

Corporation for National and Community Service

2010 Social Innovation Fund

Venture Philanthropy Partners

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2010 Social Innovation Fund
Venture Philanthropy Partners
Section 1 – Application

PART I - FACE SHEET

APPLICATION FOR FEDERAL ASSISTANCE <small>Modified Standard Form 424 (Rev.02/07 to confirm to the Corporation's eGrants System)</small>		1. TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Non-Construction														
2a. DATE SUBMITTED TO CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS): 04/07/10	3. DATE RECEIVED BY STATE:	STATE APPLICATION IDENTIFIER:														
2b. APPLICATION ID: 10SI114924	4. DATE RECEIVED BY FEDERAL AGENCY: 04/07/10	FEDERAL IDENTIFIER: 10SIHDC002														
5. APPLICATION INFORMATION																
LEGAL NAME: Venture Philanthropy Partners DUNS NUMBER: 054102939 ADDRESS (give street address, city, state, zip code and county): 1201 15th Street NW Suite 420 Washington DC 20005 County: District of Columbia	NAME AND CONTACT INFORMATION FOR PROJECT DIRECTOR OR OTHER PERSON TO BE CONTACTED ON MATTERS INVOLVING THIS APPLICATION (give area codes): NAME: Victoria Vrana TELEPHONE NUMBER: (202) 955-8085 FAX NUMBER: (202) 955-8087 INTERNET E-MAIL ADDRESS: vvrana@vppartners.org															
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 311713618	7. TYPE OF APPLICANT: 7a. Non-Profit 7b. Community-Based Organization															
8. TYPE OF APPLICATION (Check appropriate box). <input checked="" type="checkbox"/> NEW <input type="checkbox"/> NEW/PREVIOUS GRANTEE <input type="checkbox"/> CONTINUATION <input type="checkbox"/> AMENDMENT If Amendment, enter appropriate letter(s) in box(es): <input type="text"/> <input type="text"/> A. AUGMENTATION B. BUDGET REVISION C. NO COST EXTENSION D. OTHER (specify below):	9. NAME OF FEDERAL AGENCY: Corporation for National and Community Service															
10a. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 94.019 10b. TITLE: Social Innovation Fund	11.a. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: youthCONNECT 11.b. CNCS PROGRAM INITIATIVE (IF ANY): SIF - Geographic Youth															
12. AREAS AFFECTED BY PROJECT (List Cities, Counties, States, etc): The Nation Capital Region is defined as the District of Columbia and surrounding areas including: Montgomery and Prince George's Counties, Maryland; Arlington, Loudoun, Prince William, and Fairfax Counties, Virginia; and the cities of Alexandria	13. PROPOSED PROJECT: START DATE: 09/30/10 END DATE: 09/30/11 14. CONGRESSIONAL DISTRICT OF: a.Applicant b.Program															
15. ESTIMATED FUNDING: Year #: <input type="text" value="1"/>	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? <input type="checkbox"/> YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE: <input checked="" type="checkbox"/> NO. PROGRAM IS NOT COVERED BY E.O. 12372															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">a. FEDERAL</td> <td style="text-align: right;">\$ 4,000,950.00</td> </tr> <tr> <td>b. APPLICANT</td> <td style="text-align: right;">\$ 4,008,185.00</td> </tr> <tr> <td>c. STATE</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>d. LOCAL</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>e. OTHER</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>f. PROGRAM INCOME</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>g. TOTAL</td> <td style="text-align: right;">\$ 8,009,135.00</td> </tr> </table>	a. FEDERAL	\$ 4,000,950.00	b. APPLICANT	\$ 4,008,185.00	c. STATE	\$ 0.00	d. LOCAL	\$ 0.00	e. OTHER	\$ 0.00	f. PROGRAM INCOME	\$ 0.00	g. TOTAL	\$ 8,009,135.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> YES If "Yes," attach an explanation. <input checked="" type="checkbox"/> NO	
a. FEDERAL	\$ 4,000,950.00															
b. APPLICANT	\$ 4,008,185.00															
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e. OTHER	\$ 0.00															
f. PROGRAM INCOME	\$ 0.00															
g. TOTAL	\$ 8,009,135.00															
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.																
a. TYPED NAME OF AUTHORIZED REPRESENTATIVE: Victoria Vrana	b. TITLE: Vice President, Assessment	c. TELEPHONE NUMBER: (202) 955-8085														
d. SIGNATURE OF AUTHORIZED REPRESENTATIVE:		e. DATE SIGNED: 07/09/10														

Narratives

Executive Summary

Venture Philanthropy Partners ("VPP")

VPP applies as a geographically-based SIF (youth development and school support), targeting the Washington, DC metropolitan area (the "National Capital Region," "NCR" or "Region").

VPP requests \$10 million from SIF over five years, specifically \$2 million for Year One.

Yes, VPP is applying with pre-selected subgrantees (Four: College Summit-NCR \$372,000; KIPP DC \$656,000; Latin American Youth Center, "LAYC" \$500,000; and Year Up NCR \$207,000).

The Venture Philanthropy Partners Social Innovation Fund Initiative, "youthCONNECT" or "Initiative," is a pioneering philanthropic effort that aligns public-private capital, evaluation experts and innovative social sector organizations. youthCONNECT will demonstrate that the intractable and complex challenge of vulnerable youth--14- to 24-year-olds from low-income families who are inadequately prepared for successful adulthood--can be addressed in the NCR through an integrated approach and expanded regionally and nationally.

VPP will leverage SIF funding with its own \$10 million investment to catalyze a network ("Network") of nonprofits with promising and proven programs across a continuum of need, to help low-income youth achieve measurable success in education and employment. youthCONNECT pre-selected subgrantees are poised to directly serve 13,000 additional youth and the total reached will exceed 20,000 as additional subgrantees join the Network through open competition.

VPP is a philanthropic investment organization that concentrates growth capital, strategic assistance

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and leverage to improve the lives of children and youth of low-income families in the NCR. Ten years ago, VPP pioneered high-engagement philanthropy. Its investment of over \$30 million in NCR nonprofits increased service to more than 16,000 more children and youth. It has developed a proven investment approach, an engaged investor community and deep knowledge of the formal and informal regional systems that nonprofits must navigate in order to expand. youthCONNECT is a natural evolution of VPP's decade of innovation.

The youthCONNECT open competition will have two stages. In Stage One, VPP will publicly circulate a request for preliminary proposals. VPP and a panel of independent reviewers will assess each proposal and select nonprofits to receive a full RFP. In Stage Two, selected nonprofits will submit proposals with descriptions of growth plans, capacity, program evidence, evaluation plans and budgets. Proposals will be reviewed for compliance with defined and weighted criteria. VPP's evaluation advisor Child Trends will assess all evaluation plans.

VPP will support evaluation at four levels: 1. Subgrantees will contribute data to a common framework to measure success in education and employment for the target population. 2. VPP and Child Trends will also collect data across subgrantees on other outcomes, such as social behavior and civic engagement. Each subgrantee will share data in such domains where it has activities and metrics in place. Child Trends will analyze data for trends and opportunity for learning and improvement. 3. VPP will support experimental or quasi-experimental evaluation of all subgrantee youthCONNECT projects, and 4. Child Trends will conduct implementation evaluations to assess fidelity in program execution.

VPP has approximately \$30 million in net assets.

VPP has an annual grants budget of \$4.6 million.

VPP has 12 staff positions.

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VPP continuously monitors grantees' progress toward outcomes, maintains extensive internal controls and reviews accountability measures and reporting mechanisms. These measures are supported by comprehensive financial management systems and managed by VPP's experienced COO/CFO. The organization's internal systems provide fiscal oversight and fulfill the management and reporting requirements of federal grants.

VPP plans to subgrant \$1,600,000 (80%) of requested federal funds.

VPP will provide a 1:1 match of federal funds with its own unrestricted capital.

The youthCONNECT budget adequately supports VPP's program design and goals, including the open competition, up to eight subgrantee investments, a high-engagement model of strategic assistance, monitoring and reporting, compliance with federal grant requirements, extensive investment in evaluation and sector-wide information and knowledge sharing.

Program Design

A. GOALS AND OBJECTIVES

Today in our nation's capital, approximately 135,000 low-income youth are struggling to achieve a transition to thriving adulthood. Completion of post-secondary education is necessary for meaningful employment, yet the Region's disparate education and social support systems too often fail to prepare our most vulnerable youth to achieve that critical goal. Consequently, the Region loses a valuable asset--innately talented youth, who, with skills and support, would be employed adults with the potential to innovate, start small businesses and fully engage in their families and communities.

youthCONNECT aims to directly impact the education and employment outcomes of low-income youth

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by investing in a transformative portfolio of nonprofits serving youth along a continuum of need, ultimately helping them successfully transition to productive, self-sufficient adulthood that includes completion of college, meaningful employment, civic participation and productive, healthy and safe lives for themselves and their children. youthCONNECT will further demonstrate a regional, collaborative model that, through expansion, can reach thousands more youth in the NCR and around the nation.

VPP has learned that time, trust and dedication to transformative change are necessary to break the culture of competition and natural silos in the nonprofit sector that impede meaningful collaboration. VPP has selected four subgrantees ready to expand and evaluate promising innovations to their outstanding core programs. Pre-selected subgrantees share VPP's understanding of and commitment to evaluation, performance, capacity, scale and a belief that collective action will create results that are greater than any one organization could achieve alone. Up to four more nonprofits will be selected through a competitive process to fill in service gaps and strengthen the Network. Agreement to the Network vision, principles and approach will be a criterion for selection. Preselected subgrantees have aligned behind two clear goals: (1) increase education and employment outcomes for low-income youth in transition and (2) decrease the number of disconnected youth.

TARGET POPULATION AND DIMENSION OF THE CHALLENGE

youthCONNECT has defined a clear target population for this collective effort: low-income youth in the NCR, ages 14 to 24. The NCR is defined as the District of Columbia and surrounding areas including: Montgomery and Prince George's Counties, Maryland; Arlington, Loudoun, Prince William, and Fairfax Counties, Virginia; and the cities of Alexandria and Manassas, Virginia. The youthCONNECT focus population is estimated at 135,000. (Child Trends extrapolated this total from the following data: The American Community Survey, 2006-08, states the NCR population ages 15 to 24 is 581,823; therefore Child Trends's estimated population ages 14 to 24 is 640,500. Twenty-one percent of all children (0-17)

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in the NCR are from low-income families using the SIF definition of 200% or below of the Federal poverty line.)

In the first year, VPP will work with Child Trends to determine the current and comprehensive status of education and employment success, as well as indicators of "disconnection" for this population.

Subgrantees have thorough knowledge about their own populations served, but this more complete baseline will give the Network the data it needs to set clear and measurable goals to which it will hold itself accountable.

NETWORKED APPROACH TO SOCIAL CHANGE

youthCONNECT will catalyze and support a Network of subgrantees that through collective effort can develop transformative approaches to meeting critical social challenges. All subgrantees provide services to address a continuum of need of low-income youth: middle and high school education; college preparation; wrap-around support to the most "disconnected" youth; and a "reconnection" to employment and post-secondary education. The diversity of programs provides a rich base for learning, service coordination and data collection.

During the first year of youthCONNECT, VPP will facilitate a planning process to refine the broad goals of improving education and employment outcomes, create shared measures of success and develop the Network's strategies for collaboration. In VPP's experience with its investment approach, the mutual establishment of goals and outcomes increases the achievement of results and, therefore, VPP involves all subgrantees in the creation of Network milestones.

VPP has convened its pre-selected subgrantees to discuss initial concepts for how the Network will leverage the combined strengths of each nonprofit and identify areas for potential cost savings and

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efficiency gains. Initial ideas and plans include:

USE EVIDENCE AND EVALUATION IN SYSTEMATIC WAYS. The Network will generate benchmark data within a single, shared framework to create accountability for achieving outcomes. By measuring outcomes across the Network, youthCONNECT will be positioned to identify areas of strength and weakness and clarify common issues and develop shared solutions. For example, if one organization shows much stronger indicators of progress in one area, that could inform intervention practices for all organizations.

ADDRESS MORE THAN ONE CRITICAL CHALLENGE CONCURRENTLY. Because, by design, youthCONNECT subgrantees will address the continuum of needs for low-income youth, the Network will have the potential to expand solutions that support improved education and employment outcomes in the lives of 14- to 24-year-olds.

CONNECT APPROACHES AND CROSS-POLLINATE SOLUTIONS. While all subgrantees will not necessarily support the same youth, an opportunity exists for organizations to adapt promising and proven approaches across the Network. For example, LAYC has deep expertise in addressing psycho-social issues of at-risk youth and has developed a promising intervention. Other subgrantees struggle to tackle the same issues for their participants and therefore are ripe to adapt LAYC's solutions.

MINIMIZE DUPLICATION AND CREATE EFFICIENCIES. Charting the core capacities and services of each organization in the Network may allow nonprofits to ultimately integrate programs more effectively. For example, if one of KIPP DC's challenges in getting students through college includes getting them to college, College Summit's program could solve that problem.

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OVERCOME COMMON CHALLENGES. Network organizations will work to overcome funding, regulatory, talent, policy and data challenges that beset them individually. For example, some of the pre-selected subgrantees can't access valuable student data collected by the local public school systems. Collectively, the Network will have a larger voice to gain access to such critical information.

INFORM PUBLIC DISCUSSION AND EFFECT BROADER SYSTEMS CHANGE. VPP expects that youthCONNECT will ultimately provide a rich base of knowledge and information to inform what works in the social sector. youthCONNECT will work to collect and codify shared learning across the subgrantee network and distribute this rich base of knowledge to effect broader systems change. Network members will identify areas where collective advocacy will yield greater results.

HIGH-PERFORMING NONPROFITS WITH INNOVATIVE SOLUTIONS

Each of the pre-selected organizations delivers outstanding results in its core programs, but performance data has identified areas where innovation could produce even greater outcomes. Subgrantees have defined specific pilot projects that youthCONNECT funding and support will demonstrate, evaluate, and expand, to ultimately be replicated by other sites within national networks and/or adapted by other nonprofits. Two organizations, College Summit-NCR and LAYC, were previous grantees of VPP. Year Up NCR is a current grantee, and KIPP DC received business planning funding from VPP, a final stage of grantee selection.

COLLEGE SUMMIT-NCR is part of a national nonprofit that demonstrably increases college enrollment rates by building capacity within school districts to guide students through the college preparation and application process. College Summit's realization that the effort needs to begin much earlier in some schools led staff to develop a new model, "Launch," to reach students in grades 9 through 11. youthCONNECT investment will allow the organization to further grow its core services and evaluate

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and expand Launch in the NCR to serve as an effective example for other College Summit sites and similar programs.

KIPP DC, the local site of the national KIPP Foundation, is a network of college-preparatory charter schools in DC, which serves the city's poorest communities and achieves some of the best student results in the Region. However, data from other regional KIPP sites reveals a troubling trend. High-performing students from these schools are struggling to complete college. With their first class now entering college, KIPP DC is implementing a new pilot, KIPP through College ("KtC"). The program, developed in partnership with the University of Chicago, the Corporation for Enterprise Development and the United Negro College Fund, provides comprehensive support to ensure that every KIPP student has the tools and support he or she needs to succeed in college. Continued demonstration of the pilot, with support from youthCONNECT, will provide a model for other KIPP sites and schools that struggle to get their students across the college finish line.

LAYC provides culturally competent services to some of the most disconnected youth in the NCR. LAYC provides over 50 multi-lingual programs in education, workforce investment, art and media and more. Data showed LAYC that it needed a more unified approach to youth with multiple risk factors. Accordingly, program and evaluation staff developed an intensive new model for "reconnecting" youth-- Promotores--which builds on evidence-based approaches. LAYC estimates that 10 Promotores serving 250 disconnected youth in the NCR will lead to local government savings of \$16 million over the next 10 years. youthCONNECT support will allow LAYC to further evaluate and grow Promotores, providing a new solution for adaptation by others.

YEAR UP NCR, part of a national organization, is a one-year intensive training program that provides youth with technical and professional skills, college credits, an education stipend and corporate

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internships. Year Up believes it can increase retention rates and student results if it provides access to health care and education. As a result of youthCONNECT support, Year Up NCR will implement and evaluate a health education program to complement a partnership with Northern Virginia Community College and Kaiser Permanente that will provide health insurance to Year Up NCR students and eligible family members for up to three years. This pilot, once proven, can be replicated throughout Year Up nationally and adapted by other workforce development programs.

MEASUREMENT APPROACH

Evaluation and performance are critical to the success of the youthCONNECT approach. VPP is very fortunate to have Child Trends committed as its evaluation advisor and consultant for youthCONNECT. Child Trends is the nation's only nonprofit, nonpartisan research and policy center that studies children at all stages of development. It provides technical assistance to public agencies and private organizations that develop, analyze, track and use statistical indicators of child and youth well-being. The firm maintains the Child Trends DataBank (<http://ow.ly/1vAxo>), a public one-stop source for the latest national trends and research on key indicators of child and youth well-being. The Child Trends team devoted to youthCONNECT includes several of the foremost national evaluation experts on low-income youth, such as Senior Scholars Kris Moore and Karen Walker.

Child Trends has provided an initial analysis of outcomes measures used by each subgrantee and has identified common measures of success for education and employment to which all subgrantees currently track indicators. Subgrantees have agreed to provide data toward these outcomes which will be used to drive and assess progress.

Subgrantees will assess the proportion of young people in youthCONNECT programs who receive a post-secondary credential that leads to "good" jobs, those paying \$15/hour or more. Indicators of

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progress will include: (i) improved school outcomes; (ii) literacy rates; (iii) high school graduation/GED attainment; (iv) post--secondary enrollment; (v) post-secondary attendance; and (vi) attainment of postsecondary credential. Subgrantees will also report the proportion of youth who have dropped out of school to track status of disconnection.

Services that address core developmental areas of the "whole child"--social behavior and civic engagement, psychological and emotional well-being, health and safety and healthy relationships and family formation--all provide critical support and improve chances for success. Each subgrantee will contribute data on indicators to these outcomes, where it already has data collection efforts in place. Thus, the Network will seek to identify new patterns and areas for learning and improvement. Child Trends will consolidate and analyze this data on an annual basis. Child Trends has also reviewed the pre-selected subgrantees' detailed plans to conduct an experimental or quasi-experimental study on youthCONNECT programs for appropriateness and quality.

SUBGRANTEE TRACK RECORD

youthCONNECT pre-selected subgrantees have demonstrated strong track records of achieving specific results related to the measurable outcomes proposed.

COLLEGE SUMMIT-NCR assesses participant's college application, acceptance, enrollment and persistence, as well as participant levels of civic volunteerism. VPP provided financial and strategic support to expand and strengthen College Summit's capacity, with a focus on leadership, board development and program integration and accountability. This investment resulted in an increase of students served from 890 seniors to 6,000 students, grades 9-12. For the 2007-08 school year, 66 % of College Summit-NCR students in Prince George's County Public Schools enrolled in college immediately following high school graduation, as compared to 52% of their peers.

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KIPP DC assesses participants' grade promotion or grade retention, standardized test scores, college preparatory course-taking, high school completion or dropout and post-secondary school enrollment, persistence and completion. After their first year at KIPP DC, 2004-2005 fifth graders went from scoring in the 31st and 22nd percentile in math and reading, respectively, to scoring in the 94th and 62nd percentile, thereby outscoring 94% of students nationally on the Stanford 9 math exam. KtC uses PowerSchool to track alumni and student data. 95% of the Class of 2009 graduated on time and over 80% of graduates are now freshmen in college compared to DC's graduation rate of 43% and postsecondary matriculation rate of 29%. VPP has funded business planning for KIPP DC.

LAYC uses a 60-item assessment of youth in the Promotores program to track the status of each participant on 24 distinct outcome areas. 60% of high school dropouts entering the Promotores Pathway were enrolled in, or on track to enroll in, some form of educational programming during their first year of participation. In 2008, 63 LAYC participants successfully passed the GED, resulting in a passage rate of 92.6%. Nationally, the 2008 rate was 73.1%. VPP's previous investment helped create LAYC's Learning and Evaluation Division ("LED"), which is nationally recognized for its work in outcome measurement. LED's work allowed LAYC to identify successful program components for replication/expansion and programs that were not performing as well as anticipated. LAYC's evaluation staff worked closely with program staff to research and develop more effective program designs where necessary.

YEAR UP NCR uses a quarterly dashboard to provide staff and board with data to clearly assess organizational health and student success. The dashboard tracks 28 metrics, including alumni employment rates and wages. Year Up consistently meets its goal of 85% graduate employment at an average wage of \$15/hour. Beyond internal measures, Year Up recently commissioned two quasi-

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experimental evaluations and is conducting its first randomized controlled multi-site trial. VPP's current investment in Year Up NCR will further enhance evaluation systems.

VPP QUALIFICATIONS

VPP is uniquely positioned to partner with SIF, private funders, evaluators and nonprofits to prove and scale innovative solutions. Over the past decade, VPP's investments have provided vital growth capital and strategic assistance to grantee organizations, helping them improve outcomes for the children and youth they serve. The rigor, discipline and accountability of VPP's investment approach results in lasting behavior change throughout an organization. VPP raised \$31 million in its first fund and leveraged those funds more than \$1 for \$1 in direct value for its first nonprofit portfolio. Grantees improved their programs and scaled to reach more than 16,000 additional children and youth of low-income families. VPP has raised \$38 million for its second fund thus far, \$10 million of which it will dedicate to provide a match for the SIF. youthCONNECT represents the next phase of VPP's investment in the NCR, allowing the organization, its grantees and investors to realize meaningful breakthroughs in coordinated action, shared measurement and learning and improved regional social outcomes.

B. USE OF EVIDENCE

USE OF EVIDENCE IN GRANTMAKING

VPP has a disciplined process for incorporating evidence into all stages of its investments. The judgment of VPP's team of senior executives is key to the selection process. The investment team uses tools to assess a nonprofit's organizational and program strength and engages a network of program and nonprofit finance experts, and legal and accounting professionals in this up-to-12-month phase. VPP evaluates a prospective grantee's leadership, growth aspirations, ability to absorb change, finances, operational capacity and program quality. Both prospective grantees and VPP complete the Organizational Capacity Assessment Tool ("OCAT") created by McKinsey & Company ("McKinsey") for

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VPP to analyze organizational capacity (<http://ow.ly/1tZWO>). More than 100 foundations, nonprofits, government agencies, international NGO's and others have requested permission to adapt and reuse the OCAT and thousands more have downloaded the tool. VPP also facilitates a "visioning session" for a prospect's board and executive leaders to help them articulate goals and to allow VPP to see the leadership dynamics in action.

VPP engages a subject-area expert to conduct a review of a prospective grantee's programs, services and outcomes. This review highlights areas of concern and assesses if the program model works for the target population served. For example, VPP was informed in its selection of Mary's Center for Maternal and Child Care, in part, by a study demonstrating that program participants showed an incidence of low birth weight births of only 3% in 2002 (when the investment started), compared to the average DC rate of close to 12%. Similarly, VPP's investment in See Forever Foundation was supported by evidence demonstrating that almost 80% of its graduates during the three years prior to VPP investment had enrolled in college, versus college attendance rates during the same period in DC Public Schools of between 50% and 60%.

VPP retains outside legal counsel and an accounting firm to conduct final due diligence to ascertain any issues that may materially affect VPP's investment. The last step in investment selection is a business planning process, facilitated by firms like McKinsey and the Monitor Institute. Planning gives leaders the data needed to make smart decisions about growth. For example, Asian American LEAD's business planning uncovered demographic information about the needs and location of Asian American children in poverty in counties surrounding Washington, DC that informed the nonprofit's growth plans and provided local government officials and agencies with a comprehensive picture of unmet needs.

USE OF EVIDENCE IN GRANTEE SUPPORT AND MONITORING

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VPP invested approximately 10% (\$3 million) of its first fund to help grantees build robust outcomes measurement systems and capacity to support evidence-based decision making. VPP increased the base of evidence of what works and supported the use of evidence to drive program improvement and expansion. For example, VPP funded a system to better track and measure student outcomes for the SEED Foundation. The newly available data revealed that the SEED School's college-going rates were lower than previously thought. As a result, VPP worked with SEED to use the data to redesign the school's entire program to better align the academic and residential components around academic achievement. The results have been significant: 97% percent of SEED Foundation graduates are accepted to four-year colleges and 90% immediately enroll. VPP's investment in College Summit helped create CSNav, a system that supports students on the path toward college and allows the nonprofit to manage outcomes and make program growth decisions.

VPP's monitoring includes: (i) annual review of the grantee's performance to mutually agreed-upon milestones; (ii) quarterly narratives documenting progress toward achievements; (iii) annual conveyance letters to board and executive leadership highlighting accomplishments, challenges and focus areas for next year; and (iv) assessment and improvement indicators that rate the grantee's capacity in 13 specific categories (<http://ow.ly/1u0eL>). VPP's active portfolio management allows for real-time course correction. For example, during VPP's investment in LAYC, milestones and constant dialogue between the nonprofit and VPP identified a delay in growth due to political challenges related to site expansion. With VPP's assistance, LAYC identified an alternate site and reignited expansion efforts.

SHARING AND INTEGRATING LESSONS LEARNED

VPP devotes considerable resources to capture, codify and share its lessons learned so others can adapt best practices. VPP published several reports that advance management practices in the nonprofit sector

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(<http://ow.ly/1u0hR>). As VPP has refined its investment approach, it proactively transferred lessons learned across grantees. For example, early VPP investments demonstrated the value of a Chief Operating Officer to build grantee organizational capacity. VPP has consistently helped new grantees identify the level of talent needed on senior management teams and effectively recruit and integrate new talent.

Further examples of knowledge capture/dissemination include: convening peer learning groups across grantees for CxO level exchanges; sponsoring professional development sessions on organizational and program related topics; supporting research by the Brookings Institution to identify demographic shifts of children and youth of low-income families in the NCR (<http://ow.ly/1u0ku>); creating reports that survey the fields of venture philanthropy and high-engagement grantmaking; and sharing lessons learned through forums, articles, speeches and online publications (<http://ow.ly/1uR5w>).

ASSESSMENT OF SUBGRANTEE EVIDENCE

Child Trends and VPP have assessed the level of evidence demonstrated by each pre-selected subgrantee:

COLLEGE SUMMIT-NCR demonstrates preliminary evidence of program effectiveness. In 2009, Ironbridge Systems performed an independent analysis using a time series evaluation design and found College Summit produces a statistically significant increase in college enrollment rates. The Prince George's County College Summit-NCR students were 18% more likely to enroll in college (as reported by the National Student Clearinghouse) than Maryland's state average of 47.5%. 82% of College Summit Peer Leaders in the NCR have enrolled in college, a rate equal to the nation's highest-income students (<http://ow.ly/1vj23>).

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KIPP DC engaged several research teams to undertake 12 independent studies of its program. According to these studies, KIPP DC demonstrates a moderate level of evidence that students make significant academic gains while at KIPP schools. A 2010 working paper (due May 2010 in the "American Economic Review") "Who Benefits From KIPP" shows overall gains of 0.35 standard deviations in math and 0.12 standard deviations in reading for each year spent at KIPP's site in Lynn, Massachusetts. A 2008 study by SRI International found that Bay Area KIPP students make above-average progress compared with national norms and outperform their host districts. KIPP DC is the highest performing charter school network in DC (<http://ow.ly/1uOnU>).

LAYC demonstrates preliminary evidence of its efforts through ongoing data collection and assessment showing positive programmatic outcomes. Public/Private Ventures ("P/PV") is conducting an experimental evaluation of the Promotores program (<http://ow.ly/1vDFo>).

YEAR UP NCR commissioned two quasi-experimental studies that found preliminary evidence of effectiveness. MIT's Sloan School of Business study found that, on average, a Year Up graduate's gross lifetime earnings exceeded that of a non-program participant by \$1.45 million, or a net present value of \$423,000. In 2009, The Analysis Group conducted a larger scale quasi-experimental study that found Year Up graduates, relative to a comparison group based on Census Bureau data, have \$1.17 million higher in gross lifetime earnings, or a net present value of \$470,000 (<http://ow.ly/1vDCM>).

C. COMMUNITY RESOURCES

Please see Part III, "Match Sources."

D. DESCRIPTION OF ACTIVITIES

1. SUB-GRANTING

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The youthCONNECT open competition will combine VPP's experience selecting high-performing nonprofits with a process that includes a two-stage open solicitation and independent review panel.

COMPETITIVE SELECTION PROCESS

VPP reaches out to a broad network of foundations, advisors, nonprofit executives, community leaders, government officials, academics, investors and policymakers to identify and validate potential grantees. Through this outreach, VPP is in constant dialogue with local leaders to update information on potential grantees. Once VPP identifies an organization as a "lead", the team analyzes the capacity, programs and potential for expansion. The VPP team interviews on average over 50 individuals from a wide range of stakeholders and experts as it "triangulates" to gain insight on a potential grantee. The investment team, with the participation of VPP's Executive Committee and Board, applies its judgment and discernment to identify and define the "investment opportunity" and ultimate benefit to children and youth.

The two-stage youthCONNECT open competition process will allow a broad number of prospective subgrantees throughout the NCR to present proposals to VPP, an opportunity previously unavailable. In Stage One, VPP will publicly circulate a request for preliminary proposals. VPP and independent reviewers will assess each proposal against eligibility and review criteria. In Stage Two, VPP anticipates as many as six to ten nonprofits will be selected to receive a full RFP and asked to submit proposals. Proposals will be reviewed for their compliance with weighted, application criteria in line with youthCONNECT requirements. Selection will involve comprehensive due diligence. Child Trends will assess current levels of evidence and evaluation plans of all potential subgrantees in Stage Two.

Criteria for selection of subgrantees will include: (i) plan to meet the Network's shared specified outcomes of success in education and employment for low-income youth in the NCR; (ii) commitment to a collaborative effort of the established Network; (iii) strong evidence of program quality and

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commitment to evaluation; (iv) clear plan for expansion; and (v) strong financial position, including ability to meet SIF match. Potential subgrantees must demonstrate acceptance of VPP's investment approach, including: (i) performance-based funding, contingent on achieving milestones; (ii) high level of VPP engagement; and (iii) execution of a stringent investment agreement. VPP will also confirm that subgrantees have budgets between \$3 and \$50 million, outstanding leadership and strong organizational capacity in line with VPP's overall criteria.

PRE-SELECTED SUBGRANTEES

In pre-selecting subgrantees for the youthCONNECT application, VPP relied on its proven method of assessing the NCR landscape for high quality nonprofits that meet the specific requirements of the Initiative. By pre-selecting some subgrantees, VPP advanced group alignment behind a shared vision and began developing a common strategy for supporting youth in transition in the NCR. VPP completed a comprehensive review of its database of nonprofits to identify potential subgrantees that fit the Initiative focus and criteria. VPP then identified 10 organizations that potentially qualified for SIF pre-selection and engaged six in conversations about potential participation before identifying the four organizations best positioned to partner with SIF and VPP to ensure success in meeting the overall objectives. VPP subsequently reviewed detailed proposals from these four organizations and conducted due diligence of each before finalizing their subgrantee status. Multiple meetings among subgrantees, Child Trends and VPP took place to determine commitment, shape the collective goals of the Network and begin to develop a shared metrics framework.

2. TECHNICAL ASSISTANCE AND SUPPORT

HIGH-ENGAGEMENT MODEL

All of VPP's investments are long-term, multi-year commitments. The VPP Board's commitment of \$10 million over five years to youthCONNECT exemplifies the depth of VPP's undertakings. Consistent with

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its investment approach, VPP will provide strategic and technical assistance to subgrantees, expects to fill a seat on subgrantee Boards of Directors and will maintain weekly contact with subgrantees to support and monitor performance. VPP will leverage its network to help subgrantees develop partnerships and alliances and secure additional funding, including match funding.

SUPPORT FOR DATA COLLECTION AND EVALUATION

youthCONNECT will fund and support subgrantees' evaluation efforts. VPP, Child Trends and the Network are designing a shared outcome framework for compiling, analyzing and reporting data to promote improvement and shared learning. VPP and Child Trends will ensure that outcomes and programmatic activities are aligned and that progress indicators are appropriate measures against which organizations can be held accountable. Child Trends will conduct implementation evaluations and assist individual programs in performance improvement and effectiveness. Child Trends will aggregate comparable data across programs and share results among Network members.

FACILITATION OF LEARNING ACROSS SUBGRANTEES

VPP is working with its pre-selected subgrantees to establish a shared vision of success and common goals and intends to continue this work with a focus on youth in transition. SIF funding and support will allow this effort to reach a much broader audience, scale and potential for adaptation and replication around the country. Subgrantees will communicate through a VPP-created social network and will meet in person bi-monthly to develop strategies and further mutual goals. Facilitated knowledge sharing will focus on targeted topics to advance the work of each organization. For example, Year Up and LAYC have robust risk-assessment tools and approaches. Sharing those tools may result in improvements for both nonprofits and inform the work of others.

ACCOUNTABILITY APPROACH

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Accountability is a core value for VPP as demonstrated by the engagement of its Board, its reputation for candor and the commissioning of independent assessments of its own performance. VPP and its subgrantees will work together to develop mutually agreed-upon, detailed, annual milestones around outputs and outcomes for success in education and employment for youth. Continued funding will be contingent upon the subgrantees' achievement of these milestones. VPP's high-engagement approach also supports continual oversight and monitoring of progress.

VPP will develop explicit performance measures related to the overall objectives of youthCONNECT, including the establishment of the Network, growth objectives of individual subgrantees, the cultivation of a community of match funders, collective advocacy, and the subgrantees' use of data to improve performance and increase results for youth. Examples of metrics include growth in outputs and outcomes and social networking use that shows shared learning among subgrantees and concrete results for youth.

In order to ensure accountability for VPP's performance, the Initiative will create an oversight committee comprised of select members of the Boards of VPP and the subgrantees. VPP will report established metrics to the committee annually.

Organizational Capacity

A. ABILITY TO PROVIDE PROGRAM OVERSIGHT

VPP HISTORY

VPP was founded in 2000 by Mario Morino, Raul Fernandez and Mark Warner, business leaders united behind a bold vision to create a new, high-engagement "venture capital and private equity" approach to philanthropy that helps outstanding leaders grow nonprofits with successful programs to reach more children and youth. The founders recruited 26 other high net worth families and three foundations, to contribute more than \$30 million to capitalize VPP's first investment fund. The Morino Institute, led by

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Mario Morino, provided separate funding to create, incubate and build the organization and its capacity. In its first portfolio VPP investments in 12 regional nonprofits resulted in stronger infrastructure, concrete growth plans, improved programs, increased evidence of what works and more than 16,000 additional children and youth of low-income families served.

TRANSITION TO FUND II

As its first portfolio neared completion, VPP secured funding for a two-year transition period and codified its lessons learned, refined its approach, began to raise the next round of capital and identified potential grantees for the second portfolio. VPP expanded its selection process to include even greater focus on reviewing program quality and moved the business planning process from the first step of the investment process to the final step of the selection process to give VPP more opportunity to judge the prospective grantee's fit, focus, commitment and ability to absorb change.

VPP also narrowed its investment focus to three strategic areas: early childhood development, educational attainment and youth transitions. The focus of youthCONNECT, helping low-income youth successfully transition to adulthood, even more sharply focuses a large section of VPP's second portfolio.

After analyzing the performance of the first portfolio, the VPP team determined that it needs more capital per investment for transformational change and committed to make larger average investments in the second portfolio. The Board and team are committed to performance-based investing-- discontinuing funding if goals are not met.

VPP has secured \$38 million in commitments for its second fund from nearly 70 individuals, foundation and corporate partners. VPP will invest \$10 million of this capital to support youthCONNECT. In late 2009, VPP launched its second portfolio with a multi-year investment in Year Up NCR.

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RESULTS AND ACCOMPLISHMENTS

VPP invests in and provides strategic assistance to youth-serving organizations delivering precisely the types of programs youthCONNECT intends to demonstrate and expand. Over the past 10 years, VPP has made solid progress in its core areas of focus. Some examples include:

REGIONAL EXPANSION. VPP helped its grantees build the plans, partnerships, funding base and capacity to open new schools, health clinics, independent sites and co-located sites. In total, first portfolio grantees expanded service to 21 more independent sites (including seven schools and two health clinics) and now serve 37 new neighborhoods, including co-located programs with schools, school systems and other nonprofits.

SERVING MORE CHILDREN WITH BETTER PROGRAMS. VPP grantees are now able to demonstrate clear, solid results in the lives of children and youth. For example, at Mary's Center for Maternal and Child Care, 88% of toddlers were immunized, exceeding the average national rate of 78% for toddlers at or above the poverty level and 72% for toddlers below the poverty level. According to the Center for Disease Control and Prevention, every dollar invested in immunizations saves \$18 in missed work, health expenditures and other costs. In 2008, 93% of graduates from the Maya Angelou Public Charter School were accepted by two-or four-year colleges compared to 29% of students who enter ninth grade in DC public schools and enroll in post-secondary education within 18 months of graduating.

HIGH-PERFORMING NONPROFITS. VPP's grantees are more effective with stronger boards and senior management teams, improved outcomes management, increased financial stability and accountability, clear strategies for improvement and growth and better programs. VPP helped source over 70 new leadership positions for grantees, including a combination of senior positions and board

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members. Nonprofit leaders are making decisions with more rigor and discipline.

LEVERAGED FUNDING. During its first fund, VPP actively helped its grantees expand funding sources and secure additional funding to fuel program expansion and improvements. VPP's efforts resulted in \$33.9 million in support from public/private partnerships, government and foundations--matching VPP's direct investment more than dollar for dollar in value.

GROWING AN ENGAGED INVESTOR COMMUNITY. VPP offers its investors a variety of ways to leverage each other's knowledge and experience in philanthropy. Recent investor events featured high-profile social innovators such as Patty Stonesifer, Bill Gates, Sr., Harlem Children's Zone founder Geoffrey Canada, political commentator David Gergen and Nobel Laureate Muhammad Yunus.

REGIONAL FOCUS AND PHILANTHROPIC LEADERSHIP

The strength of VPP's regional approach is demonstrated by its proven ability to help grantees navigate the complexities of the Region--building relationships, circumventing impediments, expanding into new communities and forming partnerships. VPP developed the capacity to negotiate complex innovative public/private partnerships. For example the VPP team helped See Forever negotiate an innovative partnership with the DC Public Schools ("DCPS"). See Forever wanted to open a new campus of its Maya Angelou Public Charter School ("MAPCS"), but an appropriate facility of 40,000 square feet would have cost over \$9 million. Because MAPCS agreed to focus on serving students from four high schools that DCPS identified, DCPS agreed to provide space and some facilities support.

As VPP's reputation as a new kind of regional intermediary has grown, it has executed co-investments with national foundations, where it served the role of lead, providing oversight for the co-investor. For example, New Schools Venture Fund joined VPP in a co-investment with Friendship Public Charter

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School. VPP also executed three co-investments with the Edna McConnell Clark Foundation.

Since inception, financial support for VPP has diversified to include high net worth donors from more industries, pro bono corporate partners, corporate investors and new, national institutions. About 60% of founding investors came from technology, 20% from financial services, and only a few from the real estate, telecom, biotech and media/publishing fields. In the second fund, over 70% of these founding investors re-invested and new investors greatly diversified VPP's financial base, with 30% representing technology, 20% general business, almost 20% from financial services, and nearly 20% from real estate. Other investors come from the biotech, telecom and media/publishing fields.

VPP MONITORING AND EVALUATION CAPACITY

In its first portfolio, many of VPP's grantees showed preliminary evidence of program outcomes and a strong commitment to using data to increase effectiveness but lacked formal systems and capacity to track performance and manage accordingly. VPP helped grantees develop performance measurement systems including clarifying theories of change, identifying frameworks of outcomes and indicators, recruiting staff to manage evaluation and training program staff.

VPP helps organizations use outcomes data to support program improvement. For example, VPP recommended a complete program review of Friendship Public Charter School, which revealed that student test scores were not on par with high-performing charter schools in the Region. As a result, as our investment ended, McKinsey worked with FPCS to develop a new performance system of data dashboards to drive instruction. This dashboard is now considered a model for data-driven decision-making in the charter sector. From 2006 to 2009, reading and math scores improved 135% and 369% respectively at one of Friendship's schools.

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VPP and its grantees work together to develop annual milestones for outputs and outcomes related to children and youth and organizational milestones that strongly encourage grantees to aggressively improve performance and expand. Regular check-ins with executive and board leadership, use of funds reporting and formal annual reviews all help ensure that grantees meet their goals. If VPP and a grantee's executive director see that sufficient progress isn't being made toward a significant milestone, they adjust accordingly and take action. For example, if an organization is having difficulty identifying talent, the VPP team will provide guidance, possibly funding work with a recruiting firm and/or circulating position descriptions through its network.

For youthCONNECT, VPP and Child Trends developed an extensive plan for evaluating individual subgrantees. By supporting collective outcomes tracking, individual investments in experimental or quasi-experimental evaluations and conducting implementation evaluations on each investment, VPP will significantly help its subgrantees increase the body of evidence around what works to help low-income youth achieve success.

SUPPORT FOR EXPANSION

Unlike programmatic funding, growth capital and strategic assistance to build infrastructure can produce results for children and youth long after an investment ends. At the end of VPP's investment in See Forever in 2007, the nonprofit had grown from serving 85 to 240 students. Three years after VPP's investment was complete, the organization now provides services to almost 600 young people.

VPP invests substantial growth capital in the capacity, growth and outcomes of each grantee. In addition to capital, VPP becomes a hands-on, strategic advisor whose investment team encourages strategic focus and rigorous execution, and uses its own extensive networks in local government, philanthropy, and the nonprofit and business sectors to provide access to critical contacts and resources. In addition to the

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extensive knowledge and expertise of VPP's staff in the areas of finance, public policy, organizational development, management and strategy, VPP encourages and supports its investment organizations to work with exemplary consultants in the areas of business planning (e.g., McKinsey, Monitor Institute), outcome measurement and evaluation (e.g., Mathematica, Policy Studies Associates, Child Trends), executive and board recruitment, executive coaching, board development, financial management, information technology, and program and curriculum design.

BOARD, MANAGEMENT AND STAFF CAPACITY

President and CEO Carol Thompson Cole is responsible for the overall performance of VPP and for establishing all policies and objectives of the organization. Ms. Cole will oversee youthCONNECT. She has over 30 years of management experience in public and private sectors and relationships across the Region's business, government and philanthropic sectors. Prior to VPP, Ms. Cole served in the Clinton Administration as Special Advisor to the President on the District of Columbia and as Executive Director of the DC Inter-Agency Task Force. Previously she was Vice President for Government and Environmental Affairs for RJR Nabisco, and she held various leadership positions in the government of the District of Columbia, most notably as the first woman to be appointed City Administrator.

youthCONNECT will be supported by an experienced team of senior professionals skilled in the areas of financial management, communications, development and online collaboration. VPP's COO/CFO Eleanor Rutland manages all financial and internal control operations. Before joining VPP, she served as senior vice president and controller for Riggs Bank N.A., a \$7 billion financial institution acquired by PNC Financial Services Group in 2005, and chief financial officer of Riggs & Co., the investment management, trust and private banking unit within the organization. VPP's Vice President of Communications and Assessment Victoria Vrana is responsible for the organization's internal and external communications and assessment. Prior to joining VPP, she developed online learning portals

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and provided communications and strategy consulting to clients such as the Rockefeller Foundation, Northern California Grantmakers, Open Society Institute and the Markle Foundation. VPP's Director of Development Danielle Leahy has extensive experience in major gifts fundraising and volunteer management. Prior to joining VPP, she spent over eight years fundraising for Children's National Medical Center and was part of the team that raised over \$300 million for its capital campaign.

The professionals on VPP's investment and external relations teams have extensive experience in the public, private and nonprofit sectors, including positions with the Child Welfare League of America and the Baltimore City Department of Social Services, the US Department of Health and Human Services, the Casey Foundation, and the law firms of Fenwick and West LLP and Wilmer Cutler Pickering Hale and Dorr, LLP. This team has a diversity of funding, strategic and operational expertise and complex deal-making skills. For example, Partner David Sylvester has over two decades of experience as a venture capital/private equity lawyer representing entrepreneurs and their technology companies and the venture capital/private equity firms investing in such companies. Shirley Marcus Allen, Partner, External Relations, has a vast network in the region, particularly in Maryland, that she activates when helping grantees make needed connections as they expand. The investment team identifies potential investment opportunities, leads the selection and due diligence process and aids grantees in improving performance and expansion. The investment team also develops VPP's strategy for each investment and provides strategic support, including helping grantee executive directors focus on actions that will meet established goals. Past and current VPP advisors include Dr. Arthur Curry, a distinguished educational expert with over 30 years of experience in the school systems of the Region and Dr. Maxine Freund, Professor of Special Education, Director of Special Projects, and Associate Director of the Institute for Education Policy Studies at the George Washington University.

VPP's highly engaged Board of Directors, chaired by co-founder Mario Morino, provides stewardship

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and governance of the organization and plays an active role in VPP's strategy definition and development. To deal effectively with the complex issues of philanthropic investing, the Board brings together the diverse expertise of leaders in philanthropy, academia, the nonprofit sector, legal and equity-investment firms and other commercial enterprises with a strong grounding in community needs. Experienced advisors including McKinsey, JP Morgan and PricewaterhouseCoopers LLP support VPP's Board and Management.

The Board's committee structure provides additional oversight and compliance in several key areas. The Executive Committee, chaired by VPP's President and CEO, meets monthly and acts on behalf of the Board to oversee all governance issues and serve as the investment committee, reviewing and approving all decisions made regarding investment capital. Les Silverman, Director Emeritus of McKinsey, chairs the Organizational Development and Compensation Committee responsible for guidance on strategic planning, investment selection, scenario planning, organizational structure and annual operating budget. The Development Committee, chaired by AOL International Founder and VPP Investor Jack Davies, secures the resources required to meet VPP's objectives and provides guidance on building a committed and engaged investor community. The Governance Committee, chaired by Share Our Strength and Community Wealth Ventures' Founder and Chairman Bill Shore, is responsible for board composition, nomination, leadership succession planning and ensuring fiduciary role consistency within the full board and committee structure. Managing Director of Wealth and Tax Advisory Services David Bradt chairs the Audit Committee which oversees VPP's independent audit, its financial statements, compliance with legal and regulatory requirements, and the performance of VPP's financial management function.

CONTINUOUS IMPROVEMENT

VPP designed its internal process to document and learn from its challenges and successes. The

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organization collects quarterly data about its performance to ensure VPP has the requisite systems, structure, staffing and capacities to achieve its objectives. The Organizational Development and Compensation Committee of VPP's Board provides guidance and oversight to all issues related to overall structure and staffing of the organization, as well as major evolutionary developments in VPP's model and planning for the organization's future. VPP staff report to its Executive Committee monthly on all aspects of operations and the status of investments.

VPP contracted with a third-party evaluator to conduct two separate and extensive perception studies, which have provided VPP with critical insight on the effectiveness of its approach and partnerships. Over 150 individuals including executive directors, board leaders and senior staff of grantees and external stakeholders from around the country were interviewed for these reports to help VPP determine the value of its approach and refine its execution. A public report from the second study shares high-level findings and VPP's response to what it learned (<http://ow.ly/1ujz9>).

ABILITY TO PROVIDE FISCAL OVERSIGHT

VPP is an existing grantmaking organization, incorporated in 2000 as a 501(c)3 public charity to invest in high-performing nonprofit organizations.

VPP's current annual budget is \$7.4 million. If funding is received at the proposed level, SIF funds will represent 20% of the overall budget. As a matter of prudent governance, fiscal accountability and transparency, VPP maintains extensive internal controls, reviews, accountability measures and reporting mechanisms. These accountability and reporting measures are supported by comprehensive financial management systems and managed by VPP's experienced COO/CFO. The organization's internal financial and management systems support sound fiscal oversight and fulfill the management and reporting requirements of federal grants:

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INTERNAL CONTROLS. VPP has policies and guidelines (and segregation of duties) for all key functions to ensure that appropriate approval levels are maintained and sound internal controls are in place.

REVIEWS AND RECONCILIATIONS. The COO/CFO or Business Manager reviews accounts monthly. They perform formal reconciliations for all critical functions and accounts including: payroll, bank and investment accounts, fixed assets, etc. and are reviewed by an individual other than the preparer. Budget to Actual results are reviewed after month-end closing to identify any exceptional items and variances.

BUDGETING AND FORECASTING. The VPP operating budget is prepared annually and approved by the Board's Executive Committee. The budget is updated periodically during the year as material changes to the original assumptions may occur. Material changes to budget require approval by the Board.

SCENARIO PLANNING. VPP prepares multi-year financial forecasts and operating plans based upon alternative capital scenarios. The scenarios adopt the reserve policies and capital allocation guidelines approved by the Board and project the organizational structure and staffing, budget and level/deployment of capital for VPP's second fund.

INVESTMENT POLICIES. VPP's investment policy for financial investments is consistent with the following objectives: to preserve capital with respect to inflation, provide sufficient liquidity to fund VPP's annual strategic investments (grants) and operating expenses and optimize investment returns within these constraints. VPP conservatively invests its funds in fixed income investments, short-term bond funds, certificates of deposit and cash management accounts and manages them in accordance

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with defined board-approved Capital Management and Use Policies and Guidelines; and Investment Policy and Cash Flow procedures. Interest rate forecasts and cash flow requirements for the disbursement of funds to VPP's investment partner organizations and VPP's operating expenses drive the mix and maturity of investments. David Lawson, Managing Director, JP Morgan Private Bank, is an advisor to the VPP Board.

EXTERNAL AUDIT, TAX AND COMPLIANCE. PricewaterhouseCoopers is VPP's auditor, tax preparer and advisor on matters relating to governance, accountability and compliance that require external advice and counsel. VPP has Conflicts of Interest, Whistleblower and Records Retention policies adopted by the Board. VPP complies with all the requirements of the new 990 filing. David Bradt, Managing Director of Wealth and Tax Advisory Services, chairs the Audit Committee; Rob Bertrand, Director at PricewaterhouseCoopers LLP serves as advisor to VPP.

LEGAL AND COMPLIANCE MATTERS. Board member Bob Boisture, former President of Caplin & Drysdale and leader of the firm's exempt organizations practice group, advises VPP on matters relating to legal structure, governance and compliance.

MANAGEMENT AND BOARD REPORTING. On a quarterly basis, the Executive Committee and Board receive key financial results. Semi-annually, the Board receives a full Financial Report. Audited financial statements, management letters and the annual form 990 are presented to the Board annually.

CAPACITY TO MANAGE FEDERAL GRANT

As a federal SIF intermediary organization, VPP is prepared to meet or exceed all of the federal monitoring and oversight requirements and ensure that federal funds are safeguarded against fraud, waste and abuse. Consistent with VPP's own accountability and monitoring standards, VPP will assess

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the financial and management systems and capabilities of subgrantees and will ensure compliance with all federal rules and regulations. VPP will also identify technical assistance and training needs and, as required, develop plans for improvement. VPP will follow closely any actions that require corrective measures. The youthCONNECT subgrantee award process has clear responsibility provisions built in and related reporting expectations, including financial status reports, documents to support reimbursement requests, supporting or source documentation for specific match policies, review of A-133 and other audit reports, and other correspondence as required. VPP will conduct ongoing and scheduled monitoring of subgrantees, including weekly on-site reviews, ongoing communication and consistent review of progress toward milestones.

Budget/Cost Effectiveness

DIVERSE NON-FEDERAL FUNDRAISING

VPP has coalesced an expansive group of individuals, foundations and government agencies to support innovative nonprofits, build collaboration and drive efficiency in the philanthropic sector. In its first fund, VPP raised \$31 million from 29 founding individual investors and three institutional investors: the Morino Institute, the Surdna Foundation and the Annie E. Casey Foundation. Through this fund, VPP leveraged an additional \$34 million in support from public/private partnerships, government, and foundations, and provided an additional \$16 million in strategic assistance for a combined total value of over \$80 million. For its second fund, VPP has raised \$38 million from almost 70 individuals, foundations and corporations, demonstrating its success in obtaining diverse non-Federal resources for program implementation and sustainability. VPP's Board has approved a \$10 million investment in youthCONNECT. A Match Verification Letter accompanies this application.

BUDGET OVERVIEW

youthCONNECT has an annual budget for Year One of the five-year term of \$4 million with \$2 million provided by SIF and \$2 million provided by VPP. Of the \$4 million in funding, VPP will invest \$3.2

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million, or 80%, directly in the subgrantees--and \$800 thousand, or 20% will fund capacity support, supervision, monitoring and evaluation and network facilitation activities of the Initiative--consistent with the CNCS recommended allocation of funds.

SUBGRANTEE BUDGET REVIEW

VPP's application includes four pre-selected subgrantees. Each of the pre-selected subgrantees submitted detailed youthCONNECT budgets that reflect five-year terms, with specific line-item detail for Year One. Budgets include all program costs required for successful execution of youthCONNECT projects and line-item estimates for outcomes measurement and third-party evaluation costs.

VPP reviewed each pre-selected subgrantee budget for accuracy and consistency with SIF guidelines and tested all budget assumptions against pre-selected subgrantee planned programmatic activities. Further, Child Trends reviewed the pre-selected subgrantee budgets related to planned outcomes measurement and independent evaluation activities and recommended adjustments to align cost estimates with program evaluation plans. After this intensive review, VPP prepared a consolidated pre-selected subgrantee budget to determine the youthCONNECT funding request. VPP anticipates that it will select up to four additional subgrantees in its open competition process. Based on these assumptions, the youthCONNECT budget assumes subgrantee funding of \$3.2 million in Year One; with 50% funded by SIF and 50% funded by VPP.

CONSOLIDATED OPERATING BUDGET

VPP has developed its budget and staffing model for the first year of youthCONNECT based on its five-year vision, VPP's high-engagement investing model and the following assumptions: (i) investment in up to eight nonprofit organizations (four pre-selected and up to four in the open competition); (ii) focus on outcomes measurement, reporting, monitoring and accountability for subgrantees and the overall

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Initiative; (iii) network/collaboration building; and (iv) knowledge capture and dissemination that yields impact beyond the individual investments. The operating budget for the first year of the Initiative totals approximately \$803,444 including: \$452,597 to manage and monitor subgrantee investments; \$119,114 to support program evaluation; \$66,000 for grants administration and compliance; \$50,000 to facilitate the creation of a network among subgrantees; and \$47,506 to support the competitive subgrant selection process. The budget also includes \$68,227 of indirect costs computed by applying a provisional indirect cost rate of 16.82% against the salaries and wages (including benefits) costs of VPP (included in the SIF budget).

PERSONNEL AND RELATED COSTS. The budget provides for the addition of one full-time, highly skilled Partner to augment the current VPP team. Further, VPP expects to hire a full-time Principal to expand its internal management capacity of youthCONNECT investments. The youthCONNECT budget also provides for a shared administrative resource (allocated 50%).

The VPP Partner will oversee all aspects of youthCONNECT investments to achieve the goals and outcomes of the Initiative. As strategic advisor to VPP's subgrantees, the Partner will leverage VPP's extended network of resources and relationships to help subgrantees expand. Through regular meetings with subgrantees, including monthly site visits and weekly check-in meetings, the VPP Partner will provide strategic assistance, facilitate and support the Network and support the grantees' efforts to achieve concrete social outcomes. The Partner will also support the ongoing monitoring of grantee performance and will ensure overall grantee accountability, including the safeguarding of federal funds. The VPP Principal will work with the Partner and members of the VPP team to manage investments and ensure accountability. The Principal will provide analytical support, including preparing investment analyses and materials, participating on monthly site visits and conducting and/or coordinating research in support of VPP and the subgrantees. In addition to direct salary and benefit expenses, the

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budget includes other costs related to personnel including: technology, parking, laptops, and a pro-rata share of rent and occupancy costs (allocated on a full-time equivalent basis). Total personnel and related costs included in the budget total \$450,097.

OUTCOMES AND EVALUATION ADVISOR (CONTRACTUAL AND CONSULTANT SERVICES).

youthCONNECT will emphasize data collection, monitoring and evaluation. The budget includes \$119,114 to support the activities of Child Trends, including: (i) the creation of an outcomes framework and metrics for youthCONNECT; (ii) grantee assistance in developing performance measurement systems to align programmatic activities with clear outcome measurements, as needed; (iii) assessment on quality of individual, quasi-experimental evaluations; (iv) development of RFP for experimental evaluations of individual subgrantees, if required; (v) periodic implementation evaluations for all individual subgrantees; and (vi) overall analysis of shared data on outcomes, in order to draw unique conclusions from specific models of success among programs. Additional evaluation work necessary at the individual subgrantee level is included in the Year One budgets prepared by the pre-selected subgrantees.

GRANTS ADMINISTRATION AND COMPLIANCE. The budget includes the estimated, direct costs of increased compliance and reporting related to award of federal funds. Specifically, VPP has estimated \$30,000 in incremental costs related to completion of an A-133 audit, as required for all federal awards greater than \$500,000. This estimate was provided by PricewaterhouseCoopers and reflects required procedures and testing. In addition, the budget includes \$36,000 of external consulting fees (e.g., Rubino & McGeehin or other firm) to provide periodic reviews to ensure that VPP and its subgrantees are in compliance with all rules, standards, cost accounting practices, reporting requirements, etc. associated with federal funding.

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NETWORK CREATION AND FACILITATION. A core strategic objective of youthCONNECT is the facilitation of intentional, deliberate, strategic collaboration among the SIF portfolio organizations to yield greater results and impact. VPP has budgeted \$50,000 annually to support network facilitation that will: (i) align efforts, services and strategies of subgrantees towards a shared vision of success and common goals; (ii) identify issues where collective advocacy would be effective; (iii) exchange information on program design, tools and approaches to potentially integrate into one another's offerings and improve performance; (iv) finalize shared outcomes framework and process for compiling, analyzing and reporting data for continuous improvement; and (v) inform network members about process and results from evaluations to support such improvement. VPP expects its focused investment in network collaboration will support transformative approaches to solving complex social problems.

OPEN COMPETITION/SUBGRANTEE SELECTION PROCESS. VPP will conduct a highly competitive subgrantee selection process that provides public notice of the availability of youthCONNECT subgrants to eligible nonprofit organizations within the NCR. VPP budgeted \$47,506 to engage Child Trends in critical elements of the open competition process including development of the RFP, dissemination of the RFP and compliance with public disclosure, review of the evaluation plans of each proposal and oversight to ensure that an independent, competitive process has been achieved. Child Trends will support the VPP team over approximately six months, commencing in July 2010 at the time of the prospective award.

ADDITIONAL RESOURCES. VPP will dedicate approximately 60% of its full-time Vice President of Communications and Assessment to support youthCONNECT to meet its SIF objectives related to analysis, knowledge capture, learning and improvement across the youthCONNECT portfolio and broad information sharing around evidence and innovation. Specific responsibilities will include compilation and sharing of information and analysis resulting from the collaborative, support for a social network

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and interaction with the national network of SIF intermediaries. In addition, VPP will commit significant existing capacity to support youthCONNECT programmatic work in the areas of oversight and compliance with the VPP approach, financial disbursements and monitoring, identification of leveraged resources/opportunities for the portfolio organizations, etc. These allocated costs will be funded entirely by VPP and have been excluded from the youthCONNECT budget.

INDIRECT COST RATE

VPP engaged the accounting firm of Rubino & McGeehin to provide guidance with respect to the indirect cost rate ("ICR") methodology in determining the provisional rate. The rate was derived based upon VPP's operating budget for the fiscal year ending March 31, 2011, and applying the "Salaries & Wages including Benefits" methodology. Costs that were allocated on a direct basis to programs and fundraising include: salaries, payroll taxes, benefits, technology (per seat charge), rent and telephone charges. The indirect cost pool includes the following general and administrative expenses: audit and tax preparation fees, legal fees, insurance, publications, licenses, office supplies, membership fees, postage and couriers and a shared receptionist. In addition, personnel allocations for specific positions that are general and administrative were included in the indirect cost pool. Costs excluded from the indirect cost pool include bank fees and US trademarking fees. Based upon this methodology, the ICR is computed to be 16.82%.

MATCH SOURCE

VPP has secured 100% of the match requirements with unrestricted pledge commitments from private investors, foundations and corporations in the amount of \$38 million. Pledges are paid over a five-year period, with approximately 50% of the funds collected to date. Unrestricted funds are available: (i) to provide growth capital for investments in nonprofits in the National Capital Region; and (ii) to finance VPP's own operations, including programmatic and non-programmatic costs of its work. Currently, VPP

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has approximately \$21 million in short-term, liquid assets managed by JP Morgan. At its March 24, 2010 Annual Board meeting the VPP Board of Directors approved an allocation of VPP's investment capital in the amount of \$10 million for investment in youthCONNECT over five years.

VPP has reached out to and garnered support from all sectors including the Congresswoman, District of Columbia; Governor of Maryland; Governor of Virginia; Mayor of Washington, DC; the DC Council; Prince George's County Public Schools; Prince George's County Government, Montgomery Office of the County Executive; Howard University; Brookings Institution; The World Bank; Alliance for Children and Families; Meyer Foundation; the CityBridge Foundation; and The Summit Fund of Washington. Local public and private funders, including the Community Foundation of the National Capital Region, Freddie Mac, and Montgomery County Department of Health and Human Services are considering match funds for the first or out years of youthCONNECT.

Clarification Summary

1. One of the goals of youthCONNECT is to develop common outcome constructs and measures where they do not exist and to work toward them collectively. Although the specific measures subgrantees use differ somewhat among the programs, "on-track for school success" is a construct all subgrantees endorse and measure in similar, if not identical, ways. Employment in a "good" job (defined as one paying at least \$15 an hour) as an ultimate outcome is also a goal shared by the programs, although it is more appropriately measured by some programs (e.g., those serving older youth and focused on that activity as a part of their mission) than by others.

VPP has discussed the issue of alignment of outcomes and measurement with the subgrantee network and believes we can establish appropriate baseline data for the construct of "on-track for school success". When VPP invests in local affiliates of national organizations, it develops relationships with the national organization as well as the local. VPP understands the necessity for the national organizations' commitment to the youthCONNECT concept, principles, and outcomes framework, and

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has discussed this issue with all three pre-selected subgrantees that fit this category.

2. Our logic model posits that positive academic outcomes lead to high school graduation, which increases the likelihood of enrollment in post-secondary education, attendance at a post-secondary institution, attainment of a post-secondary credential, and, ultimately, attainment of a "good" job. Two of the pre-selected subgrantees currently collect employment data and a third plans to. Because the majority of initiative partners target indicators earlier in the logic-chain, the development of a system to collect longitudinal data on participants will be necessary to assess the employment outcome. For some subgrantees, employment at age 22 or beyond may fall outside the duration of the SIF initiative. We will consider developing some interim indicators of employability, such as participation in career-focused apprenticeship and internship experiences, but it may not be feasible or appropriate for all subgrantees to track employment data for individual participants on a longitudinal basis, particularly those that are solely education focused. In those cases, it may be possible to extrapolate or simulate potential gains in employability based on their educational outcomes. The open competition, together with the natural evolution of the network over time, will potentially source more subgrantees with an emphasis on supporting workforce development and/or the ability to track both education and employment.

3. Dislocation will be assessed at all ages, starting with teens and continuing to the mid-twenties. In the twenties, a measure of disconnection that combines dropout with poor employment will be developed. Individual subgrantees are likely to incorporate other measures of disconnection appropriate for youth in their late teens and early twenties. A number of experiences/conditions at this life-stage can limit a youth's economic self-sufficiency and participation in normative roles. Possible indicators are: contact with law enforcement agencies; lack of health insurance; and lack of a medical home. The percentage of parents who are unemployed high school dropouts receiving TANF may also be considered.

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4. From its investment approach and experience with organizations of various sizes and stages of development, VPP has determined that "mezzanine" stage investments (nonprofits with budgets of \$3-\$50M) have the best potential success and social return on investment. Organizations require a certain level of capacity, readiness, and ability to absorb the level of capital and strategic assistance that VPP has identified as necessary for meaningful scale. All four pre-selected subgrantees qualify for this criterion at the local or national level.

5. VPP's investments focus on building organizations' capacity in order to support scale. VPP helps build capacity for performance measurement and evaluation by providing capital to create frameworks for measurement, hire staff with evaluation expertise, install systems for tracking metrics, etc. VPP also encourages its grantees to select external partners on their own, as opposed to mandating use of certain vendors, although it does provide recommendations and guidance. VPP and Child Trends (CT) will lead three out of four areas of measurement in youthCONNECT, thus enhancing the alignment, collaboration, and creation of efficiencies across the network. In the case of experimental or quasi-experimental evaluations, most of the pre-selected subgrantees already have efforts or plans underway. For example, the random control trial evaluation of the Latin American Youth Center's (LAYC's) program, conducted by Public/Private Ventures (P/PV), has already begun. VPP believes this approach balances the need to increase collaboration among the network and to build capacity and support autonomy for subgrantees.

6. Child Trends (CT) will conduct all of the implementation evaluations. For other evaluation work: LAYC is using P/PV; College Summit-NCR will work with CT; Economic Mobility Corporation (EMC) will conduct Year Up NCR's work; and KIPP DC is currently sourcing its evaluation firm.

7. The question regarding the trade-offs seems to assume that CT will do program implementation

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evaluations at the same time other research organizations are doing evaluations of effectiveness for the same organization. This would, as the reviewers may surmise, be cost-inefficient because implementation knowledge is needed to understand impact results. What we are proposing as CTs' role is different. Until youthCONNECT subgrantees are engaged in quasi-experimental or experimental evaluations, CT will focus its efforts on formative evaluation. It will work with subgrantees that need assistance using performance management to assess quality, interview stakeholders to understand implementation challenges, and will provide feedback to organizations to help them improve program practices prior to an impact evaluation. Instead of creating inefficiencies, the formative research will increase the subgrantees' programs' potential for results. CT may also be the evaluation partner for organizations that are ready to conduct quasi-experimental, but not experimental, evaluations. It will continue to collect implementation data of these subgrantees if it conducts those studies. CT will also assess the overall functioning of youthCONNECT at the intermediary level in order to provide formative feedback to VPP. It will identify and describe promising practices and distill lessons learned about operating in a network. As CT collects implementation data on subgrantees' programs, it will do so from a single cross-subgrantee perspective, which would not be available to subgrantees that are having evaluations done by different research organizations.

8. Child Trends has been involved in numerous random assignment evaluation studies, including the National Evaluation of Welfare to Work Strategies and Supporting Healthy Marriages with MDRC and Pregnancy Prevention Approaches with Mathematica and is currently conducting several random assignment studies, including an evaluation of Wendy's Wonderful Kids adoption program and Family Finder, a study of foster care. Staff members have conducted many quasi-experimental studies and have served on evaluation advisory committees including the Edna McConnell Clark Foundation, Communities in Schools, and First Place for Youth, a program for youth transitioning out of foster care. CT assisted LAYC to develop its evaluation RFP and assess proposals. Before joining CT, Karen Walker taught research methods at the University of Virginia, and previously worked at P/PV from 1995 to

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2006, directing and participating in dozens of evaluation studies and writing several RFPs. Child Trends has also developed an evaluation resource, LINKS (Lifecourse Interventions to Nurture Kids Successfully), which has compiled and put online 425 random assignment, intent-to-treat evaluations of social interventions for children.

9. VPP is committed to helping build the evidence base of what works for the field. youthCONNECT strives to raise the bar for the level of evaluation needed, particularly that of youth development. The emphasis on experimental and quasi-experimental evaluations reflects that commitment. At the same time, VPP deeply believes nonprofits should conduct evaluations and performance measurement most appropriate to their stage of development, readiness, and capacity. Applicants to the open competition who propose another type of evaluation, particularly one that would provide a lower level of evidence, will not be automatically rejected, but will be carefully assessed to ensure that the evaluation is appropriate for the program design and would lead to greater evidence and capacity for more rigorous evaluation in the future.

10. LAYC is conducting a random assignment evaluation of its Promotores program; results will be available in 2013. To date, LAYC has collected and analyzed performance management data for the first 18 months using their Efforts to Outcomes software system. The system relies on information from case managers who use well-defined measures. Initial results are promising. For example, out of 106 total youth participants, 16 of 27 (60%) who dropped out of school made significant progress toward finishing school by either re-enrolling or making efforts to do so. Out of 31 youth whose case management included explicit efforts to help them find employment that could sustain them, 13 (42%) showed improvements in hard and soft skills, job seeking behaviors, or employment itself. There have also been positive findings on outcomes such as mental health and the ability of participants to access and use social services they will need to move forward. Importantly, the progress indicators are specific

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and have been well-used to monitor outcomes, retain youth in services, and target services over time.

11. KIPP commissioned several evaluations that range from evaluations of single schools to a nationwide study. Their methods range from longitudinal analyses of change for KIPP students only to experimental studies. Two quasi-experimental matched comparison group studies conducted in one middle school in Memphis, TN (Gallagher and Ross 2005) and 22 schools nationwide (Mathematica Policy Research 2010) showed gains in reading and math measured through standardized tests for almost all schools (15 of 22 schools in the MPR study showed gains in reading; 18 of 22 showed gains in math). MPR reports gains as large as one year compared to the comparison group in some schools. One experimental study in Lynn, MA showed gains in both reading and math (Angrist et al, 2010). Overall, the evaluated KIPP schools serve low-income, minority students, the majority of whom are eligible for free and reduced lunch, a population similar to the KIPP DC target population.

12. LAYC's Promotores Pathway is a new approach to providing services to disconnected youth. It is designed as a long-term (48-72 months) intervention for high-risk and high-need youth. The program has been operational for only 18 months and is too early in its life cycle to have achieved moderate evidence. Promotores Pathway is the only project thus far undergoing a random control trial evaluation. Because of the nature and scope of that evaluation, their budget includes additional funds to support that effort. The learnings from LAYC's evaluation efforts will benefit other organizations in youthCONNECT and youth-serving organizations more broadly.

13. Each program provides a unique offering due to its focus, scope, characteristics of the target population, and/or intensity of the intervention that makes it difficult to compare to other programs in the National Capital Region. For KIPP DC, there may be other non-selective public schools with similar programs, but there is not sufficient outcomes data to adequately compare the programs in the region.

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14. COLLEGE SUMMIT-NCR

ACTIVITIES: Training student leaders, teachers, and counselors to create a college-going culture and preparing students for college and career success. College Summit-NCR will provide each school with educator professional development, online curricular tools, data management, and training for student influencers.

TARGET POPULATION: Low-income communities and with a high proportion of potential first generation college students. The majority of students referred for peer leadership are mid-tier students in academic achievement.

IMPACTS/OUTCOMES: By 2015, College Summit-NCR aims to partner with many of the region's lowest performing, urban high schools, serving 10,000+ students annually. In Year 1, it anticipates college enrollment rates in each partner school will increase by 10% over the school's baseline for College Summit students. By Year 3, college enrollment rates for College Summit students are expected to increase by 20% over the school's baseline. In addition, College Summit tracks leading indicators including Free Application for Federal Student Aid (FAFSA) completion, college applications completed, and college acceptance rate and regionally targets 70% for each indicator.

EVALUATION: Child Trends will evaluate the effectiveness of the program implementation during the initial phase and complete a quasi-experimental design to study the overall effects/outcomes of the College Summit-NCR program. The primary research questions will be developed in the first year of youthCONNECT.

BUDGET: (YEAR 1: \$743,340; YEAR 2: \$1,153,703)

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Personnel & Benefits (58%) The College Summit-NCR budget includes 2.5 School Partnership Managers in Year 1 to provide support to partner schools. Other program staff will include: Local Operations Support Coordinator (100%); Director of Strategic Partnerships (50%); Program Manager (20%); and Executive Director (20%). A portion of national staff time is included for technology support (CSNav), human capital assets, workshops, accounting, and site services.

Travel (2%) Transportation represents the costs for staff, volunteers, and alumni leaders to staff student workshops; and daily transportation costs for program staff to and from high schools.

Supplies (15%) (i) Multiple trainings on curriculum, CSNav, and college-going culture for staff (ii) marketing supplies (iii) weekly curriculum/navigator guides and (iv) supply costs for program activities.

Contractual and Consultant Services (2%) (i) Evaluation to assess goal achievement and program development and (ii) education specialist to facilitate Principal Learning Community meetings.

Other (23%) (i) College hosting fee charged by college/university for each Workshop for lodging of participants, use of facilities, and food (ii) volunteer stipends (iii) workshop recruitment and training (iv) technology and (v) principal learning community.

KIPP DC

ACTIVITIES: KIPP through College (KtC) will provide programming for middle and high school students focused on "college knowledge" and college readiness. The program will track the progress and outcomes of alumni, partner with colleges and universities with clusters of alumni, and include an Alternative Pathways Program to ensure that students who have lost their way return to the path towards college and future success.

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TARGET POPULATION: Students in 8th to 12th grades will receive high school and college readiness program. KIPP DC will track alumni with an online tracking, support, and engagement platform.

IMPACT/OUTCOMES: Student data such as graduation rates, school transfer rates, and internal measures of school rigor to understand how well schools are preparing KIPP DC alumni for success are currently tracked. By September 2012, rigorous evaluation goals for alumni include 80% of the Class of 2009 completing the third year of post-secondary education and initiating the fourth year.

EVALUATION: The KIPP Foundation is soliciting proposals for the evaluation component of KtC. Washington, DC is a key market in the evaluation plans which will involve documenting the impacts of the initiative on college matriculation, persistence, and completion.

BUDGET: (YEAR 1: \$1,311,200; YEAR 2: \$1,189,654)

Personnel & Benefits (60%) The KtC staff falls in four categories: general administration, alternative pathways program, college cluster program, and high school support. General administration includes a KtC Director and a Data Manager. Thirty percent of the Chief Academic Officer will be allocated to program oversight. The alternative pathways program caseworker is responsible for providing social services. Two college support counselors in Year 1 and three in Year 2 are responsible for ensuring college success and completion for their alumni caseload. The college cluster manager creates partnerships with colleges. The career pathways manager provides job preparation training to alumni, builds relationships with potential employers, and offers career counseling. The high school support counselors ensure students have the necessary resources to apply and enter college.

Travel/Equipment/Supplies (4%) Travel includes college tours, counselors visiting high school students

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at boarding schools, and the college cluster program team providing on location support and programming to alumni. Supply costs include i) cell phones and laptops and ii) disposable goods used to support KtC programming.

Contractual/Consultant Services (18%) Budget includes four items: (i) KtC, with the KIPP Foundation pilot, is purchasing the University of Chicago's 6 to16 curriculum. Initial implementation costs are \$200,000 with \$20,000 in licensing fees per year (ii) Web 2.0 build-out (\$40,000) (iii) SAT Test Preparation Support for alumni (\$100,000) and (iv) Evaluation (\$40,000 per year).

Other Costs (17%) College Savings Account Seed Funding to seed college savings accounts for KIPP DC 5th graders (estimated at 240 accounts yearly with \$500 each). KIPP DC has included an allocation for indirect costs (approximately 7% of total budget) to cover expenses related to rent, overhead, accounting, and other support services provided to KtC.

LAYC

ACTIVITIES: LAYC Promotores help youth overcome barriers in their lives by providing specific referrals to appropriate programming, cultivating and maintaining mentoring relationships with youth, and creating long-term relationships that serve as a stabilizing influence.

TARGET POPULATION: High-risk and high-need youth and young adults between the ages of 14 and 24 who live in Washington, DC; Montgomery and Prince George's Counties, Maryland.

IMPACTS/OUTCOMES: Youth will achieve outcomes in three primary areas: increased academic success, improved employment situation, and increased healthy behaviors.

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EVALUATION: Public/Private Ventures (P/PV) is conducting an external evaluation that utilizes an experimental design which includes random assignment of eligible youth to one of two groups, an experimental or a control group.

BUDGET (YEAR 1: \$999,248; YEAR 2: \$995,543)

Personnel & Benefits (66%) LAYC's budget in Year 1 funds 6 Promotores/Navigators. In Year 2, the budget includes an additional 2 program staff. The budget includes the Director of the Pathway. LAYC's budget also includes a Learning and Evaluation Specialist who will support internal evaluation work and provide capacity that will allow the Director of Learning and Evaluation to assist with SIF subgrantee collaboration efforts relating to outcomes measurement, performance management, and evaluation.

Travel/Equipment/Supplies/Training (5%) Budget includes funds to assist the Promotores/Navigators in activities related to their daily work, such as travel to schools and workplace sites, cell phones and computers, etc. Funds are included for program staff to continually receive training on youth development trends and techniques for working with high-risk/high-need populations.

Consultant Services (15%) \$230,538 covers the remaining costs of the external evaluation conducted by P/PV. In Year 2, LAYC's budget includes a line item for strategic planning to help determine what services must be expanded to meet the needs of Pathway participants.

Indirect Costs (14%) LAYC has included an allocation for indirect costs using their approved federal indirect cost rate negotiated with HHS.

YEAR UP NCR

ACTIVITIES: Year Up NCR improves student outcomes by influencing healthy behaviors and self-

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efficacy by (i) facilitating access to care through enrollment of eligible students and ensuring participation (ii) integrating health and wellness in the curriculum and (iii) providing opportunities to practice healthy behaviors as a community through educational experiences.

Year Up NCR has a unique partnership with Northern Virginia Community College (NOVA). Each Year Up student earns 18 college credits from NOVA when they complete the program. In order to improve student outcomes, NOVA has come to an agreement with Kaiser Permanente, which will provide all Year Up students with affordable health care (< \$20/month) while they are enrolled in Year Up and for three years after program completion. Building on this opportunity, Year Up NCR will infuse "healthy behaviors" throughout the program with the Healthy Behavior Initiative. The Initiative seeks to increase retention to 85% in future Year Up cohorts (current retention rates range from 67-77%).

Year Up's Healthy Behaviors Initiative will: (i) provide students with low-cost access to health care (ii) develop healthy behavior goals for students and provide support from staff Health Navigators (iii) promote healthy behaviors and provide health education through workshops and through new offerings: on-site health screenings; workshops on topics such as diet, exercise, preventing dating violence, and asthma management; and engaging staff and students in physical fitness and stress management and (iv) monitor changes in healthy behaviors through pre and post tests and surveys, and evaluate impact on student retention and other outcomes.

Year Up expects to help students take accountability for their health practices and access to care which will increase their ability to exceed employers' expectations and improve their long-term prospects for good health. Employed young adults with health insurance who engage in preventive health behaviors will take better care of themselves and their families, become connected with a medical "home" and will likely have better health outcomes, as compared to unemployed, uninsured young adults, with mal-

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adaptive coping skills, who "forego" care until a crisis, or receive fragmented services in the ER. The Initiative may also provide added benefit for families of students, many of whom are parents. Additionally, young adults with health care exert a "ripple effect" in their social networks as they share lessons and experiences that have transformed their lives.

The National Alliance for Secondary Education and Transition set forth a number of standards and indicators for what youth need in order to achieve successful participation in postsecondary education and training, civic engagement, meaningful employment and adult life, including: Organizations should connect youth to an array of programs, services, accommodations, and supports, based on an individualized planning process.

Year Up's Health Behavior Initiative addresses this standard by connecting students to a continuum of services for educational, economic, and health and well-being. Results will help to demonstrate the effectiveness of a holistic approach to addressing disconnected young adults' health concerns while improving their earning potential. The approach has potential for replication at other Year Up sites nationally and other workforce readiness programs. Meaningful work experience is a key component of positive youth development and Year Up's model can help inform best practices within the field.

TARGET POPULATION: Young adults ages 18-24 who exhibit at least two significant risk factors and whose income is less than 150% of federal poverty guidelines. In 2010, Year Up NCR's students are from Maryland, Washington, DC and Virginia.

EVALUATION: EMC is conducting an ongoing longitudinal study. The study will track whether participants achieve substantially better outcomes than youth who qualified for the program but were placed on a waiting list and will assess what aspects of the program are related to performance.

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IMPACT/OUTCOMES: EMC is extending its study period by one year to complete the program evaluation. The study will focus on outcomes demonstrating whether and how project activities help young adults embrace healthy lifestyles. EMC will evaluate the immediate effects of the project and assess knowledge and attitudes before, during and after intervention. The overarching goal is to increase retention to 85% in future Year Up NCR cohorts.

BUDGET: (YEAR 1: \$413,000; YEAR 2: \$613,960)

Personnel & Benefits (90%) Year Up NCR's budget includes 2 Health Navigators to engage with students to ensure optimal impact of the health initiative and a Collaboration Manager to work with youthCONNECT network organizations to yield greater, shared results. In Year 2, a Replication Manager will drive replication of the initiative through the Year UP network. The budget allocates 15% of the Learning Community team to institutionalize the health care focus for each learning community and to implement related incremental data and process changes.

Supplies (2%) Budget includes supplies and other costs related to production of collaterals, handouts, medical tests, etc.

Consultant Services (8%) Budget includes utilizing outside consultants for curriculum design and codification of the health initiative, and evaluation of the program.

15. In addition to collecting data towards shared outcomes measures, each subgrantee will collect information on participants' characteristics, service use, and measures of program quality for youthCONNECT-supported programs. Child Trends will work with each subgrantee to assess the data it gathers on program services and participants' use and suggest modifications when necessary. Once

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subgrantees have incorporated needed data elements, VPP and CT will work with them to develop a reporting format and schedule. Although each subgrantee's reporting may vary slightly, the most basic reports will assess attendance rates in programs, youth attrition from programs, customer satisfaction, staff training/credentials, and youth outcomes. In addition to program level reports, subgrantees may be asked to prepare staff level reports. Outcomes that vary across staff or program would trigger further assessment to identify the cause and adjustments needed.

16. VPP is committed to sharing knowledge, increasing innovation in the social sector, and bringing together critical stakeholders across sectors and silos to advance systems change. VPP will build a coalition of match funders and engage them deeply in the work of youthCONNECT. We have identified members of our investor family as well as constituents within our broader network that we believe will be energized by and will invest matching funds in youthCONNECT. Additional individuals, foundations, and corporations will be approached to be match partners. If awarded the SIF grant, VPP plans to establish a youthCONNECT Funders Group to provide regular updates on progress; seek advice and counsel; and discuss broader cross system and advocacy related issues. VPP believes the opportunity for collaboration extends far beyond a funding group, however, and intends to reach out and work with other community stakeholders to share the learnings of youthCONNECT and advance its efforts. VPP plans to work through established organizations like the Washington Association of Grantmakers; Children, Youth and Families Working Group and the Youth Transitions Funders Group, as well as groups like the Nonprofit Roundtable. These groups are able to collectively advance needed policy change. Individual meetings will be held with stakeholders as necessary, as will public outreach and communication through more informal networks and channels.

17. VPP has identified the need to increase its efforts to assess its own work more thoroughly and extensively. The two perception studies of the first portfolio provided significant insights and data that

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helped VPP improve performance and refine its approach, and may be a process VPP will use in the future. This issue will be thoroughly addressed in the business planning process, conducted by McKinsey & Company, which VPP will undertake in the fall of 2010. This plan will focus on the organization's future beginning in 2014, but issues like assessment that have an impact on VPP's current work will also be included. By early 2011, a more extensive plan should be in place to help VPP measure the effect of its strategic assistance and capital more definitively.

18. In selecting the four pre-selected subgrantees, VPP did have initial conversations with six organizations, however, the two that were not selected would not meet the criteria for youthCONNECT's open competition as they do not have programs focused on youth transitioning to adulthood, ages 14-24, which are ready to be demonstrated and scale.

For Official Use Only

Required Documents

<u>Document Name</u>	<u>Status</u>
Match Verification	Sent
Letters of Support	Sent
Pre-selected Subgrantee Detailed Budgets	Sent
Budget Issues for Clarification	Sent

2010 Social Innovation Fund
Venture Philanthropy Partners
Section 2 – Clarification Questions

First Round Clarification Questions:

1. Your pre-selected subgrantees have aligned behind “two clear goals” and a “shared outcome framework”. Are these subgrantees currently using different measures for the same outcomes? If so, what are the implications for establishing baseline data and how do you propose to overcome this challenge? In addition, three of your pre-selected subgrantees are affiliates of nonprofit organizations operating in more than one geographic location. Have you discussed measurement and outcomes alignment with their parent organizations?
2. Although you propose to “increase education and employment outcomes” for low-income youth, the “indicators of progress” on page 11 do not include employment indicators. Please address this concern.
3. Your target population is low-income youth ages 14 – 24, but your measure of dislocation appears confined to a narrow age range (“the proportion of youth who have dropped out of school”). Please address this concern.
4. Please explain your decision to limit your subgrant competition to organizations with budgets of greater than \$3 million. Do your pre-selected subgrantees meet this threshold requirement?
5. Your proposal assumes that subgrantees will budget for and commission experimental or quasi-experimental evaluations, rather than VPP. Please discuss the decision to house this function at the subgrantee level. In particular, please discuss the decision in light of your stated effort to increase measurement alignment, collaboration and knowledge-sharing, and efficiencies, across your portfolio.
6. Who will conduct evaluations of each of the pre-selected subgrantees? Will any one organization work with more than one pre-selected subgrantee?
7. Please explain your decision to separate the work of designing and conducting evaluations, and studies of their implementation (which will be performed by Child Trends). Please discuss the potential trade-offs that are associated with this decision.
8. Please describe Child Trends’ qualifications to assess subgrantee evaluation plans and develop an RFP for experimental evaluations.
9. You have pre-committed to conduct experimental or quasi-experimental evaluations for all subgrantees. Will a subgrant applicant who proposes another form of evaluation be automatically rejected?
10. You note that the Latin American Youth Center has “preliminary” evidence, but provide no support for this statement. Please provide support for this statement.
11. You note that KIPP has “moderate” evidence and cite a range of studies. Please provide greater detail including: The major findings of these studies, what research designs were used and whether the study findings are applicable to the KIPP DC target population.
12. You have designated \$700,000 (approximately one-fifth of your funds to be subgranted) for the Latin American Youth Center. You note that LAYC has “preliminary evidence” while other pre-selected subgrantees (example: KIPP DC) have moderate evidence. The SIF NOFA explicitly states that subgrantees with stronger evidence should receive larger grants. Why have you decided to award LAYC a larger grant than other pre-selected subgrantees?

13. What evidence do you have that the outcomes of your pre-selected subgrantees are stronger than other programs (with the same or similar goals) operating in the National Capital Region?

14. Please provide the detailed pre-selected subgrantee budgets described on page 34 and additional details about what activities will be conducted, what populations will be targeted, impacts/outcomes proposed to be achieved, and existing and/or proposed evaluation plans.

15. Please describe your subgrantee monitoring plans in greater detail, and specifically, what information you will use to pinpoint what aspects of a program design to change.

16. On the final page of your narrative you list a host of individuals and organizations that "support" your SIF proposal. Please provide additional detail about how you plan to formally leverage these community relationships to impact public discussion and effect broader systems change.

17. Beyond perception studies, what are your plans to enhance the assessment of your work? Specifically, do you have plans to identify the distinct contributions of your technical assistance and support?

18. In selecting your portfolio of pre-selected subgrantees, you searched an existing database and eventually engaged in discussions with six organizations, before selecting four. As such, two organizations may have existing knowledge that would advantage them in a competition. In designing your subgrant selection process, how do you propose to ensure an open and competitive process?

Second Round Clarification Questions:

1. You provided additional narrative information regarding Year Up's health education initiative directly to Kent Mitchell via email on Friday, July 2, 2010. Please formally include this information in your revised clarification response, wherever most appropriate.

2. Please email to Kent Mitchell the proposed budgets (in Excel) for all of your pre-selected subgrantees. Please include at least Years 1 and 2.

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Additional clarification question sent via email:

On Year Up, is the health curriculum they are implementing an evidence-based curriculum? Or are they creating a new one for this initiative? Is the Navigator role modeled off existing health navigator positions with demonstrated effectiveness?

Here is VPP's response:

Is the health curriculum evidence-based?

No, Year Up's health curriculum is not an evidence-based program but is being designed to incorporate elements of programs that are either evidence-based or are considered best

practices. The curriculum will draw from the Healthy Monday Initiative (HMI), a non-profit public health organization founded in association with Columbia University's Mailman School of Public Health, Johns Hopkins University, and Syracuse University. HMI seeks to reduce chronic, preventable disease by offering a weekly health topic and activities to adopt and sustain healthy behaviors. Year Up will use this model to kickoff each week by inspiring students to excel academically and engage in healthy behaviors. Throughout each week, students will participate in group educational presentations that reinforce and facilitate healthy behaviors. Students will be exposed to new experiences [heart-healthy cooking demonstrations, a "walking club", yoga etc.] designed to encourage them to explore healthy options for eating, exercise and stress management. Students will also participate in interactive scenarios that will engage them in problem-solving situations regarding healthy behaviors. During classroom instruction, students will seek information on the week's health topic by viewing web-links that have been vetted by staff for useful content. Finally, to assess mastery of the subject matter, students will complete a self-assessment quiz at the completion of each module. The program will also draw on LifeSkills Training, which has been proven to have statistical significance in helping youth reduce substance abuse.

Are the Year Up Health Navigators based on the existing navigator model with demonstrated effectiveness?

Year Up's Health Navigators are modeled on the patient navigator program, pioneered by the American Cancer Society in the 1990's. The navigator model is a well-respected approach to addressing health disparities and increasing access to care for low income, immigrant, and other underserved people. Year Up Health Navigators will implement our health curriculum using standardized health workshops on topics ranging from decision-making and sexual health to substance abuse and nutrition. They will also ensure that students maximize the benefits of health insurance coverage for treatment and prevention.

Third Round Clarification Questions:

Please find below two additional points of clarification. Your application will shortly be returned to you to facilitate editing. You can clarify LAYC's subgrant amount and the 6 to 16 question in your revised response to question #14. Please respond by 5:00 p.m. ET on Friday, July 9, 2010.

1. Please reduce the amount of LAYC's pre-selected subgrant to \$500,000, a level that more accurately reflects the evidence-base (preliminary) and developmental stage of the Promotores program, while still accommodating growth in the number of Promotores/navigator positions and a robust evaluation component. This recommendation is consistent with the Corporation's preference for directing larger subgrants to innovations with higher levels of evidence and reserving substantial resources to be invested via upcoming competitive subgrant selection processes.
2. We've investigated the 6 to 16 curriculum being purchased by KIPP DC, but do not see any publicly-available evidence about the curriculum's effectiveness. Please

provide whatever evidence you have about the curriculum's effectiveness. Does College Summit-NCR plan to use the curriculum, as well?

Response:

Change to LAYC budget made in application. Answer to #2:

Please also clarify whether College Summit-NCR plans to use the curriculum and generally how their "Launch" program differs from the KIPP DC initiative.

The College Summit Launch program does not use the 6to16 curriculum. College Summit-NCR provides its own curriculum, tools and training for schools and districts throughout the NCR. While KIPP DC and College Summit reach a similar population of students: low-income, first-generation, they work through different pathways. College Summit serves students and schools region-wide. In 2009-2010, College Summit-NCR served over 7,000 students, grades 9-12 in 22 high schools across 5 districts. They build the capacity of schools and school districts to strengthen their college-going culture and increase college enrollment by providing curriculum, training educators, counselors and students in critical elements of achieving high school success and preparing for post-secondary education. KIPP to College DC targets the students who attend or have attended a KIPP school in Washington, DC to ensure they are academically and emotionally prepared to transition to high school and then to college, thus transforming the college going culture of the student community it serves. Therefore the breadth of the organizations is different. By incorporating both organizations in youthCONNECT, we are able to reach a greater number of students across the National Capital Region. The two organizations will also benefit from the transfer of information, data, evaluation results and learning, ultimately strengthening both programs.

Please provide whatever evidence you have about the 6to16 curriculum's effectiveness.

The 6to16 curriculum was developed by the University of Chicago Charter Schools and has been informed by the research of the Consortium on Chicago School Research, both entities of the Urban Education Institute (UEI) at the University of Chicago. The research that informs 6to16's design (In particular, Conley, D., "College Knowledge: What it Really Takes for Students to Succeed and What We Can Do to Get Them Ready", January 2008 and Roderick, M. et al, "From High School to the Future: Potholes on the Road to College," University of Chicago Consortium on Chicago School Research, March 2008 http://ccsr.uchicago.edu/content/publications.php?pub_id=122) identifies the four critical variables that can reverse current trends in American high school and college graduation rates: 1) early college preparation; 2) rigorous high school education; 3) social capital that inspires and supports high school and college success; and 4) access to information that optimizes the search for and application to high schools and colleges. 6to16 is designed to address each of these factors.

The 6to16 curriculum is highly effective based on preliminary evidence gathered during pre- and post- tests of participants, student satisfaction surveys, and the outcomes

tracking facilitated by school counselors. During the 2009-2010 pilot year the program was implemented in seven schools with 1400 students. The preliminary results show that of 6to16 graduates, 29% have gone on to attend selective high schools across the Chicagoland area, compared to the citywide average of less than 10%. More data will be available in August 2010.

Budget Clarification Questions:

Costs included in Federal grant budgets must meet the standards of reasonable and necessary as described in the 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, you must provide additional justification for the items described below.

1. The salary for the Partner is higher than normally supported with Corporation funds. Consider moving more costs to the Grantee Share.
2. Please breakdown or detail the cost include in the Child Trends consultant services line item for \$119,114.
3. Move the Open Competition costs to Section F and breakdown or detail the \$47,506.
4. Breakdown or detail the costs included in the Grants Administration and Compliance line item for \$66,000.
5. Breakdown or detail the costs included in the Network Creation and Facilitation line item for \$50,000.
6. The budget includes a percentage for 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 your allocation plan or the calculation for the 16.82 in the budget narrative.

Applicant Responses:

1. Addressed in budget.
2. Child Trends consultant services line item: youthCONNECT will emphasize data collection, monitoring and evaluation. The budget includes \$280,533 to support the activities of CT over two years. \$119,114 is allocated in Year 1 and \$161,419 in Year 2 to the following four tasks [Year 1 and Year 2 amounts and hours noted]: (i) Creation of youthCONNECT outcomes framework and metrics and analysis of shared data [\$19,810 (149 hours); \$9,413 (60) hours]; (ii) Helping subgrantees develop RFPs for experimental evaluations and reviewing the quality of subgrantees' experimental evaluations [\$6,196 (35 hours); \$11,737 (60 hours)]; (iii) Designing quasi-experimental evaluations for subgrantees not yet prepared for experimental evaluations [\$15,810 (388 hours); \$74,714 (835 hours)]; and (iv) Implementation evaluation [\$77,298 (768 hours); \$65,555 (549 hours)]. Travel costs are included in the above amounts: 58 local trips budgeted at \$10/trip. The calculated number of hours for each task includes staff at multiple salary levels, and the proportion of staff at higher levels to those at lower levels accounts for the difference in average hourly costs across tasks.

3. Addressed in budget.

4. Grants and Administration and Compliance line item: (i) A133 Audit estimate provided by PwC;

(ii) Grants administration/compliance support: Engaging Rubino and McGeehin to provide additional resources for federal grants administration, including: guidance on establishing the appropriate accounting architecture, timekeeping processes and practices, subgrantee payment processing and documentation review, FFR reporting requirements, etc.

5. Network Creation and Facilitation line item: VPP has budgeted \$50,000 in Year 1 to support network creation and facilitation. Specifically these initiatives will include: (i) planning/visioning for the Network to gain alignment, buy-in around common goals, objectives and impact (\$30,000); (ii) convening subgrantees (\$15,000); and (iii) knowledge capture and dissemination of the learnings and lessons experienced through youthCONNECT (\$5,000). A 3% increase was applied in Year 2.

6. Indirect Cost Rate: VPP engaged Rubino & McGeehin to provide guidance with respect to the indirect cost rate ("ICR") methodology to determine a provisional rate. The rate was derived based on VPP's operating budget for the fiscal year ending March 31, 2011 and using the "Salaries & Wages including Benefits" methodology. Costs that were allocated on a direct basis to programs and fundraising include: salaries, payroll taxes, benefits, technology (per seat charge), rent and telephone charges. The indirect cost pool includes the following general and administrative expenses: audit and tax preparation fees, legal fees, insurance, publications, licenses, office supplies, membership fees, postage and couriers and a shared receptionist. Personnel allocations for specific positions that are general and administrative were included in the indirect cost pool. Costs excluded from the indirect cost pool include bank fees and US trademarking fees. Based upon this methodology, the ICR is computed to be 16.82% as follows:

Indirect Costs = \$436,785

Base (Salaries & Benefits) = \$2,597,084

Indirect Cost Rate = 16.82%

>>>

Another clarification question posed:

Please explain how you benchmarked to arrive at the \$200,000 salary for the SIF Partner?

Answer sent via email to Kent Mitchell:

In February 2007 VPP commissioned HiRE Expectations to conduct an independent study of the compensation of five key positions: President & CEO; Partner; COO; Vice President Development and Investor Relations; and the Vice President, Communications

and Assessment. As a matter of prudent governance and accountability, VPP conducted a compensation analysis of key positions to ensure that the compensation levels established were reasonable and reflected the market value of the services provided. The purpose of this study was to:

1. Confirm the reasonableness of the compensation levels;
2. Ensure that VPP performed thorough research, due diligence, and oversight with respect to the recommendations and decisions; and
3. Ensure VPP was in compliance with the provisions of the intermediate sanctions established by the Internal Revenue Service.

The methodology/process used to determine the salary ranges for each of these positions included:

1. Interviews with two search consultants to frame the Washington area market, competition, and unique characteristics of the VPP model and position responsibilities;
2. An analysis of peer group data; and
3. The Economic Research Institute database was selected as the best data available for this analysis, due to its reliability, inclusiveness of executive compensation data, and frequency of update.

Based upon these inputs, the salary ranges were established for the five positions. A sub-committee of the VPP Board had been formed as review and oversight of the process and recommendations. On February 14th 2007 the final recommendations of the sub-committee were presented to the Executive Committee (EC), supported by the Compensation Analysis and opinion prepared by HiRE Expectations. The EC voted unanimously to approve the compensation recommendations. And, at this meeting the Organizational Development and Compensation Committee was officially formed, Chaired by Les Silverman.

On February 21st, 2007 the nominee for the President and Chief Executive Officer and the proposed compensation level recommendations, approved by the EC, were presented to and approved by the Board. The recommendations for senior management and general compensation policies were also approved. Les Silverman, Chair of the Organizational Development and Compensation, presented these recommendations to the Board.

2010 Social Innovation Fund
Venture Philanthropy Partners
Section 3 – Budget

youthCONNECT Venture Philanthropy Partners

Application ID: 10SI114924

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

	Total Amt	CNCS Share	Grantee Share
Section I. Program Costs			
A. Project Personnel Expenses	628,375	246,187	382,188
B. Personnel Fringe Benefits	104,687	52,343	52,344
FICA	13,598	6,799	6,799
Health Insurance	67,176	33,588	33,588
Retirement	2,500	1,250	1,250
Life Insurance	3,492	1,746	1,746
Total	\$191,453	\$95,726	\$95,727
C. Travel	0	0	0
D. Equipment	0	0	0
E. Supplies	5,500	2,750	2,750
F. Contractual and Consultant Services	328,039	171,145	156,894
H. Other Costs	3,517,888	1,826,534	1,691,354
Subgrants	3,200,000	1,600,000	1,600,000
Total	\$6,717,888	\$3,426,534	\$3,291,354
Section I. Subtotal	\$7,871,255	\$3,942,342	\$3,928,913
Section II. Indirect Costs			
J. Federally Approved Indirect Cost Rate			
Indirect Costs	137,880	58,608	79,272
Total	\$137,880	\$58,608	\$79,272
Section II. Subtotal	\$137,880	\$58,608	\$79,272
Budget Totals	\$8,009,135	\$4,000,950	\$4,008,185
Funding Percentages		50%	50%
Required Match		n/a	
# of years Receiving CNCS Funds		n/a	

2010 Social Innovation Fund
Venture Philanthropy Partners
Section 4 – Budget Narrative

Budget Narrative: youthCONNECT for Venture Philanthropy Partners

Section I. Program Costs

A. Project Personnel Expenses

Position/Title -Qty -Annual Salary -% Time	CNCS Share	Grantee Share	Total Amount
Partner (Year 1): - 1 person(s) at 200000 each x 100 % usage	66,000	134,000	200,000
Principal (Year 1): - 1 person(s) at 90000 each x 100 % usage	45,000	45,000	90,000
Administrative Assistant (Year 1): - 1 person(s) at 45000 each x 50 % usage	11,250	11,250	22,500
Partner (Year 2): - 1 person(s) at 200000 each x 100 % usage	66,000	134,000	200,000
Principal (Year 2): - 1 person(s) at 92700 each x 100 % usage	46,350	46,350	92,700
Administrative Assistant (Year 2): - 1 person(s) at 46350 each x 50 % usage	11,587	11,588	23,175
CATEGORY Totals	246,187	382,188	628,375

B. Personnel Fringe Benefits

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
FICA: Year 1: 6.2% of salary up to \$106,800	6,799	6,799	13,598
Health Insurance: Year 1 - Medical: \$2,128 per month; Dental: \$99 per month and Vision \$12 per month per employee	33,588	33,588	67,176
Retirement: Year 1: Employer match of 401(k) contributions:100% up to \$1,000 per employee, per year	1,250	1,250	2,500
Life Insurance: Year 1 - Partner: \$226 per month; Principal: \$52 per month; Administrative Assistant: \$26 per month	1,746	1,746	3,492
Long Term Disability: Year 1: Partner: \$72 per month; Principal: \$30 per month; and Administrative Assistant: \$15 per month	657	657	1,314
Medicare: Year 1: 1.45% of salary (unlimited)	2,266	2,266	4,532
State Unemployment Insurance: Year 1: 2.5% of first \$9,000 of salary	282	282	564
FICA: Year 2: 6.2% of salary up to \$106,000	6,903	6,903	13,806
Long Term Disability: Year 2: Partner: \$74 per month; Principal: \$31 per month; and Administrative Assistant: \$15 per month (includes 3% increase over Year 1)	676	677	1,353
Medicare: Year 2: 1.45% of salary (unlimited)	2,290	2,290	4,580
Health Insurance: Year 2 - Medical: \$2,277 per month; Dental: \$106 per month and Vision \$13 per month per employee (includes 7% increase over Year 1)	35,938	35,939	71,877
State Unemployment Insurance: Year 2: 2.5% of first \$9,000 of salary	282	282	564
Retirement: Year 2: Employer match of 401(k) contributions: 100% up to	1,250	1,250	2,500

\$1,000 per employee, per year			
Life Insurance: Year 2 - Partner: \$233 per month; Principal: \$54 per month; Administrative Assistant: \$27 per month (includes 3% increase over Year 1)	1,799	1,798	3,597
CATEGORY Totals	95,726	95,727	191,453

C. Travel

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
N/A:	0	0	0
CATEGORY Totals	0	0	0

D. Equipment

Item/Purpose -Qty -Unit Cost	CNCS Share	Grantee Share	Total Amount
N/A: - 0 x 0	0	0	0
CATEGORY Totals	0	0	0

E. Supplies

Item -Calculation	CNCS Share	Grantee Share	Total Amount
laptops: Cost based on 2.5 laptops at \$2,200 each. Half of the cost of one laptop will be allocated to the administrative assistant who will dedicate 50% of their time to SIF.	2,750	2,750	5,500
CATEGORY Totals	2,750	2,750	5,500

F. Contractual and Consultant Services

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
Outcomes and Evaluation: Year 1: Child Trends (149 hours) Creation of an outcomes framework and metrics for youthCONNECT and analysis of shared data on outcomes	9,905	9,905	19,810
Outcomes and Evaluation: Year 2: Child Trends (60 hours) Creation of an outcomes framework and metrics for youthCONNECT and analysis of shared data on outcomes	4,706	4,707	9,413
Outcomes and Evaluation: Year 1: Child Trends (35 hours) Assist subgrantees develop RFPs for experimental evaluations and review the quality of subgrantees experimental evaluations	3,098	3,098	6,196
Outcomes and Evaluation: Year 2: Child Trends (60 hours) Assist subgrantees develop RFPs for experimental evaluations and review the quality of subgrantees experimental evaluations	5,868	5,869	11,737
Outcomes and Evaluation: Year 1: Child Trends (388 hours) Design quasi-experimental evaluations for subgrantees	7,905	7,905	15,810

Outcomes and Evaluation: Year 2: Child Trends (835 hours) Design quasi-experimental evaluations for subgrantees	37,357	37,357	74,714
Outcomes and Evaluation: Year 1: Child Trends (768 hours) Implementation evaluation	38,649	38,649	77,298
Outcomes and Evaluation: Year 2: Child Trends (549 hours) Implementation evaluation	32,778	32,777	65,555
Open Competition: Year 1: Child Trends (300 hours) Development/dissemination of the RFP and compliance with public disclosure, review of the evaluation plans of each proposal and oversight to ensure that an independent, competitive process has been achieved.	30,879	16,627	47,506
CATEGORY Totals	171,145	156,894	328,039

H. Other Costs

Purpose -Calculation	CNCS Share	Grantee Share	Total Amount
Subgrants:	1,600,000	1,600,000	3,200,000
Occupancy/Technology: Year 1:	19,463	19,463	38,926
A133 Audit Fees: Year 1:	30,000	0	30,000
Network Creation and Facilitation: Year 1:	25,000	25,000	50,000
Occupancy/Technology: Year 2:	20,241	20,241	40,482
Subgrants: Year 2:	1,600,000	1,600,000	3,200,000
A133 Audit Fees: Year 2:	30,900	0	30,900
Grants administration/compliance support: Year 1:	36,000	0	36,000
Grants administration/compliance support: Year 2:	37,080	0	37,080
Network Creation and Facilitation: Year 2:	25,750	25,750	51,500
Background Checks: Year 1:	1,750	750	2,500
Background Checks: Year 2:	350	150	500
CATEGORY Totals	3,426,534	3,291,354	6,717,888
SECTION Totals	3,942,342	3,928,913	7,871,255
PERCENTAGE	50%	50%	

Section II. Indirect Costs

J. Federally Approved Indirect Cost Rate

Calculation -Cost Type -Rate -Rate Claimed -Cost Basis	CNCS Share	Grantee Share	Total Amount
: Salaries and Benefits: The indirect cost rate is a provisional rate derived by			

using the VPP budget for fiscal year ending March 31, 2011. Total amount represents Years 1 and 2 combined with a rate of 0 and a rate claimed of 16.82	58,608	79,272	137,880
CATEGORY Totals	58,608	79,272	137,880
SECTION Totals	58,608	79,272	137,880
PERCENTAGE	43%	57%	

BUDGET Totals	4,000,950	4,008,185	8,009,135
PERCENTAGE	50%	50%	

Source of Funds

Section	Match Description	Amount	Type	Source
Source of Funds	Through its private investors, Venture Philanthropy Partners has committed up to \$10 million in capital over a five year period.	4,000,000	Cash	Private
Total Source of Funds		4,000,000		