has made a number of changes to its budget to reflect both the material variance in the amount of Federal funds originally requested and the amount under current consideration, and the two-year nature of the proposed commitment. In total, REDF's two-year SIF program budget is $11,218,541. REDF is applying to the Corporation for $3,000,000 (27%) of the program's total cost. Of this amount, $2,400,000 (80%) will be provided in grants to a competitively selected portfolio of subgrantees; $450,000 (15%) will fund SIF program activities, including the provision of technical assistance, subgrantee monitoring, and evaluation and measurement; and $150,000 (5%) will support the SIF program's indirect costs. No Federal funds will be used for lobbying or fundraising.

The following narrative sections describe the most significant changes and address those issues specifically highlighted in the clarification letter. Changes to actual dollar values and, as appropriate or requested, changes to descriptions of budget items have been made in eGrants.

II.A. Key Program Staff: Descriptions and Functions

Providing grants and technical assistance that builds the capacity of nonprofit organizations to operate successful social enterprises and evaluating the impact of this investment is REDF's core business. As such, REDF's experienced program staff comprises the largest "department" in REDF and accounts for a significant portion of the total non-grantmaking budget. In the first year of SIF funding, REDF will rely primarily on its 10 current program staff to carry out the key activities proposed in the SIF application. The following staff positions, and corresponding functions, are the cornerstone for a successful SIF program:

1) Managing Director of Programs -- The Managing Director of Programs is responsible for the oversight of REDF's core programs: Social Enterprise Employment and Leadership, Innovation, and Impact (LII).
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She provides senior advisor guidance to REDF’s employment programs and oversees the development of REDF publications and presentations to promote progress in the fields of philanthropy, social enterprise, and nonprofit capacity-building. She also oversees the codification of REDF’s business assistance best practices and tools. She serves as REDF’s point person for SROI history and drives REDF’s SROI planning and implementation.

2) Portfolio Director -- The Portfolio Director oversees the range of business assistance provided to REDF’s grantees and the development of a pipeline of prospective grantees. The Portfolio Director manages relations with all REDF grantee organizations, and ensures the high quality and appropriate standardization of the business assistance delivered to them. Among other responsibilities, the Portfolio Director plans and completes projects for individual social enterprises in a range of business analysis, operations, and planning areas, and ensures that grantee pipeline processes and criteria are aligned with overall REDF strategies.

3) Business Development Director -- A new position at REDF, the Business Development Director, a non-fundraising position, will work closely with REDF’s portfolio of social enterprises, taking the lead in finding and developing strategic business partnerships and contract and vendor opportunities to increase social enterprise sales and scale. The Business Development Director is responsible for developing and implementing strategies to identify opportunities and cultivate / broker strategic relationships between potential public and private sector buyers and social enterprises. NOTE: In the original budget, this role was included in responsibilities of the Director, Fund and Business Development position, which is now a separate position not funded by this grant.

4) Business Partnerships Manager -- The Business Partnerships Manager is responsible for providing operations business assistance and business coaching to REDF subgrantee organizations, with an
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emphasis on coaching and guidance for business start-ups, ongoing enterprises' operations improvements, and youth employment. Additionally, the Business Partnerships Manager is REDF's lead on the California replication of the Center for Employment Opportunity's successful social enterprise model.

5) Enterprise Development Manager -- The Enterprise Development Manager assists individual grantee social enterprises by providing business mentoring and hands-on assistance via projects such as market research, business plan design, and financial analysis. The Enterprise Development Manager also participates in REDF's grantee pipeline development, Farber Program, and tool development.

6) Portfolio Associate -- The Portfolio Associate is a full-time, one year position in REDF's Portfolio Team, responsible for completing technical aspects of strategic business assistance projects with grantee organizations, conducting research and analysis for REDF program design, managing grantee due diligence data and processes (including data systems, trend analysis, and reporting), and codifying lessons learned for dissemination to the field.

7) Beyond Bay Area Portfolio Manager -- A new position at REDF, the Beyond Bay Area Portfolio Manager will provide oversight and training to those staff members and contracted consultants supporting subgrantees outside of the nine-county San Francisco Bay Area. The Beyond Bay Area Portfolio Manager is charged with assuring that the high quality of REDF's business assistance and analysis is maintained and strengthened as it is deployed throughout the state.

8) Manager of Research and Evaluation -- The Manager of Research and Evaluation plans and manages REDF's evaluation and outcomes measurement activities related to its grantees and their social enterprise employees. She determines the definitions and appropriate metrics for social outcome
measurement, and oversees the implementation of the processes and systems for capturing these data, and verification of data integrity. She oversees and coordinates the rigorous analysis of REDF grantee data, the evaluation of REDF progress against goals, and the application of REDF and non-REDF data to support appropriate policies and practices.

9) Measurement Associate -- Under the supervision of REDF's Manager of Research and Evaluation, the new Measurement Associate provides social outcomes database and systems implementation, including tracking and ensuring timelines and deliverables. S/he also manages grantee communications and inquiries relating to measurement and implementation and the data and system(s) associated with REDF-specific goals.

10) Farber Intern and Policy Intern -- REDF attracts business school students and graduates to its program providing work in internship and fellowship positions on time-bound projects of value to REDF and its grantees. REDF also utilizes existing public policy internship programs to attract interns who work on system change initiatives that help optimize the operating environment and market for social enterprise efforts.

Though not 100% engaged in REDF's SIF program, the following positions play a vital role in supporting the overall objectives of the program by providing vision and leadership, fiscal oversight, and technology supports.

1) President -- REDF's President oversees all of REDF's activities and, together with REDF's Board of Directors, sets the organization's vision and strategic direction. The President leads the implementation of REDF's strategy and strategic plan to accomplish REDF's mission. In direct support of the REDF's SIF program, the President initiates and negotiates relationships with collaborating partners, ensures
Narratives

the program’s overall accountability to its stakeholders (including the Corporation) and supervises key program staff.

2) Director of Operations and Communications -- As detailed extensively in Section II.B.1 of REDF’s SIF application, the Director of Operations and Communications, supervised by the President, manages REDF’s administrative and accounting systems and is the key staff member responsible for the fiscal oversight of REDF’s SIF grant and subsequent grantmaking activities. She also coordinates activities related to REDF’s communications strategy, including REDF community relations, publishing, and the REDF website.

3) Online Communications Coordinator -- The Online Communications Coordinator supports the REDF team by providing operational support and by coordinating REDF’s online communications, primarily as related to our website. Of particular relevance to REDF’s SIF program is the maintenance, by this position, of REDF’s intranet which houses REDF tools for providing business assistance as well as all electronic templates for drafting subgrantee MOUs and workplans, job descriptions, and other pertinent documents and files critical to the implementation of REDF’s SIF program.

II.B. Budget for Design Phase of Evaluation

As stated previously in this narrative, in Year 1, REDF will engage a national evaluation firm with significant expertise in workforce development and transitional employment programs to undertake a full program evaluation design including measures, methods for selecting comparisons, etc. The estimated cost of this contract is $75,000.

II.C. Requested Budget Clarification

II.C.1 Travel
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This line item has been restated in the budget narrative as explicit trips related to REDF travel for both national convenings related to REDF's SIF program and to support subgrantee organizations.

II.C.2 Supplies (and Various)
The missing values have been replaced in the budget narrative.

II.C.3 Consultants
Distinct Contractual and Consultant Services are now listed as separate line items in the budget narrative.

II.D. Description of M&G Allocation Process
REDF does not have any Federal Funding and therefore does not have a Cognizant Agency negotiated and approved Indirect Cost Rate. However, REDF uses the Direct Allocation Method as outlined under OMB A-122, Attachment A, Section D. 4. REDF allocates its administrative costs (less unallowable costs) to Program, Fundraising and M&G using staff effort as a basis. The indirect cost is calculated by taking the M&G, after allocation (less unallowable costs), and dividing it by total Program and Fundraising. Since cost components are adjusted in the revised budget, the indirect cost percentage, by nature, is different than in the original application. In addition, since REDF anticipates an increase in SIF Program costs in Year 2, the rate for Year 2 is also different than Year 1. The rate for Year 1 is now 13.56% and the Year 2 rate is 11.58%. In its revised budget, REDF has presented a rate on the application that represents a two-year indirect cost calculation; the calculation is described in the revised application.

II.E. Other Notable Budget Changes
II.E.1 Background Checks
REDF's revised SIF program budget includes an "Other Cost" line item called "Background Checks." This cost was calculated with a researched estimate of background checks at $200 per individual for approximately 5 individuals per sub-grantee plus background checks for all REDF program staff. The estimate for Year 1 is $10,000. Costs in Year 2 are estimated at $2,000 to accommodate staff at additional subgrantee organizations.
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Round 1 Clarification Questions:

1. You propose to generate “moderate evidence from a rigorous evaluation study” (page 9) and indicate you are “prepared” to work with the Corporation on such a study. What outcomes do you hypothesize will be examined and what research approaches are you considering? Where in your budget are resources for the initial work to design this evaluation? If you have not budgeted for this expense please do so in your revised budget.

2. You note that a recent evaluation (by BTW Consultants) was hampered by the lack of a comparison group, the loss to follow-up and response bias. Please discuss how you propose to address these deficiencies, and especially, how you propose to improve the longitudinal tracking of beneficiaries’ job retention and other outcomes.

3. How do you propose to capture the ancillary benefits of employment in terms of health, housing, family stability and other issues?

4. You list a number of collaborating partners, but do not describe their role in your SIF. Please describe what commitments they have made, what strengths they bring, and how you propose to leverage these strengths.

5. From where will funding for two-month “Trial Portfolio” grants be pulled (Federal or match)?

6. Historically, what percentage of your Trial Portfolio grantees end up not receiving a full grant?

7. Please discuss the two or three most significant organizational capacity challenges you will face as a SIF grantee.

Budget Clarification:

Given the variance between the amount of Federal funds you requested and the amount you are currently being considered for, we ask that you revise your budget in its entirety to reflect the scaled back size of your SIF.

Costs included in Federal grant budgets must meet the standards of reasonable and necessary as described in the Office of Management and Budget Cost Principles (OMB Circular A-122 for non-profit organizations). In order to meet the reasonable and necessary standard, provide additional justification for the items described below.

1. The number of staff proposed in the budget appears high for the proposed program. Please provide descriptions of the functions of the staff position and their necessity under the program design or reconsider the number of positions and adjust the budget accordingly.

2. If you have not yet done so, please budget for the design phase of your proposed rigorous evaluation study.

3. Under C. Travel, please provide a calculation for the $15,000 allocated to subgrantee travel, i.e., number of trips x costs for transportation, lodging, meals.

4. Under E. Supplies, due to font translation, the percentage on the budget narrative appears as A%. Please identify the percentage number. This also occurs in other budget line items. Please review the printed budget narrative and identify the percentage wherever the number appears as “A.”
5. Under F. Consultants, please break out the different consultants into separate line items and provide calculations for numbers of anticipated hours and daily rate.

6. The budget includes a percentage for management and general (M&G) as an indirect costs. If you have a negotiated federal indirect cost rate with another federal agency, please send it to the Corporation. If you do not have a negotiated indirect cost rate, please send a description of your allocation process that identifies how you calculate the 11.6% for M & G. Also, please be aware that Federal grant funds may not be used to raise funds. If your M & G percentage includes these costs, you must adjust the amount budgeted to delete the portion associated with fundraising. Lobbying is also a prohibited activity. You must also delete the portion of any costs included in M & G for lobbying.

Round 2 Clarification Questions:

Budget Clarification

1. Your revised budget and budget narrative highlights 9 full-time staff positions and 2 interns dedicating 100% of their time to SIF-funded activities. Please confirm that they will not be putting any work time into non-SIF activities. If these positions are also responsible for subgrants outside of the SIF grants, you cannot allocate 100% of their time to the SIF grant. You would need to estimate the percentage of time they will spend on other subgrant activities and decrease the time allocated on the SIF grant by that percentage.

2. You have included the amount for Year 2 as a lump sum in one line item. If approved for a grant, we will condition it to require the full allocation within thirty days of grant award. No action is required on your part at this time.
2010 Social Innovation Fund

REDF

Section 3 – Budget
**Section I. Program Costs**

<table>
<thead>
<tr>
<th>A. Project Personnel Expenses</th>
<th>B. Personnel Fringe Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amt</td>
<td>$1082,800</td>
</tr>
<tr>
<td>CNCS Share</td>
<td>114,000</td>
</tr>
<tr>
<td>Grantee Share</td>
<td>968,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA</td>
<td>74,516</td>
<td>7,854</td>
<td>66,662</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>76,101</td>
<td>7,993</td>
<td>68,108</td>
</tr>
<tr>
<td>Retirement</td>
<td>21,857</td>
<td>2,265</td>
<td>19,392</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>1,693</td>
<td>173</td>
<td>1,515</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$173,967</strong></td>
<td><strong>$18,290</strong></td>
<td><strong>$155,677</strong></td>
</tr>
</tbody>
</table>

| C. Travel                             | 25,000| 2,500      | 22,500        |
| D. Equipment                          | 0     | 0          | 0             |
| E. Supplies                           | 7,000 | 1,000      | 6,000         |
| F. Contractual and Consultant Services| 600,000| 47,710     | 552,290       |
| H. Other Costs                        | 5,854,417| 1,486,500 | 4,437,917     |
| Subgrants                             | 2,100,000| 1,200,000 | 900,000       |
| **Total**                             | **$7,854,417** | **$2,686,500** | **$5,287,917** |

| **Section I. Subtotal**                | **$9,843,184** | **$2,850,000** | **$6,993,184** |

<table>
<thead>
<tr>
<th>J. Federally Approved Indirect Cost Rate</th>
<th>Indirect Costs</th>
<th>Total Amt</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,230,398</td>
<td>$1,230,398</td>
<td>$150,000</td>
<td>$1,080,398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,230,398</strong></td>
<td><strong>$150,000</strong></td>
<td><strong>$1,080,398</strong></td>
<td></td>
</tr>
</tbody>
</table>

| **Section II. Subtotal**                | **$1,230,398** | **$150,000** | **$1,080,398** |

| **Budget Totals**                       | **$11,073,582** | **$3,000,000** | **$8,073,582** |

| **Funding Percentages**                | 27.1% | 72.9% |

| **Required Match**                     | n/a   | n/a   |

| **# of years Receiving CNCS Funds**    | n/a   | n/a   |
2010 Social Innovation Fund

REDF

Section 4 – Budget Narrative
# Budget Narrative: REDF for REDF

## Section I. Program Costs

### A. Project Personnel Expenses

<table>
<thead>
<tr>
<th>Position/Title - Qty - Annual Salary - % Time</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>President: - 1 person(s) at 176000 each x 75 % usage</td>
<td>13,000</td>
<td>119,000</td>
<td>132,000</td>
</tr>
<tr>
<td>Managing Director of Programs: - 1 person(s) at 152000 each x 95 % usage</td>
<td>15,000</td>
<td>129,400</td>
<td>144,400</td>
</tr>
<tr>
<td>Portfolio Director: - 1 person(s) at 133000 each x 95 % usage</td>
<td>13,000</td>
<td>113,350</td>
<td>126,350</td>
</tr>
<tr>
<td>Business Partnerships Manager: - 1 person(s) at 122000 each x 95 % usage</td>
<td>12,000</td>
<td>103,900</td>
<td>115,900</td>
</tr>
<tr>
<td>Business Development Director: - 1 person(s) at 120000 each x 95 % usage</td>
<td>12,000</td>
<td>102,000</td>
<td>114,000</td>
</tr>
<tr>
<td>Enterprise Development Manager: - 1 person(s) at 103000 each x 95 % usage</td>
<td>10,000</td>
<td>87,850</td>
<td>97,850</td>
</tr>
<tr>
<td>Director, Operations and Communications: - 1 person(s) at 103000 each x 35 % usage</td>
<td>4,000</td>
<td>32,050</td>
<td>36,050</td>
</tr>
<tr>
<td>Beyond Bay Area Portfolio Manager: - 1 person(s) at 80000 each x 95 % usage</td>
<td>8,000</td>
<td>68,000</td>
<td>76,000</td>
</tr>
<tr>
<td>Portfolio Associate: - 1 person(s) at 76000 each x 95 % usage</td>
<td>8,000</td>
<td>64,200</td>
<td>72,200</td>
</tr>
<tr>
<td>Manager of Research and Evaluation: - 1 person(s) at 68000 each x 95 % usage</td>
<td>7,000</td>
<td>57,600</td>
<td>64,600</td>
</tr>
<tr>
<td>Measurement Associate: - 1 person(s) at 60000 each x 95 % usage</td>
<td>6,000</td>
<td>51,000</td>
<td>57,000</td>
</tr>
<tr>
<td>Online Communications Coordinator: - 1 person(s) at 53000 each x 50 % usage</td>
<td>3,000</td>
<td>23,500</td>
<td>26,500</td>
</tr>
<tr>
<td>Farber Intern: - 2 person(s) at 8000 each x 95 % usage</td>
<td>2,000</td>
<td>13,200</td>
<td>15,200</td>
</tr>
<tr>
<td>Policy Intern: - 1 person(s) at 5000 each x 95 % usage</td>
<td>1,000</td>
<td>3,750</td>
<td>4,750</td>
</tr>
<tr>
<td><strong>CATEGORY Totals</strong></td>
<td><strong>114,000</strong></td>
<td><strong>958,300</strong></td>
<td><strong>1,082,800</strong></td>
</tr>
</tbody>
</table>

### B. Personnel Fringe Benefits

<table>
<thead>
<tr>
<th>Purpose - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA: The aggregate of each SIF Salary Line item multiplied by 1.45% on all wages for Medicare and 6.20% on all Wages up to $106,800 for Social Security.</td>
<td>7,854</td>
<td>56,662</td>
<td>74,516</td>
</tr>
<tr>
<td>Health Insurance: The annual cost of employer-paid Employee Life insurance for all staff represented on this application.</td>
<td>7,993</td>
<td>68,108</td>
<td>76,101</td>
</tr>
<tr>
<td>Retirement: The annual cost of employer-paid 401(k) Matching Contributions for all staff represented on this application.</td>
<td>2,265</td>
<td>19,392</td>
<td>21,657</td>
</tr>
<tr>
<td>Life Insurance: The annual cost of employer-paid Employee Life Insurance for all staff represented on this application.</td>
<td>178</td>
<td>1,515</td>
<td>1,693</td>
</tr>
</tbody>
</table>
### C. Travel

<table>
<thead>
<tr>
<th>Purpose - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel (Including Transportation, Stay and Per Diem): 6 national meetings with other industry experts to supplement replication of the enterprise model in California @2,000 per meeting = 10,000; and 20 meetings to support sub-grantees throughout California @750 per meeting = 15,000</td>
<td>2,500</td>
<td>22,500</td>
<td>25,000</td>
</tr>
</tbody>
</table>

**CATEGORY Totals**

<table>
<thead>
<tr>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500</td>
<td>22,500</td>
<td>25,000</td>
</tr>
</tbody>
</table>

### D. Equipment

<table>
<thead>
<tr>
<th>Item/Purpose - Qty - Unit Cost</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment - Based on REDF's initial program budget, REDF does not anticipate purchasing any equipment that's capitalized at 5,000 or more.: - 0 x 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**CATEGORY Totals**

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

### E. Supplies

<table>
<thead>
<tr>
<th>Item - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Supplies: Allocated based on this program's FTEs as a percentage of total organization FTEs (61%); 61% x total org. Office Supplies of 10,936 = 7,000</td>
<td>1,000</td>
<td>6,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>

**CATEGORY Totals**

<table>
<thead>
<tr>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>6,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>

### F. Contractual and Consultant Services

<table>
<thead>
<tr>
<th>Purpose - Calculation</th>
<th>CNCS Share</th>
<th>Grantee Share</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing expertise in targeted industries for sub-grantee startup and expansion (e.g. construction, recycling, waste management, natural resources and conservation): 4 Consultants @125 Per Hour @540 Hours Per Consultant</td>
<td>22,710</td>
<td>247,290</td>
<td>270,000</td>
</tr>
<tr>
<td>Due Diligence and Potential Limited Scope Audits of Sub-Grantees: 2 Consultants @100 Per Hour @425 Hours Per Consultant</td>
<td>6,000</td>
<td>79,000</td>
<td>85,000</td>
</tr>
<tr>
<td>Business Market Development for Enterprise Contracts: 2 Consultants @100 Per Hour @425 Hours Per Consultant</td>
<td>6,000</td>
<td>79,000</td>
<td>85,000</td>
</tr>
<tr>
<td>Public Policy Expertise: 1 Consultant @100 Per Hour @425 Hours</td>
<td>4,000</td>
<td>38,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Integration of Sub-Grantees Program and Financial Systems to Facilitate Monitoring of Program Cost-Benefit: 1 Consultant @100 Per Hour @425 Hours</td>
<td>4,000</td>
<td>38,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Contract with national evaluation firm for a full design including measures, methods for selecting comparisons, etc.: Total Firm Time @150 Per Hour @500 Hours</td>
<td>5,000</td>
<td>70,000</td>
<td>75,000</td>
</tr>
</tbody>
</table>
### 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>1,200,000</td>
<td>900,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>Accounting Services - For Sub-Grantee Financial and Compliance Systems Reviews:</td>
<td>2,000</td>
<td>13,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Dues - For Trade Association Dues and Publications:</td>
<td>500</td>
<td>1,500</td>
<td>2,000</td>
</tr>
<tr>
<td>Legal Services - For Sub-Grantee Contract Template Reviews:</td>
<td>1,000</td>
<td>4,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Marketing and Outreach Materials - For REDF and Sub-Grantee Programs:</td>
<td>6,000</td>
<td>36,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Interview Incentives - For Sub Grantee Client Interview Supporting Evaluation Process:</td>
<td>1,000</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Payroll Service Fees - Allocated based on this program's FTEs as a percentage of total organization FTEs (81%); 61% x total org. Payroll Service Fees of 36,938 = 22,000:</td>
<td>3,000</td>
<td>19,000</td>
<td>22,000</td>
</tr>
<tr>
<td>Sub-Grantee and Field Building Convenings and Trainings:</td>
<td>8,000</td>
<td>47,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Publication - For Disseminating Evaluation and Field Building Publications:</td>
<td>1,000</td>
<td>6,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Recruiting - For SIF Program Related Staff:</td>
<td>1,000</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>Technology - Hardware/Software/Infrastructure - Allocated based on this program's FTEs as a percentage of total organization FTEs (61%); 61% x total org. amount of 36,250 = 34,000:</td>
<td>5,000</td>
<td>28,000</td>
<td>34,000</td>
</tr>
<tr>
<td>Measurement and CRM Database Development and Maintenance:</td>
<td>7,000</td>
<td>42,000</td>
<td>49,000</td>
</tr>
<tr>
<td>Website and Execution of Web Apps - For: *Informing Potential Sub-Grantees/Partners Of This Program *Facilitating Community Awareness/Community Forums/Blogs *Storing Publications:</td>
<td>4,000</td>
<td>21,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Background Checks (in Accordance With &quot;Kennedy Serve America Act&quot;):</td>
<td>2,000</td>
<td>8,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**Year 2 SIF Program Costs (Excluding Indirect):**

| CATEGORY Totals                     | 2,666,500  | 5,287,917    | 7,954,417    |

**SECTION Totals**

| 2,850,000 | 6,993,184 | 9,843,184 |

**PERCENTAGE**

| 29%       | 71%       |

### 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>Total Direct Costs: For 2 Years, M&amp;G less unallowable expenses = 1,352,152 divided by Program &amp; Fundraising Expenses (10,859,964)-with a</td>
<td>150,000</td>
<td>1,080,398</td>
<td>1,230,398</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category Totals</th>
<th>150,000</th>
<th>1,080,398</th>
<th>1,230,398</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section Totals</td>
<td>150,000</td>
<td>1,080,398</td>
<td>1,230,398</td>
</tr>
<tr>
<td>PERCENTAGE</td>
<td>12%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>BUDGET Totals</td>
<td>3,000,000</td>
<td>8,073,582</td>
<td>11,073,582</td>
</tr>
<tr>
<td>PERCENTAGE</td>
<td>27%</td>
<td>73%</td>
<td></td>
</tr>
</tbody>
</table>

### Source of Funds

<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></td>
<td>Cash On Hand portion of 1:1 Match Requirement (meeting the requirement of having at least 50% of the match currently on-hand):</td>
<td>1,500,000</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Pledged portion of 1:1 Match Requirement</td>
<td>1,000,000</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Remaining 1:1 Match Requirement plus additional funds from non-Federal sources such as foundations and private donors:</td>
<td>5,573,582</td>
<td>Cash</td>
<td>Private</td>
</tr>
<tr>
<td>Total Source of Funds</td>
<td></td>
<td>8,073,582</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>