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Service -
Community IMPACT

Community IMPACT! USA

Expansion Initiative

COMMUNITY IMPACT! USA EXPANSION INITIATIVE

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Executive Summary



Community IMPACT! USA

Executive Summary

One day, all young people will grow up in healthy and vibrant neighborhoods

Community IMPACT! was founded in 1990 to mobilize residents in Washington, DC neighborhoods to help them invest in their youth and community. Community IMPACT! USA is now seeking to expand its successful neighborhood investment model to communities across the country. Our goal is to spark a national movement of neighborhoods investing in their youth, their community and their future.

The Need: In low-income communities, residents have great ideas and the desire to improve their neighborhoods. However, they are often disconnected from each other and the community at large. This disconnect can lead to isolation, frustration, low cooperation and a lack of local ownership. In turn, people -- especially youth -- act out in a variety of ways ranging from violent crime, to school dropout, to drug abuse, to trash thrown on the street.

A Solution: Community IMPACT! mobilizes neighborhoods for change. We work with the leadership inherent in every neighborhood to:

- generate scholarships for higher education
- develop youth-led projects and programs
- create leadership training opportunities for youth
- connect youth to growth-oriented jobs

Many community initiatives look for what is lacking in neighborhoods so they can "fix it." Community IMPACT! discovers assets already in the community -- its people -- and builds on those strengths. Community IMPACT! is bottom-up, not top-down in its approach to the challenges of America's neighborhoods.

What makes Community IMPACT! unique and has led to national attention and support from the Ford Foundation, Kellogg Foundation, Home Depot and other partners is how we accomplish these outcomes. Community IMPACT! helps neighborhood leaders set up a bank account, based on a small geographic area, that gives scholarships for post-secondary education and grants for youth-led projects. A diverse committee of people from the neighborhood, including youth, develops action plans, awards grants and scholarships and helps raise the funds.

Our Success: Community IMPACT!'s bottom-up, grass roots approach works. Our track record in DC includes:

- more than 240 scholarships for post-secondary education awarded through IMPACT! Funds
- numerous partnerships between neighborhoods and corporations such as The Home Depot, Fannie Mae and Clark Construction Co. that have created jobs and have provided resources and expertise for projects and programs
- more than \$275,000 raised for grants awarded through IMPACT! Funds to support youth-led projects and programs that improve the quality of life in neighborhoods and mobilize residents to invest in youth
- the participation of over 10,000 DC residents in more than 1,000 projects that renovated recreation centers, built libraries in public housing, beautified parks and streets, and led to a safer and more vibrant community

National Expansion: Community IMPACT! USA

We are now launching a national office using our same bottom-up, local empowerment philosophy to respond to and seek out communities who want our model and have the resources necessary to support it. We will look for two primary factors to determine communities in which to expand: 1) support from people who control or have access to resources in a given community; and 2) a strong leader who will operate the model. Once communities are selected, Community IMPACT! USA will: train the local IMPACT! Directors; provide matching financial support for the first three years; and form national corporate partnerships that provide resources to the local level.

During our 18-month pilot phase, we will select two to four communities. In total, we anticipate expanding to 30 to 40 communities across the country over the next five years. In doing so we expect to reach 300 neighborhoods and mobilize 1.5 million residents in low-income communities. This powerful network will annually award over \$3 million in local grants and scholarships and implement over 3,000 projects to improve the quality of life in low-income neighborhoods.

Community IMPACT! USA will become a national voice for neighborhood change. Through steady and prudent growth, our goal is to build a critical level of momentum and size in order to leverage resources for neighborhoods, affect policy, and share lessons of change learned at the neighborhood level.

Five-Year Cost of Expansion for Community IMPACT! USA

Assumptions: • Each new community will cost \$160,000 over three years
• We will expand to 30 communities over five years

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
\$1.2 Mil	\$1.9 Mil	\$2.1 Mil	\$2.2 Mil	\$2.3 Mil

National Plan



HISTORY

In 1990, Community IMPACT! - then Funds for the Community's Future -- began working with residents in the neighborhoods surrounding McKinley High School in Northeast Washington, DC to help them invest in the education of their children. The result of this effort was the development and refinement of a grass-roots model that unites neighborhoods to invest in youth and community. In essence, Community IMPACT! USA helps people set up a bank account, based on a small geographic area, that gives scholarships for post-secondary education and grants for youth-led projects. To take back their community and mobilize for change, neighborhoods:

- generate scholarships for higher education
- develop youth-led projects and programs
- create leadership training opportunities for youth
- connect youth to growth-oriented jobs

A diverse committee of people from the neighborhood, including youth, develops the action plans, makes the decisions and helps raise the funds. We rely on four strategies in our effort to promote youth and community:

- Launch **IMPACT! Funds** in neighborhoods to award scholarships for higher education and grants for youth-led projects and programs
- Build **IMPACT! Committees** of local residents to create a neighborhood vision for change, oversee the IMPACT! Funds and serve as a hub for resources.
- **Train young people** to be involved in leadership positions at all levels -- from raising money for IMPACT! Funds to sitting on IMPACT! Committees as full members -- so that they become Ambassadors for positive change.
- **Form partnerships** through our Corporate Connections program to connect resources between corporations, schools, and organizations.

What makes Community IMPACT! unique and has led to national attention and support from the Ford Foundation, Kellogg Foundation, Home Depot and other partners is how we accomplish these outcomes. Community IMPACT! helps neighborhood leaders set up a bank account, based on a small geographic area, that gives scholarships for post-secondary education and grants for youth-led projects. A diverse committee of people from the neighborhood, including youth, develops action plans, awards grants and scholarships and helps raise the funds.

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- more than \$275,000 raised for grants awarded through IMPACT! Funds to support youth-led projects and programs that improve the quality of life in neighborhoods and mobilize residents to invest in youth
- the participation of over 10,000 DC residents in more than 1,000 projects that renovated recreation centers, built libraries in public housing, beautified parks and streets, and led to a safer and more vibrant community

Today, DC IMPACT! is working in Northwest and Southeast Washington, DC neighborhoods and in all 18 DC Public High Schools through our AmeriCorp*VISTA partnership. Community IMPACT! supporters include The Ford Foundation, W.K. Kellogg Foundation, The Moriah Fund, The Meyer Foundation, The Cafritz Foundation, Clark Construction Company and The Home Depot.

STATEMENT OF NEED

There is a significant need for the IMPACT! model. In many low-income communities, residents have great ideas for improving their neighborhoods. Often, however, they lack access to resources -- money, materials, expertise, and skills. Just as important, they lack a network of relationships that can create opportunity within and beyond their neighborhood. Cooperation can be low, duplication of effort can be high, "programs" come and go, and a lack of local participation, ownership and planning can be prevalent. These factors often lead to frustration, isolation, mistrust and apathy. In turn, people act out in a variety of ways ranging from violent crime, to dropping out of school, to throwing trash on the street, to moving out of the neighborhood altogether. Youth are particularly vulnerable to these social ills and can easily lose hope, self-esteem and a positive spirit.

Community IMPACT! seeks to end this vicious cycle by giving stakeholders a powerful tool with which to invest in themselves and to take control over their future. In essence, the IMPACT! model creates a permanent structure that allows resources to flow and relationships to grow. From tangible scholarships, grants and projects to intangible pride, cooperation and relationships, the model has repeatedly proven its success. Specifically, our approach provides opportunities for higher education, jobs and leadership training that instill hope for the future and pride and ownership in neighborhoods.

The IMPACT! model has tremendous promise because it builds a proven and viable structure in neighborhoods that is supported at the citywide level with training, resources and a broad network of people and organizations. Our model creates a pipeline where resources flow that lead to positive opportunities for youth and to a stronger community.

EXPANSION SUMMARY

After eight years of testing and refinement in Washington, DC, Community IMPACT! is focusing on careful and strategic expansion. We are launching a national office, Community IMPACT! USA, to bring the IMPACT! model to 30-40 new communities over the next five years. Our five-year expansion initiative will cost \$9 million (see Appendix A for the 5 year budget). We believe this plan will launch a national movement of neighborhoods investing in youth and community.

THE COMMUNITY IMPACT! EXPANSION INITIATIVE

Introduction

Community IMPACT! has carefully and steadily refined its model and approach for investing in youth and community. We now have a proven track record and the internal capacity to focus on expansion both nationally and in DC. Specifically, our expansion strategy focuses on the national level, the community-wide level and the neighborhood level. At all three levels we strive to: increase resources for neighborhoods; affect policy; and share lessons about local change.

As Community IMPACT! USA expands, we anticipate building a network of over 300 neighborhoods united to invest in youth and community. Given our baseline benchmarks, this powerful network will annually award \$1.5 million in scholarships for higher education and \$1.5 million in grants for youth-led projects, train 2,000 youth in leadership and implement over 3,000 projects that improve the quality of life in low-income neighborhoods.

COMMUNITY IMPACT! USA

Over the next five years, Community IMPACT! USA will expand to 30 to 40 new communities across the country who want our model and have the resources necessary to support it. We are establishing a separate 501(c)(3) with a separate Board of Directors to undertake this important initiative. We will start with two to four communities in the first year, adding 5 to 10 each year thereafter. After completing a strict selection process, approved communities will start in a few neighborhoods and expand as key benchmarks are hit, with the goal of reaching a critical mass of neighborhoods (See Appendix B - "Determining Scale and Impact"). Nationally, we will support local communities by providing three years of matching funding support, intensive training and national partnerships that bring resources to the local level.

To reach these expansion goals, we fully realize that our success relies on finding the right mix of people, resources and environment in each community with which we partner. We have identified five fundamental assets that must be demonstrated before we work with a new community. They are:

- A strong leader
- A funding and community champion
- A clear need for the IMPACT! model
- A shared vision and set of principles for change
- A long-term perspective for the work

Given these assets, our target market broadly speaking consists of people who believe in bottom-up strategies for change and believe in the importance of empowering neighborhoods to invest in themselves. To expand nationally, we will focus on recruiting two types of people; 1) **those who control resources in a given community** and 2) **those who have the drive and skills to launch a city-wide IMPACT! organization.**

1. People who **control resources** typically run businesses, foundations, local governments, and/or are civically active on Boards. They provide an important entry into the "power structure" of the community. They have access to resources and knowledge of the community, but are unlikely to take charge themselves of instituting the model. As they become convinced about the importance of bringing our model to their community, however, these individuals can assist in recruiting the person who can implement the model on the ground and becoming a founding member of the Board. They can also be instrumental in galvanizing community-wide support to expand throughout the city, town or district.
2. Potential new **IMPACT! Directors** are people who will **start, build and grow Community IMPACT!** into a thriving organization that implements the model in underserved neighborhoods throughout a city, town or district. Based on our experience in D.C., we have developed a profile of these leaders. They are entrepreneurial -- they take risks, are not afraid of failure and have a high level of core confidence in themselves and what they stand for. They are strong leaders and can make people excited by their energy, passion and commitment. They have citywide connections and can operate both in a Boardroom and on a street corner. They have a deep commitment to change and dedication to building something that works.

Pilot Phase

This first 18 months will be our initial pilot phase, dedicated to refining the systems and preparing for continued expansion. During this first phase we will deliberately choose fewer new communities, and will focus 70% of our outreach efforts on the corridor between Richmond and Boston. This geographic proximity will enable us to travel more easily to sites and better understand the dynamics of what is happening on the ground.

Our pilot phase objectives are to:

- Select two to four dynamic local leaders to become IMPACT! Directors
- Adapt materials from DC for national use (curriculum, PR, community surveys, Board development, etc.)
- Develop and deliver an outstanding training program
- Develop at least two national corporate partnerships that provide resources locally
- Nurture a strong network of local leaders who share ideas and help us to solidify the model and systems for further expansion
- Raise money to support the initiative

Our one year timeline can be found in Appendix C.

Outreach

In order to find strong candidates to run Community IMPACT! locally, we are pursuing a three-part outreach process:

1. Distribute application materials through our networks to people who may be able to help us find outstanding candidates. This will include individuals, organizations, foundations, corporations, and government officials.
2. Approach specific individuals who we believe will make strong candidates.
3. Target 6 cities for intensive outreach. In each city we will hold meetings with the government, foundation, business, education and grass roots leaders to develop relationships that increase our understanding of the cities and help identify potential candidates. These target cities will be Richmond, Baltimore, Philadelphia, New York, Providence and Boston. In the first year, we will spend 70% of our outreach efforts in this east-coast corridor. This will enable us to have greater access to new sites as we learn important lessons about expansion.

Application

Strong local leaders who wish to become Community IMPACT! Directors must complete a comprehensive application. We will distribute the application in September of 1999 with a November deadline. Designed to demonstrate the leadership and vision of the applicant as well as significant community support and need, the application will consist of the following:

- general **background information**, with an explanation of past work relevant to this endeavor.
- an **essay** describing the applicant's philosophy of community and vision for change.
- a detailed **community profile** that demonstrates a firm understanding of the resources and challenges specific to that community.
- a **long-term vision** for Community IMPACT! in their community, and a specific list of first steps for getting started.
- **letters of support** from potential or existing local funders as well as from people running organizations, businesses or foundations. These letters must speak both to the applicant's general leadership abilities and to her or his ability to build an organization.

Selection

Once candidates have applied, we will adhere to a 7-step selection process to identify the right leaders in the right communities. This process should take three months.

Step 1: Initial screening of applications: selection of 20 semi-finalists

Step 2: Phone interviews with 20 semi-finalists; selection of 10 finalists

Step 3: Complete SWOT analysis to understand strengths, weaknesses, opportunities and threats in the finalist's community and individual profile.

Step 4: Conduct due diligence process including interviews with local references.

Step 5: Invite candidates to Washington, DC to make presentations before a national Advisory Board.

Step 6: Announce selection of two to four new IMPACT! Directors, sign terms of agreements and begin training

Step 7: Launch Sites, including press conferences with local champions.

Entry into a New City/Community

On the citywide or community-wide level, it is very important that Community IMPACT! USA is not seen as a competitor coming in from the outside but rather as an organization with clear added value that has been invited to share strategies with the community. To accomplish this, we will clearly articulate our added value on the national, community-wide and neighborhood level.

Nationally, our primary added value is that we bring new financial resources and corporate partners, share strategies and lessons from around the country, and offer training opportunities. Community-wide, the IMPACT! approach helps connect organizations and businesses who have resources to invest in youth and community to specific neighborhoods. This conduit can help: businesses find, train and hire youth; nonprofits expand programs and services; or youth and adults form citywide policy initiatives. On the neighborhood level, we help people give scholarships and grants, develop action plans for change, train youth in leadership, connect youth to jobs and broaden existing networks.

Local Structure and Support

While local leaders are given as much flexibility as possible to adapt Community IMPACT! to their community, there is a clear basic model of what Community IMPACT! looks like in a given community. Each local office will:

- work with an existing organization through a partnership agreement or establish a stand-alone IMPACT! 501(c)(3) organization.
- have its own citywide Board that is representative of the community at large.
- be committed to expanding to other low-income neighborhoods across the community.

Community IMPACT! USA understands the challenges inherent in starting a community-based organization. Once new Directors have been selected, Community IMPACT! USA supports them through a three-year start-up phase. The role of the national office during the start-up period will be to offer resources, training and connections to other IMPACT! Directors.

Resources: Community IMPACT! USA provides a variety of resources to the local level:

1. **Direct Funding:** up to \$40,000 in the first year, up to \$75,000 in the second year, and up to \$45,000 in the third year. All national dollars must be matched locally and a clear plan must be in place that addresses the fact that direct national money will be phased out entirely after the third year. The first year funding is given as a "soft match," with \$10,000 restricted for scholarships and grants. The remaining \$30,000 is given based on need (as determined in conjunction with the IMPACT! Director). Money in the following two years are given as "hard matches" again with \$10,000 restricted for scholarships and grants (See Appendix D- Affiliate Budget Analysis).
2. **Corporate Partnerships:** Community IMPACT! USA will negotiate with two to five corporate partners whose name and goods will be available to the leaders. Companies such as Dell Computers, Staples, Home Depot and others will be able to market directly to neighborhoods through our growing network. Bringing national corporate partners to the local level will help build credibility for the IMPACT! Director as he or she builds a new organization.
3. **Materials:** New communities will also receive an operational manual that will include all of the templates, information, and resources developed over the last eight years in Washington, DC and adapted by the national office.

Training: An effective training program is essential to the success of new IMPACT! communities. Training opportunities will be as follows:

1. **Basic Training:** an intensive 5-day training held in DC will kick off new communities. This training will provide a first hand look at how DC IMPACT! operates and will begin to build strong relationships between Directors. Directors will also be trained in the IMPACT! philosophy, each key strategy of the model, mistakes and successes in DC, management systems, key forms used in DC, the computer network, fundraising strategies and documentation efforts. They will also have an opportunity to work with one another to further develop their strategic plans for years 1-3.
2. **Six Month Review:** new Directors will be invited back to DC for two days to share stories, spend time with D.C. staff and receive specialized training based on need.
3. **Peer Learning:** after the first year, Community IMPACT! USA will encourage a more informal training network to develop. We will provide airline tickets so that Directors can travel to other sites and learn first-hand from the experience of their peers.
4. **Conference Workshops:** at an annual conference for IMPACT! communities, workshops will be designed and delivered based on interest and need.

Connecting the network: We firmly believe that the knowledge and support necessary for local change exists at the local level. With direct financial support ending after the third year, Community IMPACT! U.S. will place an emphasis on connecting the network as a whole. We will connect IMPACT! Directors through three primary methods:

1. **The Internet:** a powerful Website will provide the opportunity to share ideas and access resources.
2. **Travel:** to encourage sharing, learning and relationships among the growing network, we will provide two airline tickets per year (up to \$1,000 annually) to visit other sites (including D.C. if they so choose).
3. **Annual Conference:** an annual conference will celebrate, strengthen relationships and increase learning opportunities for the network as a whole. Workshops conducted by local leaders, inspiring guest speakers and down time to network will help to build an affinity and bond among the network.

Benchmarks

To measure our collective success, we will establish baseline annual benchmarks for local communities. These baseline benchmarks will measure scholarships, grants, projects, youth leadership, board development, fundraising, media, overall participation and corporate partnerships. (see Appendix E) In addition to meeting these baseline benchmarks, we will work with each IMPACT! Director to develop individual goals that will vary based on the community and individual circumstances.

To manage and document these goals as well as manage the growing network, we will spend considerable time working with Affiliates to understand and support their successes and challenges. (Appendix F discusses methods we may use to help Affiliates to be successful.)

Branding

Quality is a top priority for the organization. Community IMPACT! will launch a branding campaign that will insure quality, send a consistent message about youth and community to our audience, help our organization and neighborhoods receive positive publicity and bring resources into our network. (see Appendix G) By branding the Community IMPACT! logo, people will associate our organization with neighborhoods investing in youth and community.

The National/Local Relationship

The relationship between local communities and the national office will grow over time. The first year will be a trial period. New Directors will sign a contract that outlines the baseline benchmarks and expectations for the first year of operation.

At the end of the first year, an assessment is done to see if the Director has met the goals mutually agreed upon during the training with the national staff. This probationary period allows both Community IMPACT! U.S. and the Director to confirm that he or she is right for the job.

If new IMPACT! Directors meet the benchmarks set for each year, they will become eligible for the next year of funding. After the third year, the local IMPACT!'s will become full Affiliates. The details of the Affiliate Agreement need to be developed over the course of the first year, in conjunction with both the new IMPACT! Directors and with lawyers. This agreement will spell out the relationship, requirements and regulations that govern all IMPACT! sites.

Community IMPACT! USA Office

The national office will focus on expanding the IMPACT! model to communities around the country. We believe that success happens locally. Therefore, all national policies, from fundraising to media, will be aligned with local success.

Staff and Board:

The national office will be launched in July 1999 and begin with three full-time staff and four part-time staff that will be shared with DC IMPACT! (See Appendix H - Community IMPACT! USA Organizational Chart and Staff Bios).

Full time staff:

- **David Milner** (President) will be responsible for strategic planning, Board development, fundraising, management and public speaking.
- **Calvin Smith** (Vice President, Replication) will be responsible for reaching expansion goals and overseeing the application process, all replication services, government relations, quality control, training and fundraising.
- **Ken Himmelman** (Vice President, Partnerships & Training) will be responsible for materials and curriculum; will write proposals and corporate plans; will serve as the point person for technology, training, corporate and nonprofit partnerships; and will fundraise.

Part-time Staff:

DC IMPACT! will share the following staff one-day a week with Community IMPACT! National: Communications Director; Finance & Administration Director; Administrative Assistant; and Development Director.

National Board:

Community IMPACT! National will form a seven to nine member Board of Directors in its first year. Tom Wheeler, President and CEO of the Cellular Telecommunications Industry Association (CTIA), has agreed to serve as the Chair of the national Board. Mr. Wheeler currently serves on the DC Board and will fully transition to the National Board by Fall 1999. Mr. Wheeler brings a wealth of knowledge and expertise from running both domestic and international corporations, high-level corporate and individual connections, and a dedication to making Community IMPACT! succeed nationally. In addition, Robert Linowes has agreed to sit on both the National Board as well as the DC IMPACT! Board. Mr. Linowes is a business and philanthropic leader in Washington, D.C. He founded the firm, Linowes & Blocher, and has extensively supported the arts in Washington.

Costs:

Each new Affiliate will cost between \$130,000 and \$190,000 over three years depending on how they structure Community IMPACT! locally. For budgeting purposes, we have estimated an average of \$160,000 over three years per Affiliate. We have also budgeted to support the growth of DC IMPACT! at \$250,000 per year due to the strategic importance of a strong model showing long-term success.

To cover these costs and achieve our growth plan, the Community IMPACT! national office will start with a \$1.34 million fund, including an operating budget of \$450,000. This will enable us to invest \$890K to start local Affiliates and to support growth in Washington, DC. The office will have three full-time staff and four part-time staff shared with DC IMPACT!.

To align our fundraising goals with local success, we have adopted an "80/20" policy which states that the national office must pass at least 80% of the overall value of what it raises in cash and materials to the local level. After our start-up year, we will ramp up to this percentage in years two, three and four as follows: 70/30, 75/25, and 80/20.

Appendix A contains a five-year budget analysis with three key assumptions: 1) Affiliates will require \$160,000 in national support over three years; 2) National operating expenses will grow by 10% each year; and 3) National will provide \$250,000 per year to DC IMPACT!.

National Funding Plan:

To raise \$9 million to support the first five years of Community IMPACT! USA, we have devised a fundraising plan that will tap foundations, corporations and individuals. In terms of foundations, we are actively approaching The Ford Foundation, W.K. Kellogg Foundation, Kauffman Foundation, Pew Charitable Trusts, Surdna Foundation and others. Through staff and Board connections, we have targeted a number of corporations including AT&T, Nokia, SBC and Allserve. We will also approach individuals who are interested in supporting social entrepreneurship.

Sustainability Plan:

Our national sustainability plan will focus on three streams of revenue: corporate service partners; a promotional catalogue; and social marketing.

We will negotiate exclusive corporate partnerships for everything from payroll services, to office supplies, to phone service, to computer equipment and software and offer them as options to Affiliates. These partnerships will be profitable to national if the savings we pass to affiliates beat what they can negotiate locally. We can then profit on the difference as people sign up and the network grows.

Similar to the service partners, we will develop a Community IMPACT! catalog with a promotional company that covers everything from pens to plaques to T-shirts. We will print Community IMPACT! on the merchandise but leave room for local Affiliates to print their message or the name of their local neighborhood. Again, we will make money as locals order their own materials.

Finally, as the network grows, we will be able to negotiate social marketing arrangements with companies. Working with marketing departments, we will develop a messaging or branding campaign that generates resources for both Community IMPACT! and the corporate partner. Our corporate service partners will be a good place to start as we develop a relationship and revenue through a business arrangement.

CONCLUSION

Community IMPACT! USA is prepared, and the time is now to expand our neighborhood development model to communities nationwide. We are confident that we have developed a strategy that will launch a dramatic movement of neighborhoods investing in youth and community.

Appendix A

■ Five Year Budget



APPENDIX A: FIVE YEAR BUDGET

Community IMPACT!, USA 5 Year Budget

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
REVENUE	\$ 1,300,000	\$ 1,900,000	\$ 2,100,000	\$ 2,200,000	\$ 2,300,000	\$ 9,800,000
EXPENSES						
Grants						
Affiliate Fund (Note 1)	\$ 640,000	\$ 1,120,000	\$ 1,120,000	\$ 1,124,000	\$ 1,131,000	\$ 5,135,000
DC Fund	250,000	250,000	250,000	250,000	250,000	\$ 1,250,000
Total Grants	\$ 890,000	\$ 1,370,000	\$ 1,370,000	\$ 1,374,000	\$ 1,381,000	\$ 6,385,000
National Office Expenses						
Salaries & Benefits	\$ 286,000	\$ 317,225	\$ 351,652	\$ 389,602	\$ 431,430	\$ 1,775,908
Computer Services	6,000	6,600	7,260	7,986	8,785	36,631
Consultants (Note 2)	37,500	41,250	45,375	49,913	54,904	228,941
Duplicating & Printing	15,000	16,500	18,150	19,965	21,962	91,577
Equipment Rental & Repair	6,000	6,600	7,260	7,986	8,785	36,631
Meeting Expenses	8,000	8,800	9,680	10,648	11,713	48,841
Office Supplies & Expense	6,000	6,600	7,260	7,986	8,785	36,631
Postage & Telephone	12,000	13,200	14,520	15,972	17,569	73,261
Rent (Note 3)	37,500	38,625	39,784	40,977	42,207	199,093
Travel	36,000	39,600	43,560	47,916	52,708	219,784
Total Office (Note 4)	\$ 450,000	\$ 495,000	\$ 544,500	\$ 598,950	\$ 658,845	\$ 2,747,296
Total Expenses	\$ 1,340,000	\$ 1,865,000	\$ 1,914,500	\$ 1,972,950	\$ 2,039,845	\$ 9,132,296
Reserve (Note 5)	\$ (40,000)	\$ 35,000	\$ 185,500	\$ 227,050	\$ 260,155	\$ 667,704

Note 1: Assumes 4 affiliates in year 1, and 7 new affiliates per year in years 2 through 5 at a cost of \$160,000 per site (\$40,000 in year 1, \$75,000 in year 2 and \$45,000 in year 3 and \$1,000 in ongoing support thereafter).

Note 2: Includes a consultant contract for Web site design and maintenance.

Note 3: Based on 1,500 square feet of space @ \$25.00 per square foot.

Note 4: Assumes a 10% increase in total National office expenses each year.

Note 5: The reserve fund can be used to start additional affiliates.

Appendix B

■ Determining Scale and Impact



APPENDIX B: DETERMINING SCALE AND IMPACT

The goal of taking Community IMPACT! to scale is to spark a movement of neighborhoods mobilized to invest in their youth, their community and their future. We are not interested in expanding simply for the sake of expansion. In order to create this "movement" we need to have a critical number of neighborhoods implementing the model, both within a community and around the nation. In DC, our plan to expand to half of the low-income neighborhoods is part of an effort to find the "critical mass" for accelerated change -- that level at which we have an undeniable momentum and presence in the city beyond a program identified with specific neighborhoods.

We believe this principle of finding a critical mass can be applied nationally as well although we do not know the size. We do know that if we are to create momentum, we must expand at a rate greater than a single community per year. At the same time, we recognize that quality is our greatest asset and must not be sacrificed. We have decided to start with four communities in the pilot phase to ensure that we have an opportunity to experiment with supporting more than one or two communities at a time, while remaining manageable.

We believe finding the critical mass both within cities and across the country is crucial for three reasons.

- First, there is the issue of "economies of scale." Growth in DC has attracted more corporations, organizations, politicians and government agencies (from DC public schools to Dept. of Employment Services to Dept. of Public Works) that want to work with us, are responsive to neighborhood level needs and are willing to invest more resources. In essence, we are building a new "table" for change in DC powered by a growing network of specific neighborhoods and specific schools. Each new community will need to seek out the size necessary to leverage resources and become a "player" in a similar fashion.
- Second, we believe there are "economies of scale" on the national level just as there are on the local level. One of the primary roles of the national office will be to leverage corporate resources for local change. After the pilot year, we project a growth rate of five to ten new communities per year to achieve a critical size. We will modify our thinking on this topic as we grow.
- Finally, it is important for us to spark a movement that creates a political voice for neighborhoods. Both within a community and nationally, Community IMPACT! can advocate for neighborhood causes. Just as national organizations translate membership into political power, we believe that ultimately our status as a network of neighborhoods working for change will give us a similar kind of authority.

As we choose sites, we will evaluate applicants' plans based on their desire and ability to grow over the years to reach their concept of critical mass. We will evaluate the success of this based on numbers (corporate partners, grants, scholarships, clear legislative victories). We will also not set people up for failure. In a city like New York with 7 million people, it makes sense to start in a section and, from our national office's perspective, treat it as an entire city. For example, East Harlem IMPACT! could be equivalent to San Antonio IMPACT! in terms of national resources, licensing agreements, quality control and goals. No organization can tackle New York City alone. If we can make a measurable difference in six neighborhoods in East Harlem and connect them to a larger NYC and national network, then that is a success.

Appendix C

■ One Year Timeline



APPENDIX C: TIMELINE FOR NATIONAL EXPANSION

Beginning July 15, 1999

0-60 DAYS

- Set up national office
- Develop and print national materials, including application, adapted from DC IMPACT!
- Develop licensing and charter agreements
- Start soliciting national corporate partners
- Begin full development of the Board of Directors
- Continue to fundraise

60-120 DAYS

- Send major mailing of the application
- Start visiting target cities to meet with neighborhood organizations and leaders
- Begin following leads
- Start receiving applications
- Continue to solicit corporate partners, develop the Board and fundraise

120-180 DAYS

- Deadline for first round of applications
- Perform SWOT (strengths, weaknesses, opportunities and threats) analysis on applicants
- Conduct selection process
- Secure initial corporate partner(s)
- Continue to solicit corporate partners, develop the Board and fundraise

180-210 DAYS

- Train new IMPACT! Directors
- Perform joint strategic planning
- Define and sign terms of agreement
- Continue to solicit corporate partners, develop the Board and fundraise

210-300 DAYS

- Roll out in target cities
- Continue to train and support IMPACT! Directors
- Publicize efforts
- Mail applications for next round of IMPACT! Directors
- Continue following leads and responding to inquiries
- Continue to solicit corporate partners, develop the Board and fundraise

300-360 DAYS

- Analyze successes, challenges and strategies and make necessary adjustments
- Start recruitment and selection process for year two
- Continue to solicit corporate partners, develop the Board and fundraise

Appendix D

■ Affiliate Budget Analysis



APPENDIX D: AFFILIATE BUDGET ANALYSIS

The following represents a budget for estimated start-up expenses and corresponding revenue sources for a local Community IMPACT! Affiliate and may vary according to the local economy. The budget assumes operating in three neighborhoods in years 1 and 2, and expanding in year 3.

Community IMPACT! USA restricts \$10,000 of its funding each year: \$5,000 for neighborhood grants and \$5,000 for scholarships.

Funding for affiliates may come from local foundations, corporations and individuals both in the form of cash and in-kind services and materials.

	Year 1	%	Year 2	%	Year 3	%
Expenses:	<u>\$100,000</u>		<u>\$150,000</u>		<u>\$200,000</u>	
Revenue Sources:						
Community IMPACT! USA	\$40,000	40%	\$75,000	50%	\$45,000	23%
Local Funding	\$60,000	60%	\$75,000	50%	\$155,000	77%
Total Funding	\$100,000	100%	\$150,000	100%	\$200,000	100%

Appendix E

■ Annual Benchmarks



APPENDIX E : ANNUAL BENCHMARKS

Benchmarks for Year 1:

Within targeted neighborhoods:

scholarships	\$7,500
grants	\$7,500
projects	5
youth leaders	7-10 core youth (involved with Board, projects, and/or leadership training on a regular basis)
local board	5-9 active members (diverse, meet regularly, take minutes, carry out survey, put together action plan)

Community-wide:

organ. board	5-9 members and a strong board chair
fundraising	4-6 grants
media	2-4 press pieces
corp. partner	1

Benchmarks for Year 2:

Within targeted neighborhoods:

scholarships	\$10,000
grants	\$10,000
projects	10
youth leaders	10-15 core youth (involved with Board, projects, and/or leadership training on regular basis)
local board	5-9 active members (diverse, meet regularly, take minutes, carry out survey, put together the action plan)
survey results	survey completed

Community-wide:

organ. board	5-9 members and a strong board chair
fundraising	4-6 new grants
media	7-10 press pieces
corp. partner	3

Benchmarks for Year 3:

Within targeted neighborhoods:

scholarships	\$12,000
grants	\$12,000
	-- Establish a challenge grant fund to gather project ideas from local stakeholders and to introduce Community IMPACT! to the area.
projects	15
youth leaders	10-15 core youth (involved with Board, projects, and/or leadership training on a regular basis)
	-- regular youth leadership course firmly in place
local board	7-11 active members (diverse, meet regularly, take minutes, carry out survey, put together action plan)
survey results	survey completed

Community-wide:

organ. board	5-9 members and a strong board chair
fundraising	4-6 new grants
media	10-12 press pieces
corp. partner	5

Appendix F

■ Documentation and Management Summary



APPENDIX F: DOCUMENTATION AND MANAGEMENT SUMMARY

Pilot Year

The first year of national expansion will be a pilot year in which we test the various systems of support and administration for Community IMPACT! USA

The objectives of the pilot year are to:

- create and refine a support system for new local leaders that balances their need for support and resources with their need for flexibility and independence
- create a strong sense of team among the local leaders selected, so that they become each other's greatest resource throughout the year
- learn essential lessons with regard to implementation of the model in different types of communities

In order to meet these objectives, we will propose to new leaders a variety of mechanisms for sharing lessons from the field, and for creating a structure proper to the ideals of the organization. These (might) include:

- **Journals:** kept by each leader on different strategies, successes, and challenges.
- **Monthly Reports:** leaders will submit a brief report at the end of each month outlining challenges, successes and strategies that can be shared with the national office and with the network
- **Peer visits/evaluations:** every leader will make at least one visit to another site to learn from that site and to assess the work being done; this will build a sense of community and create a feeling of accountability among peers
- **Site visits/reports:** national staff will make periodic strategic site visits both to assess ongoing work and to assist with important efforts, such as initial Board meetings, key fundraising meetings, etc.; after each visit, a report will be completed and added to the portfolio of that leader
- **Chair of board conference calls:** the chair of each community-wide board will join a periodic conference call with the chair of the Community IMPACT! USA Board. This will offer an opportunity for assessment on an entirely different level. The national Board chair will write up his impressions of what is happening at the board level around the country.
- **Leader conference calls:** in consultation with the local leaders, we will set up a conference call schedule that will be most beneficial to them. These calls will provide a chance for leaders to share their work, ask questions of each other and of national staff.
- **Regular phone calls with national staff:** local leaders will be in frequent contact informally by phone with national staff to give anecdotal feedback about what is working and what is not; regular phone contact will be crucial to national staff having a sense for what is happening in the field and how the national office can best support local efforts.
- **Web/net:** the internet will be vital to the growing network, and it will be important from the beginning to have a strong internet component. We will try to create an expectation around the website as a place to share ideas, resources and materials. If done correctly, the website will be a tremendous resource to the local leaders. Online calendars, email chains, newsletters, message boards, online chats, local home pages, etc -- we will experiment with all of these tools to find out what kind of online environment will best support local work.
- **6-month DC check-in:** assessment/training/materials feedback: After working in the field for 6-8 months, we will gather all the local leaders in DC again for a mid-point check-in. It will be a time to do further team-building, and to discuss various issues facing the group.

After the pilot year, we will have a much stronger sense of how the national office can best manage and evaluate the effectiveness of local leaders. By working with the first class of Leaders, we will create a system that can provide crucial support without becoming overbearing.

Although we must wait until the end of the pilot year to be certain of our ultimate management plan, we believe that national management will likely move through the following phases as we work toward building a strong culture of peer support within the network:

Phase 1: Pre-Start-up

- **SWOT:** before we select a local leader, we will have completed an analysis of strengths and weaknesses of a given community. This analysis will give us a good baseline for assessing the performance of the local leader, and whether he or she is involving the right people and organizations, creating the right kind of impression in the community, accessing resources at a reasonable rate, etc.
- **Individual Goals:** we will work with each leader to create an individualized plan based on the baseline benchmarks set forth by the national office. This plan will become the basis for evaluation throughout the first year. Site visits, phone calls, and all other evaluation measures will be geared toward understanding how and why a leader can or cannot reach the goals he or she has set.

Phase 2: Start-up

The goal during the three-year start-up phase will be to move gradually toward thriving, self-sustaining local organizations. This will mean that the national office becomes less essential to their daily operations over the three years. By the end of year three, the national office will be providing general support through national corporate partnerships and pass-through grants, but will no longer provide direct management or financial assistance. Having said that, the first year will indeed involve hands-on attention for new sites. This will be essential to the creation of a strong national culture around the IMPACT! model. In addition, by being more heavily involved in managing new Leaders in the first year, we will be able to make sure that the right habits are developed, that leaders have solid ground under their feet, and, ultimately, whether or not the leader is right for the job.

Phase 3: Affiliates

By the time that local communities become full Affiliates after the third year, they will no longer receive direct national financial support. National will continue to provide corporate and other network benefits and to encourage peer learning and accountability. We will continue to monitor performance on a semi-annual or annual basis in order to continually evaluate implementation and protect the brand, but we are assuming that if local organizations make it through the start-up phase, they will be able to move forward on their own with relative assurance.

Appendix G

■ Building the Brand



APPENDIX G: BUILDING THE BRAND

In our culture the concept of branding is extremely important. People associate products or programs with certain images or feelings. Names such as Coke, IBM and Xerox have great cultural meaning. In some ways, this is true in the non-profit world as well. People associate the United Way with supporting local charities, the Red Cross with crisis management and giving blood and the Boys and Girls Club with after-school programs. We believe that by building a brand around the IMPACT! logo and model, we can become the non-profit that people associate with neighborhoods investing in their youth and in themselves. This association, in turn, will attract resources, partners and the best minds to the IMPACT! network.

What is the brand?

The brand is "local investment in youth and community." Specifically, we will brand our products -- scholarships, grants, the neighborhood Committee and Fund. Our branding equation is $\text{LOCAL NAME} + \text{IMPACT!} + \text{PRODUCT} = \text{BRAND}$. This equation will be used in naming new sites as well as specific neighborhoods within a city. Baltimore IMPACT!, Inc. or the East Side IMPACT! Committee or an Eckington IMPACT! Scholarship are all examples of this approach in action. The logo will remain the same throughout.

Whenever people see our logo on a piece of stationary, or hear the word "impact," they should think of neighborhoods investing in youth and community. People should know that when a neighborhood displays the IMPACT! logo, they give grants and scholarships, have money to invest in the future, and are working to create the healthiest possible neighborhood. We will create awareness around the IMPACT! brand by targeting a wide range of people -- funders, corporations, grass-roots leaders, government officials, and young people. There are two primary ways in which we plan on building the brand:

- Ensuring **quality** at every level. We must have outstanding materials, an incredible support structure, clear quality-control measures, and a first-class selection process. Quality will drive demand because quality will result in real change at the neighborhood level. We believe this approach will attract the very best minds to take on the challenge of bringing the IMPACT! model to their community.
- **Marketing.** We know that to effectively build a brand we must have a strategic marketing campaign. We will take time in the first year, in consultation with the local leaders and with our Board, to put in place a marketing plan that makes sense given our growth and branding objectives. In the second year, we will run a major media campaign at the outset. Again, since word of mouth is inevitably the best marketing tool, we will always put quality first.

Protecting the brand

Because the word IMPACT! and the logo will be so important to the brand, we will have clear quality-control measures in place. We will insist that each community implement the basic components of the model such as grants and scholarships given by diverse neighborhood Committees through a process that Community IMPACT! USA approves. We also will heavily control our name and its use through a licensing agreement. Inevitably, we will face issues with regard to advocacy on the local level. Unlike school-to-work programs or environmental projects or after school programs, advocacy issues can be a divisive lightning rod on all levels. Although we will continue to develop this policy, our guiding principle will be to preserve the integrity of the name, and we will likely come up with a national approval process for local advocacy efforts. In any case, it is absolutely essential that our licensing agreement be strong enough to enable us to pull out of sites that are damaging our brand and the community spirit that accompanies it.

Appendix H

■ Organizational Chart

■ Staff Bios

■ DC IMPACT! Board of Directors

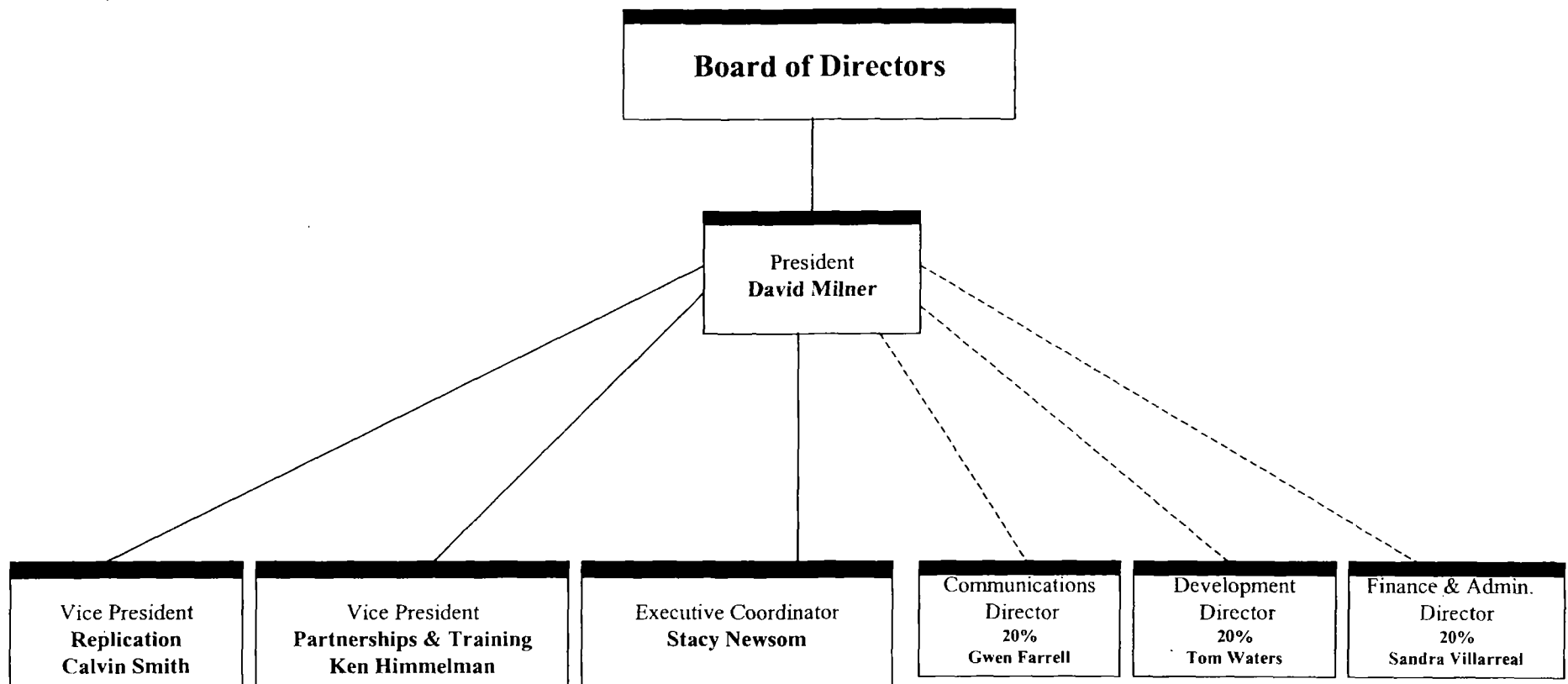
■ How the Neighborhood Model Works

■ IMPACT! Outcomes



Community IMPACT!, USA

Organizational Chart



NOTE: Dotted lines represents shared staff with Community IMPACT!, D.C..

APPENDIX H: COMMUNITY IMPACT! USA STAFF BIOS

David Milner

David started Community IMPACT! with \$10,000 in seed money that he had won in a nationwide contest for developing a public-service project that addressed ideas for improving communities and lives. He established the organization in 1990 in his hometown of Washington, DC and worked one-on-one with neighborhood adults and youth in Northeast DC to develop projects that would improve their neighborhood and also send youth to college. David has received numerous awards including the *Washingtonian* magazine's "Washingtonian of the Year" and the Middlebury College Alumni Achievement Award – the youngest recipient to receive both honors. He has spoken nationally about youth and community at the University of Berkley, Committee on Economic Development, Kauffman Foundation Center for Entrepreneurial Leadership and many others. David graduated from Middlebury College in 1990 and was one of 80 students nationwide to receive a fellowship to attend the University of Chicago Graduate School of Business.

Ken Himmelman

Ken has worked in the education field for the last six years. He has a Ph.D. in Comparative Literature from Vanderbilt University. At Vanderbilt he developed curriculum and training programs for teaching assistants in the Humanities and Foreign Languages. For the past two years he has served as the Curriculum Director for Do Something, a national youth-leadership organization. He has developed a national K-12 leadership curriculum for schools, a nationally distributed community development handbook, and has run trainings for both schools and neighborhood organizations in Newark, Atlanta, Washington, DC and Los Angeles. He also has experience providing web-based technical assistance to a network of 30 school-based educators.

Calvin Smith

Calvin has been involved in Community IMPACT! for the past four years first as a Steering Committee member in NW and then as a Board member of DC IMPACT! Before joining the national staff, Calvin was the Director of Market Development for Browning Ferris Industries (BFI) where he managed eight municipal regions from Philadelphia to Richmond, led legislative affairs and served as company spokesperson nationally including the National Conference of Black Mayors, the National Association of Counties and the National League of Cities. Calvin comes with extensive operational, political and management experience as well as a deep knowledge and understanding of the IMPACT! model.



Board of Directors

Denise Rolark-Barnes
Publisher
The Washington Informer

Nina Benton
President
Mid-Atlantic Media Sales

Linda Bowen
Executive Director
National Coalition of
Violence Prevention

Gayle Engel
Community Activist

Harold Himmelman
Partner
Beveridge & Diamond

Mary Janney
Chairperson, Board of Directors
Community IMPACT!

R. Robert Linowes
Attorney at Law

David Milner
President, Community IMPACT!

Frank Ross
Managing Partner
Mid-Atlantic Area
KPMG Peat Marwick LLP

Marcia Sharp
President
Millennium Communications
Group, Inc.

William Shore
Executive Director
Share Our Strength

Calvin Smith
Director, Market Development
BFI Waste Systems of North
America

Carol Wheeler
*Community IMPACT! Partners
Program*

Tom Wheeler
President & CEO
Cellular Telecommunications
Industry Association

Cereese Wills
1995 Community IMPACT! Alumni
Student, Trinity College

National Advisory Board

Marian Wright Edelman
President, Children's Defense Fund

Karin Eisele
Leadership Development Executive

Ted Mitchell
Dean, Graduate School of Education
University of California Los Angeles

David McCullough
Author, Television Host

William C. Nelsen
President
Citizen's Scholarship
Foundation of America

Washington, DC Advisory Committee

Agatha W. Aurbach
Non-Profit Management Consultant

Dr. Karen Campbell
Senior Administrator,
Georgetown University
Medical Center

Helen Colson
Helen Colson Development Assoc.

Janis L. Cromer
Senior Associate, The McKenzie Group

Dr. Herm Davis
President, National College Services

Dr. Ramona Edelin
President, National Urban Coalition

DD Eisenberg
Arthur Ashe Youth Tennis Center

Jan LeMessurier Flack
Covington & Burling

Nancy M. Folger
Children's Defense Fund

Carol Jankowsky
Former Board Member

Betty Anne Kane
Former Member, DC City Council

Leroy Nesblitt
Assistant to the President
Middlebury College

Roberts Owen
Partner, Covington & Burling

Barbara Patterson
Executive Director, Black Student Fund

Carol Pensky
Pensky Family Foundation

Edith Smith
Former Principal, DC Public Schools

Sam Smith
Editor, Progressive Review

Lou Stovall
Artist/Printmaker

Catherine Townsend
*Associate Director, Share Our
Strength*

Dr. Eugene Williams, Sr.
Director
Test Improvement Program
DC Public Schools

Ben Wilson
Partner, Beveridge & Diamond

Robert L. Woodson, Jr.
*President, National Center for
Neighborhood Enterprise*

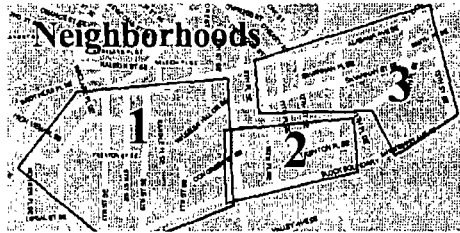


How the Neighborhood Model Works

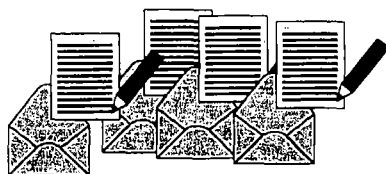
Community IMPACT! is a youth-focused, neighborhood investment organization.

Our Principles: *Build from Strength. Work in partnership. Start with Youth.*

Provide access. Talent is everywhere. Promote a "can do" attitude.



Partnerships and Projects



Applications and Grants



Investment

Participation

Optimism

- Geographically based -- not issue or program based
- One Site has three neighborhoods with an average of 20,000 residents
- Each Site has a structure which increases investment, civic participation and optimism
- Local Steering Committee of 11 to 18 people
- Similar to a Board of Directors
- Responsible for planning, overseeing the work and awarding scholarships and grants
- 10 to 15 partnerships, both within the neighborhood and in the community at large
- Each partnership does at least one community project per year
- Each partnership signs a memo of understanding (MOU)
- Each neighborhood has a bank account called a *Neighborhood Investment Fund* (NIF)
- The NIF is a community foundation on the neighborhood level
- Applications are submitted for scholarships and community grants
- Steering Committee reviews and awards scholarships and grants
- Investment, participation and optimism increases
- Sense of community, trust and cooperation is strengthened

IMPACT! Outcomes

