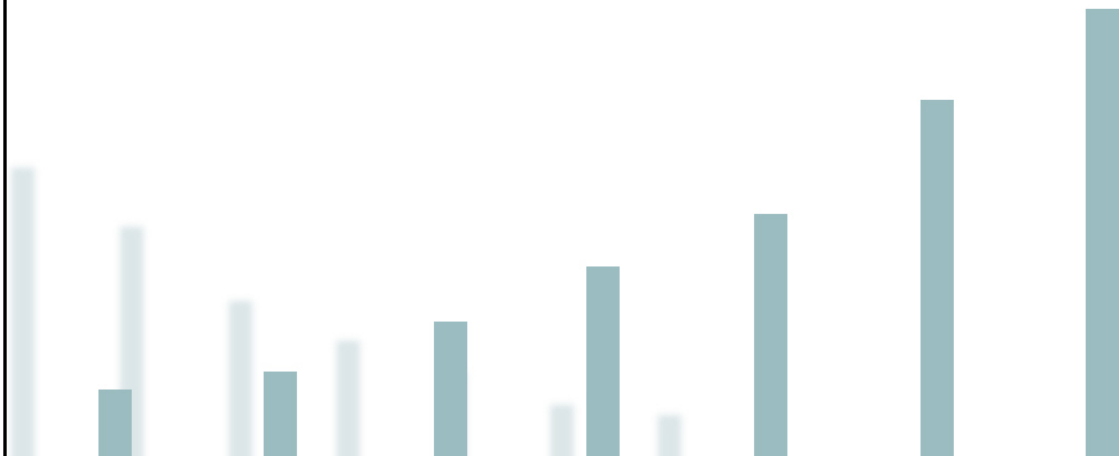


OCTOBER 2004

Communities In Schools of Atlanta

Managing rapid local expansion



Summary

Communities In Schools of Atlanta bounced back from financial difficulties when it was chosen to implement the national Project GRAD program in Atlanta schools. But the rapid growth brought on by the program addition has pushed the lean, internally groomed management team beyond its original competencies. Management training and education have helped fill the gaps. Now the organization is working to manage the financial risk inherent in relying on a dominant funding source.

Organizational snapshot

Organization: Communities In Schools of Atlanta

Year founded: 1972

Headquarters: Atlanta, Georgia

Mission: “To connect community resources with schools to help young people successfully learn, stay in school, and prepare for life.”

Program: Communities In Schools of Atlanta offers four programs to its school partners, which are customized from a menu of program choices. Project GRAD is designed to improve the instructional quality and culture in the lowest performing schools; to increase student academic performance; and to raise high school graduation and college attendance rates. Project GRAD is currently serving students in 12 urban school districts nationwide, including 17,000 students in 29 schools throughout Atlanta, where Communities In Schools implements the family support and community outreach component of the Project GRAD program as a contractor. CIS places program coordinators in local schools to work one-on-one with students and parents, and coordinators often make home visits. CIS of Atlanta also runs the West End Academy Performance Learning Center, an off-campus center that serves high school students who are not succeeding in a traditional high school setting, providing them instruction at their own pace with a computer-

based curriculum. The FutureForce Student Leadership Program offers youth development curricula, mentoring, community service projects, and a summer leadership institute to participating students. The organization also delivers services to 10 schools in DeKalb County, including tutors, mentors, health and human services, enrichment activities, and parent education and support. Altogether, CIS serves more than 20,000 students at 40 schools.

Size: \$4.6 million in revenue; 73 employees (as of 2003).

Revenue growth rate: Compound annual growth rate (1999-2003): 35 percent; highest annual growth rate (2000-2003): 91 percent in 2001.

Funding sources: In 2003, 35 percent of funding came from government sources, 28 percent from the Project GRAD organization, and 23 percent from contributed services, assets, and goods. The remaining revenues came from foundations (6 percent), individuals (5 percent), and corporations (2 percent). Overall, 65 percent of CIS of Atlanta's funding was related to the Project GRAD funding, paid either directly to CIS of Atlanta or indirectly via the Project GRAD organization.

Organizational structure: CIS of Atlanta has its own 501(c)(3) status, and is a member of the national Communities In Schools network, which operates in 28 states. It is also affiliated with the statewide CIS of Georgia.

Leadership: Patricia Pflum, executive director.

More information: www.cisatlanta.org

Key Milestones

- 1972: Founded the original CIS program in Atlanta
- 1984: CIS National moved to Alexandria, VA
- 1989: CIS of Georgia incorporated
- 1998: The board nearly closed CIS of Atlanta
- 1999: Began new partnership with DeKalb County Schools

- 2000: Became a contractor of Project GRAD program for the Atlanta public schools; turned around funding situation and began rapid staff growth

Growth Story

The earliest form of Communities In Schools (CIS) began in the 1960s with storefront schools in New York City that gave dropouts a second chance to earn a high school diploma and to go to college. These “street academies” combined personal support to students with a strong alternative educational program. In 1968, these academies received funding from the U.S. Postal Service and opened in six cities across the country.

Communities In Schools began in Atlanta in 1971 as EXODUS, which helped young people finish high school. In 1973, the Atlanta program became the dropout prevention model that was studied, refined, and replicated across the country under the name Cities in Schools, now known as Communities In Schools (CIS).

Bill Milliken (now president of the national CIS organization), Neil Shorthouse (president of CIS of Georgia), and David Lewis (who passed away in 2002) founded the original program in Atlanta. When the program started to take off, the founders decided to split up responsibilities. Milliken took on the responsibility of trying to spread the model nationally, and Shorthouse and Lewis focused on making the Atlanta model the best it could be. Later, Shorthouse moved on to run CIS of Georgia. (See the Configuration section for more details about the relationship between the offices.)

From its beginnings in Atlanta, CIS has grown to become the largest dropout prevention program in the country, reaching nearly 2 million children and families in 28 states. CIS of Atlanta is now a site within the national network. The national office moved to Alexandria, Virginia, in 1984.

“When I started here back in the late 1970s and early 1980s, there were so many people, because we were getting all sorts of federal grants,” says Theresa Crawford, director of finance and administration and a staff member since 1975.

“After the federal funding ended, the staff was reduced to a third of what it was

before. It's been up and down really. I was even laid off at one point." More recently, CIS of Atlanta has grown mainly through additions and deletions to its programs.

The hallmark of CIS is the flexible, customized plan it develops with each school. "There is no single manual for going into communities and fixing their schools," says Patty Pflum, executive director. "The key is to find out what obstacles are preventing all children from succeeding in schools, and to find out where the resources are in the community. Since needs and available resources vary from community to community, so does the implementation of CIS. If you've seen one CIS, you've seen one CIS – even at the school level within CIS of Atlanta."

This level of customization led to difficulties when working with some institutions who believed everything should be the same everywhere. To get around this kind of opposition, "we developed a menu of services that centered around some common principles," says Pflum. "We work with the schools to develop a plan based on their needs. Their involvement is crucial, and this compromise has seemed to work."

CIS program staff work with principals to develop a plan for the school year that identifies outcomes to measure and benchmarks for success, such as parent engagement in their child's education, school attendance, services used, and career and academic achievement. "We need everyone working together to figure out the best things to do," says Nona Franklin, a CIS field supervisor.

In 1998, the board was ready to close CIS of Atlanta. The Atlanta school district wanted to consolidate all the CIS alternative schools into one program. At the time, alternative schools made up the bulk of CIS of Atlanta's programs. A bid to become the district's main provider of alternative education services failed and the organization faced a collapse of its main funding source.

CIS of Atlanta made the strategic decision to explore new partnerships with other school systems in the area. In early 1998, the organization began discussions with DeKalb County Schools. Later that year, the DeKalb County school system decided to enter into partnership with CIS of Atlanta and to pilot the program in

select elementary schools. This new partnership allowed CIS of Atlanta to stabilize its funding in 1999 and to move forward on its new strategic focus.

CIS of Atlanta's fortunes changed dramatically in 2000, when Dr. Beverly Hall took over as school superintendent in Atlanta. Hall had used the national Project GRAD program, which works to ensure that kids in low-income schools graduate, at her previous job as schools superintendent of Newark, New Jersey. She immediately set out to raise \$20 million to bring Project GRAD to Atlanta. CIS of Atlanta was chosen as a contractor to implement the family support and community outreach component of the program, which put the organization on strong financial footing again.

"If Project GRAD had not come along, we would have continued to expand in DeKalb County, Fulton County, and Atlanta," says Pflum. "Our strategy was to really penetrate those districts, and develop models to get to kids of all ages. Project GRAD certainly fit into that strategy, but in its absence we still would have gone after that type of work."

Since Project GRAD has been added, CIS of Atlanta has quadrupled in staff size and more than tripled in revenues. The growth hasn't been easy for staff, nearly 60 percent of whom have only been with the organization for two years or less. "I would like to see us pause and get things together before we continue to expand," says Jacinta White, partnership director. "We don't think long-term enough as an organization. We need to set more concrete goals, and update the strategic plan, and stick to it."

Moving from operating alternative schools to providing services within regular schools has made measuring outcomes more challenging. "In the academies, we measured our success by looking at how many kids enrolled, how many stayed and graduated, and how many left," says Pflum. "Now it seems we're always changing what we're measuring. The challenge is, how does CIS of Atlanta take credit for what we're doing in a regular school environment where there are many other players?"

CIS is still evaluated based on the benchmarks each principal agrees to, which are different for each school. For example, one school might focus on attendance and

another on parent involvement. “When I got here two years ago, there was a great deal of service delivery data, and outcome data was largely limited to school-wide student attendance rates and test scores,” says Folami Prescott-Adams, assistant programs director for evaluations. “Last year we started to do year-end surveys with kids, teachers, and principals and, increasingly, we are doing focus groups. But it is feeling like now we are collecting too much service delivery data, given our current size and capabilities. That is a danger. I think we can start using more data that is already collected by the schools.”

CONFIGURATION

CIS of Atlanta is part of a national network of Communities In Schools sites. CIS of Atlanta was the original CIS location. The two organizations have an affiliate relationship, in which CIS of Atlanta agrees to a set of operating principles but operates under its own 501(c)(3). The national office deals mainly with the state offices, which in turn support local sites.

CIS of Atlanta is part of the CIS of Georgia state network. CIS of Atlanta and CIS of Georgia are located in the same building, but are autonomous organizations with separate staffs and boards of directors. CIS of Georgia helps start up new CIS local organizations and provides training, individual consultation, technical assistance and, whenever possible, pass-through funding opportunities to local organizations in the state. CIS expects the more established sites to fund more of their operations than the newer sites. Given that Atlanta is the oldest and largest CIS site in the state, it is responsible for almost all of its own funding.

Some CIS of Atlanta staff think the organization should take more advantage of the infrastructure, training, and workshops that the national and state offices offer. “CIS of Georgia and CIS National have great resources like online recording systems and great senior workshops where we can be even more involved,” says Prescott-Adams.

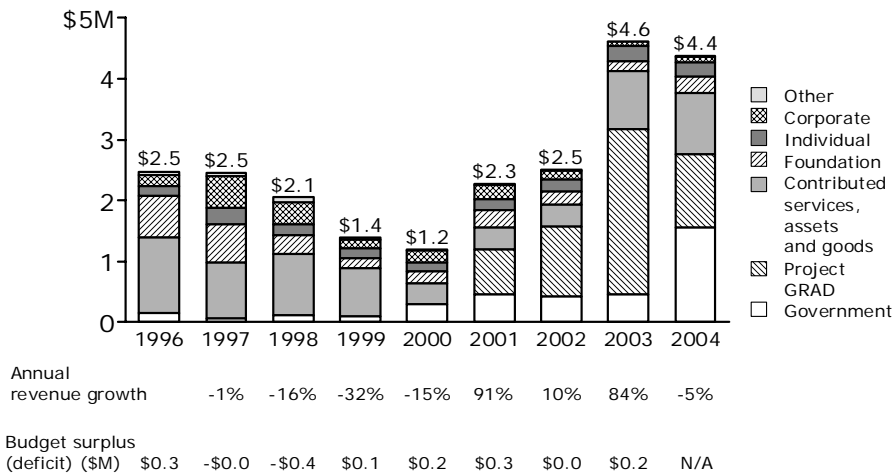
CAPITAL

The national and state offices of Communities In Schools are privately and publicly funded through a variety of corporate, foundation, and federal grants. On the local level, CIS programs receive funding from local private donors; various state, federal, and foundation grants; and the CIS state office. Ninety percent of funds raised go to programs, an unusually high amount.

Before the infusion of funding from Project GRAD, CIS of Atlanta had scaled back its operations significantly after the Atlanta school district closed its alternative schools, dramatically reducing the number of CIS of Atlanta program sites.. Revenue declined steadily from \$2.5 million in 1997 to \$1.2 million in 2000, but then bounced back to \$2.3 million in 2001 and continued to climb due largely to Project Grad.

Figure 1

Communities in Schools of Atlanta revenue



Note: The Project GRAD model calls for the cost of CIS components to be taken on by the school system in increasing amounts over the first five years of the program. "Other" includes Exodus Press revenue (1996-1998) and other miscellaneous revenue sources; "Contributed services" includes the estimated salaries for leaders assigned by Atlanta Public Schools on a full-time basis to a CIS Academy; "Contributed assets" refers to donations of computers or facilities; "Contributed goods", first measured in 2003, is a conservative estimate of the value of donations of materials and services from community partner organizations and individuals.
Source: Organization internal data

The organization now relies heavily on Project GRAD funding. “I worry constantly that if Project GRAD and the superintendent leave the schools, what will we do?” says Pflum. “That is why we depend on a strong board that is committed to helping identify new funding opportunities in both the private and public sectors.”

When CIS of Atlanta went from running academies to entering schools in DeKalb County and in Atlanta under Project GRAD, it faced the challenge of communicating the shift to non-government funders. “[Funders] understood the academies, but it was tough to really communicate to them what we do now in the traditional schools during the school day,” Pflum says.

The organization has gone from funding that was unrestricted to funding from school systems and Project GRAD that is quite restricted. “Back when we were mostly funded by private organizations, a lot of our funding was unrestricted, but that made sense because we only had one program, and so we could spend the money on programs and overhead,” says Pflum. Now that so much of the money comes from a single source, this source has a lot of say in how the organization should spend it.

The organization is now trying to develop an earned-income model. CIS of Atlanta’s 2000 strategic plan set the goal of having 70 percent of all future funding come from fees from schools or districts. In 2003, more than 85 percent of revenues came from earned income sources like Project GRAD and school districts.

CAPABILITIES

CIS of Atlanta had 14 staff members in 2000, before it added Project GRAD. To fulfill its new contract, the organization hired 21 new people in the fall of 2000. The staff additions were challenging for the organization, as new hiring, training and management practices had to be developed and put in place quickly. Between 2001 and 2003, the organization added another 38 people, bringing its headcount up to 73. Over the course of only three years, CIS of Atlanta more than quadrupled in size. As of 2003, CIS of Atlanta had seven executive staff, 10 support staff, and 56 program staff.

CIS of Atlanta has faced numerous challenges with adding people and systems so quickly to the organization. The infusion of new staff created a relatively young staff in an old organization. In 2004, almost 60 percent of the staff had two years or less of experience with CIS of Atlanta; 83 percent had less than four years of experience. Training, systems, and policies are still being created or codified.

CIS of Atlanta has been commended by Project GRAD and both participating school systems for the quality of talent it has hired, but Pflum knows the organization will have to work hard and to be creative in order to keep its talented staff over the long haul. “I wish we could pay people better, but we are a nonprofit youth development organization,” Pflum says. “Benefits and vacations for our people are great for that domain, but compared to the schools’ [teachers and school district employees], [our employees] don’t get paid as much or get as much vacation.”

Many senior-level staff have been promoted from within. The director of finance and administration started as a secretary in 1975, and has sought to keep up with the increasing complexity of her job with additional training over the years. The organization has a “hire for attitude, train for skills” mantra.

“To get to scale when we got Project GRAD, we really needed to develop a systematized hiring system, and we needed to hire well,” says Pflum. “We did that. And we needed to figure out how we could get as much cooperation as possible from the schools, because that was where we were sending people. And then we had to do a bang-up two-week training session before we sent staff to their assignments in the schools. In subsequent years, we have continued to provide at least one full week of training prior to the start of each school year because after the school year starts, they are pretty much on their own in the schools.”

Maintaining the organization’s family-like culture is important to staff members. “We hope we don’t just become a service provider as we get larger,” says Emma Mack, a program coordinator with 14 years of service in the organization. “We’re dealing with human lives — we’re not just shuffling papers. And we have to be careful with who we hire. This is a family. You are not just providing services; you need to show you care, as well. The way you do that is good hiring, and setting good examples, and good training. You don’t come here for the pay. You come here to make a

difference. Our jobs are our lives. It's great that Patty [Pflum] has that passion and it can trickle down to everyone."

"It really is a family, says Prescott-Adams. "It's a mom-and-pop organization where everyone knows and cares about each other. And people like that. But we can get more professional and still keep the family atmosphere. ... We're an old organization, but a relatively young staff. And it's created some divisions between the old school and the new school. What helps in part is that most of us on the senior leadership team all started at about the same time."

Currently, Pflum does not feel that she has the time and expertise to supervise and train all of the new managers who report to her. Some senior staff members have complained of "scope creep" in their jobs, and the need for more administrative support. Pflum is challenged with the need to manage this staff, and sometimes to manage people out when they're not up to the job, when she herself is working to develop her capacity to manage this new, large organization. The board recently sent her to a leadership development course at Harvard Business School.

"I have never met someone in leadership that is as receptive as Patty in terms of constructive criticism," says Prescott-Adams. "Patty has been very receptive to our expertise. She takes our suggestions. She has been open and willing to listen."

And while Pflum has shifted some responsibilities to members of her management team, she has not yet been able to give up control fully. "Because most members of my management team are still new to the organization and getting up to speed, I am still in charge of a lot of the programming aspects," she says. "I went to a workshop at Harvard [at the encouragement of the board] and came back determined to change the reporting structure, to make it more hierarchical. Things have improved, but I still spend too much time on programming issues when I know I need to be spending more time out there raising money, as well."

The board has been instrumental in CIS of Atlanta's ability to persist through difficult times. "The board was very involved in fundraising back in the days when we depended almost entirely on private sector funding," says Pflum. "When times got tough in 1998 and 1999, many board members remained committed to the organization, and that was the main thing that saved us. In particular, Dr. Carl

Patton, president of Georgia State University, took over as our board chair in 1998 and continued as chair through 2000. If we hadn't had his name as we were trying to reinvent ourselves and then expand, we might have had to go under."

The board has continued to provide valuable leadership and support. This included developing a three-year strategic plan in 2000 that was extremely helpful in guiding the growth phase. The board also helped Pflum think through human resource and hiring systems for adding so many people at once. Still, Pflum feels the 18-member board now needs to refocus its energy to do more fundraising, and is trying to bring on some new board members to get that going again.

Key insights

- **Dealing with a dominant funding source.** CIS of Atlanta's relationship with Project GRAD has brought unique opportunities and challenges. It revived the organization financially and enabled it to grow again. However, it has also put the organization in a position in which it is now reliant on this external partner for the success and continuity of its program. Even though Project GRAD needs CIS of Atlanta, the organization has little leverage because it gets so much of its money from Project GRAD. This has limited CIS of Atlanta's freedom to push its own programming strategy.
- **Finding and developing talent.** CIS of Atlanta's growth has been hampered by gaps in executive and program staff's skill sets. The organization has used training and education to try to fill these gaps. People are promoted from within and trained on the job, but as the needs of the organization get more complex, the organization is less and less able to rely on internal talent.
- **Delegating authority.** Pflum has made strides in bringing on a management layer, but it is so far not sufficient in size and experience. So she has not fully deputized them to make decisions and take over more responsibilities. The executive director is currently implementing some of the lessons in organizational design she learned at a recent executive education course

and is providing training opportunities and team-building experiences for her management team.

- **Measuring outcomes.** The organization has not kept pace with the level of outcomes data that it needs to diversify its funding base with foundations. While it continues to collect data on school-wide changes in student attendance and test scores, it is currently seeking to simplify the volume of service delivery data it collects and to develop more sophisticated ways to measure the impact of CIS on students and families. It still feels like it has a ways to go to manage all its data and link outcomes with program effectiveness.