

Our Road Map to Alleviating Poverty with Increased Impact





OUR MISSION

Specialty Family Foundation seeks to alleviate the conditions that lead to persistent poverty.

The primary program areas employed to achieve these ends include expanding educational opportunities in low-income communities, and supporting long-term residential treatment for people struggling with substance abuse and alcoholism. More specifically, the Specialty Family Foundation supports inner city Catholic education, and long-term residential treatment for women with children.

This document and the process leading up to it have served primarily as a guide for Specialty Family Foundation heading into its second five years of major programming. In addition, a secondary objective is to provide key stakeholders with a better understanding of who we are, where we are headed, and why.

Who are we? Where do we come from? What drives us?

ROOTS, HISTORY AND CORE VALUES

Specialty Family Foundation (SFF) was founded in 2006, and formally launched in 2008 by Dr. James B. and Joan C. Peter. However, its roots go back much further and stem from a combination of the Peter family’s faith, passions and values combined most notably with Dr. Peter’s driven, evidence-based, innovative approach to his pursuits in life.

SFF resources come primarily from the success of its namesake, Specialty Laboratories, Inc., which is a company Dr. Peter built and ran in much the same way he built and envisioned SFF—a solutions-based, evidence-based enterprise unafraid of taking risks in response to identified needs in the community. Dr. Peter was devoutly Catholic and deeply committed to Catholic education. He saw the incredible results of Catholic schools with the educationally at risk, yet simultaneously saw the need for systemic change and innovative strategies in order for these schools to survive.

Co-founder Joan C. Peter also left an indelible mark on SFF in its philosophy and spirit. Like her husband, Mrs. Peter was a devout Catholic and strong proponent of Catholic education and its positive impact on the lives it touches. As a result, she enthusiastically supported this aspect of the SFF mission statement.

Perhaps even more impactful on the SFF perspective and philosophy, Mrs. Peter believed in the importance of effective prevention and treatment of substance abuse, particularly intergenerational substance abuse in the lives of the impoverished. She knew evidence supported the fact that for impoverished individuals suffering from the effects of substance abuse, the road out of poverty is reached first by traveling down the road to recovery. Mrs. Peter also instilled in the SFF culture a commitment to supporting innovative programs that seek to empower families with the education and skills needed to prevent the children in those families from becoming adults afflicted with the same addictions. Doing so would not only prevent future addiction and suffering, but also future generations of poverty.

Today, the co-founders’ legacy is carried on by six surviving children and one grandchild who make up the Board of Directors along with four trusted independent Directors, a staff of four full time employees and one contracted field-based financial consultant. Deborah A. Estes, the oldest sibling, was unanimously named Chair and President of SFF upon Dr. Peter’s passing in October 2009. She and her siblings inherited their parents’ drive and values.

FOUNDATION OVERVIEW

Fiscal Overview
SFF has assets valued approximately at \$73.1M, funded by the generosity of the Peter family. Like its programming, SFF has taken an aggressive and risk tolerant approach to its investment strategy, seeking the best opportunities for high returns. Similarly, the Foundation has taken an aggressive approach to its spend rate, which is at this point 7.8% of FMV in 2013.

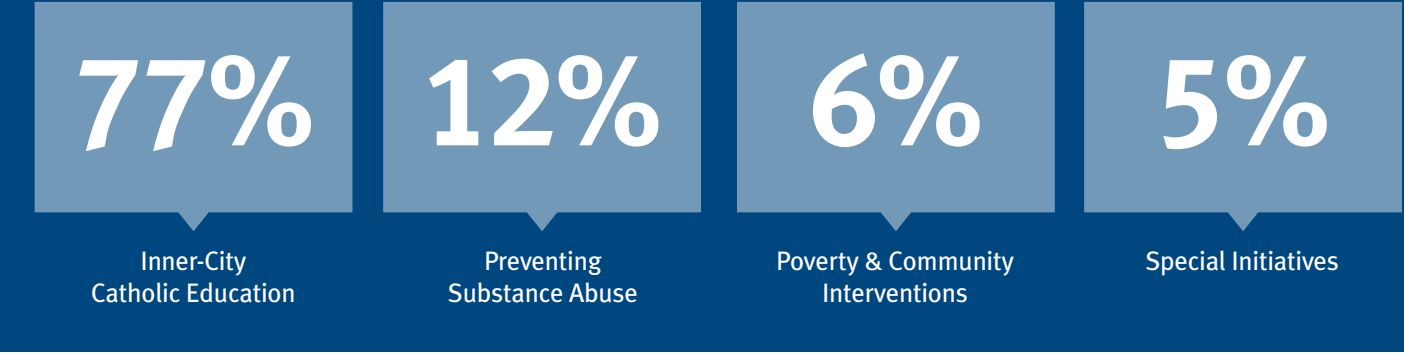
Primary Program Areas
SFF has three primary program areas as well as several special initiatives. Currently, 77% of programmatic spending is devoted to inner city Catholic education in Los Angeles County. The vast majority of this programming is devoted to tactics aimed at increasing these schools’ enrollments and financial vitalities, specifically through the Catholic School Consortium initiative. Providing 21 inner city schools with funding to hire Directors of Marketing & Development (DMD) to accomplish these goals, SFF is investing 12% of its programmatic spending on programs aimed at preventing substance abuse among impoverished families. The remaining major funding includes grants aimed at preventing homelessness as well as providing food security in the region, including 6% of programmatic spending and 5% for special initiatives as directed by the Board.

Some words or phrases that aptly describe the Peter legacy and philanthropic approach include:

- Results-Oriented
- Driven
- Persistent
- Catholic Values
- Family-Oriented
- Passionate
- Change Agent
- Risk Tolerant
- Capacity Building

- Focused
- Candid
- Transparent
- Innovative
- Self-Evaluative
- Hands On
- Sense of Urgency
- Flexible
- Dynamic

SFF Programmatic Spending Areas and Special Initiatives



Foundation Duration
The SFF Board and its Founders did not place into the bylaws a requirement that the organization exist into perpetuity. However, there is a considerable intention within the current board to pass SFF’s mission on to the next generation in the extended Peter family as well as for the betterment of Los Angeles’ future poor and marginalized residents. Therefore, the timeline of the organization for the purposes of planning and prioritizing should be assumed as a minimum of 25 years with the possibility of a much longer time horizon.

Although the SFF Board of Directors has taken a long view with spending goals, it has also expressed an opportunistic willingness to suspend these spending limits, and make a “big bet” of even spending down all SFF assets. In the event that a compelling enough philanthropic investment opportunity presents itself, it could warrant such a spend-down.



SUSTAINING INVESTMENTS

Ensuring our investments consistently target impactful providers

BACKING WINNERS: ANNUAL AND SUSTAINING PHILANTHROPIC INVESTMENTS

In this category, SFF annually supports three areas as a philanthropic investor: Substance Abuse Prevention, Poverty and Community Support Interventions, and Board Directed Giving.

The funding in these areas constitutes just under a quarter (23%) of its philanthropic investments annually, and our strategy can be described as loyal and consistent. Put simply, SFF has diligently selected highly impactful service providers in specifically targeted areas, and has made consistent and indefinite annual investments in these “winners”. Consequently, although SFF prides itself on deep relationships with its grantees and significant perpetual diligence in its philanthropic investments, the approach in these areas has been largely passive and not operational in any way. The majority of programs benefiting from SFF grants in this arena have been invited to reapply for similar amounts annually for a number of years.

Substance Abuse Prevention



SFF has loyally supported multiple service-providing charities annually at \$100,000 each in this area: CLARE Foundation, HealthRIGHT 360, Prototypes, and Shields for Families. Each program directs its services primarily to low-income populations struggling with the pervasive impact of substance abuse, and all focus on impoverished families struggling with substance abuse. They employ wrap-around services and the twelve-step program in addition to medical and counseling-based interventions.

2014 Grantees Include



Poverty and Community Support Interventions



SFF currently supports multiple programs annually at \$25,000 in this category. All eight programs deal exclusively with the impoverished and specifically through the provision of interventions with specific subsets of the impoverished. For example, the St. Joseph Center has a culinary program, which vocationally trains homeless and impoverished individuals to be chefs. Homeboy Industries employs former gang members. Like the SFF substance abuse prevention programs, the SFF Board of Directors has annually offered opportunities for these programs to reapply.

2014 Grantees Include



Board Directed Giving and Strategic Partnerships



Currently, 5% of SFF grants come from Board Directed giving programs. Despite its relatively small portion of overall Foundation spending, SFF has discovered many of its most successful philanthropic partnerships through introductions made by its Directors through Board Directed giving programs.

2014 Grantees Include



SFF is proud of its investments in these areas, and remains firmly committed to its approach to alleviating poverty conditions through its responsive programming. Although occasionally adding or shifting from one grantee to another may occur, no significant change in this funding approach is anticipated in the next 3-5 years. Goals include deepening the relationships with the grantees in these programs; strengthening the diligence processes; and more often utilizing SFF leverage in the community to connect grantees to others, which may be helpful to the grantees’ success.

CAPACITY BUILDING

Teaching to Fish: Catholic Education Programming

OUR CATHOLIC EDUCATION PERSPECTIVE

SFF's largest programmatic emphasis and most hands-on area to this point has been an emphasis on inner city Catholic education. Unlike our more passive or responsive approach in the other areas, we take an active, change agent approach to our work with Catholic schools that borders on being operational. For the past five years, rather than supporting selected existing Catholic school programs in Los Angeles, SFF has chosen to develop in inner city Catholic schools the capacities necessary for self-sustainability.

We provide the opportunity for inner city Catholic schools to dramatically enhance and grow their own capacities in marketing and developing resources in sophisticated, effective, and sustainable ways.

- *We are optimists*, motivated by the possible and what might work, not the fear of what might not work.
- *We are investors* in strategies that seek to create positive, incremental, sustained growths in schools' capacities. We don't invest in provisions or subsidizations, which in effect sustain stasis or worse yet, manage smoother declines. For us, in the end, it is about increased capacity and our investments' role in it.
- *We are focused* on choosing areas we deem to be most significant and unaddressed, selecting a set of strategies, even a single strategy, within a specific set of schools. This approach is performed over a period of time in order to make the deepest and most informed impact.

OUR CAPACITY BUILDING MODEL – THE CSC AND DIRECTORS OF MARKETING & DEVELOPMENT

The Model/The Investment

SFF established the Catholic School Consortium (CSC) in January of 2009 with a cohort of 13 inner-city Los Angeles Catholic schools. SFF assisted each Consortium school in recruiting a seasoned Director of Marketing and Development (DMD). Each school was provided with a \$285,000 three and a half year grant to fund the DMD position and a marketing budget, at \$100,000 in year one, \$80,000 in year two, \$70,000 in year three, and an additional \$35,000 for the remaining six months of the original grant. In 2012, SFF extended the grant for an additional two years for eight of the original Cohort One schools, and awarded a second cohort of 14 additional schools, each with a \$250,000 three year grant.

In addition to the grants for DMDs, SFF has provided supplemental capacity building support in other significant ways:

- *Council of Advisors* – An independent group of civic leaders was recruited to form the CSC Council of Advisors. Each member of the Council is assigned to a cohort one school to share their time, talent and expertise.
- *Accounting Assistance* – SFF has provided accounting oversight and expertise via an accounting administrator following Archdiocesan policy in addition to bringing in best practices, standardized reporting and budget evaluation.
- *James B. Peter Memorial High School Scholarships* – SFF provides scholarships to graduating 8th grade students from CSC member schools to continue their education at Catholic high schools. Over \$450,000 has been awarded to this point and will likely surpass \$750,000 in 2014-15.
- *Joan C. Peter Memorial Scholarships*: Still in its pilot phase, SFF has initiated a program that seeks to combine SFF's major funding areas by making possible a Catholic education for children in impoverished families who struggle with substance abuse issues. To accomplish these ends, SFF will negotiate and fund relationships between its substance abuse prevention programs and CSC schools, currently at \$10,000 in its pilot year for a family of five students.



CSC Project Goals

Bottom Line Quantitative Outcomes

- Increased and Sustained Enrollment Gains
- Increased and Sustained Fundraising Capacity

Underlying Sustainability/Success Levers

Many factors impact whether or not schools achieve the above measurable goals. Our experience informs us that the below variables are important enough factors for achieving the primary objectives of this project, and should be called out as explicit underlying goals:

- **Development and Marketing Infrastructure:** Plans for institutionalizing the functions of the DMD
- **School Leadership:** Quality leadership team—Principal/Pastor/DMD/Board
- **Product Enhancements:** Programs, capital improvements, Transitional Kindergarten, 200 day school year
- **Boards:** Engaged and effective advisory/development boards
- **Collaboration & Relationships:** With other schools, Archdiocesan leadership, and other funders
- **Student Outcomes:** Such as academic growth and matriculation rates
- **Intangibles:** Such as reputation/brand, morale
- **School Culture:** A shift from a culture of scarcity to a culture of abundance

Methodology

SFF is proud in its short history to have collected and undergone significant internal and external evaluation of this entrepreneurial approach to improving the outcome of inner city Catholic schools. A sample of the internal assessment methods of the outcomes are available upon request and include:

- **University Studies:** Three separate UCLA AMR studies totaling thousands of hours of managerial research and findings as well as a LMU management study on aspects of the model
- **Third Party Evaluation:** A comprehensive third party study by Public Works on Cohort One conducted in 2011-12 on the impact and return on investment. This included hundreds of hours of: Site Visits, Focus Groups, Stakeholder/Family Surveys, Literature Reviews, and Data Report Analysis
- **Self Study:** Starting in Spring 2013, SFF conducted a self-study on the program including:
 - ▶ Principal Listening Sessions
 - ▶ Multiple DMD Listening Sessions
 - ▶ Internal Planning Sessions
 - ▶ Board Listening Sessions
 - ▶ SWOT Analysis
- **Data Review:** Schools in the program have self-reported monthly data for all five years since the model’s inception as well as fiscal data collected from SFF’s financial field consultant. Further, a comprehensive analysis has been conducted by Public Works. SFF schools in the program are also required to file annual reports with the Archdiocese.

“We’re never going back to the way we were before. We cannot imagine going into the future without such a focus on our marketing and development.”
—Mary Ann Murphy, Principal, Immaculate Conception School

Measured Outcomes

According to our personal experiences as well as third-party analysis, this project has had a positive impact on most schools it has touched. That being said, the model has not proven to be universally successful. What follows is an unscientific analysis of the results to this point, much of which was published by the Public Works study (2012), and some of which has been updated by SFF data more current to this document.

Qualitative/Cultural Outcomes

The SFF model intends bottom line outcomes in addition to cultural and institutional shifts of prioritization. Many Catholic school cultures have devolved understandably to a cautious and even defeated mindset after decades of underfunding. In addition, Catholic schools do not have a rich history of standardized, externally focused, development strategies. Many of the schools, quite frankly, were previously focused conservatively within themselves, and not in accordance of intentional strategies to market themselves to potential parents and funders.

The SFF goal from the beginning was to watch the enrollment and fundraising totals grow, and just as important, watch the school cultures shift from defeated cultures to cultures of philanthropic intentionality and optimism. Operating a Catholic school in the inner city without executing a marketing and development strategy is no longer a viable option.

Qualitative reports, Public Works’ surveys, and hours of stakeholder listening sessions confirm a nearly unanimous sentiment that school cultures have shifted as a result of the program. In effect, these cultures have become intentional and prioritized around the goals of this project. In other words, the capacity has grown, not just from a fiscal sense, but also from an institutional ability and attitudinal sense. Schools now commonly have written strategies and annual calendars for enrollment recruitment and fundraising. Boards have been formed and developed at many of the schools. In the words of one principal, speaking for the group: “We’re never going back to the way we were before. We cannot imagine going into the future without such a focus on our marketing and development,” states Mary Ann Murphy, Principal, Immaculate Conception School.



School Retention

Of the original 13 schools selected for the model, eight (60%) remain in the program, each having experienced different degrees of success. Within the second cohort, it remains too early to conclude the retention rate with these schools just in their second year. Thirteen of the 14 schools selected for Cohort Two remain in the program.

Round One Schools Revenue Growth and Capacity

Annual Revenue Capacity			Cumulative Revenue Capacity			Cumulative Expenditure Capacity		
Annual Revenue (2007-2008)	Annual Revenue (2012-2013)	Annual Revenue Increase [a]	Total Actual Revenue (2009-2013)	Total Presumed Revenue (2009-2013)	Total Revenue Growth (2009-2013) [b]	Total Actual Expenditures (2009-2013)	Total Presumed Expenditures (2009-2013)	Total Expenditures Growth (2009-2013) [c]
\$7.03M	\$8.55M	\$1.52M	\$38.40M-	\$35.15M (\$7.03M x 5 yrs)	\$3.25M (and counting)	\$37.97M-	\$35.11M (\$7.02M x 5 yrs)	\$2.86M (and counting)

[a] **Annual Increased School Revenue Capacity:** SFF Measures this by taking total combined annual revenue at the outset of the project and subtracting it from current total combined revenue.

[b] **Total School Revenue Growth:** SFF measures this by taking the total combined revenue the schools presumably would have raised without its intervention and subtracting it from the revenue the schools obtained with its intervention. Annual combined revenue as reported to the Archdiocese in 2007-2008 was \$7.03M.

[c] **Total School Expenditure Growth:** SFF measures this by taking total expenditures and using an identical rationale and formula, which is as follows. Annual combined expenditures as reported to the Archdiocese in 2007-2008 were \$7.02M.

Fiscal Outcomes

Measuring the fiscal impact of this capacity building initiative is difficult, and there is no perfect measure. Schools have many variables, including external variables, such as the economy. SFF began this project in 2008-9, perhaps the worst fiscal year on record since the great depression. This being said, by nearly any measure, when taken as a whole, the schools having participated in this project are better off than when SFF intervened with this approach. Some have been positively and dramatically transformed. However, in other instances, schools have either not made it or have not demonstrated significant gains.

SFF Investment

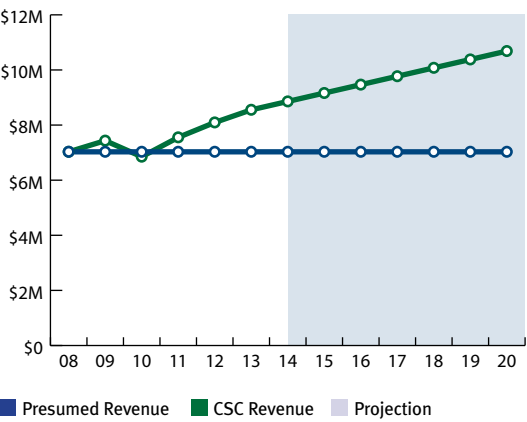
Looking at the 13 original schools in the program, SFF has invested \$4.3M in the DMD program at these schools, including supplemental grants for emergency aid and capital assistance. When excluding the five schools no longer in the program, total SFF investment in Round One schools was \$3.3M for this time period.

Annual Fiscal Capacity Impact

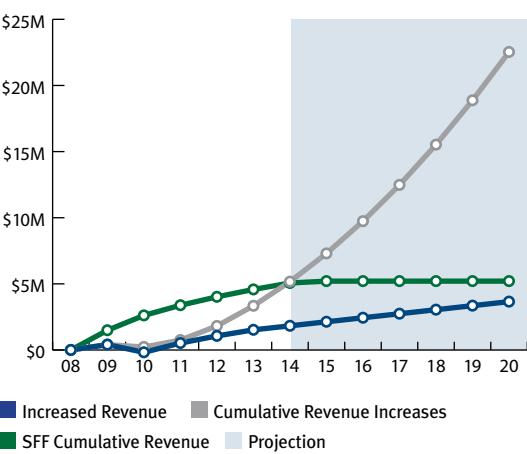
Looking purely at CSC schools’ annual revenue as reported in their annual reports to the Archdiocese (through June 2013), the CSC program has resulted in over \$3M in increased revenues in the eight remaining Round One schools. If this revenue is compared to the total \$4.3M (\$3.3M on the eight remaining schools) expended on these schools, the project is yet to reach profitability from a purely fiscal input/output perspective. Perhaps more importantly, as of June 2013, annual revenues at CSC schools had increased by \$1.5M since the project’s onset. At this increased capacity level, the remaining eight Round One CSC schools are on pace to reach \$10M in total increased revenue capacities by 2018-2019, within 10 years of the original investments. In other words, within 10 years of the original grants, the schools are on pace to double the original philanthropic investments made to this point.



CSC—Presumed Round One Revenue Against Actual/Projected



CSC—Round One Revenue Increases (Annual & Cumulative)



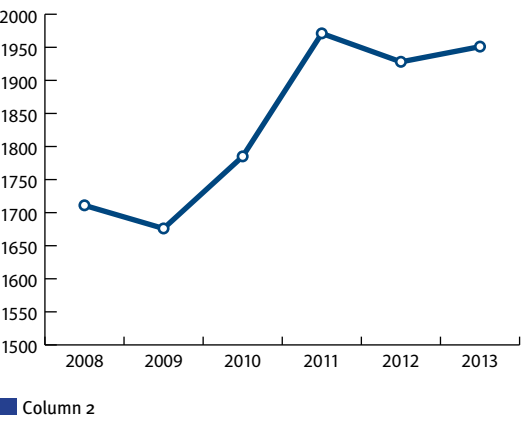
Capital, In-Kind, and Programmatic Outcomes

More than \$2.5M in investments that donors have made in CSC schools for programmatic and capital improvements were not taken into account in annual revenue numbers since the outset of this project. Although SFF cannot accurately account for which of these would have occurred had DMDs not been hired at CSC schools, it is clear from our experience that a substantial number, if not a majority, of these investments would not have occurred without this program. Some examples of these major improvements and investments at CSC schools include: computer labs, playgrounds, infrastructural investments, after school programs, and innovative models of education such as multiple blended learning academies.

Enrollment Outcomes

A major goal of the project has been to increase the enrollment capacity of the schools. A value cannot be placed on that of a student’s life. In this regard, the results of the program have been both counter-trend and by some measures unmatched during a very difficult climate. The remaining eight Round One CSC schools have enjoyed a substantial increase in enrollment since the onset of the project, totaling over 240 students. As a result, enrollments have been raised by a margin that would fill most Catholic elementary schools in just five years during a time period in which many, if not most, inner city Catholic schools have suffered sharp declines in enrollments.

Round One Enrollment



Board/Governance Outcomes

The third goal area for all CSC schools is the creation or strengthening of the school’s board. SFF has provided numerous opportunities for professional development and coaching in this area. The DMDs have been urged to take the lead in building boards and leveraging their leadership to help attract strong board members. The majority of schools are focusing on building development boards as opposed to, or in addition to advisory boards. The following is a summary of the status of board development:

- **Cohort One (Eight schools)**
 - ▶ Three schools with strong boards
 - ▶ One school with a medium strength board
 - ▶ Two schools in the process of building boards
 - ▶ Two schools at which planning is taking place

Analyzing the Outcomes: Strengths and Challenges

Five years in, SFF has learned a great deal about the efficacy of its approach as well as the headwinds of building capacity in Catholic schools, particularly in this way. SFF has conducted a SWOT analysis internally and externally of its strategy, including strengths and challenges that are both in (“weaknesses”) and out (“threats”) of SFF control. For constructive purposes, we are including only a list of the more notable strengths and challenges in the design or execution of the CSC Program that are within the perceived control of SFF to impact.

Program Design Strengths:

- *One size fits all:* For the sake of model integrity, SFF has appropriately required schools to stick primarily to one set of guidelines and grant amounts. Job descriptions have been fixed and goals, although varied from school to school, have been based on identical outcome criteria. Without such focus on tactics and strategy, it would have been very difficult to measure the impact of this intervention or to implement a systemic approach to building capacity.
- *Capacity area:* After five years, it is clear and confirmed by grantees that the areas of development and enrollment marketing capacity are of high importance in terms of need and opportunity for impact in inner city Catholic education. There is a near consensus that SFF has chosen its capacity area well.
- *Zealous advocacy and the one-to-one approach:* Each school has been granted their own full time DMD, which is a new leadership position. In the most successful of situations, the DMD is now seamlessly integrated into their individual school community. Further, synergistic partnerships have formed between individual pastors/principals and DMDs that have inspired new leadership teams, “dynamic duos”, and a focus that can only come from a model where every school gets its “own person”.
- *Focused approach/cohort approach:* We believe our impact has been enhanced greatly by being loyal to a set of schools and to a distinct approach. SFF has focused primarily on one area of capacity building with a specific set of schools. It has allowed staff to become experts in the area beyond a typical foundation staff as well as experts on these particular schools. Few foundations would be able to measure an impact before and after, on institutional investees in a clear and obvious manner without such a focus. We are confident in our conclusions regarding the program’s impact as well as intimately aware of the needs of “our” schools resulting from this type of focus.

Program Design Challenges

- *One size fits all:* As mentioned, taking a programmatic and systemic approach to building capacity in a set of schools has had great benefit. However, we have also learned how different each of these schools is, and have often struggled to make the program work as effectively as hoped within the constraints of the model. Questions have arisen, for example: Would the model work better in some schools with a different job description? Should schools be allowed to take more authority over the use of their funds to build their own capacities?
- *Talent pool and selection:* Finding and retaining high quality individuals to fit into the DMD role at each school has been a challenge. All schools and stakeholders seem to agree that finding a quality DMD who is the right fit for a school can make or break the school’s success in the SFF model. This has been difficult. In Cohort Two, just 18 months in, seven of the original 14 schools have needed to replace the DMD or concluded the DMD was not a good fit. Results have been similar or even more pronounced for Round 1 schools, with only eight of the original 13 schools remaining in the program. Six of the remaining eight schools have had to replace the DMD at least once during the five years.
- *School fit and selection:* SFF is proud to have taken in schools that may have been considered “risks” in the model. A good number of these schools have had success in the model and remain grantees on the right track. That being said, SFF has also experienced a high percentage of schools not succeeding with the approach, and arguably no returns were realized for the investments. Although much has been learned bringing these schools into the program, selecting schools has proven to be a challenge as well as an inexact science in this area of capacity building.
- *Mono-focus:* By focusing solely on one area of capacity building, we have learned a great deal. However, it has come at a cost. Many areas impact the success of our program that we have chosen to have no impact on. For example, some of our schools’ academic excellence could use significant capacity building investment. To this point, we have avoided such investments in academic quality or transparency, but they clearly have an impact on the success of our schools’ enrollment and fundraising efforts.



- *Single actor approach:* SFF has been the sole funder and creator of its approach. This has allowed for a speedy and fluid application of the theory Dr. Peter wished to test. That being said, acting alone has also created a leveraged situation that makes transitioning with the schools more difficult. It has perhaps allowed a missed opportunity to access valuable expertise and ideas other funders/partners could have brought into the model. More collaboration, more funding sources, and more ideas could make the model more sustainable.

Lessons Learned from the Model

We are proud of the progress that has been made in our model, and there is so much about the implementation we would replicate should we ever expand to future cohorts. However, given the chance to do this again, we would explore substantial changes to the model’s design and implementation including areas of: school selection, grant amounts and structures, DMD recruitment and selection process, and DMD job descriptions. We also would allow more time for schools from the outset to reach the goals of the project. We would be willing to explore more systemic approaches with perhaps multiple schools being served by a team of talented individuals. And while there have been many benefits to the rapid expansion of the program, there are questions about whether the scale and scope of the project have grown more quickly than is feasible for an organization of our size. Smaller cohorts or more time per cohort are concepts worth considering in the future.

Many of the schools in the program have made impressive gains in their enrollment and fundraising, but not often to the extent that full capacity in these areas has been reached. Perhaps the most sluggish or inconsistent progress has been toward the goal of board development. New means for accomplishing all of these goals should be explored, particularly in the area of board development. Lastly, schools have made a great deal of progress in parts of their school culture. However, we have some concern that in some instances, cultures of dependency may have even been enhanced as a result of our intervention, which runs contrary to the school empowerment goals of the project.

Many variables outside of the control of the model have impacted its success. Perhaps biggest among these is that of perceived and demonstrated academic excellence at the individual school level. While we are proud of the many programmatic enhancements that have been made as a result of this intervention, it is possible more direct strategies could make a greater difference in school excellence, demonstrable student growth, and a school’s reputation.

Executing our goals and strategies for sustainable inner city Catholic schools

Most of the CSC schools are not yet to a point of sustainability in our capacity building efforts. SFF is committed primarily to the success of the CSC and the 21+ schools within it, and to protecting the gains that have been made. We are also implicitly committed to seeing through our partnerships with these heroic institutions versus switching to a completely different set of schools. Although we may from time to time seize an opportunity to partner with a new school, for the next 3-5 years, SFF does not anticipate adding another cohort of schools as we have done twice already. Instead, we will measure success during this period as the realization of the original capacity goals as well as significant academic improvement as a result of SFF interventions.

• **Building Development and Enrollment Management Capacity**

SFF remains committed to the importance of building inner city Catholic schools capacities in this area. Further, we have concluded from our experience that a foundation of our size and mission can make an impact in this area. Success can be measured through the bottom line and underlying variables mentioned under the stated goals.

• **Institutions of Academic Excellence and Student Growth**

SFF has not to this point focused on the academic outcomes or data of its school partnerships. However, our mission is to alleviate the conditions that lead to persistent poverty. We understand now that a school's ability to maintain and increase programmatic efficacy has a direct impact on the above mentioned goals in the development/enrollment capacity. For these reasons, we seek in the next 3-5 years to find and select substantial strategic investment opportunities in CSC schools that will increase their capacity for excellence in measured and prioritized areas.

• **Accountable Institutions of Fiscal and Academic Transparency**

Our experience as well as our partnerships with other funders have informed us that Catholic schools are in danger of slipping (have slipped) when compared to other academic institutions in terms of transparency and public accountability for results. SFF is committed in the next 3-5 years to utilize its grant making to support Catholic schools' increased transparency/accountability or to increase the public's awareness of current data available but not necessarily disseminated in public ways. Bottom line: Our schools will be known for full and rich data on their fiscal and academic outcomes to the level expected of any 501c3 or highly regarded charter school.

Strategies For Success

As stated, this document does not intend to serve as a strategic plan with tactics and timetables. However, we do wish to outline the major themes by which we commit to achieving success.

• **Levers for Success**

SFF hereby recommits to some of its traditional levers for success in capacity building along with some new levers:

Traditional Levers Revised

- ▶ *Leadership:* Schools must currently have or be growing toward excellent governance and day-to-day leadership in the form of the Board, Pastor, Principal, and DMD. In the absence of an excellent Pastor, a very strong Principal becomes important, albeit crucial in any instance. A new dynamic partnership between the Principal and DMD should be formed, and should be a powerful synergistic team focused on advancing the school toward the Pastor's/ Board's/Principal's vision for the school's future.
- ▶ *Marketing/Development Expertise:* Schools must be growing in their cultures, intentionality, and strategies in marketing and development. With a DMD or a development arm maintained through the next 3-5 years, schools should experience a continued and obvious increase in abilities and results in this area.
- ▶ *Governance/Boards:* SFF has always recognized the importance of boards in the success of schools. Many schools have to this point created advisory boards, which have made a significant impact on the results of the project. That being said, there is great disparity from school to school. Some schools may have the opportunity to enhance their boards from merely advisory to boards of some limited jurisdiction, which SFF views as a subject of interest. Either way, strong and talented pastoral influence is needed from some source on a regular basis to support and hold accountable school leadership.

New Levers

- ▶ *Collaboration:* In the next 3-5 years, SFF will seek opportunities to partner with other institutions (e.g. LMU, Department of Catholic Schools, Seton Education Partners), funders, and even encourage partnerships between the CSC schools, including most notably the developing independence of the CSC itself.



- *Flexibility:* SFF is a risk-taker and a capacity builder. In order to improve results from the first five years, funds will need to be freed up as existing commitments sunset to allow for budgeting cycles that leave the open-ended question: how do we intend to spend these funds in this way? Time and financial resources will need to be allocated to reviewing new ideas in new areas. To do otherwise would be committing to a similar set of identical program decisions and identical results. In other words, we must phase out of some current behaviors, and leave the freed up funds unallocated until such time as attractive opportunities are presented in a compelling way.

Marketing/Development Capacity

In order to continue increasing the CSC schools’ capacities in this area, we will employ strategies that intend to:

- Employ our current and often successful approach to building capacity in this area
- Modify our current approach, including such tactics as currently being tested (shared DMDs, part-time DMDs, job description revisions)
- Generate new ideas for building this type of capacity (e.g. focusing on principal support/training/selection)

Institutions of Academic Excellence/Student Growth

SFF is committed to student outcomes because (a) it has made significant progress in other areas and is ready to move forward, (b) it is committed to positive outcomes with the impoverished as a direct bottom line result of its efforts, and (c) we believe such positive academic outcomes have direct correlations with the enrollment and development goals of our other efforts. This is a new arena for SFF, and some areas of interest going into this latest and exciting focus include:

- *Investing in Innovative Models:* For example, blended learning, STEM, early childhood, gifted programs, and/or mentoring programs.
- *Investments in Leadership* (Board training, Principals, or Pastors)
- *LMU’s “Family of Schools” Approach to Building Excellence*
- *The CSC and Council of Advisors*
- *Exploring innovations endorsed by Department of Catholic Schools*

Accountable Institutions of Fiscal and Academic Transparency

SFF is committed to bringing CSC schools into best practices for transparency and accountability excellence. Ideas for accomplishing this goal include:

- *Publically accepted fiscal audits of the schools*
- *The “Ex-Ed” Model of back-office operations through the CSC*
- *Student Information Systems and Student Tracking*
- *Quality and Systemic Academic Assessment in accordance with Department of Catholic Schools and best practices*

In Conclusion

This document strives to communicate the kind of philanthropic organization the Specialty Family Foundation represents, where it came from, what drives it, and where it is going.

The strengths and challenges of the programs have been evaluated with an eye to lessons learned from the unique SFF model design. We are looking to explore changes to the design and to several variables that govern implementation such as school selection, grant amounts and structure, scale and scope of a project, and demanding time parameters.

We have also outlined our successes such as gains in a school’s enrollments, fundraising, and positive shifts in school cultures. Areas that represent inconsistent progress or challenges that need to be addressed with a new plan or approach include areas such as board development and academic excellence.

This Road Map has given us the opportunity to recommit and articulate the SFF mission, identity, and investments, in addition to reporting on its outcomes, future goals, and strategies. By doing so, we recommit to faithfully carry on the vision of our co-founders, Dr. James B. and Joan C. Peter and the Peter family.

PURPOSE STATEMENT

Entering its fifth year of significant Catholic education programming and eighth year of existence, Specialty Family Foundation issues this statement for the purposes of:

- Recommitting and articulating our mission, identity, and purposes as a philanthropic entity
- Summarizing what we have learned and recommitting ourselves to specific goals and outcomes for the next 3-5 years
- Articulating a “road map” of focused strategies and opportunities that we believe will increase the likelihood of achieving these goals and outcomes as well as how we intend to measure them

Although visionary in nature, this document does not intend to be a strategic plan but rather a comprehensive statement of who we are; how we define successful short and long-term philanthropic impact; and in what areas of focus we can achieve these positive outcomes.

This document and the process leading up to it have served primarily as a guide for Specialty Family Foundation heading into its second five years of major programming. In addition, a secondary objective is to provide key stakeholders with a better understanding of who we are, where we are headed, and why.