

This document is a slightly updated version of the 3-year business plan that was submitted to the Social Impact Exchange Business Plan Competition in April 2013.

Center for Supportive Schools (CSS)

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A. Executive Summary

In the United States today, a student drops out of high school every 26 seconds. That amounts to over 7,000 students each day and 1.2 million each year. Often the root causes of student drop out are disengagement and disconnection. By the time they are in high school, as many as 40 to 60 percent of all students—urban, suburban and rural—are “chronically disengaged” from school. And although it has been shown that 9th grade is a critical year for intervention, there is today a profound weakness in the supports provided to students during this transition into high school.

Founded in 1988, the Center for Supportive Schools (CSS) has a 25-year history of developing, disseminating, and promoting peer leadership, advisory, and other evidence-based K-12 solutions that enable and inspire schools to more fully engage students in learning, better connect students to their schools, motivate and equip students to make decisions responsibly, and accelerate academic achievement. CSS is one of the few organizations nationally focused on improved social and emotional learning that has a proven track record of significant academic impacts on students, educators, and schools.

CSS’s seminal peer leadership solution, Peer Group Connection (PGC), is an evidence-based and school-based program that supports and eases students’ transition from middle to high school by tapping into the power of older students to create a nurturing environment for incoming freshmen. Rigorous research studies have found that PGC increases graduation rates; instills academic, social, and emotional skills; improves academic achievement; reduces discipline referrals; and leads to avoidance of high-risk behaviors for transitioning freshmen participants. PGC has enabled its partner schools in urban, suburban, and rural communities to achieve these results at a cost per student lower than other transition programs. For example, a federally funded, four-year longitudinal, randomized-control study found, among other major results, that PGC improves the graduation rates of 9th grade student participants by 10% and reduces the number of male students who would otherwise drop out by 50%. Implemented in 200 high schools since 1988, nationally and internationally, PGC impacts the lives of 21,000 students annually.

Building upon its success and driven by its vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work, active citizenship, and personal fulfillment, CSS plans to widen and deepen its national impact over the next 3 years. Key to achieving this increased impact will be the expansion of our highly effective, evidence-based and low-cost PGC solution. Currently operating in 140 schools nationally, serving 21,000 students per year (including 9th grade mentees and upperclassmen peer leaders) – CSS will look to expand its PGC program to 106 additional high schools across 7 geographic locations, reaching a total of 246 schools and 36,900 students each year by FY 2016. Growing the PGC program includes deepening its presence in our current 5 regions (Baltimore, Delaware, New Jersey, New York City, and North Carolina), and expanding its operations into 2 new geographies. Over the next 3 years, CSS will work to expand the network of PGC schools within each currently operating region while strategically clustering PGC programming in targeted new regions within the United States, thereby increasing its impact substantially.

To support its vision for increased impact, CSS has (1) reorganized its operations to create a National Growth Strategy Team and (2) developed a detailed growth plan for the next 3 years, outlining the key initiatives and timeline for growth, as well as the fund development and marketing strategies for expansion. CSS will need a total of \$9.7M over the next 3 years to fund

its PGC program expansion and develop its infrastructure and capacity for growth. CSS plans to raise \$5.8M through a combination of fee-for-service earned revenue (through regional PGC teams), state and federal grants, and philanthropy. CSS seeks the remaining \$3.9M in Growth Capital over the next 3 years to help contribute to the planned expansion of PGC and to build our capacity and infrastructure by:

- **Building a data management system:** We will build a data management system to manage and capture ongoing PGC impact data from all of our partner schools and other data critical to informing our operational practices.
- **Creating a technology infrastructure to enhance our solutions:** We will leverage technology to improve product dissemination, improve product feedback mechanisms, and strengthen the PGC participant network.
- **Developing a nationally-recognized PGC certification system:** We will develop a certification system designed to promote ongoing fidelity to and recognition of the PGC model.
- **Hiring additional fund and business development staff, marketing staff, and a PR firm:** Additional fund development and marketing staff will be critical to drive PGC expansion nationally and regionally. We will also engage a PR firm to support national marketing efforts.

These key infrastructure and capacity building activities will not only support the expansion of PGC over the next 3 years, but will position PGC for more explosive growth in subsequent years.

B. Industry and Market Analysis

Market context and need (the “problem”)

The dropout rates in the high schools across the United States represent an increasingly alarming challenge. Today, a student drops out of high school every 26 seconds. That results in over 7,000 students dropping out each day and 1.2 million each year. Compared to their peers that receive a high school diploma, individuals who drop out are twice as likely to live in poverty, three times as likely to be unemployed, and eight times as likely to go to prison. Individual communities - and our nation as a whole - suffer from the dropout epidemic due to the loss of productive workers and the higher costs associated with increased incarceration, health care, and social services. Often the root causes of student drop out are disengagement and disconnection. By the time they are in high school, as many as 40 to 60 percent of all students—urban, suburban and rural—are “chronically disengaged” from school (Blum, 2005). Low income youth in particular are even more likely to feel uninspired, disconnected, even alienated at school. Furthermore, with particularly devastating consequences for low income students, too many students are unequipped with the social and emotional skills and behaviors they need to succeed, contributing even further to unacceptably low rates of high school and college completion. In 2009, the high school dropout rate for low-income students was five times greater than their high income counterparts. Those who drop out are far more likely than their peers who graduate to live in poverty, be unemployed, receive public assistance, be in prison, be single parents, and be parents of children who drop out themselves. Even those students who complete high school and enter college too often do not earn their bachelor degrees, an increasingly crucial qualification in today’s world. As a result, whole segments of our youth are denied participation up to their potential in our economy, our culture, and our society.

Research consistently demonstrates that students are most vulnerable for dropping out of school during and immediately following their first year of high school (Cohen & Smerdon, 2009). In the landmark 2006 study *The Silent Epidemic: Perspectives of High School Dropouts*, 71% of high school dropouts said they lost interest in school in the 9th and 10th grades (Bridgeland, DiIulio, & Morison, 2006). The transition into high school is often marked by declines in school attendance, academic achievement, motivation, school attachment; and increases in discipline problems (Isakson & Jarvis, 1999). This transition also often marks the beginning of a number of problem behaviors including substance use, aggressive and violent behavior, and high-risk sexual behavior (Graber & Brooks-Gunn, 1996). Academically, more students fail 9th grade than any other grade (Kennedy & Monrad, 2007) and promotion rates between 9th and 10th grade are much lower than rates between other grades (Wheelock & Miao, 2005).

A study of national public school enrollment patterns shows that there is a sharp increase in the number of students enrolled in 9th grade over the last 30 years, a phenomenon known as the *9th grade bulge*, indicating that an increasing number of students are retained (forced to repeat 9th grade for a second year). In addition, the rate at which students disappear between 9th and 10th grade has tripled over the same time period, contributing to the *10th grade dip* (Haney, Madaus, Abrams, Wheelock, Miao & Gruia, 2004). While it is clear that the 9th grade is a critical target year to stem student drop out, there remains a profound weakness in the supports provided to students during this transition into high school. This is despite the fact that it has been demonstrated that students enrolled in effective high school transition programs have the lowest dropout rates (Hertzog & Morgan, 1999).

Effective transition programs are defined as those that: (a) support and guide students throughout the transition, not as a one-time event; (b) provide students with mentoring and opportunities to develop positive relationships with older students and other incoming students; and (c) develop a school climate that is supportive and nurturing (Hertzog & Morgan, 1999; Holland & Mazzoli, 2001; NASSP, 2005). Peer Group Connection (PGC)'s design incorporates all three of these elements, intensively focusing on the middle to high school transition, to help transform this period of heightened vulnerability into one of significant opportunity to prevent the potentially devastating personal and societal consequences of high school dropout.

Current and projected demand (including ease of market entry)

The number of students enrolled in 9th grade has sharply increased over the last 30 years. Today, there are approximately 4 million 9th graders enrolled nationally, and yet only 78% will graduate high school within four years. (In a PGC partner school, graduation rates are typically below 78%). Both national data and CSS's experiences demonstrate that: (a) demand for PGC in current geographies is acute and growing, and (b) the projected demand in other geographies is equally strong. Given the strong evidence that 9th grade is a critical moment in students' academic lives to target with transition supports, the high school market is demanding a solution that will help students transition to high school successfully and enable them to advance to graduation. Further, schools are increasingly recognizing that social and emotional learning positively impacts student outcomes and helps to create a positive school environment. With budgets tightening each year, schools increasingly see peer-to-peer mentoring as a cost-effective way to utilize existing resources to develop critical 9th grade transition supports, social and emotional learning, and a positive climate and culture.

Current Demand

Though PGC programs have been established in schools across 13 states and internationally over the past 25 years, CSS actively delivers PGC through offices in two main geographies: *New Jersey* and *North Carolina*. Building on the national trends and PGC's success to date, both of these regions have experienced recent, significant growth.

- *New Jersey*: Over the past 3 years, there has been a 34% increase in the number of schools that have hired CSS to implement PGC.
- *North Carolina*: Since 2009, the number of youth served by PGC in rural communities of North Carolina has tripled.

Additionally, over the past 2 years, PGC has expanded into 3 new locations: *New York City*, *Baltimore*, and *Delaware*. This growth has been driven by an expansion in our outreach efforts and an increasing understanding among leaders of schools and school districts that creating a positive school environments impacts student academic achievement and other outcomes.

- *New York City*: PGC served its first two NYC public schools during the 2011-2012 school year and is currently serving a total of 9 NYC public schools, with demand for more services continuing. Over the past three years, revenue in New York City has grown from \$0 to \$550,000.
- *Baltimore and Delaware*: Following a one-year fund development and marketing effort, PGC is now implemented in 3 schools in Baltimore and 1 new school in Delaware, with demand for more services continuing. Between the two locations, revenue has grown from \$0 in 2012 to \$635,000 between FY2012 and FY2013.

These indicators not only speak to the growing market demand for PGC but also to CSS's ability to substantially leverage PGC demand in new markets.

Projected Demand

In addition to projected growth in PGC's main geographies (NJ and NC), recent experiences indicate strong demand in its newly launched sites (NYC, Baltimore, and DE).

- Recent information sessions in NYC, Baltimore, and Delaware attracted a total of over 40 schools and resulted in requests for follow up meetings in almost all cases with school leaders who want to explore working together to implement PGC.
- In New York City, CSS is currently in conversations with the NYCDOE to bring PGC to up to an additional 10 schools for the 2013-14 school year.
- Also in New York City, CSS is currently in conversations with Mayor Bloomberg's Interagency Task Force on Truancy, Chronic Absenteeism, and School Engagement to develop implementation strategies to bring PGC to many more NYC public high schools and schools in other major cities across the United States over the next 5-10 years.

These developments indicate that demand for the PGC program over the next 3 years will continue to increase in our active geographic locations (NJ, NC, NYC, Baltimore, and DE).

Ease of Market Entry

The PGC program is uniquely positioned to enter new markets quickly and effectively due to its minimal start-up requirements, cost-effective and sustainable design, and effective product differentiation. These features make PGC a highly compelling offering.

- *Minimal Start-Up Requirements*: PGC **utilizes existing, school-based resources**. The human resources needed to effectively run the PGC program already exist within a school – namely,

the school staff who will teach the peer leadership class and the older students who will serve as peer leaders (11th or 12th graders) supporting freshmen through their challenging transition into high school.

- *Cost-effective and Sustainable Design:* A school implementing PGC is able to provide support all of their 9th grade students without hiring additional school-based support staff, enlisting other outside support agencies, or incurring significant financial and other costs that would otherwise be required to be able to provide and sustain this type of support at scale. This design not only makes PGC **cost-effective** but contributes to its **sustainability**. PGC's trainings and technical assistance establish the internal school-based infrastructure necessary to support the program and to equip schools with the knowledge and skills to sustain the program in perpetuity. The costs associated with CSS services to implement PGC are *one-time-only costs*: a standard fee (approximately \$60,000 - \$85,000 depending on the size of a school) that covers the complete provision of training, curriculum, and technical assistance over an 18 month period. To date, approximately 70% of schools that have implemented PGC within the past 20 years continue to run the program successfully, independent of ongoing support from CSS. Though minimal annual school funding (up to \$5,000) is required to support PGC events, such as peer leader retreats and family night events, CSS works with our school partners to develop long-term sustainability plans for how to cover these annual costs. This model, intentionally designed to be incorporated into the ongoing fabric of partner schools, makes the program an attractive investment for education-focused funders, districts, and schools.
- *Product Differentiation:* PGC **offers a structured curriculum and comprehensive training**. Unlike many school-based mentoring and leadership programs, PGC includes a relevant, rigorous, detailed, and robust curriculum to guide what takes place during each day of both the peer leadership course and the outreach sessions that 11th and 12th grade peer leaders conduct with freshmen, providing a critical tool to support fidelity and sustainability. This curriculum and training has been refined over the past 25 years and has been proven effective in creating positive student outcomes.

Ecosystem analysis (competitors, partners, and policy levers)

Competitors

There is a broad range of organizations nationally whose programs focus on drop-out prevention, 9th grade transition, and/or youth development. There are also several that incorporate a focus on social and emotional learning (SEL). These programs tend to be delivered through the following models:

- **Direct service:** Many organizations utilize trained volunteers or paid staff to provide direct services to students. *Weaknesses:* This type of service relies on the continuing involvement of the organization within the school community. If circumstances arise where a school can no longer afford to or otherwise partner with a direct service organization, the continued implementation of programming ends with the organization's departure.
- **Home-grown programs:** Many schools choose to develop and implement home-grown programs utilizing existing school staff. *Weaknesses:* These programs often require significant development time that school staff may not have time to dedicate given their existing responsibilities. As a result, programs are often implemented with minimal training for the adults and/or students involved and without a structured curriculum. In many cases, this situation leads to frustration on the part of program participants, which in turn leads to

disintegration of the program over time. In addition, these home-grown programs are often developed as an add-on to the school day (before school, after school, etc.), rather than integrated into the school schedule, which jeopardizes the program’s sustainability.

In contrast to both of these types of service offerings, PGC is intentionally designed to be incorporated into the ongoing fabric of partner schools. It utilizes existing resources (school staff, peer leaders), and includes explicit capacity-building strategies: (1) PGC establishes *stakeholder teams* which ensure that the program has a broad base of support; (2) PGC is *integrated into the school day* and not offered as an add-on program; and (3) the costs associated with PGC’s training and support are *one-time-only costs* (see description of these costs above). CSS has yet to identify any other intervention strategies that focus on dropout prevention, social and emotional learning, and youth development that are competitive with this sustainable and cost-effective model. In a 2007 report, Dr. Levin of Columbia University described five separate drop-out prevention interventions¹ and calculated the cost per expected high school graduate for each. The total cost per expected high school graduate of these five interventions ranged from \$59,100 to \$143,600. In sharp contrast, the total cost per expected high school graduate of the PGC program is approximately \$500 per student in the first year of implementation. This cost drops to approximately \$40 per student starting in year 2 and every year thereafter (*see more information on program costs in the financial section*).

One program found to be the most similar to PGC is the Boomerang Project², a peer leadership program focused on high school transition that operates in some of the same geographies as PGC. Although comparable in some respects, PGC has several competitive advantages, as outlined below.

Program Feature	Boomerang	PGC	PGC Competitive Advantage
Freshmen Program Exposure	5 academic outreaches during a school year	Weekly outreaches during a school year	More frequent program exposure
Content Coverage	Outreaches focuses on five content areas	34 outreaches focus on a wide range of content areas	Broader and deeper learning of key academic and social/emotional skills
Program Advisor and Coordinator Training	School program trainers and coordinators receive a total of 4 training days	Program advisors and coordinators all receive a total of 11 training days	A training experience almost three times more intensive ensures that program staff are fully equipped to sustain the program in subsequent school years
Peer Leader Training	Peer leader training occurs for a total of 10 hours at the beginning of the school year	Peer leader training occurs during a daily peer leadership course for the duration of the school year	Peer leaders have the opportunity to grow as leaders with continuous support and training
Stakeholder Team Development	Does not include building stakeholder team	Establishes stakeholder team to support program implementation and sustainability	By building a school-based support team, PGC has an effective infrastructure for sustainability

¹ The five types of programs included: First Things First; Chicago child-parent center program; teacher salary increase; Perry preschool program; and class size reduction

² <http://www.boomerangproject.com/about>

Overall, CSS is one of the few organizations nationally focused on improved social and emotional learning (SEL) that has a proven track record of significant academic and behavioral impacts on students, educators, and schools. Further, CSS is not aware of other programs that build the capacity of schools to implement and institutionalize an evidence-based and school-based peer group mentoring model. The combination of PGC's focus on 9th grade transition, rigorous training and structured curriculum, cost effective and sustainable model (designed to be incorporated into the ongoing fabric of a school), and focus on improved SEL, makes the PGC solution quite unique.

Partners

Partnerships play a critical role in PGC's expansion within both current geographies and new geographies. CSS has successfully formed partnerships with government agencies, philanthropic foundations, corporations, and other non-profit organizations in each of the regions where we currently operate (NJ, NC, NYC, Baltimore, and DE). Some examples of specific partners in these locations include: the New Jersey Department of Education; the New Jersey Department of Human Services; the New Jersey Department of Health; the New Jersey Alliance for Social, Emotional, and Character Development; The Center for Alcohol Studies at Rutgers, The State University of New Jersey; and the New Jersey Psychological Association Foundation (NJ); Tyco (NJ); Provident Bank (NJ); as well as the Johns Hopkins Bloomberg School of Public Health (MD); the New York City Department of Education (NYC); the Mayor's Interagency Task Force on Truancy, Chronic Absenteeism, and School Engagement (NYC); the North Carolina Department of Public Instruction and Healthy Schools (NC), and many others..

Policy Levers

The national education community is increasingly recognizing the need to focus on the social and emotional development of students as a necessary condition for maximizing academic achievement, based on extensive research that shows the causal relationship between school culture and climate and student achievement (DiStefano, Monrad, May, McGuinness, & Dickenson, 2007; Greenberg, 2004; Sebring, Allensworth, Bryk, Easton, Luppescu, 2006; Monrad, May, DiStefano, Smith, Gay, Mindrila, Gareau, & Rawls, 2008). Policy makers at the state and federal level are beginning to take notice of this evidence as well. For example, there is a growing prevalence of state-wide annual surveys of school culture and climate. At the national level, in 2011 for the first time a bill was introduced (the Academic, Social, and Emotional Learning Act of 2011, HR 2437) to expand the availability of programs nationally that enhance students' social competence and make the learning environment safer, more engaging, and more caring. The bill was not enacted, but the content of the bill is likely to be reconsidered as a part of the reauthorization of the Early and Secondary Education Act (ESEA). In addition, the Obama Administration is proposing a new, \$50 million initiative to help 8,000 more schools train their teachers and other school staff to implement evidenced-based strategies to improve school climate. The administration has also committed to developing a school climate survey to provide reliable data to help schools implement policies to improve climate. This increased activity related to instituting policies and programs focused on improving school environments is evidence that educational and political leaders at the state and national level are recognizing the importance of school programs that address students' social and emotional development. All of this bodes well for programs such as PGC, which is grounded in research demonstrating that a positive school culture and climate is a prerequisite for students' academic success. Further, as national organizations focused on school culture and climate improvement, such as the

Collaborative for Academic, Social, and Emotional Learning (CASEL), National School Climate Center (NSCC) and the Character Education Partnership (CEP), gain a greater voice influencing education policy, CSS expects legislative policies to create even more receptivity to PGC in schools and districts across the country.

C. Strategy and Theory of Change (the “solution”)

Description of Organization and Mission

Founded in 1988, the Center for Supportive Schools (CSS) has a 25-year history of developing, disseminating, and promoting peer leadership, advisory, and other evidence-based K-12 solutions that enable and inspire schools to more fully engage students in learning, better connect students to their schools, motivate and equip students to make decisions responsibly, and accelerate academic achievement. CSS is one of the few organizations nationally focused on improved social and emotional learning that has a proven track record of significant academic impacts on students, educators, and schools.

The staff and board include leaders in education, psychology, public health, law, public policy, research, and evaluation. CSS’s commitment and dedication have established its reputation of excellence in leadership training and educational innovation, and it has served over 300 schools across 13 states as well as in Asia and South America. Our solutions enable and inspire students to become more engaged learners; to develop positive social, emotional, and health behaviors; to navigate pivotal transitions; and address the overwhelming stresses of youth. These solutions are designed to take root within schools to help make a lasting, sustainable impact that persists long after CSS’s involvement. CSS accomplishes this by developing a strong stakeholder group within the school and then by working with school faculty and staff using an intensive train-the-trainer strategy, user-friendly curricula, and technical assistance. CSS offers a wide variety of student leadership, teacher leadership, family leadership, and other customized solutions. Through our work, we hope to achieve our vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work, active citizenship, and personal fulfillment.

Description of the Initiative Being Scaled/Expanded

CSS’s seminal peer leadership solution, Peer Group Connection (PGC), is an evidence-based and school-based program that supports and eases students’ transition from middle to high school by tapping into the power of older students to create a nurturing environment for incoming freshmen. Rigorous research studies have found that PGC increases graduation rates; instills academic, social, and emotional skills; improves academic achievement; reduces discipline referrals; and leads to avoidance of high-risk behaviors for transitioning freshmen participants. PGC has enabled its partner schools in urban, suburban, and rural communities to achieve these results at a cost per student lower than other transition programs. For example, a federally funded, four-year longitudinal, randomized-control study found, among other major results, that PGC improves the graduation rates of 9th grade student participants by 10% and reduces the number of male students who would otherwise drop out by 50%. Implemented in 200 high schools since 1988, nationally and internationally, PGC impacts the lives of 21,000 students annually.

Building upon its success and driven by its vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work,

active citizenship, and personal fulfillment, CSS plans to widen and deepen its national impact over the next 3 years by expanding the reach of our highly effective, evidence-based and low-cost PGC solution. PGC currently operates in 140 schools across the country, reaching approximately 21,000 students per year. Over the next 3 years, CSS plans to expand the PGC program to 106 additional high schools across 7 geographic locations (deepening our presence in the 5 regions where we currently operate – Baltimore, Delaware, New Jersey, New York City, and North Carolina – and expanding into 2 new geographies). This expansion will effectively increase our reach by 76% to serve 246 schools and 36,900 students (including 9th grade mentees and upperclassmen peer leaders) each year by FY2016.

How PGC Advances CSS's Theory of Change

CSS believes that enabling schools to more fully engage students and address their social and emotional learning will enable their academic growth and will result in decreased drop outs, improved behaviors, and better overall outcomes for students. PGC is a solution that can help schools achieve these outcomes. CSS's flagship program, PGC targets students during their transition to high school during their freshmen year, which represents a critical point to engage and connect with students to promote graduation and prevent dropping out. PGC helps create a safe, caring, well-managed, and participatory school environment for youth during the often too turbulent transition to high school by providing students with: 1) the safe and supportive environment they need to feel connected to school; and 2) instruction designed to improve skills, increase knowledge, and positively change attitudes related to self-awareness, self-management, relationships, and responsible decision-making.

Evidence of Outcomes/Impact To-Date

PGC has been rigorously evaluated by research organizations, universities, and independent evaluators and results consistently demonstrate that PGC improve students' academic, social, and emotional skills, resulting in: significantly lower dropout rates; improved grades; fewer discipline referrals; and avoidance of high-risk behaviors (*see full reports in Appendix C*).

Most recently, Rutgers University (funded by the US Department of Health and Human Services) conducted randomized, longitudinal studies of the impact of PGC program on 9th graders in an urban community in New Jersey. Ninth grade students from a low-income urban high school were randomly assigned to participate in either the program (n=94) or control group (n=175). Results show that the PGC program improved graduation rates of participants by 10 percentage points (77% of participants graduated compared to 67% in the control group). For male participants, graduation rates were improved by 18 percentage points (81% of participating males graduated compared to 63% in the control group), cutting by half the number of male students who would otherwise drop out. Further, the Rutgers studies showed that students who participated in PGC program in 9th grade demonstrated:

- **Higher grades** (participants had an overall grade point average that was 1.0 point higher than non-participants)
- **Fewer delinquent behaviors** (program participants had a 5% reduction in delinquent behaviors compared to non-participants)
- **Fewer instances of fighting** (participants had a 12% reduction in fighting incidents as compared to non-participants)
- **Greater academic self-efficacy** (program participants had a 7% reduction in low academic self-efficacy as compared to non-participants)

- Better ability to **control their temper** and utilize adaptive conflict resolution skills (program participants had an 11% increase in ability to control temper), and
- **Less substance use** (program participants had a 4% reduction in alcohol and other drug use compared to non-participants).

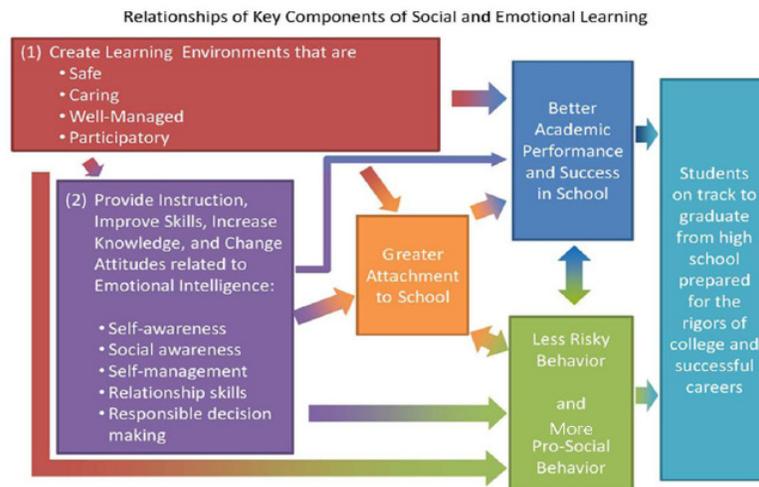
The Rutgers study also showed that PGC participants scored significantly higher than non-participants on their ability to: (a) resist peer pressure, (b) communicate with peers and adults, (c) complete academic tasks, and (d) make friends, as well as scoring higher on (e) self-assertion and (f) help-seeking behavior.

Additional studies by the Educational Testing Service (ETS), the Atlanta Public School District, and The William Penn Foundation (in collaboration with the Philadelphia School District) collectively demonstrate that – as compared to students who did not participate in PGC – 9th grade PGC participants demonstrated **higher grades, better attendance, and fewer discipline referrals**, all of which are essential for successful completion of high school.

Definition of Social Value Proposition (Causal Logic and Assumptions Behind Theory of Change; Differentiate Key Outputs, Outcomes and Impacts)

The logic behind CSS’s Theory of Change rests in Social and Emotional Learning (SEL) theories. These hold that less risky and more pro-social behaviors that support academic and other important school-related outcomes result from two inputs: (1) creating school environments that are safe, caring, well-managed, and participatory; and (2) providing instruction, improving skills, increasing knowledge, and changing attitudes related to self-awareness, social awareness, self-management, relationship skills, and responsible decision-making (see Figure 1 below). CSS’s PGC solution helps the critical transition to high school by focusing on providing these two critical inputs.

Figure 1: Relationships of Key Components of Social and Emotional Learning.

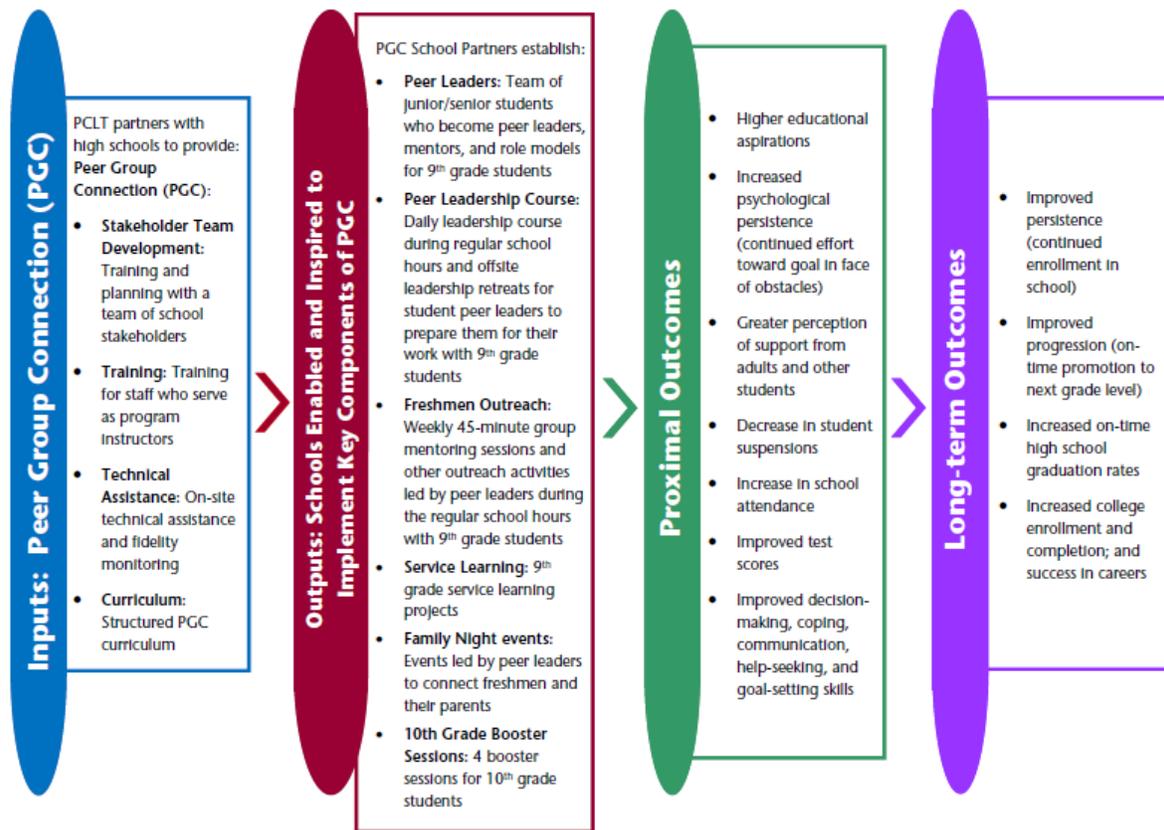


Adapted from <http://casel.org/why-it-matters/benefits-of-sel/logic-model/> accessed 7/30/2011

By providing these two key SEL inputs, the PGC program has led to improvements in students’ attachment to school, academic performance, social behaviors, graduation rates and preparation for post high school activities. PCG’s logic model (shown below in Figure 2) outlines the temporal and operational relationships between: *program inputs* (services and products provided

by CSS); *program outputs* (key components of PGC established in partnerships with schools); *proximal outcomes*; and *distal outcomes*.

Figure 2: PGC Logic Model.



D. Scaling Plan

Description of Scaling/Expansion Plan

Building upon its success and driven by its vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work, active citizenship, and personal fulfillment, CSS plans to widen and deepen its national impact over the next 3 years. Key to achieving this increased impact will be the expansion of our highly effective, evidence-based and low-cost PGC solution. Currently operating in 140 schools nationally, serving 21,000 students per year (including 9th grade mentees and upperclassmen peer leaders) – CSS will look to expand its PGC program to 106 additional high schools across 7 geographic locations, reaching a total of 246 schools and 36,900 students each year by FY 2016. Growing the PGC program includes deepening its presence in our current 5 regions (Baltimore, Delaware, New Jersey, New York City, and North Carolina), and expanding its operations into 2 new geographies. Over the next 3 years, CSS will work to expand the network of PGC schools within each currently operating region while strategically clustering PGC programming in targeted new regions within the United States, thereby increasing its impact substantially.

Strategy (Including Roll-Out/Implementation)

To achieve our targeted growth, CSS has (1) reorganized its operations to create a National Growth Team and (2) developed a growth strategy plan for the next 3 years. This planning has outlined the key initiatives and timeline for growth, as well as the fund development and marketing strategies for expansion. CSS will work strategically to build a concentration of PGC programming in targeted new regions within the United States each year, while continuing to expand the network of PGC schools within each currently operating region, thereby increasing its impact exponentially.

In order to expand the PGC program over the next 3 years to 106 additional high schools across 7 geographic locations, effectively increasing our reach by 76% to serve 246 and 36,900 children each year by FY2016, we plan to implement the following strategies:

- ***Scaling Deep:*** In order to scale impact, CSS will prioritize expansion in our current 5 geographic locations (NJ, NC, NYC, Baltimore, and DE) before expanding into new regions. Creating a strong community of PGC support in each growth location is critical to program sustainability and impact. Therefore, 94% (100 out of 106 new schools) of new PGC schools over the next 3 years will be in our current 5 locations.
- ***Scaling Wide:*** CSS will also be strategic in identifying and pursuing additional growth locations for the expansion of PGC. CSS intends to identify, using our site selection criteria (below), two new growth locations to target over the next 3 years. Boston, Chicago, D.C., Dallas, Denver, Las Vegas, Providence, and Seattle, are currently on our short-list of locations to consider based on a preliminary market assessment, interviews with educational organization leaders (including Wendy Kopp, CEO and Co-Founder of Teach for All and Founder and Chair of the Board of Teach for America; Richard Barth, CEO of KIPP; and Joe Williams, Executive Director for Democrats for Education Reform), and current relationships with potential funding organizations. In order to enter new geographic markets, we will seek two or more strategic funders (foundation(s) and/or school districts) interested in supporting the implementation of PGC at multiple schools (at least 3-5) simultaneously as a first point of entry. This initial market presence will be leveraged to increase PGC market penetration in subsequent years through a variety of marketing, communication, networking, and fund development strategies described in later sections.

New Site Selection

CSS has developed screening criteria to guide our assessment of all potential new PGC locations, which includes that each new PGC locale has:

- available multi-year, multi-school funding;
- administrators, other leadership, and the civic community place a high priority on the value of our solutions (ideological fit);
- policy makers; foundations; corporations; school, district, and state educational leaders; local community organizations, and other key local stakeholders who have strong relationships and/or partnerships with CSS;
- at least 400 high schools within a 3 hour drive time radius; and
- a political and educational environment that supports school-based reform

Rollout and Implementation

All of PGC’s program materials and delivery approaches are fully developed and have been refined over the past 25 years to ensure a streamlined and effective implementation for all school partners. Further, CSS’s implementation approach is intentionally designed to ensure that the PGC program is incorporated into the ongoing fabric of partner schools and districts. PGC takes root within schools and makes a lasting, sustainable impact that persists long after the 18-month period of training and support provided by CSS. The sustainability of PGC is enhanced by three key implementation strategies:

- **Stakeholder team development.** PGC begins with the assembly of a stakeholder team of administrators, faculty, parents, and/or community members who receive the training, tools, and resources necessary for them to meet regularly to plan for implementation of PGC, troubleshoot obstacles, fully integrate PGC with other existing programs in the school, and ensure the long-term growth and sustainability of PGC.
- **Train-the-trainer approach.** PGC utilizes the power of students to effect positive changes in schools. The school’s own faculty train and prepare 11th and 12th grade students for their roles as peer leaders who, in turn, train and support 9th graders. CSS trains faculty members in an intensive 11-day train-the-trainer course over 1 ½ years.
- **Integration into the school day.** PGC is a school-based program that is integrated into the school day, and not as an after-school or before-school program. This approach increases the likelihood that PGC becomes institutionalized as a central component of the school’s culture, and sustained over time.

The table below describes the typical PGC implementation schedule for a school partner.

YEAR ONE	
Timing	Milestones
Jan – May	Recruitment and enter into MOUs with partner schools. With funding secured for PGC implementation, CSS will ensure each partner schools signs an MOU, committing to implementing the program with fidelity and to sustaining the program in perpetuity.
May-June	Stakeholder institute. CSS conducts a half-day training to prepare a school-based team of key stakeholders to effectively launch PGC, including selecting faculty advisors. Faculty advisor orientation & peer leader selection. CSS conducts a full-day training for faculty advisors on various program specifics, including how to select peer leaders. Following this training, faculty advisors select peer leaders and work with administrators to schedule them into the peer leadership course.
July-Aug	4-day residential training. CSS conducts a 4-day residential training for faculty advisors and stakeholder team coordinators focused on organizational planning; teaching the peer leadership class; and experiencing, firsthand, the freshman outreach activities. Overnight retreat with peer leaders. Faculty advisors conduct a 3-day, 2-night overnight leadership training and team-building retreat with peer leaders. <i>Note: This retreat will take place the following year in July/August with a newly recruited cohort of peer leaders, but it does not appear again in this implementation timeline.</i>
Sept	Ongoing on-site visits. CSS conducts on-site visits throughout the year to observe either the peer leader class or outreach sessions and provide technical assistance, coaching, and support to advisors and stakeholders. Technical assistance via telephone and email is available as needed. <i>Note: These on-site visits take place twice each month throughout the entire school</i>

year, but do not appear again in this implementation timeline.

Daily peer leadership class and weekly outreach sessions. Faculty advisors begin team-teaching the daily peer leadership class of peer leaders. Peer leaders begin conducting weekly outreach sessions with freshmen. *Note: These daily peer leadership classes and weekly outreach sessions take place each week throughout the entire school year and in subsequent school years with future cohorts of peer leaders and freshmen, but do not appear again in this implementation timeline.*

Freshman Activity Day. Peer leaders work in teams of two to conduct activities with their small group of ninth grade students during a day-long Activity Day event. The event helps peer groups begin their year on the right foot by forming a cohesive peer group with support from their two peer leaders who will serve as year-long team leaders.

Nov-Dec **1-day follow-up faculty advisor training.** CSS conducts a 1-day training for faculty advisors to explore overcoming obstacles, enhancing facilitation skills, and preparing to host Family Night.

Fall Family Night event. Peer leaders, freshmen, and their families participate in an evening event focused on increasing parent-teen communication. *Note: This fall family night event will take place every year in Nov/Dec with a newly recruited cohort of peer leaders and new class of freshmen, but it does not appear again in this implementation timeline.*

YEAR TWO

Jan **3-day faculty advisor training.** CSS conducts a 3-day residential training for faculty advisors and stakeholder team coordinators focused on advanced facilitation skills; running community service activities; conducting a mid-year retreat and a second Family Night event; and planning and preparing for year 2 program implementation.

Mid-year peer leader retreat. Peer leaders participate in a 1-2 day retreat conducted by faculty advisors to reaffirm group connections, assess progress, and establish plans for the rest of the year. *Note: This mid-year peer leader retreat will take place every year in January with a newly recruited cohort of peer leaders, but it does not appear again in this implementation timeline.*

March-April **1-day follow-up faculty advisor training.** CSS conducts a 1-day training for faculty advisors to explore selecting peer leaders for the following school year, facilitating closure for the current year's peer leaders and freshmen, and planning and preparing for service learning.

Service learning. Over the course of 6-8 weeks, peer leaders lead their peer groups through a series of structured activities that result in community-based service learning projects. *Note: This service learning will take place every year in March/April with a newly recruited cohort of peer leaders and freshmen, but it does not appear again in this implementation timeline.*

May-June **Spring Family Night Event.** Peer leaders, freshmen, and their families participate in an evening event focused on showcasing community service projects. *Note: This spring family night event will take place every year in May/June with a newly recruited cohort of peer leaders and new class of freshmen, but it does not appear again in this implementation timeline.*

End of Year Technical Assistance Meeting: CSS conducts an on-site visit with faculty advisors and stakeholders to summarize the progress made over the past school year and the challenges that remain and develop an action plan for the coming school year.

Oct/Nov **1-day follow-up faculty advisor training.** CSS conducts a 1-day training conference focused on overcoming program obstacles, enhancing facilitation skills, and preparing to implement booster sessions.

Nov	<p>Booster sessions for 10th graders. Peer leaders conduct activities with 10th grade students who participated in PGC as freshmen the previous year that reinforce the learning from freshmen outreach sessions and continue to engage students in setting and achieving goals.</p> <p><i>Note: These booster sessions also take place in January, March, and May and four times in each subsequent school year, but they do not appear again in the implementation timeline.</i></p>
Dec and Beyond	<p>School continues PGC independent of ongoing CSS support</p>

Target Customers and/or Beneficiaries

PGC’s **customers** include departments of education, school districts, and individual high schools within high-need communities, marked by low socio-economic status, low graduation rates (below 80%), high rates of absenteeism, poor academic performance, and high rates of disciplinary incidents. The primary **beneficiaries** of PGC include:

- **9th grade outreach participants:** Freshmen students are the primary target beneficiaries of PGC as they receive from upperclassmen peer leaders support in their transition to high school. Peer leaders lead freshmen in weekly engaging, hands-on activities and simulations in supportive environments (peer groups) that enable them to practice essential academic, social, and emotional skills, such as critical thinking, goal setting, decision-making, time management, teamwork and communication.
- **Junior and senior peer leaders:** As peer leaders, juniors and seniors learn critical leadership, group facilitation, conflict resolution, and communication skills through their daily leadership development class and through their facilitation of weekly freshmen outreach sessions where they serve as positive role models and mentors for ninth graders.
- **10th grade students:** 10th grade students who participated in PGC as freshmen the previous year receive booster sessions led by the junior/senior peer leaders. The 10th graders participate in four (4) sessions throughout the year that reinforce the learning from freshmen outreach sessions and that continue to engage students in setting and achieving goals.
- **Program advisors:** Selected faculty members participate in an 11-day intensive train-the-trainer course over a 1½-year period to learn how to run the program and teach the daily leadership course. Through this training, the faculty advisors learn teaching and facilitation strategies that they not only apply in the Peer Leadership class but in their other professional roles within the school.
- **Parents:** Freshmen parents participate in family night events, led by the junior/senior peer leaders, which help them to better connect with their children and help them to better understand and support their children’s high school transition experience.
- **School community:** The entire school community benefits from the enhanced school climate and culture and the positive student results that are created through PGC.

Distribution Plan

To support its growth, CSS formalized its new site selection criteria (described above) and created a Global Training Team designed specifically in service of efficient and effective geographic scaling and distribution. This highly skilled and experienced team of trainers and technical assistance providers will help lead the implementation of the PGC program into its new markets. They will travel to be on-site to support schools as needed, and will also provide remote assistance by Skype, phone and email. In addition, this team will provide the 11 days of training over 18 months in events designed to accommodate faculty advisors from multiple schools

simultaneously. Local program support staff will be hired and trained so that after 2 years in a new growth location the Global Training Team will be replaced by local staff, freeing the Global Training Team to move on to serve new growth locations. This strategy will ensure that new markets implementing PGC will receive the same high quality support from experienced staff as do schools in more established regions. Further, by delaying hiring local training staff, this model mitigates the risks associated with expanding to new geographic markets.

Competitive Advantage

As discussed above, PGC has several competitive advantages, which include:

- ***Focus on 9th grade transition:*** PGC targets the most critical year for high school transition intervention (9th grade), which has been proven as the most effective year for intervention to prevent dropout.
- ***Focus on social and emotional learning (SEL):*** PGC focuses on providing instruction, improving skills, increasing knowledge, and changing attitudes related to self-awareness, social awareness, self-management, relationship skills, and responsible decision-making. Freshmen outreach session topics include: Sense of School Belonging, Competence in Interpersonal Relationships, Conflict Resolution, Anger Management, Violence Prevention, Bullying & Bystander Behavior, Achievement Orientation & Motivation, Goal Setting, Coping Skills, Decision Making, Peer Acceptance & Resisting Peer Pressure, Stress Management, and Service Learning.
- ***Evidence-based:*** Numerous rigorous research studies have proven PGC to be effective at producing desirable academic and behavioral outcomes, such as: increased graduation rates, improved academic performance and self-efficacy, fewer delinquent behaviors and instances of fighting, improved ability to control temper and utilize adaptive conflict resolution skills, and decreased substance use.
- ***Structured and proven curriculum:*** Unlike many school-based mentoring and leadership programs, PGC provides a robust and rigorous curriculum of hands-on activities and simulations that enable 9th graders to practice essential academic, social, and emotional skills, such as critical thinking, goal setting, decision-making, time management, teamwork and communication. This curriculum has been tested and refined over the past 25 years.
- ***Cost-effective and Sustainable model:*** PGC was carefully designed to be incorporated into the ongoing fabric of partner schools. It utilizes existing resources (staff and students who serve as faculty advisors and peer leaders), and includes explicit capacity-building strategies: (1) PGC establishes *stakeholder teams* which ensure that the program has a broad base of support; (2) PGC is *integrated into the school day* and not offered as an add-on program; and (3) the costs associated with PGC's training and support are *one-time-only costs*.

Barriers to Entry

The main barriers to entry for the PGC program include:

- ***Increasing mandates:*** School systems are facing more new mandates than ever before as they work to comply with the Common Core State Standards, new teacher evaluation requirements, and the implementation of growing numbers of standardized assessments. In the face of these requirements and associated changes, school leaders may be hesitant to commit to implementing a new program.
- ***Funding constraints:*** Though a low cost solution when compared both to alternatives and the return on investment in terms of increased graduation rates and other desirable outcomes, the

expense of \$60,000-\$85,000 required to implement PGC in a single school is a barrier that we partner with schools to overcome, often through pursuing public and/or private grants

Core Program Elements and Success Factors (What’s Needed to Succeed)

After the first 18 months of operation in partnership with the CSS, a participating school is able to manage and run the PGC program on its own. The program repeats each year to target new freshman and returning sophomores, as well as juniors and seniors who act as peer leaders. The core program elements are highlighted in the chart below and explained in detail. Please also reference Appendix E which contains a visual of the PGC program model, illustrating the key individuals involved in a given school to implement PGC and their relationships to one another.

Core Program Element	Description
Stakeholder Team	PGC’s launch begins with the assembly of a <i>stakeholder team</i> of 6-8 administrators, faculty, parents, and community members who receive the training, tools, and resources necessary to meet regularly to plan for implementation of PGC, troubleshoot obstacles, and ensure PGC’s long-term sustainability.
Faculty Advisors	Faculty members are carefully selected by the stakeholder team to serve as <i>faculty advisors</i> . Two (2) faculty advisors for every 125 freshman participate in an 11-day intensive train-the-trainer course over a 1½-year period to learn how to run the program and teach the daily leadership course and team teach the daily PGC peer leadership course.
Peer Leaders	Select juniors and/or seniors are carefully chosen by program advisors to become <i>peer leaders</i> and serve as positive role models, discussion leaders, and mentors for 9 th graders. They are trained as a part of their regular school schedule in a 45 minute/day, year-long leadership development class taught by faculty advisors that is typically offered as an elective course for credit in participating high schools. Peer leader training also includes a 3-day overnight retreat, daily leadership course, and mid-program 1-day retreat
Freshman Outreach Sessions	Peer leaders work in pairs to co-lead groups of 10 to 14 freshmen in <i>freshmen outreach sessions</i> designed to strengthen relationships among students across grades. Meeting once a week, freshmen participate in engaging, hands-on activities and simulations in supportive environments designed to build relationships, develop skills, and foster a successful transition into high school that enable them to practice essential academic, social, and emotional skills, such as critical thinking, goal setting, decision-making, time management, teamwork, and communication. Outreach begins with a full-day Activity Day at the beginning of 9 th grade and culminates with a service learning experience during the spring semester, where freshmen participants utilize their newly acquired skills to plan and execute a service learning project.
Family Night Events	PGC also includes a parent involvement component. Peer leaders organize and facilitate <i>family night events</i> for freshmen and their parents/guardians.
Sophomore Booster Sessions	Beginning in year two, 10 th grade students who participated in PGC as freshmen the previous year receive <i>sophomore booster sessions</i> led by the junior/senior peer leaders. The 10 th graders participate in four (4) sessions throughout the year that reinforce the learning from freshman outreach sessions and that continue to engage students in setting and achieving goals.
Evidence-based	PGC utilizes three (3) sets of curriculum and training materials in its program:

Curriculum	<ul style="list-style-type: none"> • <i>Training Curriculum for Program Advisors</i> includes the training materials used by CSS trainers in the 11-day intensive train-the-trainer course over a 1 ½-year period to prepare program advisors for their role • <i>Training Curriculum for Peer Leaders</i> includes the materials used by program advisors in the daily peer leadership class and two peer leader retreats, to prepare peer leaders for their role • <i>Freshman Outreach Curriculum</i> contains the materials used by the peer leaders in the 34 weekly peer leader meetings with freshmen, the Activity Day for freshmen, and the Family Nights to prepare freshmen for success in high school and beyond.
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Success Factors

The following factors have been shown to promote the likelihood of PGC program success in achieving intended student outcomes within a school and/or district:

- ✓ *Engaged school and district leadership to sustain program commitment*
- ✓ *Stability in the school and district administration and with the majority of trained faculty advisors*
- ✓ *Commitment by school staff to implement PGC with fidelity*

Timetable, Milestones, and Measurable Three-Year Performance Goals

Over the next 3 years, CSS plans to expand our PGC program from 140 schools to 246 schools in 7 geographies (5 current, 2 new) and increase our reach from 21,000 students to 36,900 students each year. CSS will also develop its infrastructure and develop its capacity to support this growth. These details are further outlined in the tables below.

Table 1: Targeted growth of PGC program by location and year

	FY2014		FY2015		FY2016	
<i>Locations</i>	<i># new schools</i>	<i># students served</i>	<i># new schools</i>	<i># students served</i>	<i># new schools</i>	<i># students served</i>
NJ	2	300	4	600	6	900
NC	1	150	3	450	5	750
NYC	10	1,500	13	1,950	16	2,400
Baltimore	6	900	8	1,200	12	1,800
DE	1	150	5	750	8	1,200
TBD 1	-	-	-	-	3	450
TBD 2	-	-	-	-	3	450
Total NEW Schools and Students Served	20	3,000	33	4,950	53	7,950
Current students served annually by PGC						21,000
NEW students served by PGC over the next 3 years						15,900
Total students to be served annually by PGC by FY2016						36,900

Table 2: CSS Infrastructure and Capacity Development

	FY2014		FY2015		FY2016		TOTAL
	Funding Needs	Cost	Funding Needs	Cost	Funding Needs	Cost	
Certification	Development of technology infrastructure for certification; Marketing costs	\$100K	Certification personnel and site visits to veteran PGC schools; Marketing costs	\$100K	Certification personnel and site visits to veteran PGC schools; Marketing costs	\$100K	\$300,000
Data management system	Initial implementation, training and customization	\$50K	Hiring data manager; Additional customization	\$100K	Ongoing costs for data manager; Hiring additional data manager Additional customization	\$150K	\$300,000
Technology infrastructure	Hiring a PGC Product Manager	\$80K	Ongoing costs for PGC Product Manager; Hiring two technology developers; Software and license purchases	\$320K	Ongoing costs for PGC Product Manager and two technology developers	\$200K	\$600,000
Fund and Business Development, Marketing	Hire a Marketing Director; Retain a PR firm; Travel	\$200K	Ongoing costs for Director of Marketing and PR Firm; Hire a Development Director; Travel	\$300K	Ongoing costs for Marketing Director, PR Firm, and Development Director; Travel	\$300K	\$800,000
Total funding required	\$430,000		\$820,000		\$750,000		\$2,000,000

Measurable Three Year Performance Goals

CSS plans to measure the success of PGC growth by examining (1) if growth in number of schools and students served meets our targets (2) if sites are implementing PGC with fidelity (3) if PGC is having the intended impact on student outcomes and (4) if those student outcomes persist overtime, especially after CSS’s 18-month initial engagement with a school has ended.

Table 3: Three-year performance goals for PGC expansion

Three-year Performance Goals (FY2014 – FY2016)	Evidence of Success
Program Growth	
To serve an increased number of new schools each year	Growth that meets or exceeds targets (see Table 2)
To expand to an increased number of new geographic locations	Growth that meets or exceeds targets (see Table 2)
To serve an increased number of students each year	Growth that meets or exceeds targets (see Table 2)
Site Performance	
To meet all PGC implementation milestones in all school sites	See table above in “Implementation” section
To achieve over 80% program sustainability	Number of PGC sites continuing to operate the program after initial implementation

1st Year Student Outcomes	
<i>Performance:</i> to improve attendance; to improve academic performance; to increase 9th graders' on-time promotion to 10 th grade	Student records data
<i>Skill Development:</i> to improve students' decision-making skills; to improve students' goal-setting skills; to improve students' communication skills; to improve students' help-seeking skills; to improve students' leadership skills	Student survey
<i>School Connectedness and Engagement:</i> to increase students' sense of school connectedness	Student survey
Longer Term Student Performance	
To increase students' motivation to complete high school and post-secondary education	Student survey
To improve students' preparedness for college and the world of work	Student survey

12-Month Operating Plan (2013)

CSS has been successfully executing the following 12-month operating plan to date:

<i>Month</i>	<i>Tasks and Milestones</i>	
January - March	<ul style="list-style-type: none"> Hire NC Executive Director Finalize new organization logo and new marketing materials Begin development of new CSS website Conduct 3-day PGC training for all 2012-2013 sites Assess database system options Submit application to be approved for one or more evidence-based lists 	<ul style="list-style-type: none"> Present PGC to stakeholders in target growth locations (<i>Note: These activities occur every month but do not appear again on this timeline.</i>) Research and apply for funding opportunities (<i>Note: These activities occur every month but do not appear again on this timeline.</i>) Conduct certification site visits at all 2012-2013 PGC sites
April	<ul style="list-style-type: none"> Hire NJ Development Director Pilot and select new database system Launch new CSS website 	<ul style="list-style-type: none"> Compile and analyze certification data Recruit new PGC program delivery staff Due diligence to assess new growth locations
May	<ul style="list-style-type: none"> Conduct 1-day PGC training for all 2012-2013 sites Finalize funding contracts for new PGC FY2014 sites Issue certifications Conduct stakeholder trainings in all new (2013-2014) PGC sites 	<ul style="list-style-type: none"> Administer student surveys at all 2012-2013 PGC sites Collect school and student records data at all 2012-2013 PGC sites Complete setup of database system and develop data collection and entry protocols Hire new PGC delivery staff
June	<ul style="list-style-type: none"> Distribute school and district level reports of program impact Publicize new aggregate impact results 	<ul style="list-style-type: none"> Train staff on new database system and roll-out data collection and entry protocols Internal training for new PGC delivery staff
July	<ul style="list-style-type: none"> Conduct 4-day PGC training for all new sites 	<ul style="list-style-type: none"> Complete assessment of new growth locations
August	<ul style="list-style-type: none"> Select new growth locations for FY2015 	<ul style="list-style-type: none"> Recruit fund development and marketing staff
September	<ul style="list-style-type: none"> Distribute survey to PGC network to assess program sustainability 	<ul style="list-style-type: none"> Create development and marketing plans for new target growth locations
October	<ul style="list-style-type: none"> Conduct 1-day training for all new PGC sites and 1-day follow-up training for all 2012-2013 PGC sites 	<ul style="list-style-type: none"> Begin implementation of fund development and marketing plans for new growth locations
November	<ul style="list-style-type: none"> Conduct initial certification visit for all new PGC sites 	
December	<ul style="list-style-type: none"> Hire and train additional fund development and marketing staff 	

Marketing Plan

CSS's marketing plan includes (1) specific strategies for successfully scaling the PGC program; (2) repositioning CSS as a national organization through several key initiatives; and (3) promoting PGC's program reputation and credibility by having it recognized by one or more reputable clearinghouse organizations.

(1) National and Local Marketing: Targeted marketing efforts will be employed on a location-by-location basis. For instance, in many locations efforts will be targeted to *priority* or *focus* schools (schools that are subject to a school turnaround strategy and/or receiving federal funding to support school improvements due to not meeting acceptable student outcome targets). In other markets, there may be a specific initiative sponsored by a foundation or foundations targeting high school dropout, in which case efforts would be targeted to align with that local initiative. However, there are several marketing and networking strategies that will be used consistently to expand within existing locations and to scale to new locations, including:

- *Relationship Building and Networking:* Leveraging our relationships with statewide agencies and associations to tap into existing communications networks (e.g. regular meetings, special events, newsletters, social media) for superintendents and other key education and community stakeholders; assembling and facilitating student panels for press conferences or other special events, such as presentations at local, state, or national conferences related to dropout prevention initiatives
- *Partner Marketing Events:* In partnership with schools, hosting program visits for funders, stakeholders, and school administrators to experience PGC actively operating in a school environment and to engage directly with program participants to learn about their experiences in the program; conducting local information sessions to market PGC to networks of school and district administrators; developing relationships with other community-based organizations to publicize PGC to their constituents
- *Media:* Distributing press releases to our school and funder networks; utilizing social media, such as Facebook, Twitter, and other social media to regularly connect with program participants and community, state, and national partners; distributing a regular e-newsletter; seeking publicity through local newspapers and other media outlets
- *Cold Marketing:* Employing cold contact strategies, such as cold email and phone campaigns.

(2) New Name, Branding, and Website: Between 2012 and 2013, CSS engaged a marketing firm to assist in a major rebranding effort to remove ourselves from a close association with Princeton, NJ (where our headquarters reside) and to position CSS as a national organization in order to facilitate the expansion of PGC to new geographies across the country. The first goal of this process was to choose a new name for the organization that conveyed the national scale we are working to achieve in expanding PGC. To this end, our name was changed to the *Center for Supportive Schools* in mid-2013. Before debuting our new name, we fully developed our new brand, including a logo and website, which were completed by the second quarter of 2013. In order to leverage our new name and website to create press and visibility for the organization and PGC on a national scale, we are also planning a launch

event for late-2013 to serve as a platform to market PGC to new networks of contacts and to reinvigorate our existing networks of support. Finally, in tandem with our rebranding, we are retooling our marketing materials to ensure we have the necessary collateral to communicate effectively about PGC with our various audiences at each stage of the engagement process.

- (3) **Evidenced-Based Lists:** Evidence-based program lists are often the sources looked to by schools and districts when seeking programming. As an outcome of our evaluation efforts, CSS is in the process of submitting PGC efficacy evidence to several evidence-based lists. Inclusion on evidence-based lists developed by organizations such as the What Works Clearinghouse, Blueprints for Violence Prevention, and CASEL will not only support the credibility of PGC, but will serve as an important marketing avenue. As a result of these efforts PGC has recently been recognized by the National Dropout Prevention Center as a Model Program demonstrating *Strong Evidence of Effectiveness*, its highest effectiveness rating.

Projected Social Impact and Vision for Influencing System Change

CSS is driven by the vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work, active citizenship, and personal fulfillment. By 2050, it is our goal that every school in the United States will be safe, supportive, engaging, and inspiring. CSS plans to work towards this vision in large part by expanding its successful PGC program. Through the expansion of PGC, we expect the social impact at the student level to include: improved student behavior and dispositions; higher attendance rates; fewer school suspensions; higher levels of engagement, self-efficacy and psychological persistence; improved academic outcomes, demonstrated by higher test scores, higher rates of school persistence and on-time promotion; and, ultimately, higher rates of graduation from high school. As established by a federally funded, four-year longitudinal, randomized-control study, PGC improves the graduation rates of 9th grade student participants by 10%. CSS therefore can extrapolate that for every 100 9th grade students who participate in PGC, approximately 10 additional students will graduate from high school who otherwise would not have graduated. Furthermore, there are numerous studies demonstrating that preventing drop out and increasing school graduation rates results in substantially improved life outcomes for students. In a 2007 report, Dr. Henry Levin of Columbia University and his colleagues estimated that preventing one student from dropping out generates more than \$209,000 in higher tax revenues and lower government expenditures.

Additionally, CSS plans to help foster a broader dialogue and movement around encouraging schools to become safer and more supportive, engaging and inspiring to their students, staff, and families. CSS is working to convene and unify diverse groups of stakeholders in a movement called *Campaign Connect*, designed to encourage schools to become safer, more supportive, engaging, and inspiring and provide them with the tools and resources to do so. As a result, schools will increase their capacity to develop students' social and emotional skills, and to accelerate student achievement. School district by school district, state by state, and nationally, Campaign Connect will amplify recognition of school climate and culture as essential for high school, college, and career success. CSS is currently piloting Campaign Connect in New Jersey and expects 300 of out the state's 600 school districts to participate.

These two strategies, PGC and Campaign Connect, will further enhance the building momentum around how the educational system views and approaches school climate and culture, thereby

influencing thousands upon thousands of schools to fundamentally change the way in which they operate to ways that are safer, more supportive, engaging and inspiring to students, staff, and families. By inspiring and facilitating a focus on social/emotional learning and school culture/climate through Campaign Connect, life trajectories for students across the country will improve in far greater numbers than we could hope for through the dissemination of PGC alone.

E. Evaluation Plan & Knowledge Dissemination Plan

Plan for Assessing Outcomes/Impact

Understanding that evidence of efficacy is not something to be singularly achieved but rather to be continually built and expanded, CSS maintains a strong commitment to assessing the outcomes and impact of PGC at three levels: *apparent effectiveness*, *demonstrated effectiveness*, and *proven effectiveness*. In addition, as a natural and necessary corollary to all impact studies, CSS is actively working to ensure fidelity in all program sites through a certification program.

Apparent and Demonstrated Effectiveness: School-based data collection

The goals of the PGC program are to improve student behavior and dispositions, leading to higher attendance rates, fewer school suspensions, and higher levels of engagement, self-efficacy and psychological persistence, and to thereby improve student academic outcomes, demonstrated by higher test scores, higher rates of school persistence and on-time promotion and, ultimately, higher rates of graduation from high school. These outcomes are measured at each school that implements PGC through a combination of student survey data and student and school records data. Specifically, we administer pre and post program surveys to both freshmen and peer leaders involved with PGC and collect the following student and school records data: grades; course failures; attendance (days enrolled, absent); discipline (referrals, in-school/out-of-school suspensions); promotion to next grade or retained; enrollment status as of 10th grade (e.g., transferred, dropped out, graduated). Additionally, 8th grade & 9th grade data for both program and non-program participants is collected (to the degree possible), which facilitates two types of outcome analysis: (1) impact of program on participants by comparing their post participation data to their data from the prior school year and (2) impact of program on participants as demonstrated by comparing their data to the data of a control group.

Proven Effectiveness: Commitment to ongoing rigorous formal evaluation

In addition to gathering limited data from each partner school to get a basic sense of program impact, CSS also has an ongoing commitment to building the base of scientific evidence for PGC through formal research studies, specifically longitudinal randomized control trials. As discussed above, CSS has worked with research partners to conduct several rigorous studies, including a longitudinal randomized control trial, that have proved PGC's efficacy in achieving student outcomes. To add to this evidence base, CSS has submitted a grant application to the Institute for Education Sciences (IES) at the US Department of Education to conduct a large scale randomized control trial to study the impact of PGC in 10 New York City high schools. The CSS team will continue to apply for opportunities to build PGC's evidence base.

Plan for Communicating Impact of Scaling/Expansion Initiative

CSS will communicate the impact of PGC's expansion through the following mechanisms:

- Annual reports describing program implementation and outcomes for each school and/or district

- Presentations at local, state, and national conferences related to improving school culture and climate such as the National Mentoring Summit, the Annual National Dropout Prevention Network Conference, where we have previously presented
- Reaching academic and research communities through peer-reviewed scientific journals such as the *American Journal of Education* and the *Journal of Adolescent Research*.
- Reaching educators and other practitioners, policy makers, funders, and other relevant individuals and institutions through mechanisms such as research briefs and webinars.

The impact of PGC’s expansion will also be communicated through the marketing strategies described in the “Marketing Plan” section above, including networking and relationship building, partner marketing events, and media.

F. Organization

Organization History

Founded in 1988, the Center for Supportive Schools (CSS) has a 25-year history of developing, disseminating, and promoting peer leadership, advisory, and other evidence-based K-12 solutions that enable and inspire schools to more fully engage students in learning, better connect students to their schools, motivate and equip students to make decisions responsibly, and accelerate academic achievement. CSS is one of the few organizations nationally focused on improved social and emotional learning that has a proven track record of significant academic impacts on students, educators, and schools. Our solutions enable and inspire students to become more engaged learners; to develop positive social, emotional, and health behaviors; to navigate pivotal transitions; and address the overwhelming stresses of youth. These solutions are designed to take root within schools to help make a lasting, sustainable impact. CSS’s commitment and dedication have established its reputation of excellence in leadership training and educational innovation, and it has served nearly 300 schools in 13 states as well as in Asia and South America. Through our work, we are committed to realizing our vision that one day, all children will thrive in schools that graduate them prepared for the rigors of college and lives filled with meaningful work, active citizenship, and personal fulfillment.

Organization Structure and Governance

CSS is led by a senior management team that includes the president and two vice presidents and governed by a ten-member Board of Trustees. Our staff and board include leaders in education, psychology, public health, law, public policy, research, and evaluation. Please refer to the appendices for more detail on our team and complete current and projected organizational charts. 24 full-time staff are based in two offices (in NJ and NC) and in several home offices.

In late 2011, CSS hired a Director of Growth Strategy to drive national expansion of the organization. Over the past year, the Director of Growth Strategy has led the senior management team in a series of strategic planning sessions to define CSS’s growth strategy. As a result of this work, over the last year, CSS has redesigned our organizational structure to create a defined national team and regional teams (designed to support scaling in our target growth regions³). The national team is engaged in national expansion and program design and regional teams are focused on growing PGC in specific locales. Currently, regional teams include a Mid-Atlantic

³ CSS defines a region as an area with up to 400 high schools within a 3-hour driving radius.

team based out of our Princeton, NJ office and a Southeastern team based out of our Wake Forest, NC office.

Current Size and Reach

CSS has an organizational budget of approximately \$4 million (for all of its programs and services). Approximately 1/3 of its revenues come from its flagship program, Peer Group Connection (PGC). To date, PGC has been implemented in 200 schools over the past 25 years and currently operates in 140 schools serving approximately 21,000 students each year. CSS is actively operating PGC in five geographies (NJ, NC, NYC, Baltimore, and DE).

Management Team (Including Succession Planning)

CSS's senior management team is composed of the following members:

Daniel F. Oscar is President and CEO of CSS. He provides strategic oversight for all aspects of CSS's work. Daniel took over the helm of the organization on June 1, 2009, upon the retirement of CSS's Founder, Dr. Sharon Rose Powell. Mr. Oscar has an extensive record of achievement in establishing and growing innovative educational organizations. He was the President & Founder of The Learning Project, a not-for-profit school management organization based in New York City, and was one of the lead founders of Teach For America, the national teacher corps. He also served as a Vice President of Product Development for Edison Learning (formerly Edison Schools). Mr. Oscar has also worked as a consultant to a wide-range of education organizations, including the Newark (NJ) Charter School Fund, Children's Progress, and Wireless Generation, where he provided strategic consulting on issues related to business development, educational technology, student assessment, and charter schools. In addition, he serves on the Board of Directors of the New York Charter Schools Association. He holds a bachelor's degree in Philosophy from Princeton University.

Abby Attias, Ph.D., is Vice President for New Product Development, Design, & Training at CSS. She oversees the design and implementation of customized projects as well as of CSS's school-wide Student & Family Advisory program. Dr. Attias has consulted both domestically and internationally on diversity training and communication issues. She holds a doctorate in English from Rutgers University and a bachelor's degree in English from the State University of NY at Binghamton.

Sherry Barr, Psy.D., is Vice President for Operations, Product Management, & Evaluation at CSS. She oversees the implementation, dissemination, and evaluation of CSS's high school peer leadership programs and leads CSS's North Carolina office. Dr. Barr is a New Jersey-certified school psychologist and visiting faculty member at the Center of Alcohol Studies at Rutgers University. She holds both a doctorate and master's degree in school psychology from the Graduate School of Applied and Professional Psychology at Rutgers University, and a bachelor's degree in psychology from Millersville University.

Additional details on the CSS team and its board can be found in Appendix A.

Succession Planning

The Board successfully facilitated succession three years ago when our founder and CEO left the organization in 2009 and hired the current president as her successor. CSS employs a distributed leadership model and, as such, the two vice presidents are very involved with the president in running the organization. In the event that there is an unexpected departure of the president, the

organization would remain in capable hands under the leadership of the two vice presidents. This has already been tested once when our previous president was on an extended leave during a serious illness. Looking ahead, if the organization is made aware of the planned departure of the current president sufficiently prior to the anticipated last date of service, a new president can be identified and put into place according to a timeline that ensure a smooth transition. On the other hand, if the current president leaves before there is an identified successor, the vice presidents will run the organization on an interim basis until a successor is identified and put into place. The Board of Trustees will lead any search for a new president and will determine if that search will include the support of a search firm.

G. Infrastructure Requirements

Investments in Infrastructure Required To Support Expansion and Other Capacity Building

To support the planned expansion of PGC, CSS plans to invest in its existing infrastructure in the following key ways:

Building a data management system to capture ongoing impact data from all of our partner schools: (during both the initial 18-month implementation engagement with each school and each year thereafter): The system will facilitate reliable, valid, and consistent collection, analysis, and reporting of student progress against SEL goals while also providing a richer understanding of the relationship between SEL and other student outcomes. It will include a web and smart-phone based system that will make it easier to capture annual student and staff data related to social and emotional learning (SEL) and program implementation fidelity, including through student and staff online surveys. The system will integrate with leading student information systems so that schools can import SEL data into systems that already have traditional student record data (e.g. attendance, discipline, grades). School specific and other aggregate reports from this system will support individual student growth, program quality and improvement, accountability, and communications. Capital investment in this infrastructure will be used to fund the research and identification of a data management product(s), training to build internal capacity to use the system(s), the customization of the system(s) to meet our specific organizational needs, and dedicated staff to manage the collection and analysis of the incoming data.

Creating technology to improve product dissemination, improve product feedback mechanisms, and strengthen the PGC participant network: CSS currently distributes physical copies of PGC curriculum sets and does not currently have curriculum content online. Through online content delivery and developing a technology-based infrastructure for content development and dissemination, CSS will be able to better connect with, learn from, and engage program participants. Examples of how technology can be leveraged include, but are not limited to:

- immediately and easily distributing curriculum updates;
- sharing videos showing examples of facilitation techniques;
- sharing videos modeling specific peer leadership class and outreach group activities;
- developing interactive, engaging, technology-based curriculum content;
- gathering streamlined curriculum feedback in real-time from program participants; and
- creating an online social network of PGC participants.

These capabilities will enrich the learning experience of faculty advisors and peer leaders, increase program engagement, help maintain ongoing connection with program participants, and lead to greater program fidelity. In addition, this initiative will lay the groundwork for establishing PGC’s alumni network, which we plan to eventually transform into a key source of funding from individual contributions. Capital investment in this infrastructure will be used to fund the work of programmers, designers, and other technology personnel to build the technology platform, move our existing content to this new platform, and build functionality as needed to address our organizational priorities.

Developing a nationally-recognized PGC certification system for schools, faculty, and peer leaders: This system will help us to: a) enhance program effectiveness, sustainability, and replication; b) support a strong alumni network; c) market PGC. Capital investment in this infrastructure will be used to launch a marketing campaign to promote to colleges and universities the value of peer leader certification as an important credential to consider when reviewing college applications, to develop the technology infrastructure to support the collection and analysis of certification data, and to rollout certification to all of our partner schools.

Hiring additional fund and business development staff, marketing staff, and retain a PR firm to drive expansion efforts. CSS needs to expand its fund and business development efforts. Over the next 3 years, CSS projects that it will need to recruit, hire, and train a National Marketing Director and a National Development Director (responsible for selecting new target growth location and developing new growth locations) and hire a PR firm. These investments are designed not only to support the expansion of PGC over the next 3 years, but to position CSS for increased rates of PGC expansion in following years.

Table 4: Capital Required for Growth

	FY 2014	FY2015	FY2016	TOTAL
PGC Program Growth				
Total funding required for PGC Program Growth (approx \$72,500 per school)	\$1,450,000	\$2,392,500	\$3,842,500	\$7,685,000
Total funds to be raised by regional teams	\$1,087,500 (75%)	\$1,794,375 (75%)	\$2,881,875 (75%)	\$5,763,750
Total funds needed from growth capital	\$362,500 (25%)	\$598,125 (25%)	\$960,625 (25%)	\$1,921,250
Infrastructure and Capacity Building				
Total funding required	\$430,000	\$820,000	\$750,000	\$2,000,000
Certification	100,000	100,000	100,000	300,000
Data Management System	50,000	100,000	150,000	300,000
Technology Infrastructure	80,000	320,000	200,000	600,000
Fund and Business Development, Marketing	200,000	300,000	300,000	800,000
Total Capital Required for Growth				
Funding Required (PGC Program Growth and Infrastructure/ Capacity Building)	\$1,880,000	\$3,212,500	\$4,592,500	\$9,685,000
Total Funds to be Raised by CSS Regional Teams	\$1,087,500	\$1,794,375	\$2,881,875	\$5,763,750
Total Growth Capital Needed	\$792,500	\$1,418,125	\$1,710,625	\$3,921,250

H. Financial Plan for the Scaling/Expansion Initiative

Capital required to finance expansion, by Type of Support (e.g., grants, debt)

CSS will need a total of \$9.7M over the next 3 years to fund its PGC program expansion and develop its infrastructure and capacity for growth. CSS plans to raise \$5.8M through a combination of fee-for-service earned revenue (regional PGC teams), public grants (state and federal), and grants from foundations, corporations, and individuals. CSS will require the remaining \$3.9M in Growth Capital over the next 3 years to help contribute to the planned expansion of PGC and to build our capacity and infrastructure (as described above in Table 4). Debt will not be used to finance expansion.

Fund Development Strategy - Description of Sustainable Economic Model and Timetable

Sustainable Model. PGC is intentionally designed to be incorporated into the ongoing fabric of partner schools. It utilizes existing resources (school staff, peer leaders), and includes explicit capacity-building strategies: (1) PGC establishes *stakeholder teams* which ensure that the program has a broad base of support; (2) PGC is *integrated into the school day* and not offered as an add-on program; and (3) the costs associated with PGC’s training and support are *one-time-only costs*. After the initial implementation period, no additional fees are due to CSS as a school is fully equipped to sustain the PGC program on its own, without ongoing assistance; however, after our dedicated work with a school is done, in subsequent years, schools typically will incur fees for additional add-on services. For instance, after implementing PGC in Marta Valle High School in New York City, the school committed \$5,500 each year for the following 3 years from a 21st century grant they receive annually. Then earlier this year, the school included CSS in their School Improvement Grant application to provide additional PGC support totaling \$57,950 over the next 3 years. The funding life cycle of a typical PGC school is illustrated below.



Fund Development Strategy. CSS will leverage both its program success and the increasing demand for its services to maintain current sources and develop new sources of funding to support the expansion of PGC. These sources include federal and state grants, foundations, corporations, and school and district fee-for-service funding as detailed below:

Public funds (federal and state): CSS pursues several federal and state funding channels each year. Examples of funding opportunities currently being pursued include:

- **Institute for Education Sciences:** CSS has applied for funding to implement and evaluate PGC in 10 NYC public schools over 4 years (2014 – 2018) for a total of \$3M.

- **Office of Juvenile Justice and Delinquency Prevention:** CSS is applying for funding to implement PGC in 15 schools in NJ, NC, NYC, Baltimore, and DE (three schools per location) over 3 years (2013 – 2016) for a total of \$2M.

Grants (corporations, foundations): CSS has built partnerships with several foundations in our current growth locations that provide ongoing support. Examples include:

- **Nicholson Foundation (NJ):** \$162,768 in FY2013; \$162,000 secured for FY2014
- **Weinberg Foundation (MD):** \$170,000 secured for work in FY2013 and FY2014

Fee for Service: Fee-for-service revenue is generated through school partners funding PGC implementation using their school budget or a grant they have received. To date, approximately 30% of PGC revenue is fee-for-service income. In addition to implementation fees, additional revenue is expected from schools through their participation in PGC’s new certification system, which will require partner schools to be recertified every five (5) years. By reconnecting with schools through the certification system, we anticipate identifying needs for additional training and new curriculum, which may result in additional fees from schools.

Hiring additional fund and business development staff, marketing staff, and retain a PR firm to drive expansion efforts. CSS needs to expand its fund and business development efforts. Over the next 3 years, CSS projects that it will need to recruit, hire, and train a National Marketing Director and a National Development Director (responsible for selecting new target growth location and developing new growth locations) and hire a PR firm. These investments are designed not only to support the expansion of PGC over the next 3 years, but to position CSS for increased rates of PGC expansion in following years.

Current Funders and Commitments

As mentioned above, approximately 1/3 of CSS revenues come from its PGC program. A selection of funders and commitments for PGC in the current FY 2013 include:

LOCATIONS	FUNDERS	FY 2013 REVENUE	
New Jersey	JP Morgan Chase	\$	35,000
	AT&T Foundation (Year 4 of current grant)	\$	50,533
	Foundation for Newark's Future	\$	60,000
	Caesars Foundation	\$	91,667
	Nicholson Foundation	\$	162,768
	Victoria Foundation	\$	60,000
	Residential/one day training tuition	\$	2,250
	PGC Curriculum Sales	\$	2,385
		\$	464,603
New York City	Marta Valle, NYC	\$	5,500
	Washington Irving, NYC	\$	14,360
	NYCDOE schools	\$	329,150
	Central Park East HS	\$	58,016
		\$	407,026
Baltimore	Abell Foundation	\$	156,042
	Straus Foundation	\$	85,000
	Weinberg Foundation	\$	50,000
		\$	291,041
Delaware	Colonial School District	\$	190,000
		\$	190,000

Projected Funding by Sources of Support (e.g., Government, Foundation, Earned Income)
 CSS is designing its fund development efforts to ensure a healthy mix of funding from diverse sources of support overall and within each of our target growth locations.

Source	Example Identified Funding Sources	TOTAL (FY14-16)
Public Funds	USDOE; OJJDP	\$3,015,875
Foundation and corporate grants	Abell Foundation; Bloomberg Foundation; Nicholson Foundation; JP Morgan Chase; State Farm Foundation	\$3,233,650
Earned income (fee-for-service)	NYC Dept of Education (NYCDOE); individual schools	\$2,935,475
TOTAL		\$9,685,000

Pro Forma Financial Projections for 3 Years

Please see Appendix D for complete pro forma financial projections.

Revenue (and assumptions): Revenue assumptions for CSS are based on: (1) projections of public and private grants, based on historical trends and increasing demand and interest in CSS’s programs; and (2) projected growth in earned income from increasing number of PGC schools served based on an average of \$72,500 in revenue per school. (See “Cost per Unit of Service” below.)

Expenses (including fixed and variable costs): Fixed expenses are largely for payroll, office and facilities. Variable expenses are largely program expenses, which have remained fairly predictable year to year based on the given level of program implementation. These costs generally vary only in terms of when the expenses are incurred, depending on the timing of training events.

Timing and Cash Flow: CSS has always had enough working capital to pay its fixed and variable expenses monthly. Any excess cash inflows are held in money market accounts and are used to fund outflows in months when outflows exceed inflows. CSS currently has funding from a major federal grant that will remain in place for the next 3 years, in which payment is obtained when needed and within 24 hours of any electronic request by CSS through an automated Federal Electronic Fund Transfer (EFT) system. Foundations often provide payment on grant awards at the time of awards and prior to delivery of services.

Sources/Uses of Funds: See information in Tables 2 and 4 above.

Cost per unit of Service: The cost to CSS of implementing a PGC program is typically \$60,000 – \$85,000 total depending on the size of the school. Therefore, the finance team uses an average cost of these two costs (\$72,500) as the approximate cost per unit of service in its projections. This price covers all costs to CSS for program delivery and evaluation as well as an allocation for G&A and marketing expenses.

I. Risk Assessment & Contingency Plan (Including Exit Strategy)

The CSS has identified two major risk factors for its PGC program as follows:

Risk Factor #1: School Engagement and Commitment. The sustainability of the PGC program relies on the ongoing commitment by school administrators and staff members. Administrative changes (such as principal turnover) or a change in the operational status of a school (such as closure or designation as requiring a turnaround model) threaten the likelihood of program sustainability.

Contingency: CSS works to mitigate this risk in four (4) key ways:

- 1) **Signed MOUs from all school partners.** Each school that implements PGC signs an MOU as a formal sign of their commitment to continue the program in perpetuity.
- 2) **Establishing a school-based stakeholder team.** The creation of this team ensures that there is a group of individuals at each school committed to the program to increase the likelihood of operating consistency and program resiliency through administrative or other program staffing changes.
- 3) **Creating a PGC community.** In each region, CSS establishes a cohort of PGC schools and connects them to one another through regional training sessions held throughout the year. This network promotes collective investment and accountability to continue PGC.
- 4) **Certification.** PGC certification is designed to promote the ongoing sustainability of PGC and to actively address, on a regular basis, any steps that need to be taken to improve program operations, such as training for new program advisors or new curriculum.
- 5) **Due Diligence:** Before entering into a partnership with a school, we assess the risk that the school will be slated for closure or designation as requiring a turnaround model. If the risk is above a certain threshold, we will not work with the school until that risk drops.

Risk Factor #2: Policy and Environmental Change. A rethinking of the role of federal government in providing educational funding to states, districts, and not-for-profit organizations could have a profound impact on several of CSS's key funding sources. Federal funds are often the source of funding behind CSS's state grants or contracts with a school or district.

Contingency Plan: If federal funding begins to look threatened, CSS would pursue foundation and corporate funding to replace lost federal and fee-for-service funding, to the extent possible. This would likely result in a need to downsize our operations, which will be more feasible to do quickly given our lack of physical infrastructure in most locations.

Exit Strategy: If a PGC school faces serious challenges to continuing the program, such as school closure, CSS would work with the school and district leadership to complete the current year of PGC and to develop a phase-out strategy. For example, a phase-out strategy for a closing school might include providing PGC to 10th grade students in the absence of a 9th grade class.