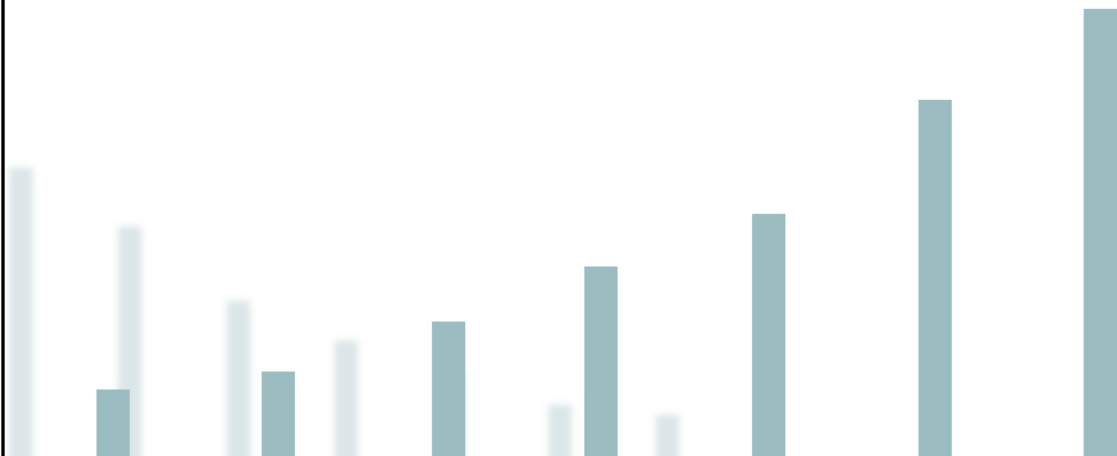


OCTOBER 2004

The East Bay Conservation Corps

Evolving the service model while maintaining a clear and consistent mission



Summary

The East Bay Conservation Corps has evolved its service model from building a conservation corps to running service-learning programs to operating a charter school. This programmatic growth has taken the organization in exciting new directions and opened up new revenue streams. But the change has also led the EBCC outside its original core competence and exposed it to the financial risk of relying heavily on government funding. The EBCC has recently begun to manage these risks by, among other things, bringing in a chief operating officer and a development director.

Organizational Snapshot

Organization: The East Bay Conservation Corps

Year founded: 1983

Headquarters: Oakland, California

Mission: “To promote youth development through environmental stewardship and community service and to further education reform and social change.”

Program: The EBCC’s diverse programs serve more than 4,000 children and youth ages 5 to 24 in San Francisco’s East Bay community. The EBCC’s flagship program, the Corpsmember Program, offers more than 400 youth ages 17 to 24 a meaningful education and on-the-job training through service-learning programs that focus on environmental stewardship and community service. The organization also runs the EBCC Charter School, with the high-school level of the school supporting corpsmembers in earning their high school diplomas or GEDs. Another EBCC program, Project YES (Youth Engaged in Service), provides school-based service-learning programming and teacher training for more than 1,000 Oakland public school students and teachers annually. The EBCC also hosts one of the largest AmeriCorps programs in the nation; the AmeriCorps Literacy Initiative provides one-on-one literacy tutoring in-class and after school to more than 1,300

students from Oakland's most disadvantaged neighborhoods and builds school-based gardens for hands-on learning. The EBCC's newest initiatives include the elementary level of the EBCC Charter School, which serves grades K-5 with a curriculum based on preparing children to be good citizens, and the Institute for Citizenship Education and Teacher Preparation, which is working to develop a national model for reinvesting public schools with their civic mission.

Size: \$10.8 million in revenue; 84 employees (as of 2003).

Revenue growth rate: Compound annual growth rate (1999-2003): 2 percent. Highest annual growth rate (1998-2002): 23 percent in 2001.

Funding sources: In 2003, government grants accounted for 44 percent of EBCC's revenue, government earned income (contracts) 30 percent, earned income from non-government sources 21 percent, foundations 4 percent and individual donations 1 percent.

Organizational structure: EBCC is a stand-alone 501(c)(3). It collaborates with several local, state, and national organizations including the National Association of Service and Conservation Corps in Washington, D.C.; the Kellogg Foundation's Learning in Deed Initiative; and the Carnegie Corporation funded Center for Information and Research on Civic Learning and Engagement.

Leadership: Joanna Lennon, founder and chief executive officer.

More information: www.ebcc-school.org

Key Milestones

- 1983: Established regional urban corps in California
- 1984: The National Association of Service and Conservation Corps (NASCC), with Lennon as founding board president, facilitated the creation of 110 local corps around the country

- 1985: Public/Private Ventures secured funding for the Urban Corps Expansion Project and used EBCC as a model for 17 more urban conservation corps throughout the nation
- 1988: Helped write and pass Assembly Bill 2020 (the Bottle Bill)
- 1989: Created Project YES
- 1990: Helped President George Bush create the National Community Service Act of 1990; received funding through this legislation to pilot national service
- 1993: Ran the largest Summer of Service program, piloting what would become AmeriCorps; was chosen by the California Department of Education's Cal Serve Initiative to provide service-learning technical assistance and training as one of two leadership programs in the state
- 1994: Expanded the management team; turned over the entire board, expanding its fundraising role
- 1996: Brought in its first development director
- 1998: Began national planning process to create charter schools, to help reinvest public schools with their civic mission
- 2000: Created the Institute for Citizenship
- 2001: Started the EBCC Charter School for grades K-4
- 2002: Expanded the EBCC Charter School to include the 5th grade
- 2003: Brought in Jensen as chief operating officer; launched the Urban Tree Mill, a micro-enterprise that provides internship opportunities to youth in the Corpsmember Program
- 2004: Achieved Excellence in Corps Operations (ECO) status from NASCC

Growth Story

Joanna Lennon founded the East Bay Conservation Corps in 1983 to give young adults a chance to learn civic responsibility through environmental and community service projects while furthering their education. The group is the oldest and largest regional conservation corps in California.

“We began as an organization that wanted to mix young people from diverse backgrounds and teach them how to be active and engaged citizens. Young people are resources who have a lot to offer,” says Lennon, chief executive officer of the EBCC. “When we opened here there were lines consistently out the door, and they were almost all African American males with low educational levels. As time went on, the EBCC increasingly served immigrants from Central and South America and Southeast Asia, as well as Native American youth. Kids came in and wanted to make money, but also wanted an education.”

The EBCC began as a summer demonstration project in Hayward, California under the fiscal responsibility of the YMCA. The EBCC gave service opportunities to 100 young people building trails and cleaning up parks while they learned to take responsibility for their own communities. Growth took off when the EBCC moved from Hayward to the present Oakland location in 1984 and incorporated into its own 501(c)(3) organization. The EBCC immediately was “flooded” with calls for workers, because, “We were a win-win for the agencies, both economically and socially,” Lennon says. As EBCC built its credibility, the projects it landed improved and grew.

The Corpsmember Program now is year-round, serving up to more than 400 disadvantaged 17- to 24-year-olds who are paid for conservation work, so long as they attend Friday and evening classes to earn their high school diploma or GED. Many corpsmembers start out in the program testing out as functionally illiterate, but advance three to four grade levels for every 50 hours of instruction.

The EBCC did not initially have a formal education capability, so Lennon set off across the country to identify successful programs which served kids in a capacity

that was competency-based rather than grade-level oriented. She found one program which had a competency-based framework and brought it back. The EBCC received a grant from the Mott Foundation to adapt this framework into the EBCC's model — a model that went on to become one of the leaders in the nation at successfully dealing with at-risk youth with diverse educational levels.

In 1984, Lennon served as the founding board president of the National Association of Service and Conservation Corps (NASCC) in Washington, D.C., and facilitated the creation of 110 corps around the country. In 1985, Public/Private Ventures, a Philadelphia-based policy group, secured funding for the Urban Corps Expansion Project, and chose the EBCC as the “best practices model” that informed the establishment of 17 more urban conservation corps throughout the country. In 1988, the EBCC was instrumental in helping pass Assembly Bill 2020 (the “Bottle Bill”) in the California legislature, which allocated millions of dollars a year to local conservation corps through a bottle and can redemption fund. The EBCC received \$2.2 million from the fund in its first year, a big jump in revenue from the program's humble beginnings.

The EBCC grew opportunistically, adding programming in response to the needs of the youth it worked with. “You could not tell me something couldn't get done, says Lennon. “I had a vision for what I thought was possible, and I could see where I was going. To work effectively with young people, you must develop a comprehensive program model. I knew to bring in the right people. But it was a steep learning curve.”

In 1989, Lennon created Project YES, which uses recycling and ecology to teach Oakland public school children about citizenship and leadership. Project YES came about because it had become evident to Lennon that the program could be more effective if the EBCC worked with younger children and focused on school reform.

“We started out wanting to be a program dedicated to helping diverse kids understand that they can and should become involved with civic issues and make a difference,” says Lennon. “It was to really build a corps of kids to understand that they have a role in our society. The education aspect [the GED program] flowed out of the corps program, but our initial education model wasn't enough. While

working with the kids, we learned about all the problems they were facing. We saw that we needed to help them at an even younger age. That was in large part the genesis for Project YES.”

In terms of evaluating program success, Lennon focused mostly on Project YES. “For Project YES, we’ve done longitudinal studies for years, a lot of it performed by outside evaluators from different organizations and universities,” she says. “As a result, we were really renowned for that work.” Project YES became a national model for education reform using service learning as the major teaching strategy. The EBCC formed a partnership with one California state university, Hayward, to train teachers using service learning to further academic skills.

In 1990, Lennon was actively involved in crafting and passing the National Community Service Act. In 1993, the EBCC developed and ran one of the largest AmeriCorps programs in the country, placing 280 college students in low-performing elementary schools in Oakland to work as tutors and mentors in in-school, after-school, and summer programs. “AmeriCorps came in, and enabled us to develop strategic partnerships with other organizations that focused on issues affecting children [health, safety, education, family], in addition to the focus on literacy.”

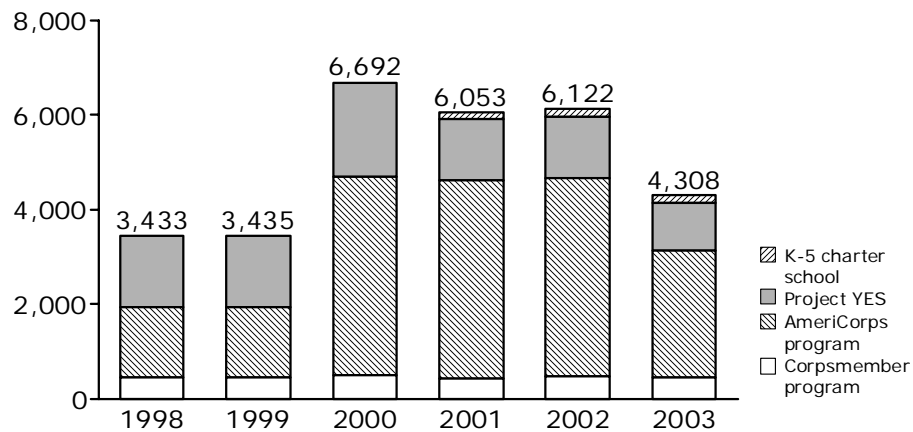
One of the latest program additions is the EBCC Charter School, which started in 1998 by convening national leaders to develop a new framework for reinvesting public education with its civic mission. Out of this framework grew a charter elementary school, which EBCC launched in Oakland in 2001. In 2003, it served 170 K-5 students, using the philosophy of “service learning” to integrate service, civic, and creative development into a full range of academic subjects. The EBCC plans to add a middle school and a high school over the next few years and then to take this model to scale. “In order to change how schools educate children, we must change the way teachers are trained,” says Lennon. The Institutes for Citizenship Education and Teacher Preparation came out of this idea. The Institute now partners with five universities to add service learning to the way teachers are trained.

“The charter school law was passed in the state of California, and I started thinking to myself, ‘What if we could control the initial variables?’” says Lennon. “What if we

could work with younger children before things got really bad? So the school came about quite naturally as a result. But we needed to think bigger and to develop a research assessment capability. Hence the Institute ... Even though we're local, everything we do is meant to be applicable and replicable nationally." The growth in program participants is shown in Figure 1.

Figure 1

Number of youth served by EBCC



Source: Organization internal data

Lennon's work was recognized in 2002, when she was named the recipient of the Peter E. Haas Public Service Award, a \$40,000 grant given annually to a UC Berkeley graduate who has made a significant contribution to social change. Lennon summed up her service-learning education philosophy in her acceptance speech. "Let kids address real needs in their communities at an early age," she said. "Connect this service back to the academics in the classroom. Kids will understand why they are learning what they are learning."

Lennon never foresaw the organization's evolution from a conservation corps to a charter school. "It wasn't all planned from the beginning; it was organic," she says. "If I knew then what I know now, I would have started with the charter school. It's more cost efficient, and probably more effective."

The complexity of running a school has been monumental. “The last two years have been great but difficult,” Lennon says. Still, she thinks the EBCC grew at the right pace. “You have windows of opportunity, and if you don’t open them, you will miss out.”

There is a common thread between all the programs that make up EBCC, says Janice Jensen, chief operating officer: “If you distill everything down, we’re an education organization. That is the common thread, the common denominator.”

CONFIGURATION

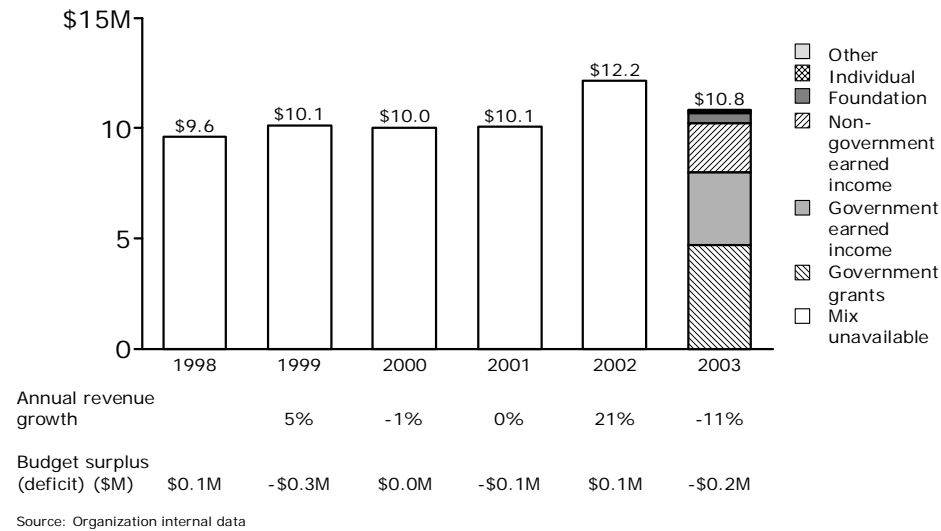
EBCC is a stand-alone 501(c)(3). Early on, Lennon worked to spread the concept of service learning across the country through her work as founding board president of the National Association of Service and Conservation Corps; a founder of the Alliance for Service Learning and Education Reform; a steering committee member of the National Service Learning Partnership; and as the founding board president of Youth Service California. The EBCC served as a model for the service-learning programs of many other conservation corps programs, as well as schools and other community-based organizations. Through its Institute, the EBCC is collaborating with other service-learning organizations and universities, and working to disseminate best practices around the county.

CAPITAL

When the EBCC first began developing ways to finance the organization, it saw an opportunity for an earned-income stream. In its first year, municipal agencies paid for participants’ salaries, and the EBCC was able to supplement that funding with foundation and government funding. Since that time, the EBCC has continued using government grants (44 percent in 2003) and earned income via contracts (51 percent) as its primary funding sources, with foundations (4 percent) and individual donations (1 percent) rounding out the picture (see Figure 2).

Figure 2

EBCC revenue



The emphasis on service-learning led to increased funding for new programs and organic program growth as the needs of young people and the capabilities of the EBCC evolved, she says. “[In the early years] we grew because the contracts continued to grow each year, and because we kept expanding into new projects that brought their own money,” says Lennon. “And we eventually hired a grant writer; then we ran the largest Summer of Service program in the country, which became the pilot and model for AmeriCorps. That was the most fun, the most exciting time. We were hot; we had 250 of the smartest young people in the country. When AmeriCorps came on, it got even better.”

A diversity of government funding sources has propelled the EBCC. In addition to becoming a line-item through legislation like the Bottle Bill in California, the EBCC worked to gain access to AmeriCorps money. The EBCC has become one of the largest recipients of AmeriCorps funding in California and the nation. Recently, however, the organization has experienced the downside of government money, as it suffered when AmeriCorps cuts led to a funding loss of \$3 million between 2002 and 2003.

“We downsized considerably when that cut happened,” says COO Janice Jensen. “We cut the number of staff, benefits, offered no raises, but we did not cut students or beneficiaries, with the exception of AmeriCorps, of course. To some extent we had planned for this cut. We even came up with an alternative budget ahead of time, knowing the cut could come, and shared that with our board. But I think that our general morale and the insecurity level of the staff are worse this year than it’s ever been before, in large part because of AmeriCorps, but also because of the continued downturn in the economy, and the fact that many of our other funding sources have not been coming through for us. We’ve been getting hit from every corner.” After suffering through the government funding cuts, the EBCC is committed to creating a reserve.

Once the EBCC built a charter school, its funding mix became more complicated. The EBCC initially had difficulty matching its funding sources with its expenses, in large part because the school opened seven days before September 11, 2001. However, the school has broken even and is starting to bring in new money to the EBCC.

“There are two major things in hindsight we could have done initially years ago,” says Jensen. “First, coming up with a strongly articulated funding plan for the new school. They had something when they were planning it, but it wasn’t on paper, and it depended a lot on soft money [from sources that had not been confirmed]. The second thing is reserves ... This would be a perfect case study for the need for reserves.”

An earned-income stream has been a long-term funding source for the EBCC. The EBCC grew as it was able to add more earned income contracts with local municipalities like parks and schools. But since this earned income comes largely from municipal government budgets, it can be variable from year to year.

To supplement the government and earned-income funding stream, Lennon has developed strong relationships with funders like the Haas, Walton, and Surdna foundations. The EBCC’s foundation funders are not only financiers, but also advisors, providing needed counsel and organizational coaching when needed. The foundation funding largely is used for organizational capacity building, funding everything from specific hires and programs to paying for strategic consulting.

But Lennon worries that foundations' desire to fund replication gets in the way of supporting the kind of planning needed for success. "Everyone wants to fund replication, and I'm looking around and most of it's not going to work," she says. "It's a crapshoot. In my mind, you haven't built the base. I've seen it over and over again. I want to grow in a way that has been planned and is well thought out."

CAPABILITIES

Initially, the EBCC's staff consisted of educators and resource management staff whom Lennon hired when she started the organization. "As is typical in most organizations, programs come first, and you add the non-program people last, out of necessity," says Jensen. "But in order to have strong programs, you eventually need strong infrastructure. Not bloated, but strong. We used to be a small grassroots organization, a mom-and-pop organization, but we got big and needed to become more professional, more institutional. That has been tough."

A funder paid to expand the organization's professional staff in 1994. The Haas Foundation inspired Lennon to write down what was in her head. She produced a document called "The Vision from the Leading Edge," which outlined what EBCC would do if there was unlimited funding. The foundation responded by giving her \$75,000 to hire new people and "not do everything" anymore.

The EBCC tried hard to professionalize the organization. They hired a chief financial officer and a development director to help build a solid infrastructure. But Lennon was still responsible for much of the day-to-day operations as well as the vision and design of new programs.

In 2003, Janice Jensen was brought on as COO to free up Lennon's time. Although other staff had been added before then, such as in IT, human resources, and finance, this staff previously was all reporting to Lennon, which limited their effectiveness.

Before Jensen, there was a chief financial officer who ran the organization day-to-day while Lennon focused on development and program design. "We had an early

CFO who was too ‘corporate’ and just didn’t fit in to the organization,” Lennon recalls.

“The board for a few years wanted a COO, to get [Lennon] out of the day-to-day, and instead have her do CEO stuff,” says Jensen. “Intellectually, she was absolutely with the board on that. But that is very difficult with founders. It’s tough to let go.”

When Jensen arrived, she says she saw a need for many changes. “This organization is known for its programs, but its systems and processes were in disarray just a year ago,” she says. “I knew when I came in here that we needed to do some cleaning. The infrastructure simply had not grown with the rest of the organization.” For instance, there was a donor database, “but nobody used it.”

“When I arrived here, I asked for the strategic plan and they didn’t know where it was,” says Jensen. “There was one from 2000, but no one really used it. One of the reasons why the strategic plan of 2000 failed was because it wasn’t very well broken-down — there was no accountability.”

The current strategic plan now includes individual department plans that will soon be implemented across the organization. “People at first were resistant to the idea, mostly because they’d never done that before,” Jensen says. “Now we can soon go in and create individual performance reviews.”

Another key capability challenge over the past five years has been transitioning the board from a governing board to a fundraising board. In the early days of the organization, the first phase of the board consisted of a group of people who helped her sign paperwork to become an official nonprofit. In the second phase of board development between 1984 and 1994, Lennon chose influential people to join the board, especially those with strong government and legislative contacts, but they weren’t focused on the internal operations of the organization. These connections paid off with the success of the Bottle Bill in the California Legislature. Lennon did not ask the board to do any major fundraising or advising. “I just wanted people to open doors,” she says. “They never gave a dime. It was all me building relationships, and using those relationships to build on one another. I didn’t know to use the board for fundraising.”

In 1994, when an external consultant was brought in, the EBCC decided to change the role of the board. “At this time the board decided they were no longer the best board,” Lennon says. More professionals were brought in, who helped sketch out the ideal board. As a result, the entire board voluntarily retired so that the EBCC could start anew. “I no longer dominate them,” says Lennon. “I needed a board that was more than just a name, that had ideas, that wanted to get involved, that could raise money.”

“I think our board is beginning to coalesce and work together,” says Jensen. “There are two camps — the educators and the businesspeople. A lot of times they come to things from very different viewpoints. The board really needs to be developed in order to help with the strategic planning process. The strategic plan we just recently had them approve was an example of the staff and board really working together for the first time.”

Key Insights

- **Leveraging government funding.** The EBCC was able to create its own growth opportunities, mastering the legislative process in particular to fund its organization. This success has come with high variability in revenues during times of budget cuts. A fee-for-service model has been strong, but even this is difficult to sustain over time, as city agencies drop the program during hard times. The organization is looking at building reserves and being more methodical in its fundraising planning and diversification goals.
- **Bringing on operational leadership.** The founder has driven the growth of the EBCC, but now that the organization is larger and its programs more diverse and complex, it has needed an experienced operations person to take over day-to-day. After a few false starts, the EBCC seems to have found its COO.
- **Evolving programmatically.** The EBCC has grown by adding new programs and moving away from old ones. This method of growth seems to be working out, but it has caused organizational and financial stress.