

# Narratives

## Executive Summary

CaliforniaVolunteers (CV), the state service commission of California, proposes the utilization of year 5 Volunteer Generation Fund (VGF) support to further codify and implement the business model for long-term sustainability of the CaliforniaVolunteers Service Enterprise Initiative (CVSEI). CVSEI has been developed using year 1-4 VGF support as an evidenced-based train-the-trainer model to increase the effectiveness and impact of nonprofit organizations through the strategic engagement of volunteers. In addition to this, CV is proposing a Service Enterprise innovation to bring the model to the public sector. In this pilot program, two consultants from California Volunteer Centers will work with the California Department of Corrections and Rehabilitation to develop tools and materials to implement Service Enterprise in state prisons. Key partners in these efforts include Points of Light (POL) as the national technical assistance and scaling partner, California Department of Corrections and Rehabilitation, and the 7 volunteer centers (affiliates) in California who have tested the model to date.

## Program Design

### Need

Although the economy continues to recover, nonprofit organizations nationwide are still challenged to raise the necessary financial resources to support their efforts to address community needs. And yet, recent research from TCC Group, a national program and evaluation firm, demonstrates that nonprofit organizations that effectively engage volunteers outperform peer organizations on all measures of nonprofit effectiveness and organizational capacity.

In December 2009, TCC Group analyzed the data of 652 organizations nationwide that had completed its Core Capacity Assessment Tool (CCAT). The CCAT measures a nonprofit's effectiveness in relation to four core competencies: leadership, adaptability, management and technical capabilities, as well as organizational culture. The findings that emerged far exceeded initial expectations. From TCC Group's data and analysis, it became clear that:

- \*Nonprofits that engage volunteers well are significantly better led and managed;
- \*Nonprofits that engage 50+ volunteers via a strong volunteer management model have increased organizational capacity;
- \*Such organizations are more adaptable, sustainable, and capable of going to scale; and,
- \*Nonprofits that engage at least 10 volunteers are as effective as their peers without volunteers, but at almost half the median budget. Specifically, organizations with between 10 and 50 volunteers have a

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median budget size of \$615,000, while organizations with no volunteers have a median budget size of \$1.1 million. This implies that organizations that break the barrier of 10 volunteers have as much capacity as peer organizations that do not engage volunteers, but do not require the same level of financial resources to deliver the same level of services.

Despite this compelling evidence on the link between effective volunteer engagement and organizational capacity, the TCC Group research found that less than 15% of nonprofits nationwide were operating as "service enterprises".

A service enterprise is defined as a nonprofit organization that fundamentally leverages volunteers as a core strategic function to achieve the social mission of the organization. Service enterprises go beyond engaging volunteers to provide basic administrative support or deliver one programmatic function for the organization. Instead, service enterprises, view volunteers as an integral part of their overall strategy and seek ways to engage volunteers in a variety of ways and roles to increase their capacity -- programmatic delivery, specific skills-based engagements, administrative support, and so forth. Inspired by the TCC data, and its implications for nonprofit organizations in California, CV partnered with affiliates to design the CVSEI -- a comprehensive assessment, training, and consulting model to assist nonprofit organizations reap the benefits of operating as service enterprises.

### Current Structure

Building on the efforts of CV, participating affiliates, and the Taproot Foundation in Year 1, in May 2012 Points of Light (POL) was selected as the technical assistance provider and scaling partner for Years 2 and 3. Since that time, POL has been integral to the implementation and scaling of the initiative in Year 4, having refined the program model to equip participating affiliates in coordination with State Service Commissions with the tools and resources necessary to effectively deliver the program model in their local communities. Currently, the program model includes: template outreach and marketing materials; electronic application for interested organizations; a rigorous assessment tool (the Service Enterprise Diagnostic -- SED) developed collaboratively by researchers from TCC Group and the RGK Center for Philanthropy and Community Service at University of Texas at Austin; a 4 module, 16-hour curriculum designed to assist participating nonprofits in deepening their understanding of the service enterprise concept and how to apply it to their own organization, including strategies for effectively engaging skills-based volunteers; case studies of nonprofits organizations operating as service enterprises to re-enforce curriculum concepts; up to 10 hours of individualized consulting provided by affiliates, in areas such as re-engineering organizational processes with volunteers as well as recruiting and effectively engaging skills-based

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volunteers; and, a certification program for organizations that demonstrate mastery of the service enterprise concept.

California affiliates began field work in January 2013. Since then, 76 organizations have met the performance measure of either receiving certification and/or completing the training and consulting portion of the program model in Year 2. Year 3 only recently concluded, but it is expected that 105 organizations will have met the performance measure of either receiving certification and/or completing the training and consulting portion of the program model. Year 4 is currently in progress, ending September 30, 2014. By then, it is expected that 60 organizations will have gone through the training and consulting portion of the program model.

Given the organizational change often involved in becoming a service enterprise, it is estimated that it may take some nonprofits 6-12 months following the completion of the training and consulting portion of the program model to earn certification. To date, participating nonprofits have responded favorably to the curriculum, with 90% of training participants stating that they "gained new knowledge", "training was worth time and resources" and "recommend to others". Further, in September 2013, a follow-up survey was administered to all nonprofits participating in the initiative to date to measure growth in volunteer engagement, particularly as it relates to skills-based volunteers. This data was collected and from the analysis of the baseline to six month data indicated the organizations had an increase in their reported general and skill-based volunteer engagement since joining the CVSEI. While we cannot directly attribute this change to the CVSEI, ratings suggest quality has improved on every volunteer management system assessed in the follow-up survey. The increase is not just by a few organizations but the majority of those in the pool and therefore is very promising:

- \* 60% of nonprofits increased the number of volunteers engaged
- \* 50% of nonprofits increased the number of skills-based volunteers engaged
- \* 52% of nonprofits increased the number of service hours donated
- \* 57% of nonprofits increased the number of service hours donated by skills-based volunteers

For Years 3 and 4, POL was tasked with designing and implementing a national expansion strategy for this work. Through a national competition administered in spring 2013, 12 volunteer centers representing 11 states were selected to test the model in their own communities. In 4 of these states, volunteer centers were partnering with their state service commissions for additional support and to determine if the model is of interest for statewide replication in the future. Since the summer of 2013, POL has been utilizing VGF support to provide intensive technical assistance to the national centers so

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that they are equipped to deliver the model locally. Through the end of Year 3, the national affiliates have worked with 58 nonprofits in their communities.

### Year 5 Plans

Year 5 VGF support for the CVSEI provides the opportunity to strengthen the capacity of the participating partners (affiliates and POL) to implement a business model that continues the growth of the initiative after federal funds are no longer available to support the effort. Initially, the initiative was designed as a revenue generating model for affiliates that would market the service enterprise transformation process (assessment, training, consulting) to local nonprofits. Based on interest to date from nonprofits in California and nationwide, it is anticipated that affiliates will be able to market participation in this proven program model to nonprofits seeking to increase their organizational capacity and/or to the funding community (both companies and foundations) who wish to assist their grantees in further building out their organizational capacity. In addition, companies will be targeted to purchase "scholarships" for their nonprofit partners as a way to assist such organizations in maximizing the engagement of skills-based volunteers provided by the companies.

Each of the California affiliates will receive \$20,000 in VGF support (to be matched by \$20,000 in non-federal funds) to provide 10 nonprofits with access to the program model at little to no cost. Currently, it is estimated that the value of this scholarship is \$2,500-\$4,000 based on the size of the community. The remainder of the funding will be utilized by the affiliate to further build out its internal capacity to support the initiative in the future. Anticipated uses of this funding include: strengthening staff capacity to fund and implement this work, building out the consulting expertise of the affiliate, and additional marketing funds to promote the initiative locally.

CaliforniaVolunteers will also work to bring all California volunteer centers together to discuss successes and challenge to date and highlight any modifications that need to be made to the model moving forward. This convening will also serve as a Launchpad to discuss the "Service Enterprise in Prisons" concept that is detailed later in this application.

The performance measures for Year 5 will remain primarily consistent with year 4 performance measures. Organizations will have either: (a) completed the CVSEI training and be working on their transformation to become a service enterprise, (b) completed the CVSEI training and become certified as a service enterprise, or (c) completed the CVSEI certification evaluation and qualified to be certified as a service enterprise (grandfathered-in).

Additionally as part of year 5 performance measures, CV will report the following:

\*70 (10 per affiliate) California organizations will either be certified as a service enterprise or will have

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completed the training and consulting portion of the program model during the grant term. Note: Depending on the starting point of the participating nonprofit, achieving certification may not be possible during the grant term. In such instances, the affiliate will continue work with the nonprofit towards certification for up to one year following the completion of training.

\*29,000 community volunteers will have been recruited by CNCS-supported organizations, contributing 540,000 hours of service.

\*112,000 community volunteers will have been managed by CNCS-supported organizations, contributing 2,000,000 hours of service.

In Year 5, Points of Light will provide training and technical assistance for California volunteer centers, continue to refine the Service Enterprise model, work with the researchers to publish research and learnings to date, lead a California Service Enterprise convening and build out a specific Skills Based volunteering module to be used alongside the Service Enterprise Training and coaching.

Service Enterprise Innovation: Prisons and Recidivism

In 2013, the state of CA spends \$8.9 billion on corrections and rehabilitation. Inmates released from CDCR in 2006-2007 have a 65.1 percent three-year recidivism rate, indicating that more than half of those who were released from prison ended up going back within three years. To address this problem, 20% - 30% of the 70 nonprofit organizations that volunteer centers will take through the Service Enterprise model will be organizations that work with ex-offenders. By building the capacity of these organizations to better leverage volunteers they will better achieve their mission, increase their ability to provide support structures to ex-offenders and thereby decrease the chance of them going back to prison.

At the same time, in order to further diversify the Service Enterprise concept, CaliforniaVolunteers (CV) is proposing to bring this innovation to the public sector with the California Department of Corrections and Rehabilitation (CDCR). In 2010, CV began meeting with then secretary of CDCR Matt Cate to explore how the prison system could reduce recidivism by increasing prisoners' contact with volunteers. In their own analysis, CDCR had recognized the strong connection between the number of hours inmates spent with volunteers and their own likelihood to reoffend. CDCR began a partnership with CV and Deloitte to explore the potential barriers in prison culture, technology, and operations to vibrant volunteer on-boarding, training, and engagement. While the initial study proved helpful, the Secretary of CDCR determined that an independent advisory committee would be established to discuss next steps. The Volunteer Advisory Task Force was convened to include representation from nonprofits operating in prisons, CaliforniaVolunteers, and CDCR. The task force

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identified a clear need for more thoughtful analysis of the barriers facing specific prisons. After conversations with Natalie Fransham at CDCR, it was determined that CV could pilot a program to better understand the barriers inhibiting effective volunteer engagement in California prisons through the development of a Service Enterprise Diagnostic and training curriculum specifically for transforming volunteerism in prisons.

CaliforniaVolunteers proposes leveraging the Service Enterprise framework as an approach to identifying and addressing these needs. In year one of this pilot, California volunteer centers and POL (serving as a project manager) will work with researchers to develop a Service Enterprise Diagnostic (SED) for prisons and will implement that assessment with two prisons. We will then work to take the assessment data, and other intelligence gathered from research partners, volunteer centers, etc. and will identify a strategy to meet the barriers. This might include the current Service Enterprise model, a version of the current model or a separate model to be determined. While the problems facing CDCR in recruiting and engaging volunteers are unique, the lessons learned from this pilot may lead to the creation of a public Service Enterprise model that could be leveraged to support other state agencies and departments in California (and around the country) to more effectively engage community volunteers to meet the missions of their agencies/departments.

Points of Light will provide training and technical assistance to support the development of this pilot program. This will include development of the SED for prisons, as well as coordinating the efforts of the consultants involved in its implementation. As this is a pilot program, CNCS funding will be used to develop the tools to facilitate transformation to a Service Enterprise; the performance measures for this grant will come from Year 5 of the CVSEI , mentioned above.

### Organizational Capability

CaliforniaVolunteers

As the state service commission in California, CV has both the experience and capacity to effectively administer the federal funds associated with this request.

CV is the state office that manages programs and initiatives aimed at increasing the number of Californians engaged in service and volunteering. CV staff members involved in the administration of this grant will include: Karen Baker, Chief Service Officer - Karen will work with the POL project manager to oversee the development of initiative deliverables and raise the profile of the initiative both in California as well as through other national networks of which she is a part.

Patrick Gianelli, Lead Program Staff -- Patrick has been working with CVSEI for the past year. He will oversee all subcontracting (POL and California affiliates) and complete all required financial

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reporting. The CV team will review monthly programmatic reports and invoices submitted by POL, as well as quarterly invoices and programmatic reports submitted by the California affiliates.

### **Points of Light**

As the world's leading volunteer organization, Points of Light is poised to support the objectives of the Volunteer Generation Funding request. POL's mission is to inspire, equip and mobilize people to take action that changes the world. POL is organized into three divisions: Programs, Civic Incubator, and Action Networks, which are Points of Light's expansive network of thousands of nonprofit, community, faith-based and government organizations.

POL has managed almost \$29 million in federal grant funds since 2007 and received a clean audit following its latest site visit from CNCS. Through these funding partnerships, POL has created sustainable social capital by training thousands of organizations and volunteer leaders, and by bringing together citizens to tackle problems and revitalize the civic life of their communities. All of these programs successfully demonstrate impact and represent continued organizational capacity and experience to plan and implement the proposed program. Points of Light's SEI efforts are managed by Points of Light Training and Consulting, which is part of the Programs division. The POL team will be led by Vice President of Training and Consulting, Tricia Thompson, who has been with POL for over 5 years and has been leading the SEI work since January 2013. Other key POL team members will include: Lori Jean Mantooth -- Director, Training Programs, who played a lead role in developing and refining the SEI curriculum and supporting California Volunteers and nonprofits; and, Brandee Menoher -- Senior Director, Evaluation and Performance Measurement, who has taken the lead role in designing the evaluation plan for the initiative since POL's involvement. In addition, POL President of Programs, Delores Morton, will provide support to the initiative, primarily in the form of long-term strategy development and business planning. Delores' 15+ years of expertise in nonprofit capacity building will contribute to these efforts.

### **Affiliates**

The 6 California affiliates receiving subgrants from the year 5 VGF grant have all been part of the CVSEI since year 3 (and 5 of the 6 have been part of the initiative since its inception). The affiliates include: Center for Volunteer and Nonprofit Leadership (Marin county), The Volunteer Center Serving San Francisco and San Mateo Counties, Volunteer Center of Santa Cruz, HandsOn Central California, LA Works, and OneOC. OneOC will be working in the Orange County and San Diego areas, being responsible for the deliverables in each community. Each of the participating affiliates have extensive experience administering federal grants and have long-term funding relationships with

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### **Budget/Cost Effectiveness**

Total funding to support the year 5 effort and the expansion of Service Enterprise to prisons is estimated at \$862,506 -- \$431,253 in federal CNCS funding and \$431,253 in non-federal match. Of this amount, \$34,000 will be retained by CV to support staff time for its oversight and administrative responsibilities. POL will receive \$122,500 in federal funds and provide \$163,250 in match.

Anticipated match sources include: \$105,000 in-kind staff time provided by POL leadership on program strategy and other staff (marketing, training, and evaluation) in support of project deliverables, \$21,750 in private funds to be secured by the POL development team for evaluation efforts, \$38,003 from California Department of Corrections and Rehabilitation, and \$34,500 in indirect match.

The California affiliates will each receive \$20,000 in federal funds and provide \$20,000 in match. Each affiliate takes a different approach in securing the required match, but to date, match in support of this initiative has included in-kind staff time as well as local corporate and philanthropic investment.

The funds requested through this application will build capacity both in local volunteer centers and in California's prisons to institutionalize these efforts and lay a solid foundation for growing these efforts without federal funds.

### CLARIFICATION RESPONSES:

1. In-kind matching funding will be tracked and documented separately from CNCS VGF funds. Subgrantee will provide match documentation to substantiate match reported. The cost accounting system will use separate accounting codes.
2. 10VGH has an unexpended balance of \$43,959.72. 13VGH is still in progress; all but one of the subgrantee volunteer centers are on track to meet their deliverables for the grant. Because of this, we estimate \$9,200 to be left unexpended as of the expiration date of this grant.

### **Grant Characteristics**