



Harlem Children's
Z O N E

Harlem Children's Zone, Inc. (HCZ)
Growth Plan FY2001 – FY2009

TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
I. HARLEM CHILDREN’S ZONE’S CHALLENGE.....	1
HARLEM CHILDREN’S ZONE’S MISSION AND THEORY OF CHANGE	1
EXTERNAL ENVIRONMENT/SOCIAL NEED.....	3
II. CRITICAL MASS: HONING THE HCZ PROJECT MODEL.....	4
THE HARLEM CHILDREN’S ZONE PROJECT AND ITS PROGRAMS	4
GOALS FOR GREATER SCALE AND MARKET PENETRATION	6
ALIGNING THE PROGRAM SET TO KEY DEVELOPMENTAL NEEDS	10
A PARALLEL TRACK: PRESERVING THE BEACON SCHOOL/PREVENTIVE PROGRAMS	11
PROGRAM CONCENTRATION: PHASING OUT CERTAIN NON-HCZ ACTIVITIES	11
III. TRACKING PERFORMANCE & INCREASING CAPACITY.....	13
OUTCOMES/EVALUATION SYSTEM	13
BUILDING AN ORGANIZATION EQUAL TO THE CHALLENGE	14
IV. BUILDING THE FIELD.....	15
ADVOCACY WITH NUMBERS	15
TRAINING THE NEXT GENERATION OF LEADERS	15
IV. ENLARGING THE HCZ PROJECT.....	16
V. STRATEGIC IMPERATIVES AND KEY ACTIONS	18
PHASE I: FY 2001-FY 2003	18
PHASE II: FY 2004-FY 2006.....	24
PHASE III: FY 2007-FY 2009.....	25
APPENDICES.....	28
APPENDIX 1: ORGANIZATIONAL BACKGROUND & CURRENT PROGRAMS	29
A. AGENCY OVERVIEW.....	29
B. AGENCY HISTORY	29
C. PROGRAM DESCRIPTIONS	31
APPENDIX 2: PERFORMANCE MEASURES.....	35
A. OPERATIONAL MILESTONES.....	35
B. OUTPUT GOALS.....	43
C. OUTCOMES.....	47
APPENDIX 3: FINANCIAL ANALYSIS	53
A. PROJECTED COSTS/USE OF FUNDS.....	53
B. OPERATING REVENUE & FUNDING STRATEGIES	54
C. HEADQUARTERS CONSTRUCTION COSTS	56

EXECUTIVE SUMMARY

At the start of its fourth decade, Harlem Children's Zone, Inc. (formerly Rheedlen) has become a national standard-bearer for this simple but far-reaching idea: It is difficult, often impossible, to raise healthy children in a disintegrated community. Without local institutions that draw families and young people together around common interests and activities — religious, social, and recreational organizations, effective schools, safe and well-used public spaces — even the most heroic child-rearing is likely to fail.

Conversely, by gathering and organizing members of the community around activities of common interest — particularly the healthy development of children — even the most devastating conditions can be reversed. Harlem Children's Zone's mission is to concentrate that kind of activity on well-being of children in Central Harlem, where poverty and unemployment are many times higher than national averages, education and student achievement fall well below U.S. and New York City levels, and the rate of foster care placement is the highest in the state.

Behind this mission lie two main tenets: First, children from troubled communities are far more likely to grow to healthy, satisfying adulthood (and to help build a better community) if a *critical mass* of the adults around them are well versed in the techniques of effective parenting, and are engaged in local educational, social, and religious activities with their children.

Second, the *earlier* a child is touched by sound health care, intellectual and social stimulation, and consistent guidance from loving, attentive adults, the more likely that child will be to grow into a responsible and fulfilled member of the community. Intervention at later stages is still important — and must be adjusted as the person progresses through the various stages of youth. But later intervention is more costly and less sure of success. Families will need these later efforts to a lesser degree and in declining amounts if the earliest intervention is effective.

These twin principles — a *critical mass* of engaged, effective families, and *early and progressive intervention* in children's development — have led Harlem Children's Zone in recent years to concentrate more of its activities on the families in a 24-block region of Central Harlem called the **Harlem Children's Zone Project**. Taking this concentration of effort to its logical fulfillment — reaching a greater percentage of residents in the Zone with a wider, more effective mix of services, particularly at earlier ages — is the first and most far-reaching of the imperatives of this Business Plan. In fact, most of the other imperatives flow from that one, and all of them rest on the same governing principles.

Imperative #1: Penetrating the Zone

Harlem Children's Zone's primary focus is on families with children aged 0 to 18, with particular concentration on those living in the Harlem Children's Zone Project, a residential and commercial area between 116th and 123rd Streets and between Fifth and Eighth Avenues, six blocks north of Central Park. Harlem Children's Zone's 16 programs intentionally serve a great many families beyond the HCZ Project's narrow boundaries. Some, especially its seminal Beacon Schools program, have distinct target areas of their own, deliberately broader than the

24-block HCZ Project. But the importance of the HCZ Project has grown steadily since it was conceived in 1997, and it has become the core proving ground for Harlem Children's Zone's emphasis on critical mass and early intervention.

Seven of the Harlem Children's Zone's programs now focus their services preeminently, though not exclusively, on the Harlem Children's Zone Project. These include HCZ Project's main organizing effort, called Community Pride, the smart-parenting courses of the Baby College, the problem-solving services of the Family Support and Parents Help Centers, the civic engagement of teenagers in the Peacemakers program, and the youth and workforce development programs of TRUCE (The Robeson University for Community Education) and HCZ Project's Employment and Technology Center.

Market Penetration Targets: These seven programs were either designed specifically for the HCZ Project or have directed a significant part of their work to that area in the past three years. All but two, however, still serve mostly people from outside this area. (Roughly 70 percent of those touched by Community Pride and the Baby College are from the HCZ Project; the other programs are still running below 50 percent.) Harlem Children's Zone's primary challenge in the coming six years will therefore be to *boost these programs' reach to families within the HCZ Project*, achieving much higher levels of market penetration.

Given Harlem Children's Zone's emphasis on early intervention, the most ambitious market-penetration target is for children age 0-5: Harlem Children's Zone intends to reach 80 percent of HCZ Project residents in this age group. The targets decline thereafter: 70 percent for children age 3-4; 60 percent for those age 5-11; 40 percent for ages 12 to 13; and 30 percent for ages 14 to 18. Success with the earliest age groups makes the declining percentages at later stages both appropriate and easier to achieve.

Concurrently, to ensure that programs reinforce one another and address the multiple needs of families and the community, Harlem Children's Zone aims to *boost cross-enrollment* in its programs. Parents seeking crisis help from the Family Support Center should also be encouraged to enroll in the Baby College. They could be taking advantage of youth development and recreational opportunities at TRUCE, and using a medical and dental clinic planned for Harlem Children's Zone's new headquarters building. In short, the goal of concentrating these programs is not only to reach a critical mass of families, but to provide a critical mass of services *to* those families that together help reconstruct a stronger, more cohesive community.

Although these seven programs will continue to serve people from outside the Harlem Children's Zone Project, this plan sets precise targets by which several of them will increase the number of people they draw from the HCZ Project area. Four will be expected to meet significantly higher market-penetration targets over the next three years:

- The Baby College now draws 66 percent of its enrollment from the Harlem Children's Zone Project; the target will be 95 percent.
- Community Pride is to go from 70 percent to 90 percent.
- TRUCE, now at 17 percent, will bring participation to 85 percent.
- The Employment and Technology program will go from 34 percent to 90 percent.

In a few cases, it is not practical or necessary to aim services primarily at residents of the HCZ Project. Peacemakers and Parents Help Center, for example, are based in schools and must serve their schools' whole population equitably. The Family Support Center operates under a city contract that requires a wider catchment area. Even so, outreach efforts for these programs can be intensified in the HCZ Project, and they will also have targets for reaching more residents.

More effective 'marketing': To help extend and deepen all the programs' reach into the HCZ Project, Harlem Children's Zone will intensify its understanding of local needs and its outreach into the community — much as a business would research its market and promote its services to new customers — working along four related tracks:

- Encourage referrals from other public and nonprofit service programs;
- Continually review the needs of current program participants to ensure that the program mix is addressing their most critical concerns and interests;
- Conduct more extensive market research into the needs and interests of the whole neighborhood — especially those not yet enrolled in HCZ Project programs;
- "Cross-market" services from program to program, targeting those in each program who seem especially appropriate for other Harlem Children's Zone services.

Expanding Programs and Services: To make its programs as effective as possible, especially within the HCZ Project, Harlem Children's Zone will

- add two key components to the programs of the Baby College: a Head Start program and a parent-to-parent training program called Parent Corps;
- enlarge Harlem Peacemakers by extending its services to younger children and, in years 2004-2005, bringing the program to more schools;
- boost participation at TRUCE, particularly through the new Fitness Center (opening in 2001);
- create a new elementary charter school, for grades K through 5, with a focus on science and technology, during the middle years of this plan, 2004-2006;
- establish a Beacon program at the charter school;
- create a Medical and Dental Clinic, to be housed in a new Harlem Children's Zone headquarters building being developed in these same middle years.

Building on Beacon Schools: Some other Harlem Children's Zone programs, beyond the seven specifically identified with the HCZ Project, also offer a significant means of reaching families within the targeted 24 blocks. Beacon Schools offer educational, recreational, and youth development programs throughout the non-school hours of the day and evening. They necessarily serve the whole catchment area of the school where they reside. But because public schools reach the great majority of the children in every part of the community, and because the additional services of a Beacon are very inexpensive per child served (thanks to low overhead and high participant-to-staff ratios), it is possible for them to serve a wide area and still offer deep access to families in the HCZ Project. By locating some of Harlem Children's Zone's other services at the Beacons — and by raising participation at the relatively new Booker T. Washington program to its maximum of 1,000 students — the organization can achieve the double benefit of serving the wider community and still intensifying its effectiveness in the HCZ Project.

Imperative #2: Tracking performance

The Harlem Children's Zone is now concluding the first year of a three-year project to design and pilot an evaluation system for the Harlem Children's Zone Project. The system, when complete, will integrate several sources of information into a sophisticated moving picture of the people Harlem Children's Zone serves, their satisfaction with the service, and the effectiveness of the programs. Information sources will include demographic data, participant surveys, and participant information that Harlem Children's Zone already collects for administrative purposes. For the Baby College, a parallel research project will examine the long-term difference the program has made in participants' lives, compared to a control group in a similar community in Brooklyn. Meanwhile, two other projects will track the physical changes in the HCZ Project over time. In 2001, Harlem Children's Zone will start developing an information-tracking system for programs that operate outside the Harlem Children's Zone Project.

These sources of information are important for at least two reasons: First, they help Harlem Children's Zone keep constant watch on what its programs are accomplishing, who they serve, how participants regard the service, and how the programs could perform better or reach more people. Second, they provide a cumulative body of evidence on the effectiveness of the program's core principles. That, in turn, will help inform public policy decisions that affect not only Harlem Children's Zone and Central Harlem, but the fields of community development and youth development generally.

Imperative #3: Building the Organization

Harlem Children's Zone's rapid growth in recent years, combined with the growth and diversification called for in this business plan, will demand a significant strengthening of Harlem Children's Zone's core management, staff, and operating systems. In particular, over the next five years Harlem Children's Zone will need to:

- Bolster management with at least three new positions: a Chief Operating Officer and two Senior Program Managers;
- Develop new in-house units for functions that were previously out-sourced or handled part-time, particularly Evaluation, Facilities Management, and Human Resources;
- Enlarge existing administrative units, particularly in Development, Fiscal Management, Information Technology, and Administration; and
- Invest in appropriate new information technology applications.

By 2004, Harlem Children's Zone will also develop and occupy a new headquarters facility that will include space for a charter school and new Beacon program, the Baby College and Head Start, the new Medical and Dental Clinic, and a planned Practitioner's Institute to train new and aspiring leaders in youth and community development.

Imperative #4: Informing the Field

Harlem Children's Zone's ambitions, particularly in the Harlem Children's Zone Project and the Beacon Schools, are significant far beyond the boundaries of Harlem, or for that matter, of New York City. The challenges that Harlem Children's Zone is tackling in 24 blocks of Central Harlem are the same ones that confront other cities and states, Congress, and even some international organizations. Harlem Children's Zone's approach puts to a practical test the best current wisdom in the fields of youth and community development; its leaders therefore bear

(and embrace) a responsibility to let other organizations and policy-makers know how their work is progressing, and how the best of that work can be adapted to other communities.

This is not a new role for Harlem Children's Zone. Executive Director Geoffrey Canada is already widely regarded as an authority and visionary in these fields, and will continue to lead and participate in local and national policy discussions. Over the next five years, other senior members of the Harlem Children's Zone staff will also be encouraged to take a role in policy advocacy, particularly in New York City and the surrounding region.

In later years, beginning in 2004, the advocacy and field-building effort will also have an institutional base, in the Practitioner's Institute mentioned earlier.

Imperative #5: Expanding the Boundaries

Beginning in 2004, as Harlem Children's Zone completes its planned refinements to the Harlem Children's Zone Project programs, and when its performance-tracking system is fully in place, it will next move to expand the boundaries of the HCZ Project in two phases. The first will be a northward expansion, adding 36 more blocks and 3,800 more children. The next, beginning in 2007, will be a similar expansion to the south, adding 31 blocks and 8,000 more children.

Each expansion will be phased in, with organizing and outreach beginning in component mini-zones, where partnership with other service programs and meetings with residents will proceed area by area, until all the planned blocks are covered.

The challenge: 2001-2009

Harlem Children's Zone's aims are both ambitiously broad and keenly focused: It seeks, on one hand, to touch virtually every aspect of the community's life as the next generation of Central Harlem's infants and children grows to adulthood. Yet it plans to do so not by taking single-handed responsibility for each economic and social problem facing every child and family, but by creating a self-reinforcing community of families building a common future through their own efforts.

To do this in an environment where underlying institutions and social structures are fragile and embattled, Harlem Children's Zone plans, in the next nine years, to reach a significant percentage of residents with an increasingly effective mix of programs. And it plans to tailor those programs to the changing needs of its younger constituents, beginning with the youngest, who are most open to support and guidance.

By the time this Plan's changes are implemented, many of the infants whose parents are enrolled in today's Baby College will be participants in Beacon School programs, exercising and competing at the TRUCE fitness center ... or facing charges in juvenile court. Today's teenage volunteers in Peacemakers may by then be teachers in a new charter school, completing work on an advanced degree ... or battling drug addiction.

The success of the efforts outlined here may help determine which of those courses these young people take. Their choices, as they grow up, will provide the ultimate measure of Harlem Children's Zone's value and potential. Rarely are the stakes of any business plan so high.

I. HARLEM CHILDREN'S ZONE'S CHALLENGE

HARLEM CHILDREN'S ZONE'S MISSION AND THEORY OF CHANGE

The mission of Harlem Children's Zone, Inc. (HCZ) is to improve the lives of poor children in America's most devastated communities. Over the next decade, Harlem Children's Zone's primary focus will be on children aged 0-18 living in the Harlem Children's Zone Project, a 24-block area of Central Harlem bounded to the south and north by 116th and 123rd Streets, and to the east and west by Fifth and Madison Avenues. Harlem Children's Zone's objective will be to equip the greatest possible number of the children in the HCZ Project to make a successful transition to an independent, healthy adulthood, reflected in demographic and achievement profiles consistent with those in an average middle-class community.

Harlem Children's Zone believes that when the fabric of community is destroyed, things that middle class communities take for granted — like working schools, useable playgrounds, decent housing, support from religious institutions, functioning civic organizations and safe streets — are nonexistent, or so marginal that they are ineffective. When this occurs in poor communities, the gravitational pull of disorganization and dysfunction is so strong on already fragile families that only a small fraction of the children in these neighborhoods can escape. While these exceptional youths are labeled “resilient” or are justly celebrated as “beating the odds,” the vast majority of children fail in school, have troubled home lives and do not reach their full potential.

To combat this, Harlem Children's Zone is developing a new social service paradigm intended to overcome the limitations of traditional approaches by systematically coordinating two related areas of work: programs focused on addressing the critical needs of children and families, and targeted efforts to rebuild the basic community infrastructure. The most advanced form of this model is represented by the 24-block Harlem Children's Zone Project, a concept launched in 1997. The HCZ Project is a uniquely powerful and ambitious model that will be the primary vehicle for the achievement of Harlem Children's Zone's objectives over the upcoming decade. It will be supplemented, however, by ongoing commitment to the model that has been Harlem Children's Zone's most effective to date: the Beacon Schools Program.

The Beacon Schools Program uses available public school facilities outside of school hours to provide a “shopping mall” of services aimed at promoting positive outcomes among young people. In general, Beacons are based on a belief that if children are to find effective alternatives to violence and prepare for productive futures, they must have access to enriching activities to fill their out-of-school time. Harlem Children's Zone was an early participant in the Beacons program and enhanced the basic model by adding innovative programs that involve and empower parents so that they can better ensure the safety of their children and keep families intact. Harlem Children's Zone has further developed the Beacon model by co-locating additional preventive services, which address the more acute needs of these same families. This model will continue to be an important part of Harlem Children's Zone's service offering and, wherever possible, will also be incorporated into the HCZ Project.

The HCZ builds on these concepts by applying them to a neighborhood that is both large enough to include all the essential components of community life — schools, churches, recreational facilities, commercial areas, common space — and small enough to allow programs and services to reach every willing member. Most importantly, the HCZ develops and delivers all of its programs in the context of a broad and fundamental community commitment to self-improvement.

In the ten years covered by this business plan, Harlem Children’s Zone will aim to reach the great majority of families in the HCZ with a range of programs carefully calibrated to the needs of different age groups, placing greatest emphasis on families with the youngest children, age 0-5. The organizing principles of this plan, derived from Harlem Children’s Zone’s fundamental theory of change, are

First: Critical Mass Success in raising healthy children entails rebuilding the institutions and functions of a normal, healthy community, something that has been undermined in Central Harlem by years of neglect, disinvestment, and demographic upheaval. Building such a community requires the participation of a critical mass of parents and children in common undertakings, including both effective child-rearing and community-building.

Second: Early and Progressive Intervention: Effective early intervention pays long-term benefits by making later interventions less necessary for many young people, and by making those interventions more likely to succeed when they are needed. Consequently, Harlem Children’s Zone’s goals for reaching families in Central Harlem are the most extensive for families with the youngest children. Targets then become progressively lower for later age groups, and services more narrowly targeted to the particular needs of those groups. The lower participation targets at later ages are based on the observation that families with older children will more often be able to meet their children’s needs independently, or to find support from other community sources on their own, if they have received effective support when children were younger. The age-specific targets are:

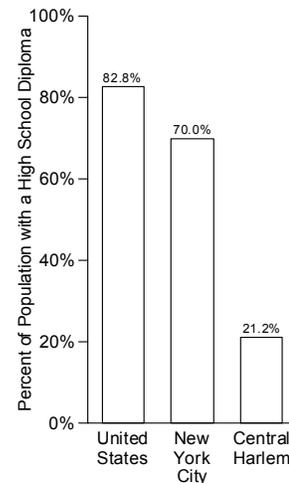
<u>Age Group</u>	<u>Percent Participating in HCZ Project Programs</u>
0-2	80%
3-4	70%
5-11	60%
12-13	40%
14-18	30%

Alongside these two organizing principles lie other values that distinguish Harlem Children’s Zone from some other programs in youth development. Prominent among these is the importance of community engagement and development: Programs and services directed towards individual children and their families should be supplemented by ones addressing key community needs. Another core belief is that excellence depends on continually measuring performance and in reinvesting the knowledge that such measurement yields.

A third underlying value is a commitment to sharing knowledge and improving service to poor children nationally. Harlem Children’s Zone is well-positioned to contribute to the formulation of enlightened public policy on the local, state and federal government levels, both through effective advocacy and by serving as a sound, functioning model. Harlem Children’s Zone also can help other communities around the nation address their youth development challenges by serving as an operating laboratory for practitioners, and training those who are interested in replicating Harlem Children’s Zone’s experience.

EXTERNAL ENVIRONMENT/SOCIAL NEED

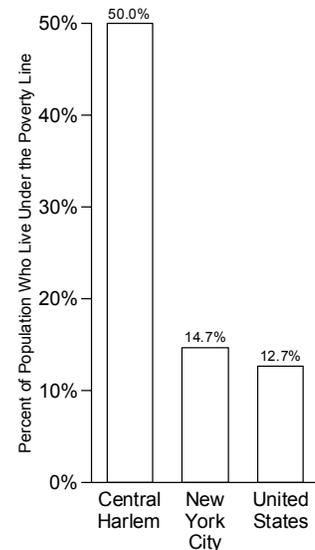
The children of America's devastated communities face an uphill battle from day one. A child entering first grade from a low-income family has, on average, been given 25 hours of one-on-one picture book reading, whereas a child from a typical middle class family receives 1,000 to 1,700 hours of one-on-one picture book reading (M.J. Adams. 1990. *Beginning to read: thinking and learning about print*. Cambridge, MA: MIT Press). By age three, children from families on welfare have a cumulative vocabulary of 525 words compared to children from professional families who have a vocabulary of 1,116 words (B. Hart and T. Risley. *Meaningful Differences in the Everyday Experience of Young American Children*. Paul H. Brooks Publishing Co., 1995).



These wide disparities are both an effect of and cause of broader set of problems that plague depressed communities. Central Harlem in New York City, the primary focus of Harlem Children’s Zone’s efforts, is such a community, deeply afflicted by poverty and the attendant social ills that have a demonstrated harmful impact on the development of the children that live in them.

Statistics highlight the severity of the situation:

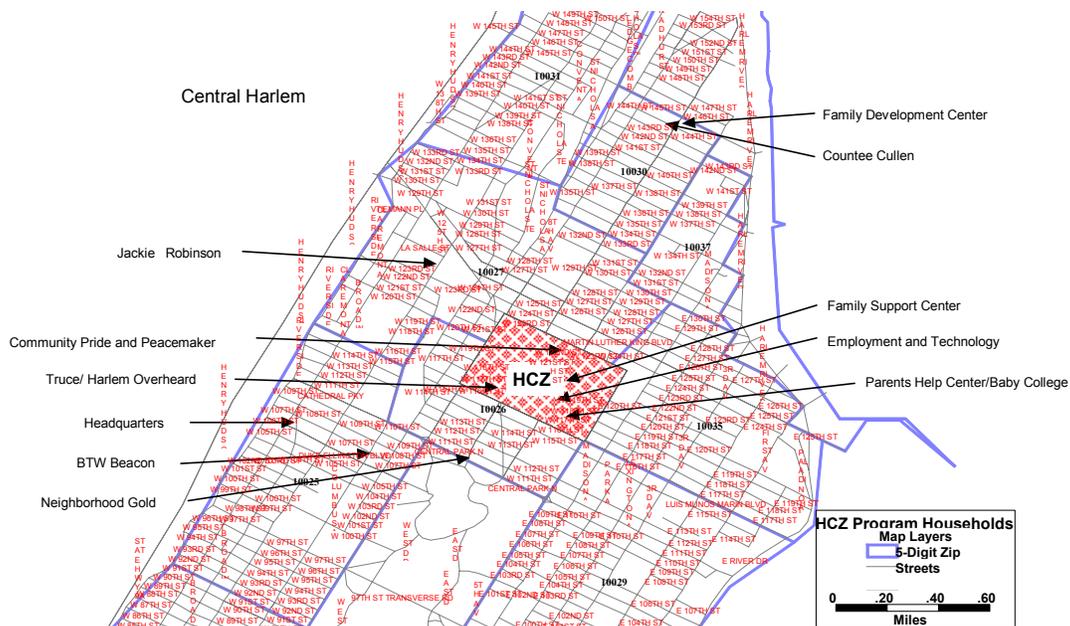
- **Five-fold poverty rate:** In 1998, 12.7% of all Americans lived below the poverty line. In Central Harlem nearly 50% of the population and 61% of children live in poverty.
- **Four-fold unemployment rate:** U.S. unemployment levels hover in the low single digits. In the HCZ Project, where about half of Harlem Children’s Zone's children live, the rate is 18.5%.
- **Startlingly low education levels and student achievement:** In Harlem, less than 25% of adults have a high school diploma and over 40% dropped out before high school. Less than 20% of children in the HCZ elementary schools read at grade level.
- **Record-setting foster care placement rates:** Central Harlem has among the highest rate of foster case placement in New York state.



II. CRITICAL MASS: HONING THE HCZ MODEL

Harlem Children’s Zone supports programs in three categories. Two of these — those related to the Harlem Children’s Zone Project and the preventive services of the Beacon Schools — are the primary focus of this plan. There are also a limited number of “independent” programs— typically ones that have been a significant part of Harlem Children’s Zone’s service offering over time—that are not included in these models and, therefore, may not warrant continued support. All of these programs are located in Harlem, in the New York City Borough of Manhattan, as shown in Figure A.

Figure A: The Harlem Children’s Zone Community



THE HARLEM CHILDREN’S ZONE PROJECT AND ITS PROGRAMS

The HCZ Project offers a variety of programs targeted toward children living in the 24-block neighborhood between 116th Street and 123rd Street and between 5th and Madison Avenues in Central Harlem. The HCZ Project is the core model for Harlem Children’s Zone’s future, and has been management’s primary focus since it was created in 1997. It has recently undergone a thorough reassessment to define a systematic growth path that, over the next nine years, will significantly raise the effectiveness and scale of programs in the HCZ Project, with the aim of reaching a much higher percentage of residents.

These seven programs are now explicitly targeted on the HCZ Project, five focusing directly on the needs of children and two on the broader community:

Youth Services

- *The Baby College* offers parents of children between the ages of 0 and 5 both the range of information and the supports necessary to raise happy and healthy children who enter school ready to learn.
- *Family Support Center* is a walk-in storefront facility that provides families in crisis with immediate access to professional social services including foster care prevention, domestic violence workshops, parenting skill classes, a men's group and a women's group.
- *Parents Help Center* is a drop-out prevention program based at Public School 207. It serves children with severe academic and attendance problems.
- *Harlem Peacemakers* identifies and trains college aged young people who are committed to making their neighborhoods safe places for children and families. Through the School Success Project, Peacemakers work in elementary school classrooms and run after school and summer programs enriching children's educational and recreational experiences.
- *TRUCE (The Robeson University for Community Education)* is a comprehensive youth development program operating six days a week that fosters academic growth and career readiness through media literacy. In 2001, TRUCE will add a Fitness and Nutrition Center, operated by and for Harlem youth, to promote healthy physical and emotional development.

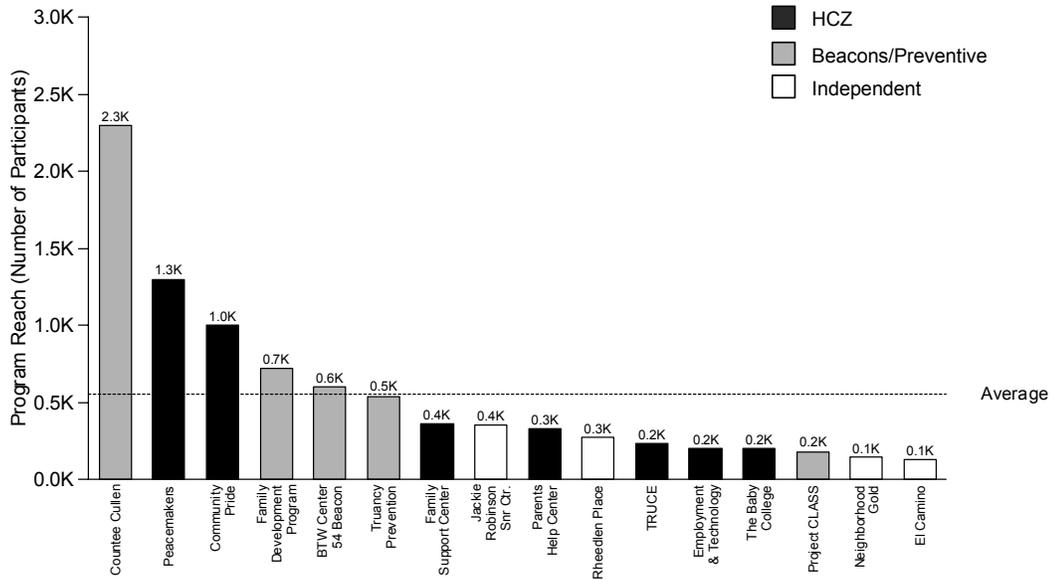
Community Development

- *The Employment and Technology Center* provides youth and adult residents with the skills needed to compete in today's job market and offers a range of services from life skills training to computer classes to job search assistance.
- *Community Pride* employs a resident- and community-driven strategy to promote neighborhood revitalization projects, by organizing neighborhood, tenant, and block associations to stabilize city-owned buildings and improve the living conditions in them, and to upgrade the neighborhood's physical environment,.

During the HCZ Project's first three years, the primary emphasis of its management has been on getting these programs started, and on refining actual program operations and service delivery. As a result, these programs have grown rapidly, and now serve significant numbers of individuals, even when compared to other, older Harlem Children's Zone Project programs. Still, to accomplish the goals of the HCZ, these participation levels will not be sufficient.

Figure B

Program Reach



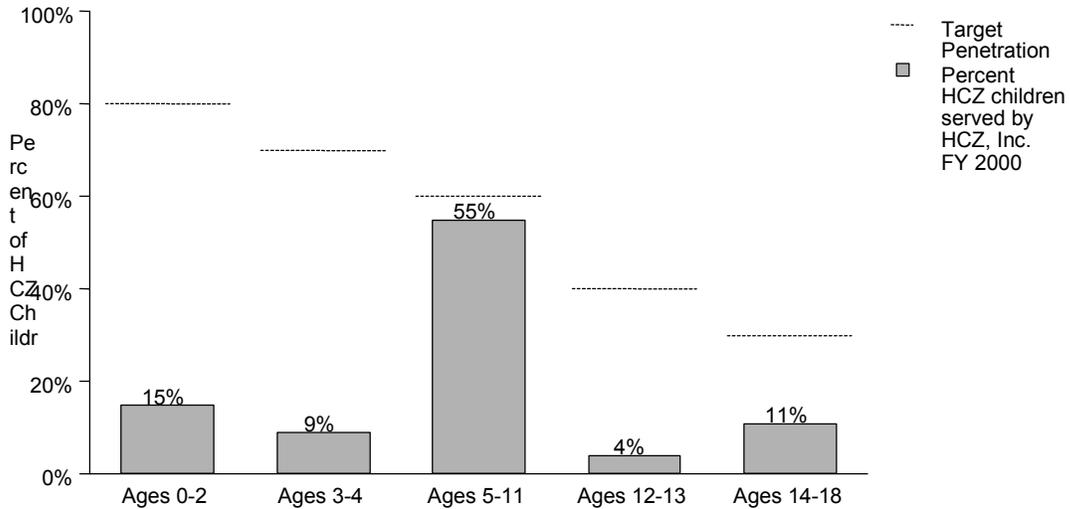
GOALS FOR GREATER SCALE AND MARKET PENETRATION

Harlem Children’s Zone’s principal goal under this plan is to ensure that its programs reach the people whose participation is most critical to achieving the intended impact. In particular, this means increasing the participation of individuals who (a) reside inside the HCZ Project boundaries, (b) share other characteristics relating to improving the lives of at-risk youths (for example, being parents) and (c) are active in other Harlem Children’s Zone Project programs.

While overall growth in the seven HCZ Project programs has been very satisfying, the current levels of participation by HCZ Project residents is well below the level at which those programs could achieve their primary goal of critical mass within the HCZ Project area. As a result, current penetration of the HCZ Project population varies considerably by age group, as indicated in Figure C.

Figure C

**HCZ Project Market Penetration by Age Group
FY 2000**



In part, the comparatively low penetration in most age groups is a function of the fact that the programs are still new, and Harlem Children's Zone has placed more emphasis on getting the model right than on the residency status (in the HCZ Project area or not) of participants. Now that the programs are in place and relatively stable, the next goal must be reaching the appropriate percentage of children and parents from the HCZ Project in each program. So far, penetration levels are on target only for elementary-school-age children, age 5-11.

Figures D and E indicate the current participant mix and the goal established for the next nine years. The goals are based largely on the penetration targets, by age group, summarized in the table on page 8.

Figure D: Current Participation Rates by HCZ Project Residents

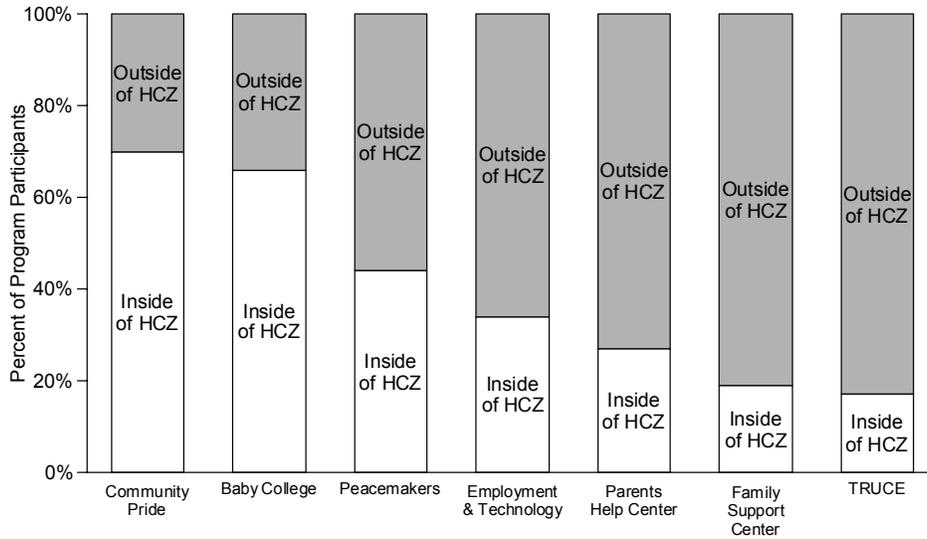


Figure E: Target Participation Rates by HCZ Project Residents

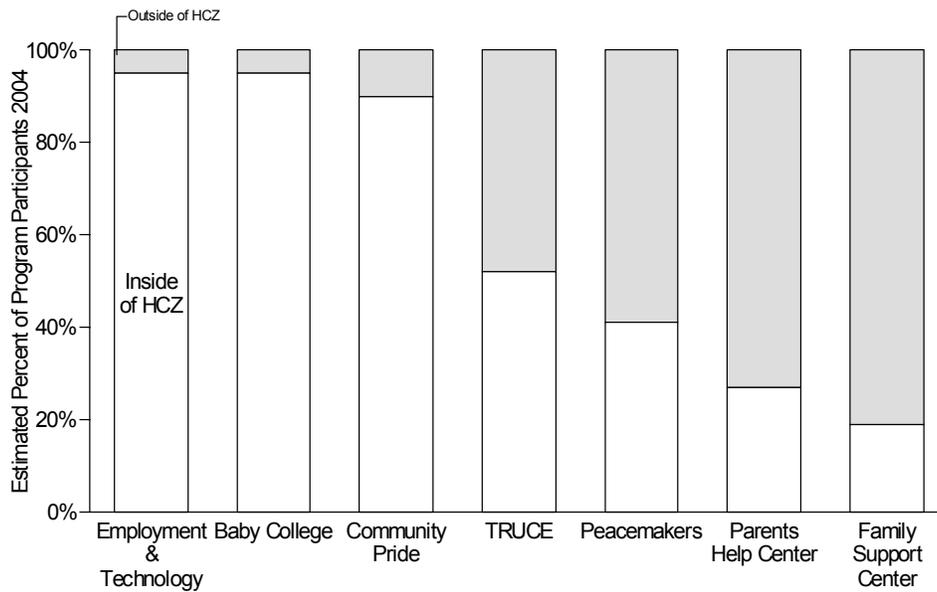


Figure E shows targets for three programs — Harlem Peacemakers, Parents Help Center, and the Family Support Center — as technically unchanged. While efforts will also be made to increase the percentage of HCZ Project residents in these three programs, certain factors reduce the practical potential to or value of altering the residence mix. With Peacemakers and Parents Help Center, it is impractical to restrict services to in-zone residents as these programs are school-based and serve classrooms that include some students from neighborhoods outside the boundaries of the HCZ Project. The Family Support Center, meanwhile, operates under an explicit mandate from New York City's Administration for Children's Services (ACS) to serve a catchment area that is greater than the dimensions of the HCZ Project.

These target participation rates assume that the programs' *total* enrollment will grow over time. In fact, several programs have specific targets for total enrollment growth in addition to their targets for increased participation by HCZ Project residents. Specifically:

TRUCE will open a new Fitness Center in 2001, which will help increase total participant volume from the current 230 to more than 400.

Harlem Peacemakers will expand first by serving younger children in its current schools, and later, in 2004-05, by branching out to several new schools. The result will be an expansion of service from the current 1,200 children to more than 2,000 by 2004.

The Employment & Technology Center will refocus its services on youth employment, thus bringing it into tighter alignment with Harlem Children's Zone's mission and positioning it to become the leading provider of job skills training in the HCZ Project by 2002. In addition, the Center will create a new program to train HCZ Project residents in infant child development, to staff the new ParentCorps and Head Start programs described below. Together these changes will bring the Center's total enrollment to 300 people annually by 2005.

Community Pride is Harlem Children's Zone Project's key organizing entity in new geographies. Consequently, as the HCZ expands, Community Pride will play a vital role in engaging residents in areas to be added to the HCZ Project in the later years of this plan.

Given the overall enlargement of these programs, there will continue to be room in each of them for some number of participants from outside the HCZ Project area. But growth from *within* the HCZ Project will be the preeminent goal. It will therefore be necessary for all seven programs to market their services primarily and aggressively within the HCZ Project, and in several cases to reorient their enrollment to favor HCZ Project residents predominantly. They will also need to focus more deliberately on cross-enrollment — making certain that families receiving one service are aware of related help they could be getting from other Harlem Children's Zone programs.

ALIGNING THE PROGRAM SET TO KEY DEVELOPMENTAL NEEDS

In general, current programs are well-matched to the key needs of Harlem's children. However, there are areas requiring significant strengthening of the overall program set, particularly in the pre-school and elementary school age brackets. To better meet these needs, Harlem Children's Zone is planning to introduce several additional programs in the HCZ Project:

- **Head Start** (part of the Baby College)
Reflecting the need for child care and infant development services in the HCZ Project, Harlem Children's Zone will open a 64-child capacity Head Start program in FY 2001, serving children aged 3-5. Another Head Start program will follow three years later, located in a new headquarters building Harlem Children's Zone expects to develop. The second Head Start program will have an initial capacity of 50 children, growing to 150 by 2005. Both locations will be the largest local providers of their service, judging from a market analysis of other Head Start services in the area. Public and private sources of revenue for these programs have already been committed.
- **ParentCorps** (part of the Baby College)
ParentCorps will initially train 20 parents from the HCZ Project in parenting and infant health. These parents, as paid staff of ParentCorps, will in turn educate expecting mothers and new parents, promoting excellence in parenting among those who will have the greatest impact on the lives of newborns in the HCZ Project.
- **Charter elementary school**
Recognizing a need to become more directly involved in formal youth education, Harlem Children's Zone intends to create a charter public elementary school (grades K-5 with a focus on science and technology) as a new way to change the trajectory of the lives of at-risk youth in Central Harlem. The school will include Peacemakers in every classroom, a modern library, a state of the art technology center, a media arts studio, a gymnasium and an auditorium.
- **Charter school Beacon program**
Harlem Children's Zone's experience over the past decade substantiates the power and cost-effectiveness of a Beacon-style after-school program. When the new charter school is developed, Harlem Children's Zone will introduce a full Beacon-type program centered in that facility. While children participating in the program would certainly include a large percentage of Charter School students, the program would have the scale and attractiveness to draw significant numbers from elsewhere in the HCZ Project community as well.
- **Medical and dental clinic**
In view of the critical importance of enhanced access to healthcare services—particularly for children—Harlem Children's Zone intends to open a medical and dental clinic. Operating out of six offices in the new Harlem Children's Zone headquarters building on the corner of 125th St. and Madison Ave., the clinic will provide comprehensive health services including dental care, immunizations, physical examinations, pre- and post-natal care, and educational workshops regardless of a family's ability to pay. The clinic will primarily serve students attending the charter school and Head Start program.

A PARALLEL TRACK: PRESERVING THE BEACON SCHOOL/PREVENTIVE PROGRAMS

In 1991 Harlem Children's Zone began operating its first Beacon School — the Countee Cullen Community Center, at Public School 194 in Central Harlem — to provide a safe haven from drugs and violence where no others were available to children growing up in devastated neighborhoods. In general, Beacon Schools serve young people between the ages of 5 and 21 and their families, providing them with a safe, structured environment that serves as a center for education, recreation, and youth development programming. In 1998, Harlem Children's Zone opened a second Beacon—the Booker T. Washington/Center 54 Beacon, which is also integrated with preventive programs. See Appendix 1 for complete descriptions of these two Beacons and the programs located with them at the host schools.

While these programs are located outside the HCZ Project, they remain a fundamental part of the overall Harlem Children's Zone change model and will continue to receive full support. Some residents of the HCZ Project currently use these programs, and more may be encouraged to do so — thus providing yet another means of reaching residents and meeting the needs of the HCZ Project's school-age children and their families. Nevertheless, Harlem Children's Zone does not anticipate that these programs will experience any significant growth over the next several years, once the Booker T. Washington programs have reached their planned scale in the year 2005. Looking ahead, Harlem Children's Zone is planning to supplement the HCZ Project beginning in 2004 by launching a Beacon-type program in a new charter school expected to open that year.

PROGRAM CONCENTRATION: PHASING OUT CERTAIN NON-HCZ PROJECT ACTIVITIES

In addition to the programs described above, Harlem Children's Zone currently operates four programs that operate independently of either of its Beacons/Preventive or HCZ Project models. Three of these programs are not consistent with Harlem Children's Zone's fundamental theory of change, given that they either do not serve individuals directly affecting the lives of children or are located in a geographical area outside Harlem Children's Zone's targeted focus. These three are:

- *Jackie Robinson Senior Center*, located in Grant Housing in Harlem, a recreational and nutritional center for an average of 100 senior citizens each day.
- *El Camino*, a drop-out prevention program working with families from a site within P.S. 51 on West 45th Street, in the Clinton section of Manhattan.
- *Neighborhood Gold*, a homelessness-prevention program located in a city-owned apartment building in Central Harlem.

All three programs have been important components of the Harlem Children's Zone Project set for many years and continue to contribute very significantly to improving the lives of many individuals, young and old. However, given the critical nature of Harlem Children's Zone's mission and the limited resources HCZ has with which to pursue that mission, it is essential that

HCZ focus its resources on programs that are aligned with its theory of change and focused unerringly on serving its targeted beneficiaries—poor children who reside in the HCZ Project.

A thorough review of all programs has led management to conclude that these three programs should no longer be supported by Harlem Children’s Zone. Neighborhood Gold will be discontinued by the end of FY 2001, while the Jackie Robinson Senior Center and El Camino will be transferred to the management of other qualified agencies.

The decision to release control of these three programs has not been prompted by poor performance. On the contrary, all have shown impressive results. Harlem Children’s Zone is strongly committed to helping those individuals who rely on the targeted programs, and will make every effort to minimize potential deleterious effects of interrupting service.

III. TRACKING PERFORMANCE & INCREASING CAPACITY

For Harlem Children's Zone, Inc. to continue to improve its ability to enhance the lives of poor children, it must have access to high-quality information on program effectiveness. Therefore, Harlem Children's Zone is committed to creating the capability to collect and thoroughly evaluate objective data on the performance of specific programs and of Harlem Children's Zone as a whole. This will enable management to refine the program service model and to better allocate resources across the organization. In addition, this data—and the program service improvements that flow from it—will be of tremendous benefit to the youth development field as a whole. With its national stature and proven program models, Harlem Children's Zone can play a powerful role in advancing knowledge about what program and service approaches actually make a difference and disseminate such knowledge throughout the country.

OUTCOMES/EVALUATION SYSTEM

Harlem Children's Zone is in the middle of an intensive effort with Philliber Research Associates, funded by the Robin Hood Foundation, to create an evaluation system for the HCZ Project. This initiative began in January 2000 and is expected to last for three years.¹ Using already existing data, Philliber has provided process evaluation reports for several HCZ Project programs, such as the Employment and Technology Center. By September 2000, Philliber and Harlem Children's Zone will have determined appropriate indicators for each program to measure interim and longer term outcomes. Philliber plans to use secondary data, such as already-existing demographic information, as well as attitudinal surveys to measure interim and longer term outcomes for all HCZ Project programs. In addition, Philliber will conduct a three year longitudinal study comparing a sample of parents enrolled in The Baby College and their children and compare them to a control group in a similar urban community.

In addition to its work with Philliber, Harlem Children's Zone is undertaking two projects to document the physical changes in the HCZ Project catchment area. Metis Associates is creating an inventory listing the condition each building and street in the HCZ Project to compare to a similar survey done by Community Pride in 1997. Participants in TRUCE are doing a photo survey of street corners throughout the HCZ Project shot from the same perspective every three months for the next five years. The end result will be a powerful visual history of how the HCZ Project has changed over time.

As these efforts progress, Harlem Children's Zone will begin developing a related performance measurement and evaluation system for its Beacon Schools programs and other operations outside the HCZ Project.

Harlem Children's Zone is more than simply the sum of its programs. Accordingly, setting overarching goals that reflect the results of the *combined* efforts of Harlem Children's Zone services, and determining the appropriate indicators to measure the achievement of those goals, will be critical components of a comprehensive outcomes evaluation system for the whole organization.

¹ Funding for the initiative is approved on an annual basis by the Robin Hood Foundation.

BUILDING AN ORGANIZATION EQUAL TO THE CHALLENGE

The challenges and opportunities that Harlem Children's Zone, Inc. faces, and the ambitious vision set forth in this plan, will call for more management depth than is available now, along with greater strength in certain key operating units. At this point, the President/CEO and the Deputy to the President share senior management responsibilities, with up to 18 direct reports. While this structure has functioned adequately thus far, the increasing growth and complexity of Harlem Children's Zone will create the need to supplement senior management between the CEO and the program directors.

Several administrative functions previously performed by outside contractors or part-time by Harlem Children's Zone staff — particularly property management, human resources, and outcomes/evaluation — must now be brought in-house and given full-time attention. Several other units will need to grow to meet the increased demands of an expanding program with more exacting performance standards.

The most visible addition to Harlem Children's Zone's organizational capacity will be the development of a new headquarters at 125th St. and Madison Avenue, which will house its offices and several current and new programs. Harlem Children's Zone's administrative staff and senior management have occupied their current space at 2770 Broadway since 1978. In those 22 years, the organization has gone from operating a single program with a budget of \$750,000 a year to a comprehensive multi-service agency with 13 program sites and an annual budget of \$10 million. The current facility is inadequate both in total available space and configuration.

The new \$31 million, 100,000-square-foot facility will house Harlem Children's Zone's administrative offices, the planned charter school and Beacon program, Head Start, The Baby College, a Medical and Dental Clinic, and a new Practitioner's Institute. In addition, the building will include 15,000 square feet of commercial retail space, which will contribute to the ongoing economic revitalization of the neighborhood as well as help to defray the operating expenses of the headquarters.

IV. BUILDING THE FIELD

By virtue of its experience, accomplishments, innovation and leadership, Harlem Children's Zone, Inc. occupies a prominent and highly-visible position within the broad community of social service providers. This status presents Harlem Children's Zone with both opportunities and obligations to find effective means of leveraging its vision and expertise in ways that can drive social impact for poor children well beyond the boundaries of Harlem and Manhattan. At the same time, in with limited financial and managerial resources, Harlem Children's Zone must avoid over-extension into new ventures that might jeopardize the effectiveness of its existing programs.

Over the past decade, Geoffrey Canada has established a strong reputation nationally for being a passionate and insightful advocate for American youth who are faced with the challenge of growing up in our most devastated communities. His stature is a result not only of his extraordinary personal history of overcoming adversity but also his experience in leading Harlem Children's Zone as it has striven to deliver programs and services that substantively improve the plight of at-risk youth. While his advocacy efforts obviously represent time away from his internal management responsibilities for the Harlem Children's Zone organization, they are a crucial means by which the learning and expertise accumulated so painstakingly by the Harlem Children's Zone team can be leveraged for the benefit of others outside the boundaries of Harlem.

ADVOCACY WITH NUMBERS

The development of a sophisticated performance measurement and evaluation system for Harlem Children's Zone will be valuable well beyond the boundaries of Central Harlem. Although the fields of youth development and community development both have a growing record of achievement and various systems of measuring their work, these have not yet been woven into a compelling picture of why these fields represent smart investments for government, philanthropy, and business.

TRAINING THE NEXT GENERATION OF LEADERS

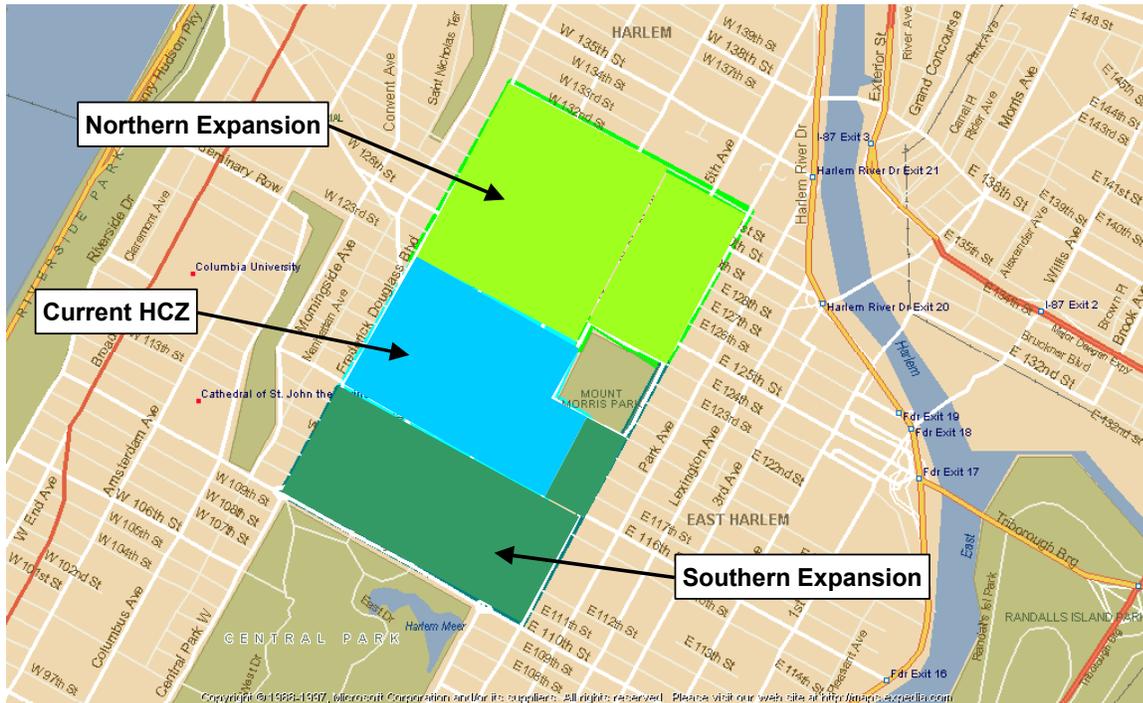
There has been a constant demand for Harlem Children's Zone to share its best practices and expertise in Beacon Schools, violence prevention education, and community building. These inquiries come in many forms, from phone calls to requests for in-person tours of programs and interviews of key managers. On the one hand, these requests represent a tremendous opportunity for Harlem Children's Zone to disseminate lessons and knowledge throughout the field. On the other hand, they also involve a significant commitment of time and energy from Harlem Children's Zone employees who already dedicate remarkable time and effort toward the betterment of Harlem's youth.

To meet the need for facilitating an orderly and systematic transfer of knowledge about Harlem Children's Zone programs to other parties, Harlem Children's Zone intends to create a **Practitioners' Institute**. This Institute will provide multi-day intensive workshops, technical assistance and training opportunities that focus on best practices in the areas of youth and community development.

IV. ENLARGING THE ZONE

Once the HCZ model is in place — with the right mix of programs and sound management and performance-measurement structure behind them — it will be possible to enlarge the HCZ Project to reach more families to the north and south of the current boundaries. In determining the boundaries of an expanded HCZ Project, Harlem Children’s Zone identified five potential expansion areas and evaluated them using market analysis of the other service providers in the area, data from the U.S. Census, and the staff’s knowledge of the neighborhoods. Two areas, to the north and south respectively, were determined to be the most attractive, in view of the number and density of young children, the penetration of current HCZ Project programs, and the median household incomes. Also, the location of the new Harlem Children’s Zone headquarters building at 125th and Madison will provide linkage between the current and northern zones.

HCZ Expansion Map



Harlem Children’s Zone intends to spend the next year meeting with residents and community leaders of each neighborhood in order to assess the area’s community development potential. During this diagnostic phase, Harlem Children’s Zone will also assess the viability of leveraging the work of current service providers. While Harlem Children’s Zone Project programs tend to be the largest within their relevant categories when compared to those of other service providers operating in the same general area, there are sometimes other providers who have some level of scale, expertise and a solid track record for generating results. As the Harlem Children’s Zone

begins to plan its entry into expanded geographies, it will actively seek opportunities to collaborate with these providers, where a joint approach can enable the Harlem Children's Zone to best match its limited resources to the highest-impact needs of potential service recipients. Each expansion area will first be broken into mini-zones, beginning with meetings and community building activities with Community Pride throughout that component area. As the Harlem Children's Zone works with each new mini-zone, Community Pride will advise families of the services and supports that are available through other HCZ Project programs.

On completion of the northern expansion, Community Pride would begin the organizing process to the south, from West 110th Street to West 116th Street, from 8th to Madison Avenues.

V. STRATEGIC IMPERATIVES AND KEY ACTIONS

Harlem Children's Zone, Inc. faces a very exciting future, one that holds the potential to generate unprecedented impact on the lives of Harlem's children. HCZ's success in advancing its social mission and achieving this potential will rest on its ability to effectively pursue five strategic imperatives, each of which will involve a set of specific actions.

- I. **Refine and enhance the Harlem Children's Zone Project service model**
- II. **Rigorously track and apply appropriate performance metrics to validate and improve the service model**
- III. **Strengthen operational capacity and infrastructure**
- IV. **Leverage core expertise to assist policymakers and other practitioners**
- V. **Expand the geographical scope of the Harlem Children's Zone Project**

Implementation of these imperatives will occur in three phases over the period from 2000-2009. The key actions involved in each of these phases are discussed below, summarized by the particular strategic imperative they support.

PHASE I: FY 2001-FY 2003

During the initial growth phase, Harlem Children's Zone's emphasis will be on completing development of the core service model and building the internal infrastructure required to effectively support it. There are four primary strategic imperatives for the period 2000-2003, each involving specific action initiatives.

Imperative: Refine and Enhance the Harlem Children's Zone Project Service Model

To make the HCZ as effective as possible, several adjustments are required in the first three years of this plan:

1. Launch planned new programs

As the leading provider of parenting skills training in Harlem, the Harlem Children's Zone's Baby College already embodies the principle of early intervention, on which much of the HCZ Project model is based. It must now be enlarged and expanded to achieve a critical mass of participation in the HCZ Project, particularly by adding the two of the new programs described in Section II of this plan — a Head Start program and the Parent Corps — that enlist parents in ensuring better infant and early childhood development throughout the community.

2. Expand the scale of core programs to meet penetration targets

Harlem Children's Zone will invest in several programs that are part of the HCZ Project model to drive higher social impact. Specifically, Harlem Children's Zone will focus on broadening and deepening the set of social services available to the youth and infants in the HCZ Project, while continuing to support the community organizing efforts of Community Pride. In addition, Harlem Children's Zone will invest in the newer Beacon school program at Booker T. Washington, helping it to achieve its optimal scale. Expansion plans include:

TRUCE: With the introduction of the TRUCE Fitness Center in FY 2000-2001, TRUCE expects to be able to grow participant volume from 230 in 2000 to over 400 by 2005.

Harlem Peacemakers: With expanded service to younger children and, in FY 2004-05, to new schools, the program's reach should increase by more than 2,000 children by FY 2005.

Employment & Technology Center: A planned refocusing on youth employment and a new program to train parents for the ParentCorps and Head Start programs will lead to the enrollment of more than 300 people annually by 2005.

Community Pride: Preparations for the expansion of the HCZ Project in years 2004-09 will begin in 2001, with the gradual organization of expansion mini-zones, block-by-block. This will have the effect of substantially increasing the program's reach, well before the actual expansion occurs.

Booker T. Washington Beacon: Harlem Children's Zone plans to expand Booker T. Washington's reach from 600 to 1000 participants over the next five years, which is the estimated full capacity of the program.

3. Increase focus of programs on serving high-priority recipients

To concentrate services on *residents of the HCZ Project*, Harlem Children's Zone will raise the HCZ Project enrollment targets for at least four programs:

- **Community Pride's** goal is to increase percentage of participants living in the HCZ Project from 70 percent to 90 percent over the next two years. Harlem Children's Zone will use customer targeting techniques to increase the number of in-zone residents. In addition, Harlem Children's Zone will attempt to understand what is driving individuals outside the zone to use this service.
- **Baby College's** service recipients are currently 66 percent HCZ Project residents. While this is the highest degree of geographic customer focus of all of the HCZ Project programs, Harlem Children's Zone's goal is to increase this number to 95 percent over the course of the next two years. The tactics used will be (1) increased targeting of potential in-zone service recipients, using referrals from other HCZ Project programs and

(2) development of a comprehensive list of parents and children within the HCZ Project via door-to-door neighborhood canvassing.

- **Employment and Technology** draws only 34 percent of customers from within the HCZ Project as a result of the program's field testing phase, in which any interested participants were given access to the program. In the next stage, the Employment & Technology Center's strategy will include the addition of a youth employment component and an increased level of integration with local schools. Harlem Children's Zone expects 90 percent of this program's customers to come from within the HCZ Project by FY 2001.
- **TRUCE** reached primarily non-HCZ Project adolescents in 1999 – only 17 percent of the service recipients lived within the HCZ Project. Over the next three years, Harlem Children's Zone expects 85 percent to be HCZ Project residents, thanks to rigorous applicant screening and recruitment of adolescents from other HCZ Project programs, such as Peacemakers and Employment & Technology. This effort was kicked off in the summer of 2000 and has already resulted in a significant number of new, in-zone participants.

To reach *other high-priority recipients*, Harlem Children's Zone will:

- collaborate with government agencies such as the city's Administration for Children's Services and with other local service providers to ensure that those who need Harlem Children's Zone's assistance and fall within the scope of its programs are properly referred.
- routinely review enrollment in the various programs to ensure that—even when a participant is not a resident of the HCZ Project — that person is likely to have a positive effect on the lives of Harlem's children. For example, in the Employment and Technology Center there may be opportunities to focus the program on parents of targeted youths or on individuals learning skills that are themselves important to the HCZ Project, such as training teachers for the Head Start Program.
- continue to research the Harlem community and its residents to spotlight crucial needs. For example, the Baby College canvasses the neighborhood to locate and inform parents of young children about the availability of its services.

To improve cross-marketing of services, Harlem Children's Zone will:

- ensure that all program participants are provided information about all other relevant Harlem Children's Zone Project programs, including eligibility requirements, content, locations and hours of operation;
- target program participants that, in the judgment of Harlem Children's Zone Project's professional staff, have particular needs that can be addressed by other Harlem Children's Zone Project programs;

- create a comprehensive data tracking system that will enable Harlem Children's Zone Project to know which children or family members are using which programs.

4. Discontinue or transfer non-core programs

As described earlier, Harlem Children's Zone will discontinue or transfer three programs that no longer fit its geographic target or service model:

- **Neighborhood Gold**, which lost its government funding at the end of FY 2000, lies outside Harlem Children's Zone's target. Meanwhile, a more comprehensive housing and homelessness-prevention program is already part of Community Pride's mandate.
- **Jackie Robinson Senior Center** focuses on seniors, and thus does not fit Harlem Children's Zone's concentration on youth. It will be transferred to the control of another qualified community agency by the end of Fiscal Year 2001.
- **El Camino** operates south of 90th Street, and thus cannot be integrated into Harlem Children's Zone's core model. It, too, will be transferred to the control of another qualified agency by the end of FY 2001.

Imperative: Rigorously Track and Apply Appropriate Performance Metrics to Validate and Improve the Service Model

During the first phase of this plan, in Fiscal Years 2001-2003, the creation of an effective performance tracking and evaluation system will concentrate on four related tasks:

1. Complete design of HCZ outcomes/evaluation system

By the end of FY 2001, the evaluation process and systems for all HCZ Project programs, now being designed by Philliber Research Associates, will have been assembled and put into place.

2. Define and implement program level outcomes/evaluation system for non-HCZ Project programs

Harlem Children's Zone plans to design outcomes evaluation systems for its Beacon Schools, Preventive and Independent programs. An Outcomes/ Evaluation Specialist, to be hired in January 2001, will spearhead this initiative, working closely with Program Directors and external resources to complete this process. The systems will be designed by July 2001, with data collection and tracking beginning in FY 02.

3. Define and quantify overarching outcomes goals and indicators

Harlem Children's Zone will first determine which socioeconomic and demographic indicators best describe success or failure in improving the lives of young people living in Harlem. The organization will most likely select a combination of indicators that measure the changes in the lives of actual HCZ Project program participants as well as indicators that measure changes in

the overall health of the communities where it provides services. Once these indicators have been chosen, specific outcomes goals will be set based on the current state of the community and HCZ Project participants combined with the organization's projected growth and anticipated impact.

4. Develop the internal capabilities required to collect and assess relevant data

Harlem Children's Zone will invest in three areas to build the in-house capacity in outcomes/evaluation systems. First, Harlem Children's Zone will construct the systems required to capture and report the data necessary to support outcomes evaluation work. The core of these systems, a computerized participant activity tracking system that will collect information on all Harlem Children's Zone services received by clients, has been developed and was fully operational as of October 2000. Second, Harlem Children's Zone will design and implement the management processes necessary to create accountability around the achievement of outcomes goals. Third, Harlem Children's Zone will build an internal staff, including an Outcomes/Evaluation Specialist and two assistants, in January 2001 to coordinate the development and implementation of outcomes measurement systems.

Imperative: Strengthen Operational Capacity and Infrastructure

Harlem Children's Zone has already grown substantially in size and complexity, and that process will intensify over the next nine years. Not only will the programs' volume and variety grow, but the demands of the new measurement and evaluation process will impose further burdens on existing management and systems. During the years 2001-2003, Harlem Children's Zone will meet these challenges with organizational changes in three areas:

1. Bolstering senior management depth

Harlem Children's Zone will create a Chief Operating Officer position to oversee all line functions beginning in January 2001. This individual will report directly to the President/CEO. In addition, Harlem Children's Zone plans to hire three Senior Program Managers over the next two years, who will have responsibility for portfolios of programs relating to (a) the HCZ Project, (b) the Beacons/Preventive services and (c) the charter school and other programs. These individuals will report directly to the COO and will supervise program directors in their service area. Senior Program Managers will be responsible for increasing program integration, sharing best practices across programs, strategic planning on a program cluster level and working with program directors to create budgets for individual programs.

2. Increasing capacity in specialized support functions

As with any rapidly growing organization that achieves threshold scale, Harlem Children's Zone has the need to develop in-house certain functions that have previously either been done on a part-time basis or been sourced externally. Three functions in particular would warrant addition investment:

- Outcomes/Evaluation
- Facilities Management
- Human Resources

In addition, Harlem Children's Zone will increase capacity in core administrative areas to continue to build the infrastructure necessary to support its growth. These areas include:

- Development
- Fiscal
- MIS
- Administrative

3. Investing in appropriate new IT applications

Harlem Children's Zone hired Metis Associates, a firm with a broad range of experience in designing technology systems for social enterprises, to determine what technology investments will be required to support Harlem Children's Zone's growth plan. The recommended investments fall into the following areas:

- the provision of adequate hardware, software, and a communications network to support the immediate installation and implementation of the participant tracking system, and for its growth and expansion through 2009, and to support the implementation of an integrated Payroll and Personnel System and a multi-user Accounting System;
- the purchase of additional software to provide the capacity for statistical reporting, graphics, and other administrative functions, as well as software to be used in direct support of participant services;
- the provision of an organization-wide E Mail system;
- the provision of an organization-wide Voice Mail system;
- the addition of essential technical staff to support the technology infrastructure;
- the training of all appropriate staff to provide the skills to realize efficiency and operating gains from the technology investment;
- overall upgrades, replacements and additions of equipment over time to address staff increases and technology obsolescence issues;
- the development of new applications, particularly the programming development necessary to provide automated support for outcomes measurement; and,
- preparation of the new Harlem Children's Zone headquarters to accommodate technology needs.

Imperative: Leverage Core Expertise to Assist Policymakers and Other Practitioners

Harlem Children's Zone's growing national reputation among social service providers and policy makers presents both an opportunity to help improve public policy and demands on leaders' limited time and resources. During the period 2001-2003, Harlem Children's Zone intends to:

1. Continue to play a prominent role in national advocacy

Besides supporting Geoffrey Canada's work in public advocacy and policy development, the organization intends to provide opportunities for other qualified Harlem Children's Zone staff members to develop their own experience in serving an advocacy role, primarily on a local or regional basis.

2. Develop focused plans for additional initiatives

During this period, Harlem Children's Zone will explore other ways of being helpful in the development of a regional and national agenda for community development and youth development, and will refine plans for the Practitioners Institute, expected to be launched as part of Phase II.

PHASE II: FY 2004-FY 2006

The next growth phase focuses on three principal imperatives: completing construction of the new headquarters building, completing the Harlem Children's Zone service model, and launching the northern expansion of the Harlem Children's Zone Project.

Imperative: Strengthen Operational Capacity and Infrastructure

Complete construction of the new headquarters building

To solve its space problem, facilitate new program development, and bring Harlem Children's Zone's headquarters closer to the nexus of its service activity, Harlem Children's Zone has purchased a parcel of land in Central Harlem at 125th St. and Madison Avenue on which it will erect its own building, due to open by 2004.

Imperative: Refine and Enhance the Core Service Model

Launch additional HCZ Project programs

While the complete HCZ program set has already been defined, implementation of certain programs requires completion of the new headquarters building. Three of these supplement the core HCZ Project program set for children and youth in Harlem: the new **Charter School** and its associated **Beacon School** program, and the **Medical and Dental Clinic**. All three are expected to open soon after completion of the headquarters in 2004.

Imperative: Leverage Expertise to Assist Policymakers and Other Practitioners

Develop and Launch the Practitioner's Institute

Like the charter school and clinic, the Institute will open in Fiscal Year 2004. Its faculty will be made up of the four Harlem Children's Zone program directors who will be expected, on average, to devote some 20 percent of their time to it. A new, fifth program director will run the Institute full-time.

Imperative: Expand the Geographical Scope of the HCZ Project

Launch the Northern Zone expansion

In 2004, Harlem Children's Zone intends to expand eligibility for HCZ Project programs to the northern zone, which will enable Harlem Children's Zone to address the needs of an additional 3,800 children and increase the overall geography from 24 square blocks to 60 square blocks. As in the original HCZ Project, roll-out of the new area will begin with organizing activities undertaken by Community Pride during Phase I of this plan.

Northern Expansion Zone

Boundary:	W. 123 rd to W. 132 nd 8 th Ave. to Madison Ave.
Incremental % of Current HCZ Project Participants Captured:	6%
# of Households:	3,300
Median Household Income:	\$13,496
# of Children Under 18 Years:	3,800
% of these Children that are <5 Years Old:	34%

PHASE III: FY 2007-FY 2009

Imperative: Expand the Geographical Scope of the HCZ Project

Launch the Southern zone expansion

Assuming that implementation of the Northern expansion is on track and that Harlem Children's Zone overall is demonstrating success in meeting its goals for performance and impact, Harlem Children's Zone expects to proceed with Phase III beginning in FY 2007. This phase would involve the final planned expansion of the HCZ Project, into an area contiguous with the southern boundary of the current HCZ Project extending to Central Park.

This expansion will increase the total number of children living in the served from 3,700 in FY 2006 to over 8,000 (out of 14,500 children living in the zone) FY 2009, as the HCZ Project territory increased from 60 square blocks to 91 square blocks.

Southern Expansion Zone

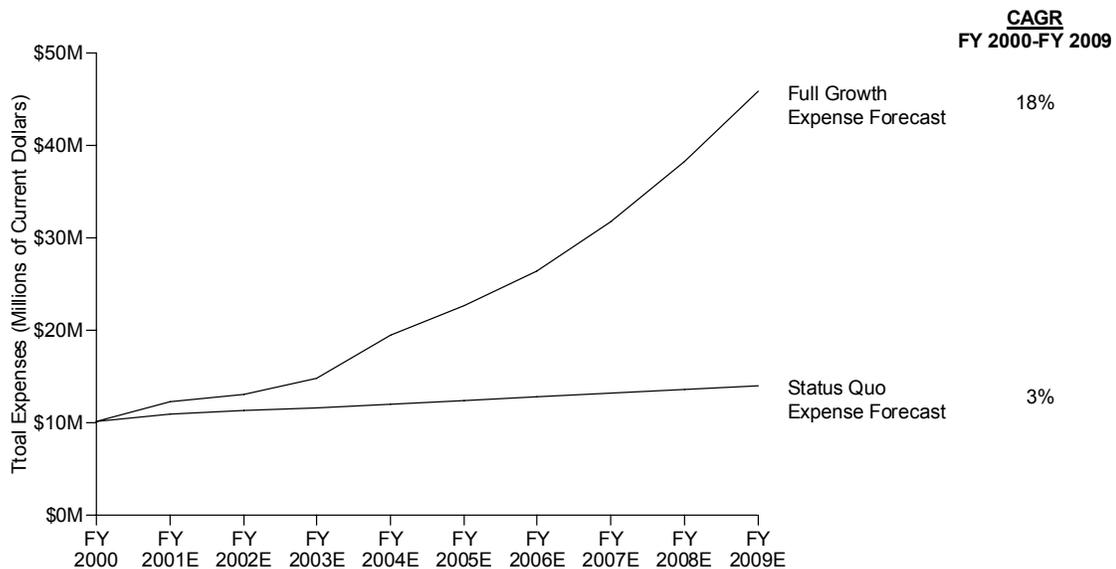
Boundary:	W. 110 th to W. 116 th 8 th Ave. to Madison Ave.
	W. 116th to W. 123th and 5th Ave. to Madison Ave
Incremental % of Current HCZ Project Participants Captured:	13%
# of Households:	6,000
Median Household Income:	\$11,588
# of Children Under 18 Years:	8,000
% of these Children that are <5 Years Old:	35%

The process of introducing services in the southern zone will mirror the process described above for the northern zone. Community Pride would lead with efforts to organize community residents and build consensus for aggressive action in support of the neighborhood's children. Actual delivery of program services would then follow.

VI. THE FISCAL PICTURE

With the successful completion of its full growth plan, Harlem Children's Zone's total operating budget will grow from \$10 million in FY 2000 to \$46 million in FY 2009,² a compound annual growth rate of 18%. This represents an incremental increase of \$32 million over what Harlem Children's Zone's total expenses would have been in FY 2009 if it simply maintained its current programs and level of service.

Status Quo vs. Full Growth



The direct program cost per service recipient will increase in real dollars from \$933 to \$1,266 by FY 2009,³ as Harlem Children's Zone adds new programs with highly intensive services such as Head Start and the Charter school.

The bulk of Harlem Children's Zone's growth will be in the HCZ Project, which increases from 48% to 86% of all program expenses from FY 2000 to FY 2009, enabling Harlem Children's Zone to grow its programs to the point necessary to achieve its target market penetration rates as the HCZ Project expands in FY 2004 and again in FY 2007 (see Section VI).

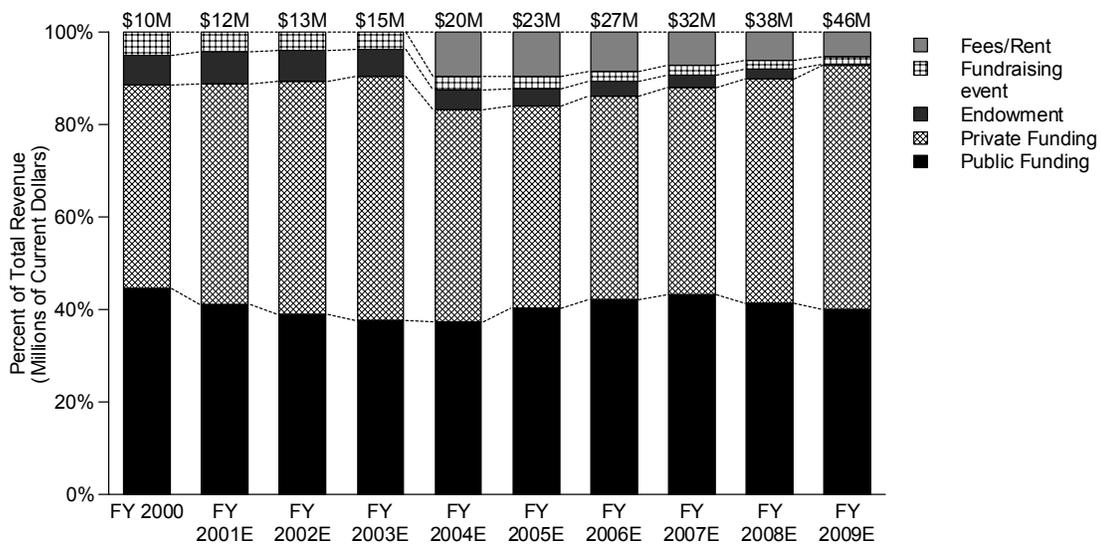
Harlem Children's Zone will aggressively pursue funding strategies to maintain a stable mix of private, public and other revenues. This strategy has been built from the bottom up on a program by program basis. Each program was first examined to predict if public funding was likely to be

² Current dollars, assumes 3% inflation rate.

³ Increases to \$1,593 in FY 2009E current dollars.

maintained and then to determine if opportunities existed to increase revenue from public sources. Estimated revenue from rent and fees is based on the amount of commercial space in the new headquarters building which will be leased beginning in FY 2004 as well as fees from participants in the Practitioner’s Institute. Fundraising event revenue , estimated at \$500,000 in FY 2000, was assumed to increase at the rate of inflation through FY 2009. The contribution from the endowment to Harlem Children’s Zone’s operating revenue will be \$862,000 annually.⁴ It was assumed that the balance of revenue required to fund Harlem Children’s Zone’s growth will be raised from private sources. Harlem Children’s Zone’s overall funding mix, as based on these calculations, is shown below:

Full Growth Revenue Mix



Private funding will make up 53% percent of overall revenues by FY 2009, public funding 40%. Fees and rent received from leasing commercial space in the new headquarters building will provide a new revenue stream, increasing to 5% of overall funds in FY 2009. Harlem Children’s Zone’s use of investment gains to fund operating expenses will be reduced to 2% of total revenue FY 2009, down from 5% of revenue in FY 2000.

By FY 2009 Harlem Children’s Zone will need to raise an addition \$13.2 million in public revenue, \$17.6 million in private revenue over what it would have had to raise had it simply maintained its current operations. Harlem Children’s Zone is both increasing its internal fundraising capacity and also designing a separate fundraising strategy to reach these revenue targets.

⁴ Note: Assumes 5% annual return on endowment. Endowment declines to \$0 by FY 2009.

APPENDICES

Appendix 1 Organizational Background & Current Programs

Appendix 2 Performance Measures

- Action Plans
- Output Goals
- Outcomes

Appendix 3 Fiscal Analysis and Financial Pro-Forma

APPENDIX 1: ORGANIZATIONAL BACKGROUND & CURRENT PROGRAMS

A. AGENCY OVERVIEW

Founded in 1970, Harlem Children's Zone, Inc. (formerly Rheedlen Centers for Children & Families) is a pioneering organization dedicated to improving the quality of life for children in some of America's most devastated neighborhoods. Over the past 30 years, the Harlem Children's Zone has developed a network of neighborhood-based prevention programs in New York City's Central Harlem, Upper West Side and Chelsea/Clinton communities that address the critical needs of children and their families and, in so doing, lead to the revitalization of those communities.

Under the leadership of nationally-recognized advocate for youth, Geoffrey Canada, Harlem Children's Zone has grown dramatically over the past decade. During that time, the number of programs has increased from 6 to 15; the number of children receiving services from 1,500 to 6,000.

Harlem Children's Zone was the first nonprofit organization to focus its attention on the problem of truancy among the young. It demonstrated the correlation between young children out of school, abuse and neglect, and a later life of dependency. Its recent growth reflects the evolution of Harlem Children's Zone from its early roots in truancy and foster care prevention to the development of a community of support that provides: family stability; opportunities for employment; decent and affordable housing; a quality education; and youth development activities. This community-building approach is the logical and inevitable evolution of Harlem Children's Zone's concern about how best to serve at-risk children

Harlem Children's Zone is now engaged in introducing a new social service paradigm that draws upon its extensive knowledge and experience in both the youth-service and community-development arenas: the Harlem Children's Zone Project (HCZ). The HCZ Project is an innovative, integrated service model that promises to greatly increase the ability of Harlem Children's Zone to materially enhance the lives of poor children in the central Harlem community.

In 1999, overall expenditures for Harlem Children's Zone's programs totaled \$8.7 million, an increase of more than 300% from 1990. This growth was supported by diverse sources of funding. In 1999, 53% came from public sources, primarily the New York City Administration for Children's Services and Corporation for National Service (AmeriCorps). Another 47% was contributed by private donors, primarily foundations.

B. AGENCY HISTORY

Harlem Children's Zone was founded in 1970 by Richard Murphy to confront the problem of truancy among young people in depressed neighborhoods of New York City. In 1972, the first Harlem Children's Zone social worker was outstationed at PS 207 in Central Harlem beginning Harlem Children's Zone's pioneering effort to use New York City Public Schools as the logical

site for providing services to the most at risk children and their families. In 1977, Harlem Children’s Zone received its first public contract to provide services that prevent child abuse and neglect. The program, Truancy Prevention, served the Upper West Side of Manhattan. Services were soon expanded to Central Harlem (the Parents Help Center) and Hells Kitchen (Harlem Children’s Zone Place).

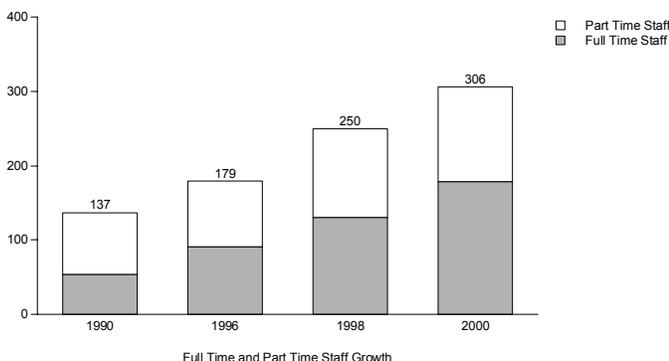
A major turning point for Harlem Children’s Zone occurred in 1990 when Richard Murphy stepped down as Executive Director to become New York City’s Commissioner of Youth Services and Geoffrey Canada became the new President/CEO. In 1991, Harlem Children’s Zone opened its first Beacon School at PS 194 on West 144th Street in Central Harlem. The Countee Cullen Community Center has developed into a national model of how a community school can support the redevelopment of a community.

Also in 1991, Harlem Children’s Zone began to focus on the issue of homelessness with the opening of its Neighborhood Gold program. Neighborhood Gold’s work with organizing tenant to improve the quality of life in their buildings led to the development of Harlem Children’s Zone’s community organizing program, Community Pride. Since 1993, Community Pride has worked closely with the residents on one block in Central Harlem, West 119th Street to restore their buildings and their block, in the process, preventing homelessness and rebuilding a community that is safe, clean and healthy for children and their families.

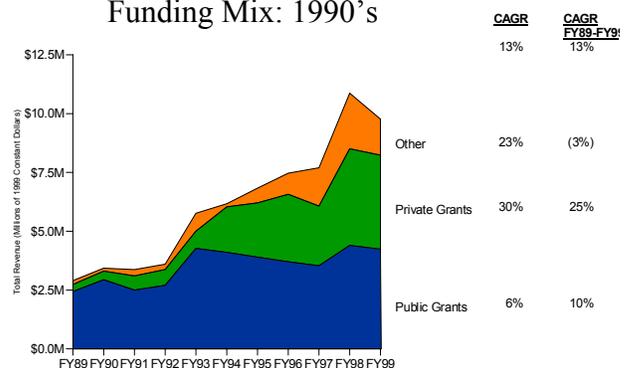
In 1996, Harlem Children’s Zone developed the Harlem Peacemakers’ Success in Schools program to make schools and the surrounding communities safer places for children. Harlem Peacemakers, college-age AmeriCorps interns, are placed in the classrooms of Central Harlem schools where they assist teachers with lessons, teach conflict resolution in the school yard, tutor after school and work with parents and school staff to create safe zones around schools.

In July 1997, Harlem Children’s Zone, Inc. began the Harlem Children Zone Project, a seven-year, comprehensive community building initiative in Central Harlem. The HCZ Project was designed to extend the work Harlem Children’s Zone, Inc. had done on West 119th Street and integrate it with Harlem Children’s Zone Inc.’s school-based preventive programs to form a comprehensive community-building initiative that would double the number of children it serves and bring positive opportunities and outcomes for all the children who live in a 24 block neighborhood. (The Harlem Children’s Zone Project extends from West 116th Street to West 123rd Street and from Fifth Avenue to Eighth Avenue.)

Headcount: 1990’s



Funding Mix: 1990’s



C. PROGRAM DESCRIPTIONS

At the time this plan takes effect, the Harlem Children's Zone operates these 16 programs:

- *The Baby College* aims to provide to all parents of children between the ages of 0 and 5 both the range of information and the supports necessary to raise happy and healthy children who enter school ready to learn.
 - Baby College Classes meet on Saturdays for 3 hours for eight weeks, offering hands-on, interactive classes on health, safety, discipline, brain development, parental stress, bonding and other important topics to 45 parents of children between the ages of 0-3. Dr. T. Berry Brazelton trained staff and helped design the curriculum around his Touchpoints™ model of child development.
 - ParentCorps trains parents of children between the ages of 3-5 in parenting skills aimed at fostering a child's academic, socio-emotional, and behavioral development. The trained Parent REP's (Resource, Educator, Partner) recruit other HCZ parents for workshops and activities, teach parenting skills, conduct home visits to provide extra support, help parents learn how to advocate for children, identify available community resources and help parents access community resources.
- *Family Support Center* is a walk-in storefront facility that provides families in crisis with immediate access to professional social services including foster care prevention, domestic violence workshops, parenting skill classes, a men's group and a women's group. Families who are part of the caseload receive a minimum of two home visits per month – more if needed. At Family Support Center, families and children can receive group and individual counseling and families can take part in the drop-in crisis center.
- *Parents Help Center* is a school-based drop-out prevention program located at PS 207 which serves children with severe academic and attendance problems.
 - Each child in program receives two individual counseling sessions per month, two group sessions per month, one or more home visits per month and 3-4 days per week of after-school recreational and academic activities.
 - Provides weekly training to 40-50 parents to help them play a greater role in their children's education.
- *Harlem Peacemakers* identifies and trains college aged young people who are committed to making their neighborhoods safe places for children and families. Through the School Success Project, Peacemakers work in elementary school classrooms and run after school and summer programs enriching children's educational and recreational experiences.
 - Forty-five Peacemakers work alongside teachers in elementary school classrooms teaching children violence prevention techniques, making sure classrooms are safe places where learning can take place and providing academic and recreational support to teachers.

- Peacemakers operate after-school programs five days a week in PS 144 and PS 207 serving 500 students, as well as work in an extended day program in PS 76.
- Peacemakers also run Freedom Schools summer program providing over 200 elementary school students with full time academic enrichment and structured recreational activities in five week program.
- *TRUCE (The Robeson University for Community Education)* is a comprehensive youth development program operating six days a week that fosters academic growth and career readiness through media literacy.
 - Students participating in *The Real Deal* learn every aspect of video production to produce their award-winning cable television program featuring dramatic videos, poetry videos and anthologies.
 - Students produce *Harlem Overheard*, the only youth produced newspaper in Harlem with a circulation over 25,000. Young people have the opportunity to develop their research, writing, computer literacy and leadership skills through their participation in every aspect of publishing *Harlem Overheard*. Youth also have the opportunity to participate in the Harlem Overheard Publishing Enterprise (HOPE) which teaches them to develop marketing and entrepreneurial skills; and HOTWorks, the Harlem Overheard Theater Works where youth produce poetry readings, plays and other dramatic events in the HCZ Project community.
 - At *The Insight Center*, TRUCE encourages students to succeed academically and to attend college by providing a variety of supports and challenges to enhance young people’s skills, academic achievement and global sensibilities. Students receive one-on-one tutoring, Regents and SAT preparation, support with the college application process, multi-cultural arts exposures and individual and group counseling and social service supports (when necessary).
 - *The TRUCE Fitness and Nutrition Center* is the newest addition to TRUCE and serves the fitness and nutritional needs of the youth and adult residents of the HCZ. Young people in the Harlem Overheard Publishing Enterprise initiated and designed the Center which is operated by TRUCE youth.
- *Harlem Children’s Zone’s Employment and Technology Center* provides youth and adult residents with the skills needed to compete in today’s job market and offers a range of services from life skills training to computer classes to job search assistance.
 - Twenty young people per semester who have dropped out of school work for 4 hours a day, Monday-Friday at the Employment center focusing on literacy, computer classes and life skills with an emphasis on jobs internships, apprenticeships or getting back into school.
 - Forty young people who are in school attend the a twice weekly, after school program at the Employment Center that has a curriculum focusing on life skills and computers with an emphasis on learning how to use computer to teach young people math and reading.
 - Technology center operates from 9am-8pm Monday through Friday and from 9am-3pm on Saturdays, providing HCZ residents and children with access to a variety of training courses taught in a state-of-the-art classroom with 15 computers

- *Community Pride* employs a resident- and community-driven strategy to promote neighborhood revitalization projects, by engaging in comprehensive community building activities. *Community Pride* organizes neighborhood, tenant and block associations on a block by block, building by building basis. Staff at Community Pride collaborate with residents to stabilize city-owned buildings and improve the physical environment. In addition, Community Pride has helped residents organize the Building Organizing Network, a grassroots tenant group that works to improve the living conditions within city-owned buildings, and has involved the local faith based organizations in the work of Community Pride. The staff, which includes a case worker, also refer families in crisis to social services.
- *Countee Cullen Community Center* is operated out of PS 194 in upper Harlem. The building is open early in the morning and into the evening Monday through Saturday in order to provide comprehensive after-school youth development, drop-out prevention, adult and evening social activities, and group counseling. Students participate in after school activities for 4-20 hours per week; evening programs targeting youth and adults range from African Dance classes serving 40 youth and adults 2 hours per week to the Teen Lounge, serving 50 participants 17 hours per week.
- *Family Development Program* is co-located with the Countee Cullen Beacon and provides clients with educational, recreational, and social supports in addition to providing preventive foster care services and counseling. Each client and their family receives two home visits per month from their individual caseworker.
- *Booker T. Washington Beacon* is Harlem Children's Zone's second Beacon school and offers the full-line of comprehensive youth development services: academic, recreational, and counseling services for clients within the geographic boundaries running from 96th to 116th Streets and from the Hudson River to 5th Avenue. Students participate in BTW after-school activities anywhere from 3 to 15 hours per week.
- *Project CLASS [Clean Living And Staying Sober]* serves clients in Manhattan Valley and Harlem with substance abuse issues by addressing treatment of substance abuse in the context of family strengthening. The substance abuse services are offered in conjunction with traditional preventive services. This intensive program involves two home visits each week, workshops for parents and long-term follow-up.
- *Truancy Prevention* provides family strengthening support and counseling to children and their families, as well as recreational and educational opportunities for children. Truancy Prevention preventive services include two home visits per month and workshops for parents.
- *Midtown Family Place*: This neighborhood based, comprehensive, foster-care prevention program provides preventive services to families who live in Chelsea, Clinton, and Hell's Kitchen. Through home-based individual and family counseling combined with an after-school and summer program and varied recreation and enrichment programs for families, Midtown Family Place provides strengths-based support to families and offers a safe, enriching program for their children.

- *Jackie Robinson Senior Center*, located in Grant Housing in Harlem, serves as a recreational and nutritional center for an average of 100 senior citizens each day. Participating seniors enjoy a wide variety of classes and activities including Spanish, choir, baking, sewing, arts and crafts, dance, and weekly computer classes at the Employment & Technology Center.
- *El Camino* is a drop-out prevention program premised upon the idea that truancy is often a symptom caused by underlying family issues. Working with families from a site within P.S. 51 on West 45th Street, El Camino uses a multi-disciplinary, family-centered approach to reduce truancy, prevent incidents of child abuse and/or neglect, and reduce the need for foster care placements.
- *Neighborhood Gold* is a comprehensive, intensive homeless prevention program located in a city-owned apartment building in Central Harlem. Neighborhood Gold works with families who are formerly homeless to help them establish new homes in Central Harlem; and with families who are in danger of becoming homeless, helping them resolve their crisis and remain in the community.

APPENDIX 2: PERFORMANCE MEASURES

Harlem Children's Zone will use three different types of measures to track its performance of its programs. These measures include operational milestones, outputs and outcomes.

A. OPERATIONAL MILESTONES

Operational milestones track what activities have been executed by the organization to deliver its services and fulfill its mission. They would include such activities as hiring staff, training personnel, developing a strategy for the integration of services, and investing in new technology. Operational milestones for the expansion of TRUCE include developing new training programs for staff, refining program outreach strategy, and adding the necessary staff and equipment to accommodate the anticipated higher participant volume.

Harlem Children's Zone Growth Plan: Action Items

Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
Imperative I: Refine and enhance and Harlem Children's Zone Project Service Model																			
1. Launch new programs																			
I. Open Head Start program																			
	Hire staff for first site	X	X																
	Begin recruitment of participants for first site		X	X															
	Design curriculum	X	X																
	Coordinate hiring of Peacemakers for program		X																
	Hire staff for site at new headquarters building							X											
	Begin recruitment of participants							X											
	Hire staff for third site											X							
	Begin recruitment of participants for third site											X							
II. Open ParentCorps program																			
	Create curriculum to train parents from HCZ in parenting and infant health	X																	
	Hire 12 parents from HCZ to educate new mothers and new parents in HCZ	X																	
	Train Parent REP	X	X																
	Parent REP workshops begin in HCZ		X																
III. Open charter school																			
	Draft application complete			X															
	Submit charter application																		
	Recruit board members for school				X														
	Hire Principal and administrative support person for new school																		
	Create detailed strategic plan for recruitment of students and staff					X													
	Hire teachers and other staff for school					X	X												
	Begin recruitment of students					X	X												
	Open school in new headquarters building							X											
IV. Open Charter School Beacon Program																			
	Hire program director					X													
	Plan for opening program complete					X													
	Hire staff					X													
	Begin recruitment					X													
	Start program							X											
V. Open Medical and Dental Clinic																			
	Seek out health care organizations with which to partner								X										
	Hire staff for clinic																		
	Open clinic, operating half time, in new headquarters building																		
	Operate clinic 3/4 time										X								
	Operate clinic full time											X							

Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
Imperative I: Refine and enhance and Harlem Children's Zone Project Service Model, Cont'd																			
2. Expand scale of existing programs to meet penetration targets																			
I. Expand TRUCE																			
	Develop outreach strategy	X																	
	Begin implementation of new outreach strategy	X																	
	Refine outreach strategy		X																
	Add staffing and equipment as necessary to accommodate higher participant volume			X		X		X		X		X		X		X		X	
II. Expand Peacemakers																			
	Create strategy with current schools for serving younger children	X																	
	Begin implementation of plan to serve younger students in current schools	X	X	X															
	Hire additional Peacemakers for Head Start programs		X				X												
	Hire additional Peacemakers for charter school							X		X		X		X					
	Start program services in Northern Expansion							X		X		X		X					
	Start program services in Southern Expansion							X											
III. Expand Employment & Technology Center																			
	Develop outreach and program strategy for reaching HCZ youth	X																	
	Review and modify youth programming initiative		X																
	Invest in additional technology for increased operational scale							X		X		X		X		X		X	
	Start program services in Northern Expansion							X		X		X		X					
	Start program services in Southern Expansion							X											
IV. Expand Community Pride																			
	Begin organizing work in Mini Zone 4	X																	
	Complete organizing work in Mini Zone 4		X																
	Begin organizing Mini Zone 5 (Northern Expansion)						X												
	Complete organizing work in Mini Zone 5							X											
	Continue organizing additional mini-zones throughout expansion zones											X		X		X		X	
V. Expand Booker T. Washington Beacon																			
	Develop outreach and program strategy	X																	
	Begin implementation of outreach strategy		X																

Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
Imperative I: Refine and enhance and Harlem Children's Zone Project Service Model, Cont'd																			
3. Increase focus of programs on serving high priority recipients																			
Residents of the HCZ																			
Increase Share of Service Recipients Living in HCZ																			
	Set program targets and communicate to directors	X																	
Increase Integration Among HCZ Programs																			
	Implement participant-tracking device to aid in monitoring results	X																	
	Identify key program overlaps, set targets, and communicate to directors	X																	
	Institute regular program reports (using participant tracking data) monitoring statistics such as participants served, degree of program integration, etc.		X																
	Formally revisit program integration levels		X	X		X													
	Identify lessons learned from initiative to be applied to HCZ expansion																		
Other High-Priority Service Recipients																			
	Implement participant-tracking device to aid in monitoring results	X																	
	Institute regular program reports (using participant tracking data) monitoring statistics such as participants served, degree of program integration, etc.		X																
4. Transfer or discontinue non-core programs																			
	Communicate program transfer decisions to HCZ staff	X																	
I. Discontinue Neighborhood Gold																			
	Notify program staff of closure	X																	
	Notify HPD of plans to close programs	X																	
	Discontinue intake of new casework	X																	
	Aid program staff with finding alternative employment	X																	
	Plan re-assignment of program director	X																	
	Close program	X																	
II. Transfer Jackie Robinson Senior Center																			
	Plan reduced programmatic offerings to reduce overall budget	X																	
	Implement reduction in services	X																	
	Reduce staffing as needed		X																
	Aid program staff with finding alternative employment		X																
	Notify program staff of closure		X																
	Notify Dept. of Aging of program closure	X																	
	Seek out alternative provider		X																
	Aid program staff with finding alternative employment		X																
	Inform participants of program transfer		X																
	Plan re-assignment of program director		X																
	Transfer program		X																

Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
4. Transfer or discontinue non-core programs, Cont'd																			
III. Transfer El Camino																			
	Notify program staff of transfer	X																	
	Notify United Way of program transfer	X																	
	Seek out alternative provider		X																
	Aid program staff with finding alternative employment		X																
	Transfer program		X																
Imperative II: Rigorously track and apply appropriate performance																			
1. Complete design of HCZ outcomes/evaluation system																			
	Design program level evaluation systems		X																
	Choose HCZ-wide indicators and goals		X																
	Set numerical targets		X																
	Complete implementation of evaluation systems			X															
2. Define and implement program level outcomes/evaluation systems for non-HCZ programs																			
	Staff hired		X																
	Systems designed		X																
	Begin data collection			X															
3. Define and quantify overarching outcomes goals and indicators																			
	Determine appropriate indicators to measure impact of Harlem Children's Zone on improving lives of youth in targeted communities		X																
	on improving lives of youth in targeted communities		X																
	Create needed data collection systems			X															
	Complete implementation of evaluation systems			X															
4. Develop internal capabilities required to collect and assess relevant data																			
	Complete implementation of participant activity tracking system at original sites	X																	
	Install participant activity tracking system at all sites		X																

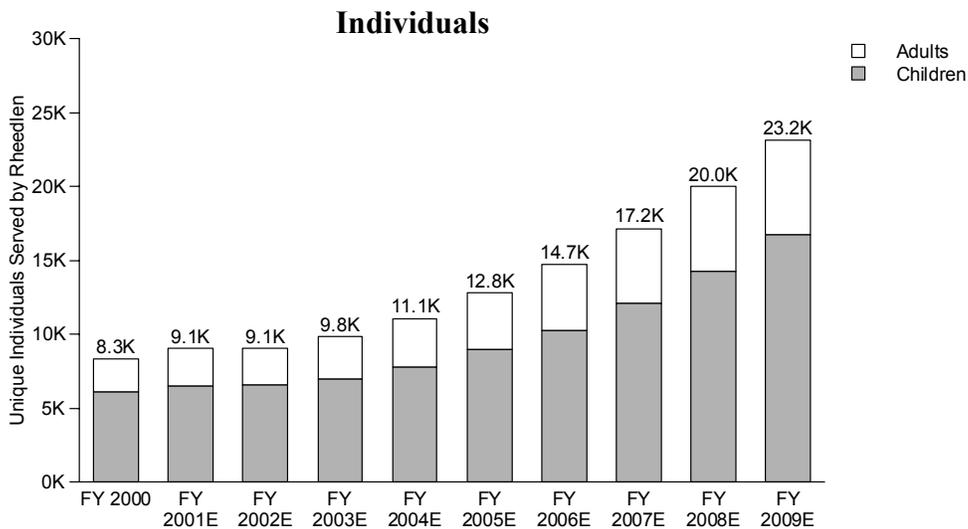
Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
Imperative III: Strengthen operational capacity and infrastructure																			
1. Bolster senior management depth																			
	Staff Chief Operating Officer position		X																
	Hire HCZ Senior Program Area Director		X																
	Hire Beacons/Preventive Services Senior Program Area Director		X																
	Hire New Building Senior Program Area Director					X													
2. Increase capacity in specialized support functions																			
	Hire Director of Administration			X															
	Hire MIS support person		X	X															
	Hire Development Officer		X		X	X													
	Hire Sr. Outcomes Evaluator		X																
	Hire Jr. Outcomes Evaluator			X	X														
	Hire Fiscal staff person			X	X														
	Hire Administrative Assistant			X	X			X											
	Hire Facilities manager			X															
	Hire Facilities staff person							X											
	Hire Senior Human Resource manager		X																
	Hire Junior Human Resource specialist			X															
	Hire Communications Director		X																
	* Note: from FY 06-FY 09 support staff will be hired as need is determined																		
3. Invest in appropriate new IT applications																			
	Install voicemail system for all Harlem Children's Zone employees		X																
	Invest in new financial accounting software system																		
	Purchase upgrade for financial accounting software		X																
	Train finance staff on upgraded system		X																
	Convert accounts to new system		X																
	Increase technology training for all staff																		
	Create prioritized Agency-wide technology training schedule		X																
	Begin to train staff at Technology Center		X																
	Install company email system for middle and senior managers		X																
	Upgrade oldest desktop computer systems		X		X		X		X		X		X		X		X		X
	Develop technology plan for new headquarters building		X	X															
4. Complete construction of new headquarters building																			
	Execute on capital campaign to fund construction costs		X																
	Break ground on site			X															
	Engage real estate agent to find leasees for retail and office space																		
	Construction completed					X													
	Building ready for occupancy							X											
Imperative IV: Leverage core expertise to assist policymakers and other practitioners																			
2. Develop and launch Practitioner's Institute																			
	Hire staff to run Institute					X													
	Design curriculum & marketing plan for institute				X														
	Open Practitioner's Institute and operate for 30 days in Year 1							X											
	Create plan to operate institute for 60 days in Year 2 of operations								X										

Growth Initiative	Key Activity	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
		H1	H2																
Imperative V: Expand geographical scope of Harlem Children's Zone Project																			
1. HCZ Expansion																			
	Review Northern & Southern expansion zones with Community Advisory Board		X																
	Evaluate other service providers in potential expansion zones	X	X																
	Determine appropriate method of entry into Northern Zone by program (e.g. align, replicate, expand)						X												
	Introduce community building and preventive programs into Northern Expansion Zone							X											
	Introduce remainder of HCZ program portfolio to Northern expansion zone								X	X	X								
	Determine appropriate method of entry into Southern Zone by program (e.g. align, replicate, expand)												X						
	Introduce community building and preventive programs into Southern Expansion Zone																		
	Introduce remainder of HCZ program portfolio to Southern expansion zone													X	X	X			

B. OUTPUT GOALS

Outputs are what results when the organization executes its operational milestones. Outputs measure what services have been provided, the number of people served, the launch of a new program, increasing public funding for a certain program, increasing the integration of services, etc. For example, output goals for TRUCE include opening the fitness center in FY 2001, recruiting 75 participants for its first year of operations, and increasing total participation to 400 people by FY 2005.

The single most significant output is the number of children served by Harlem Children's Zone. As indicated below, Harlem Children's Zone expects to increase the number of children it serves each year from 6,100 in FY 2000 to 16,800 in FY 2009. Total individuals served each year will increase from 8,300 to 23,100 during the same period.



Agency Level Outputs										
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Target								
Children Served	6,098	6,510	6,580	6,990	7,768	8,962	10,275	12,057	14,229	16,754
Individuals Served	8,302	9,047	9,067	9,809	11,070	12,796	14,671	17,113	19,959	23,110
Direct Program Expenses per Participant	\$996	\$1,112	\$1,138	\$1,208	\$1,405	\$1,460	\$1,532	\$1,584	\$1,637	\$1,691
Operating Costs (\$M)										
Total Budget	\$10.12	\$12.33	\$13.22	\$15.21	\$19.87	\$23.09	\$27.02	\$31.89	\$38.44	\$45.97
Program Expenses	\$8.27	\$10.06	\$10.32	\$11.85	\$15.55	\$18.68	\$22.47	\$27.10	\$32.67	\$39.07
Overhead Costs/Total Costs	18%	18%	22%	22%	22%	19%	17%	15%	15%	15%
Funding Mix										
Public Funding	45%	43%	40%	38%	38%	41%	42%	44%	42%	40%
Private Funding	44%	46%	50%	53%	46%	44%	44%	45%	48%	52%
Fundraising event	5%	4%	4%	3%	3%	2%	2%	2%	2%	1%
Endowment	6%	7%	7%	6%	4%	4%	3%	3%	2%	0%
Fees/Rent	0%	0%	0%	0%	9%	9%	8%	7%	6%	5%
End of Year Endowment Value (\$M)	\$6.37	\$18.41	\$12.72	\$3.90	\$3.23	\$2.53	\$1.79	\$1.02	\$0.21	\$0.01
HCZ Project Market Penetration by Age Group*										
Ages 0-2	15%	45%	59%	73%	44%	61%	80%	51%	67%	80%
Ages 3-4	9%	27%	49%	70%	43%	56%	70%	42%	56%	70%
Ages 5-11	55%	55%	55%	60%	33%	46%	60%	36%	47%	60%
Ages 12-13	4%	15%	29%	40%	24%	31%	40%	26%	32%	40%
Ages 14-18	11%	25%	30%	30%	15%	22%	30%	17%	22%	30%
Total	29%	41%	49%	57%	31%	41%	53%	32%	41%	52%

Program Capacity										
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Target								
HCZ										
Community Pride	1,000	1,250	1,500	1,750	2,000	2,250	2,500	2,750	3,000	3,250
Employment & Technology	200	164	191	198	258	334	423	539	654	827
Family Support Center	360	360	360	360	360	360	360	360	360	360
Parents Help Center	330	330	330	330	330	330	330	330	330	330
Peacemakers	1,300	1,312	1,324	1,465	1,739	2,298	2,950	3,843	4,912	6,351
The Baby College	200	512	650	843	1,100	1,481	1,930	2,545	3,326	4,002
TRUCE	235	223	255	287	334	402	483	643	809	1,010
Charter School	-	-	-	-	100	200	300	400	400	400
Charter School Beacon	-	-	-	-	182	364	545	727	889	1,000
Head Start	-	32	64	64	114	164	214	314	414	514
ParentCorps	-	34	85	172	215	272	342	399	565	718
Practitioners Institute	-	-	-	-	101	202	202	202	202	202
Medical and Dental Clinic	-	-	-	-	175	275	400	500	500	500
<i>HCZ Subtotal</i>	<i>3,625</i>	<i>4,218</i>	<i>4,758</i>	<i>5,467</i>	<i>7,007</i>	<i>8,931</i>	<i>10,979</i>	<i>13,552</i>	<i>16,361</i>	<i>19,463</i>
Beacons/Preventive										
BTW Center 54 Beacon	600	700	800	900	950	1,000	1,000	1,000	1,000	1,000
Countee Cullen	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Family Development	720	720	720	720	720	720	720	720	720	720
Project CLASS	180	180	180	180	180	180	180	180	180	180
Truancy Prevention	540	540	540	540	540	540	540	540	540	540
<i>Beacons/Preventive Subtotal</i>	<i>4,340</i>	<i>4,440</i>	<i>4,540</i>	<i>4,640</i>	<i>4,690</i>	<i>4,740</i>	<i>4,740</i>	<i>4,740</i>	<i>4,740</i>	<i>4,740</i>
Independent										
Midtown Family Place	270	270	270	270	270	270	270	270	270	270
El Camino	130	130	-	-	-	-	-	-	-	-
Jackie Robinson Snr Ctr.	350	350	-	-	-	-	-	-	-	-
Neighborhood Gold	145	145	-	-	-	-	-	-	-	-
<i>Independent Subtotal</i>	<i>895</i>	<i>895</i>	<i>270</i>							
Total Program Reach	8,860	9,553	9,568	10,377	11,967	13,941	15,989	18,562	21,371	24,473

HCZ Project Residence Rates*										
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Target								
Community Pride	69%	80%	90%	90%	90%	90%	90%	90%	90%	90%
Employment	35%	90%	95%	95%	95%	95%	95%	95%	95%	95%
Technology	35%	90%	95%	95%	95%	95%	95%	95%	95%	95%
Family Support Center	18%	19%	19%	19%	25%	25%	25%	38%	38%	38%
Parents Help Center	27%	27%	27%	27%	33%	33%	33%	46%	46%	46%
Peacemakers	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
The Baby College	83%	89%	95%	95%	95%	95%	95%	95%	95%	95%
TRUCE	17%	41%	48%	52%	59%	65%	71%	79%	83%	87%
Charter School					50%	50%	50%	50%	50%	50%
Charter School Beacon					63%	63%	63%	63%	72%	76%
Head Start		100%	100%	100%	100%	100%	100%	100%	100%	100%
ParentCorps		95%	95%	95%	95%	95%	95%	95%	95%	95%
Medical and Dental Clinic					90%	90%	90%	90%	90%	90%

* Percent of program participants who are HCZ Project residents.

C. OUTCOMES

Introduction and Overview

Long term outcomes signify how Harlem Children’s Zone has actually changed the lives of those it serves. These outcomes include sustained changes in behavior or life circumstance, such as increased employment or decreased child abuse. Harlem Children’s Zone’s long term goal is that children served will achieve an independent, healthy adulthood as reflected by demographic and achievement profiles consistent with those of children who grow up in the average middle-class community. Harlem Children’s Zone is working with Philliber Research Associates and the Clark Foundation to determine and track the appropriate indicators for HCZ Project programs, and plans to hire an Outcomes/Evaluation Specialist in January 2001 to spearhead the creation of appropriate shorter term outcomes measurement systems for the agency as a whole and for non-HCZ initiatives.

Potential Program-Level Goals

Harlem Children’s Zone intends to hold itself accountable for the achievement of a significant number of outcomes relating to the effectiveness of its programs and services in helping children progress successfully toward adulthood. These are listed below. In addition, Harlem Children’s Zone will be tracking and measuring other information in support of a broader learning agenda.

Age 0 – 2		
Program	Outcomes	Indicators
Baby College and Family Support Center	1. Parents will have essential age appropriate parenting skills and knowledge	<ul style="list-style-type: none"> - understanding of developmental phases - knowledge of baby nutritional needs - knowledge of home “babyproofing” requirements and resources - knowledge of stimulation practices that enhance brain development - knowledge of appropriate discipline measures - knowledge of infant communication cues - knowledge of age appropriate sleep patterns - knowledge about issues of toilet training - knowledge of resources and/or organizations that provide support and assistance
	2. Babies will receive good health care	<ul style="list-style-type: none"> - babies will have adequate pre-natal, post-natal, and well baby care - babies will be immunized on schedule

Age 3 – 4

Program	Outcomes	Indicators
Parent Corps, Head Start, Family Support Center, and The Baby College	<ol style="list-style-type: none"> 1. Parents will have essential age appropriate parenting skills and knowledge 2. Children will receive good health care 3. Children will be healthy 4. Children will be safe in their homes 5. Children will be prepared for school 	<ul style="list-style-type: none"> - understanding of developmental phases - knowledge of children’s nutritional needs - knowledge of how to keep their homes safe for toddlers - knowledge of appropriate and inappropriate discipline measures - knowledge about issues of toilet training - knowledge about the importance of reading to their children - knowledge of resources and/or organizations that provide support and assistance - knowledge of how to access resources for child health care - children will receive appropriate well child care and medical treatment - children will be assessed as healthy in well child examinations - children will not be the subject of child abuse reports - children will not be placed in foster homes - children will test at age appropriate levels for physical and cognitive development

Ages 5 – 11

Program(s)	Outcomes	Indicators
Peacemakers, Beacons (non-HCZ), Parents Help Center, Family Support Center, Employment and Technology Center	1. Children will participate appropriately in school	<ul style="list-style-type: none"> - classroom attendance - incidents of school behavioral discipline
	2. Children will achieve at age level in school	<ul style="list-style-type: none"> - achievement on standardized testing* - school grades and formal assessments
	3. Children will acquire essential skills and habits for success	<ul style="list-style-type: none"> - alternative conflict resolution approaches - leadership skills - computer skills - constructive use of leisure time/ participation in recreational activities - participation in culturally diverse activities - frequency and enjoyment of reading - preparation for college
	4. Children will be healthy	<ul style="list-style-type: none"> - parents and children will have knowledge of nutritional needs - families will meet their basic food needs - parents will be able to provide for their children's health care needs
	5. Parents will be able to provide a stable nurturing environment	<ul style="list-style-type: none"> - family crises will be well managed

* under development

Ages 12 – 13

Program(s)	Outcomes	Indicators
TRUCE, Employment and Techno- logy Center	1. Young people will participate appropriately in school	<ul style="list-style-type: none"> - classroom attendance - incidents of school behavioral discipline actions
	2. Young people will achieve at age level in school	<ul style="list-style-type: none"> - achievement on standardized testing - school grades and formal assessments
	3. Young people will acquire essential skills and habits for success	<ul style="list-style-type: none"> - leadership skills (plan and facilitate events and train other youths) - participation in culturally diverse activities - basic and advanced computer skills - skills in alternative conflict resolution - participation in intergroup activities - participation in the arts - critical consumption of media - constructive use of leisure time/ recreational activities - positive relationships with adults - ability to understand personal feelings - self-discipline - friendships - ability to cooperate and negotiate - communication skills - knowledge of college options and strategies for gaining admission
	4. Young people will be healthy	<ul style="list-style-type: none"> - avoidance of drug use - avoidance of pregnancy - avoidance of dangerous situations - mental health*
	5. Young people will be civically engaged	<ul style="list-style-type: none"> - community organizing skills - involvement in addressing neighborhood needs
	6. Young people will be preparing to enter the work force	<ul style="list-style-type: none"> - understanding of vocational options - career readiness skills - exploration of career possibilities

* under development

Ages 14 – 18

Program(s)	Outcomes	Indicators
TRUCE	1. Young people will participate appropriately in school	<ul style="list-style-type: none"> - classroom attendance - incidents of school behavioral discipline actions
	2. Young people will achieve at age level in school	<ul style="list-style-type: none"> - achievement on standardized testing - school grades and formal assessments - high school graduation - success in post-high school education
	3. Young people will acquire essential skills and habits for success	<ul style="list-style-type: none"> - leadership skills (plan and facilitate events and train other youths) - participation in culturally diverse activities - basic and advanced computer skills - skills in alternative conflict resolution - participation in intergroup activities - participation in the arts - critical consumption of media - constructive use of leisure time/ recreational activities - positive relationships with adults - ability to understand personal feelings - self-discipline - ability to cooperate and negotiate - communication skills - knowledge of college options and strategies for gaining admission
	4. Young people will be healthy	<ul style="list-style-type: none"> - avoidance of drug use - avoidance of pregnancy - avoidance of dangerous situations - mental health*
	5. Young people will be civically engaged	<ul style="list-style-type: none"> - community organizing skills - involvement in addressing neighborhood needs

* under development

6. Young people will be preparing to enter the work force or higher education and do so successfully
- understanding of vocational options
 - career readiness skills
 - exploration of career possibilities
 - knowledge of post-high school educational opportunities and how to access them

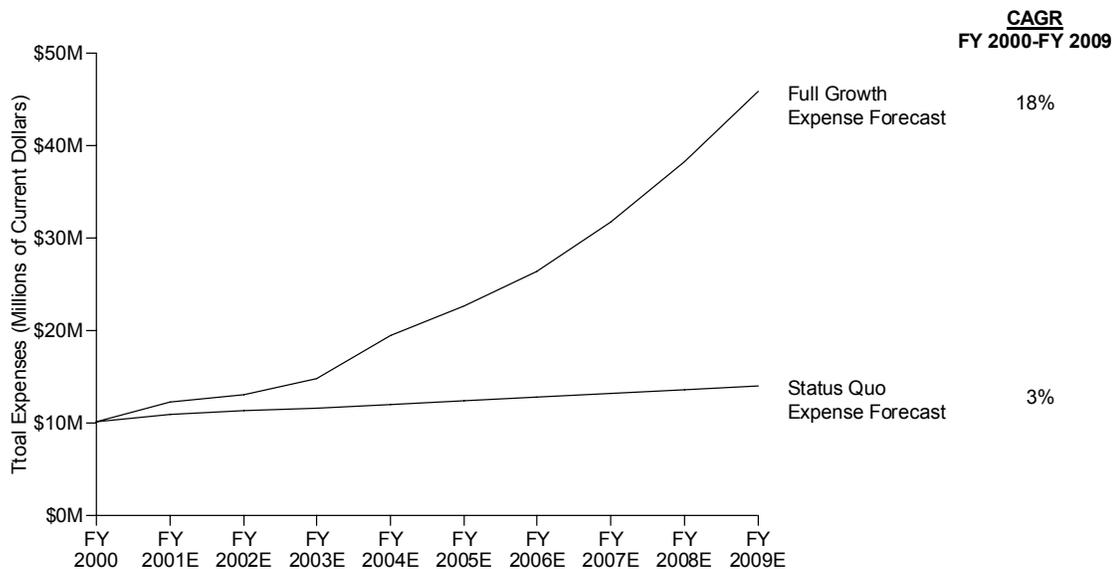
APPENDIX 3: FINANCIAL ANALYSIS

A. PROJECTED COSTS/USE OF FUNDS

Overall Growth

With the successful completion of its full growth plan, Harlem Children's Zone's total operating budget will grow from \$10 million in FY 2000 to \$46 million in FY 2009,⁵ a compound annual growth rate of 18%. This represents an incremental increase of \$32 million over what Harlem Children's Zone's total expenses would have been in FY 2009 if it simply maintained its current programs and level of service.

Status Quo vs. Full Growth



Program Growth

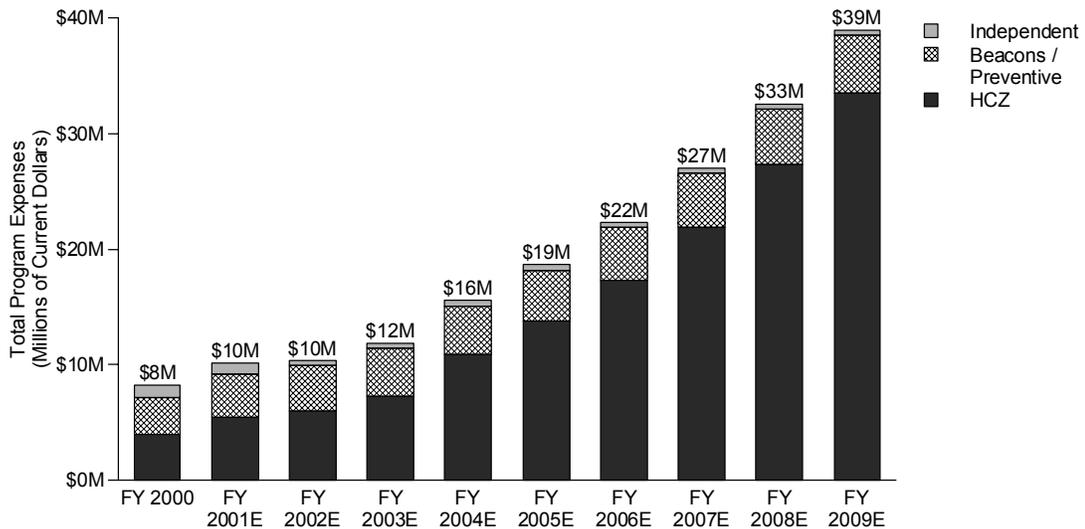
Direct program expenses will increase at a compound annual growth rate of 18% from FY 2000 to FY 2009, rising almost five-fold from \$8.3 million to \$39 million. The direct program cost per service recipient will increase in real dollars from \$933 to \$1,266 by FY 2009,⁶ as Harlem Children's Zone adds new programs with highly intensive services such as Head Start and the Charter school.

⁵ Current dollars, assumes 3% inflation rate.

⁶ Increases to \$1,593 in FY 2009E current dollars.

The chart below shows how this growth breaks out across Harlem Children’s Zone’s program areas.

Direct Program Expenses



The bulk of Harlem Children’s Zone’s growth will be in the HCZ Project, which increases from 48% to 86% of all program expenses from FY 2000 to FY 2009, enabling Harlem Children’s Zone to grow its programs to the point necessary to achieve its target market penetration rates as the HCZ Project expands in FY 2004 and again in FY 2007.

In FY 2009, Harlem Children’s Zone will invest \$33.6 million in HCZ Project programs. While the total dollar amount spent on Beacons/Preventive programs will increase from \$3.2 to \$4.9 million by FY 2009, this program area will shrink from 39% of total program expenses to 13%. Spending on Independent programs will decline from 13% of overall program expenses in FY 2000 to 1% in FY 2009.

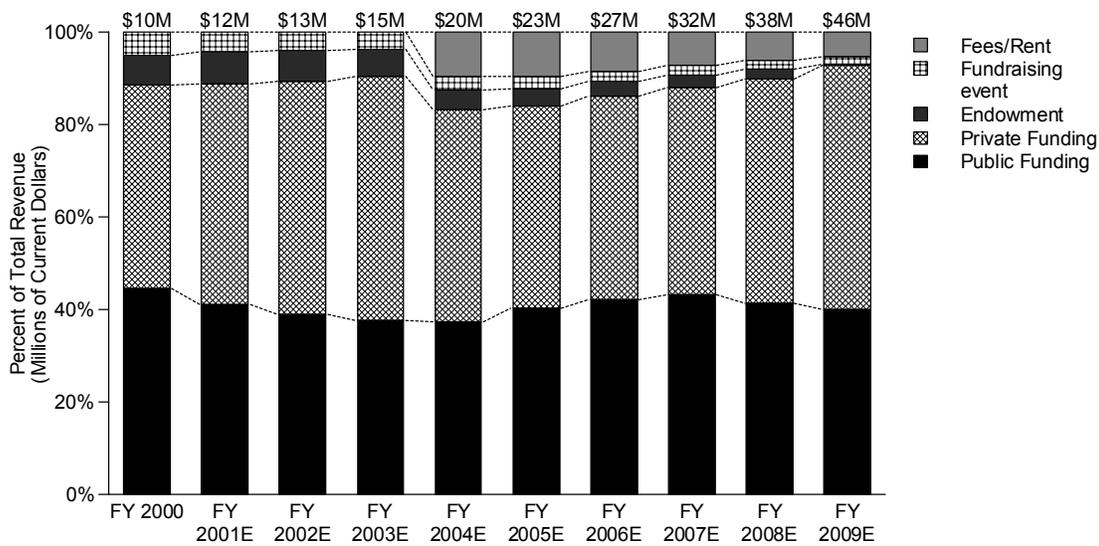
B. OPERATING REVENUE & FUNDING STRATEGIES

Operating revenue estimates for FY 2001 through FY 2009 are based on the amount of money that needs to be raised to cover the cost of all growth initiatives (except for the cost of building Harlem Children’s Zone’s new headquarters, which will be paid for with proceeds from a separate capital campaign).

Harlem Children’s Zone will aggressively pursue funding strategies to maintain a stable mix of private, public and other revenues. This strategy has been built from the bottom up on a program by program basis. Each program was first examined to predict if public funding was likely to be maintained and then to determine if opportunities existed to increase revenue from public

sources. Estimated revenue from rent and fees is based on the amount of commercial space in the new headquarters building which will be leased beginning in FY 2004 as well as fees from participants in the Practitioner’s Institute. Fundraising event revenue , estimated at \$500,000 in FY 2000, was assumed to increase at the rate of inflation through FY 2009. The contribution from the endowment to Harlem Children’s Zone’s operating revenue will be \$862,000 annually.⁷ It was assumed that the balance of revenue required to fund Harlem Children’s Zone’s growth will be raised from private sources. Harlem Children’s Zone’s overall funding mix, as based on these calculations, is shown below:

Full Growth Revenue Mix

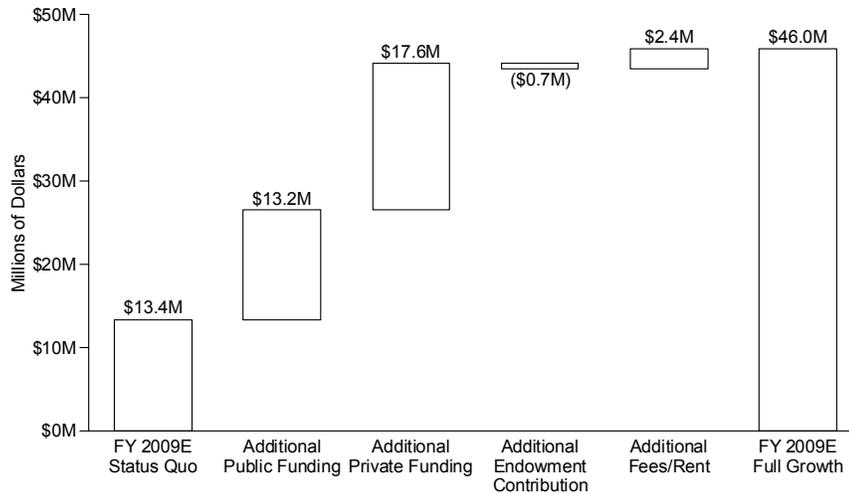


Private funding will make up 53% percent of overall revenues by FY 2009, public funding 40%. Fees and rent received from leasing commercial space in the new headquarters building will provide a new revenue stream, increasing to 5% of overall funds in FY 2009. Harlem Children’s Zone’s use of investment gains to fund operating expenses will be reduced to 2% of total revenue FY 2009, down from 5% of revenue in FY 2000.

As shown in the figure below, by FY 2009 Harlem Children’s Zone will need to raise an addition \$13.2 million in public revenue, \$17.6 million in private revenue over what it would have had to raise had it simply maintained its current operations.

⁷ Note: Assumes 5% annual return on endowment. Endowment declines to \$0 by FY 2009.

Incremental Revenue by Source vs. Status Quo (FY 2009E)

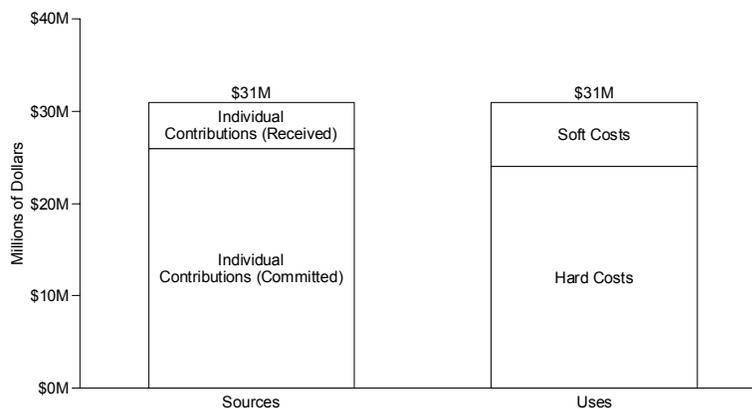


Harlem Children’s Zone is both increasing its internal fundraising capacity and also designing a fundraising strategy that in combination will equip it to successfully reach these revenue targets.

C. HEADQUARTERS CONSTRUCTION COSTS

Harlem Children’s Zone’s 100,000 square foot new headquarters building on 125th and Madison will cost approximately \$31 million to complete.

Headquarters Construction: Sources & Uses



Harlem Children’s Zone’s Board of Directors has successfully raised \$31 million (\$5 million received, \$26 million committed) in a capital campaign to fund the new building.

Full Growth Financial and Summary

Fiscal Years 2001-2009 Pro Forma Financial Statement

Millions of Current Dollars

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	ACTUAL	ACTUAL	PLAN								
Agency Financial Summary											
Operating Revenue:											
public funding	\$4.29	\$4.51	\$5.27	\$5.30	\$5.81	\$7.52	\$9.39	\$11.45	\$13.91	\$16.08	\$18.58
private funding	\$3.83	\$4.47	\$5.71	\$6.55	\$8.02	\$9.10	\$10.13	\$11.91	14.24	\$18.53	\$24.12
fundraising events	\$0.72	\$0.50	\$0.49	\$0.50	\$0.52	\$0.53	\$0.55	\$0.56	\$0.58	\$0.60	\$0.62
endowment contribution	\$ -	\$0.64	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.86	\$0.21
fees/rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$1.85	\$2.17	\$2.23	\$2.30	\$2.37	\$2.44
Total Revenue:	\$8.85	\$10.12	\$12.33	\$13.22	\$15.21	\$19.87	\$23.09	\$27.02	\$31.89	\$38.44	\$45.97
Operating Costs:											
program specific costs	\$6.87	\$8.27	\$10.06	\$10.32	\$11.85	\$15.55	\$18.68	\$22.47	\$27.10	\$32.67	\$39.07
management & general costs	\$1.61	\$1.55	\$1.93	\$2.50	\$2.91	\$3.64	\$3.72	\$3.84	\$3.98	\$4.84	\$5.83
fundraising costs	\$0.37	\$0.31	\$0.34	\$0.40	\$0.44	\$0.45	\$0.47	\$0.48	\$0.57	\$0.69	\$0.83
facility expense	\$ -	\$ -	\$ -	\$ -	\$0.01	\$0.22	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
<i>overhead cost subtotal</i>	\$1.98	\$1.85	\$2.27	\$2.90	\$3.36	\$4.32	\$4.41	\$4.55	\$4.78	\$5.77	\$6.89
Total Costs:	\$8.85	\$10.12	\$12.33	\$13.22	\$15.21	\$19.87	\$23.09	\$27.02	\$31.89	\$38.44	\$45.97
Endowment Revenue:											
investment gains	\$ -	\$0.64	\$0.32	\$0.92	\$0.64	\$0.19	\$0.16	\$0.13	\$0.09	\$0.05	\$0.01
individual contributions	\$ -	\$4.95	\$24.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Endowment Revenue:		\$5.59	\$24.75	\$0.92	\$0.64	\$0.19	\$0.16	\$0.13	\$0.09	\$0.05	\$0.01
Construction Costs:											
headquarters construction costs	\$ -	\$4.97	\$11.85	\$5.75	\$8.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Endowment Expenses:	\$ -	\$4.97	\$11.85	\$5.75	\$8.59	\$ -					
Residual Endowment (BOY)											
Endowment Change in Value		\$6.39	\$6.37	\$18.41	\$12.72	\$3.90	\$3.23	\$2.53	\$1.79	\$1.02	\$0.21
Endowment Value (EOY)		\$(0.02)	\$12.04	\$(5.69)	\$(8.82)	\$(0.67)	\$(0.70)	\$(0.74)	\$(0.77)	\$(0.81)	\$(0.20)
Endowment Value (EOY)	\$6.39	\$6.37	\$18.41	\$12.72	\$3.90	\$3.23	\$2.53	\$1.79	\$1.02	\$0.21	\$0.01

Program-Level Financial Summary											
Millions of Current Dollars											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	ACTUAL	ACTUAL	PLAN								
BTW Center 54 Beacon	\$0.255	\$0.516	\$0.643	\$0.721	\$0.824	\$0.891	\$0.960	\$1.009	\$1.020	\$1.051	\$1.081
Community Pride	\$0.493	\$0.412	\$0.432	\$0.438	\$0.451	\$0.580	\$0.598	\$0.618	\$0.631	\$0.652	\$0.669
Countee Cullen	\$0.330	\$0.280	\$0.317	\$0.302	\$0.310	\$0.320	\$0.335	\$0.358	\$0.350	\$0.359	\$0.372
El Camino	\$0.089	\$0.094	\$0.098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employment & Technology	\$0.430	\$0.436	\$0.454	\$0.512	\$0.537	\$0.654	\$0.807	\$1.058	\$1.353	\$1.690	\$2.203
Family Development Program	\$1.076	\$1.335	\$1.395	\$1.437	\$1.480	\$1.525	\$1.591	\$1.617	\$1.674	\$1.716	\$1.767
Family Support Center	\$0.406	\$0.555	\$0.586	\$0.600	\$0.618	\$0.636	\$0.665	\$0.678	\$0.695	\$0.716	\$0.740
Jackie Robinson Snr Ctr.	\$0.418	\$0.435	\$0.312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Neighborhood Gold	\$0.184	\$0.192	\$0.047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parents Help Center	\$0.156	\$0.197	\$0.208	\$0.211	\$0.217	\$0.224	\$0.230	\$0.241	\$0.244	\$0.252	\$0.259
Peacemakers	\$1.167	\$1.295	\$1.348	\$1.399	\$1.579	\$1.906	\$2.524	\$3.336	\$4.474	\$5.887	\$7.847
Project CLASS	\$0.276	\$0.275	\$0.417	\$0.428	\$0.445	\$0.463	\$0.488	\$0.505	\$0.521	\$0.541	\$0.563
Midtown Family Place	\$0.389	\$0.374	\$0.397	\$0.405	\$0.417	\$0.430	\$0.445	\$0.459	\$0.469	\$0.485	\$0.498
The Baby College	\$0.019	\$0.195	\$0.514	\$0.671	\$0.896	\$1.205	\$1.671	\$2.243	\$3.046	\$4.101	\$5.083
Truancy Prevention	\$0.673	\$0.808	\$0.840	\$0.865	\$0.891	\$0.917	\$0.949	\$0.975	\$1.003	\$1.033	\$1.064
TRUCE	\$0.509	\$0.865	\$1.075	\$1.182	\$1.290	\$1.435	\$1.652	\$2.028	\$2.773	\$3.586	\$4.603
Charter School	\$ -	\$0.002	\$0.002	\$0.030	\$0.478	\$1.425	\$1.914	\$2.674	\$3.049	\$3.142	\$3.194
Charter School Beacon	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.500	\$0.515	\$0.530	\$0.546	\$0.675	\$0.774
Head Start	\$ -	\$ -	\$0.514	\$0.428	\$0.441	\$0.809	\$1.198	\$1.611	\$2.434	\$3.306	\$4.228
ParentCorps	\$ -	\$ -	\$0.150	\$0.252	\$0.523	\$0.672	\$0.876	\$1.135	\$1.367	\$1.993	\$2.604
Practitioners Institute	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.252	\$0.432	\$0.432	\$0.432	\$0.432	\$0.433
Medical and Dental Clinic	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.219	\$0.338	\$0.468	\$0.516	\$0.531	\$0.548
General Program Support Expense	\$ -	\$ -	\$0.313	\$0.436	\$0.450	\$0.487	\$0.493	\$0.494	\$0.507	\$0.525	\$0.541
Total	\$6.87	\$8.27	\$10.06	\$10.32	\$11.85	\$15.55	\$18.68	\$22.47	\$27.10	\$32.67	\$39.07