

AARP

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AARP & Experience Corps

Business Case Briefing Paper

June 2011

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Executive Summary

Opportunity

AARP and Experience Corps (EC) are joining forces to take an exciting new step – exploring together how they might create a national movement through which older adults actively engage in new and meaningful service to create powerful social change.

AARP, with nearly 40 million members, is dedicated to engaging its members in community service. AARP members want to volunteer more. As parents, grandparents, and concerned citizens, they are invested in helping youth. EC is a well-established, award-winning intergenerational literacy tutoring program for disadvantaged children in kindergarden through 3rd grade (K-3). Through the EC classroom-based volunteer model, children succeed, older adults thrive, and communities are made stronger.

Our nation's health is threatened by low literacy rates. Over half (68%) of the nation's children reach the 4th grade unable to read at a proficient level. These children are more than four times as likely to drop out of school. Both EC and AARP recognize that older adults serving children can play a critical supporting role in our nation's education strategy.

Together, AARP and EC have the opportunity to leverage AARP's dedicated membership to exponentially expand the reach and impact of EC's tutoring model – dramatically improving the lives of children.

Business Case Development

To determine what form this partnership would need to take – and what would be required to achieve the envisioned expansion of the award-winning EC program – AARP and EC engaged La Piana Consulting to develop a comprehensive business case. Based on extensive work with a Project Steering Committee of representatives from both organizations, and informed by external research, a business case document was completed describing an organizational structure and a five-year plan for growth that will serve as a testing ground and platform for the partnership to achieve its ultimate goal.¹

This Briefing Paper outlines the core elements of the business case, makes changes to that case based on new information and analysis, and adds greater detail in key areas that will be essential to implementation, including fund development and contingency planning. In addition, a more detailed integration plan is in development.

Scaling Up the EC Program

Currently, EC engages 2,000 volunteers, serving 20,000 children in 20 cities. AARP and EC

¹ The Business Case referred to throughout this Briefing Paper was presented to the Project Steering Committee on April 5, 2011.

envision “scaling up” the current program in order to reach a new goal of 15,000 volunteers who will serve 100,000 children in the academic year of 2016-17. This goal is based on a “proof of concept” approach in which achievement of aggressive, but incremental, goals over a period of five years will determine whether the model can then be taken to full scale to have an even broader and more dramatic impact in the future.

The success of the scale up plan depends on a number of variables. It is for this express reason that the plan has been built around a five-year “proof of concept” phase. As AARP and EC undertake this testing of a new expansion model, there are reputational, financial, legal, and programmatic risks to consider. The Steering Committee has been diligent in addressing ways in which these risks might be mitigated.

Under the proposed acquisition, EC would become a new signature program of AARP’s 501c4 entity. Organizational due diligence and a memorandum of understanding are currently in process. Development of the national infrastructure is expected to occur in Year 1 of the five-year plan.

The scaling up of the EC program assumes the creation of 14 partnership-owned branches. Some branches may be formed by existing affiliates converting to the branch structure. Between new branches and existing affiliates, the partnership will reach 100,000 students by Year 5.

Financing the Scale Up

The five-year plan proposes the generation of \$75.3 million in revenue. Revenues are projected to come from national philanthropic sources (\$30.4 million), local foundations and other local contributors (\$19.9 million), ongoing federal grants (\$7.3 million), and fees paid by schools or school districts for services rendered (\$17.7 million). In addition, AARP will provide a one-time startup cash contribution (\$12 million, structured as an annual \$3 million contribution over four years).

These revenue projections, while ambitious, are based on realistic assumptions informed by EC’s relationships with funders interested in supporting K-3 students in disadvantaged communities, and by positive indications from these and other funders about the possibility of ongoing and/or future support. These preliminary discussions are cited later in this report.

Impact

Achieving the goals set out in this five-year scale up plan will have a remarkable impact on the lives of the volunteers, K-3 students, and on America’s future. Further, this “proof of concept” will demonstrate the viability of the business model, positioning the partnership to continue its efforts to provide meaningful service opportunities for Americans age 50 and over and improve the lives of the next generation.

Introduction

Shared Objective

AARP, with nearly 40 million members nationwide, is the nation's premiere organization serving people age 50 and over. Experience Corps (EC), a 501(c)(3) organization, is the creator of an award-winning national service program engaging this same population. AARP and EC have chosen to explore how they might partner to achieve a shared vision of a national movement through which older adults are actively engaged in intergenerational service providing literacy education that improves the lives of children.

The EC program involves older adults as literacy tutors to children in grades K-3. Its approach has been proven to achieve positive learning outcomes for students and enhanced well-being for older adult volunteers. The business case proposes transferring the Experience Corps program into AARP. In doing so, AARP would be acquiring a very successful program that is growing, as is, but could be dramatically expanded by the involvement of AARP members. AARP and EC view this program as a prime opportunity to leverage their respective strengths to engage older adults in helping K-3 students improve their literacy skills and as a way to have a positive, lasting impact on the next generation.

Complementary Missions and Value Proposition

AARP's mission is "to enhance the quality of life for all as we age, leading positive social change, and delivering value to members through information, advocacy, and service." AARP recognizes that many older adults are already active in volunteering and that the desire for meaningful opportunities to serve will likely grow over the next 10 years. It also looks forward to expanding its engagement in intergenerational programming. Partnering with EC will enable AARP to expand the menu of volunteering options it offers members, more effectively meeting their needs while tapping into a growing interest in meaningful service opportunities and improving education outcomes for the next generation.

EC's mission is "to create powerful opportunities for older adults to meet society's greatest challenges." It is guided by a vision that emphasizes the role of intergenerational exchange in improving education outcomes for children and in helping older adults thrive. It achieves this by engaging older adult volunteers to serve as literacy tutors to K-3 students in public school settings. Partnering with AARP will enable EC to more effectively mobilize the nation's older adults, providing an opportunity to scale its literacy program to fulfill its mission of engaging older adults in their communities through meaningful service opportunities that result in significant social impact.

Competitive Advantage

Experience Corps is already a national leader in engaging intergenerational tutors to improve student literacy. Its tutoring program model has been thoroughly evaluated by both Johns

Hopkins University and Washington University, and has demonstrated remarkable success.² EC is also one of five finalists for the prestigious Eisner Prize Intergenerational Excellence award of \$100,000 and was just invited to be part of the Clinton Global Initiative America. One of EC's key competitive advantages is the program's exceptional quality and proven impact.

Recognizing this, ongoing research and evaluation has been built into the scale up plan to further capitalize on this strength.

AARP's involvement as a national partner will help EC attract large numbers of both older tutors and young people served, while simultaneously providing the program with a new competitive advantage in terms of branding, visibility, recognition and reputation. This would be the largest tutoring program in the country.

In turn, EC represents a prime opportunity to provide an intergenerational service opportunity for the 50+ population, helping AARP to further a key focus area in the "My Personal Time" program portfolio, strengthen its multicultural outreach with proven ability to engage diverse volunteers, and connect to NRTA's work, offering additional opportunities for retired educators to engage with AARP.

AARP's Strengths and Assets

AARP is a sophisticated national organization that can contribute significant administrative and program support capacity to the partnership, as well as access to volunteers, financial support, and visibility. It has demonstrated its ability to run and grow large volunteer programs (such as "Tax-Aide" and "Driver Safety"), engaging potential volunteers and supporters through its national membership and state offices. It also has strong relationships with major funders, including foundations, corporations, and state and federal government. In addition to its national name recognition and brand visibility, it has local and regional contacts in communities across the country, including key contacts with legislators, corporate leaders, policy makers, and others. These relationships are fostered at the national level and through its state offices.

EC's Strengths and Assets

EC has created an award-winning program linking older adults with K-3 students in literacy tutoring, resulting in improved academic performance for students and enhanced well-being for participating volunteers. It has established a quality model that is highly regarded and supported by independent research. EC has demonstrated its ability to engage diverse volunteers, effectively serve communities of color, and implement the program in a wide variety of communities and settings. EC's experience and research indicates that older adults are interested in engaging in this way, and in doing so it is positively impacting the lives of students.

² Published studies on the efficacy of the EC model can be accessed online at: <http://www.experiencecorps.org/publications/research.cfm>

Current Experience Corps Model

EC's current program model involves the engagement of older adults as literacy tutors to children in grades K-3. Its approach has been proven to achieve positive learning outcomes for students and enhanced well-being for older adult volunteers. EC operates in 20 cities, in 175 schools, and serves more than 20,000 students through a volunteer corps of approximately 2,000.

Tutoring assistance takes place in the classroom of contracted schools, but the program itself is administered through independent, affiliate organizations. Relationships with individual schools are developed and maintained through this affiliate network. Volunteers are recruited and managed by these same community-based affiliates. Volunteers are encouraged to contribute at least 15 hours of service per week; most receive a stipend for their participation. Stipends are primarily funded by federal grants from AmeriCorps, and represent the largest form of support from EC to its affiliates. The individual programs are primarily funded through local sources.

While the EC program model is successful and proven to achieve positive learning outcomes, various elements of EC's current organizational design are simply not compatible with the expansion goals of the scale up plan, which calls for exponential growth. As such, the business case calls for development of a network of owned branches (rather than relying on independent affiliates) to deliver the program, an investment in organizational capacity, a more robust volunteer recruitment strategy, and creating partnerships with schools at the district level. These changes will enable AARP and EC to achieve greater impact, and are further described in the next section and throughout this document.

Expansion Model - Proof of Concept

The scaling up of the EC model does not change the award-winning tutoring program. What it does is provides a more robust structure enabling its dramatic expansion. The expansion model assumes the creation of partnership-owned branches, in lieu of the unrelated affiliate's model that has been used by EC to date. Identification of branch locations will occur in Year 1, with actual implementation in subsequent years. While specific branch locations have yet to be determined, the overall strategy will be to focus on an area where at least 60 eligible low-income or underperforming schools exist. Each branch will be expected to ramp up to serve 60 schools by Year 5. Some branches may be formed by existing affiliates converting to the branch structure. A transition plan will be created for any current affiliates that do not wish to convert. Between new branches and existing affiliates, the partnership is projected to reach as many as 100,000 students by Year 5.

Volunteers will be recruited through AARP's national network, leveraging its connections, and where applicable and feasible, AARP state office networks and available recruiting capacity. Volunteers will be expected to contribute at least 6 hours of service per week. Only the highest-need volunteers (20%) will receive a stipend for their participation, reducing costs. Additionally, agreements will be developed at the school district level rather than with individual schools, and

will be supported by a designated position at the national office responsible for school district relationships management. Branches will be supported by funding from participating schools, national and local institutional and individual donors.

Throughout the five-year expansion, the EC tutoring program will continue to undergo rigorous evaluation to ensure that a high level of quality is maintained. In addition, the new business model will also be continually monitored for success. Name recognition, brand visibility, and quality control will be enhanced by AARP’s involvement and the new branch structure.

Branches/Affiliates

The scale up model assumes the creation of 14 new branches within five years. Every new branch will increase the number of schools in their service area each year. New branches are proposed to work with 2 schools in the first year, 10 schools in the second year, 30 schools in the third year, and 60 schools in the fourth year. Branches converted from current Experience Corps affiliates will also be expected to serve 60 schools by 2016.

BRANCH METRICS

Program Year (end June 30)	Total Branches	New Branches Converted	New Branches
2012	3	2	1
2013	6	0	3
2014	14	0	8
2015	14	0	0
2016	14	0	0

In Year 1, all current affiliate relationships will be reviewed. Affiliates will either be converted to branches of AARP-Experience Corps, or be phased out in an appropriate manner. Affiliates in Baltimore and Philadelphia will convert to branches in 2012. Washington D.C. will also open as a new branch. In general, the fundraising capacity of converted branches is expected to mature more quickly than is projected for new branches.

Criteria have been developed to guide the identification of new branches and affiliate conversions. These criteria are described in Appendix A.

Volunteer Engagement

Branches will draw on AARP assets and major partners to attract sufficient volunteers. AARP assets include state office networks, membership, NRTA educator community, and Create the Good database of volunteer opportunities. New marketing campaigns, as well as collaborative opportunities with other organizations such as United Way and Foster Grandparents, will also be explored as ways to enhance recruitment. If experience is a guide, the partnership can expect a relatively high retention rate (currently 75%).

Moving forward, only the highest-need volunteers (20%) will receive a stipend. While it is expected that the reduction in stipends may have an impact on participation, this will be mitigated by broadening and expanding recruitment efforts as described throughout the scale up plan. Additionally, it is important to note that because Americorps funding has not increased to keep pace with the program's expansion to date, affiliates have already been recruiting a growing number of volunteers to whom they have not been able to offer stipends. Thus, the program has already demonstrated its ability to thrive with more limited use of stipends as an incentive to recruitment.

Role of AARP State Offices

The five-year plan has been developed so that AARP state offices will have no operational or financial responsibility for the EC program (similar to how AARP's Senior Community Service Employment Program currently operates).

This means that:

- State office staff will not run or directly support the program – it will have dedicated local staff.
- There will be a separate funding stream.
- As appropriate, state offices will leverage their local contacts to assist the program.
- In a few instances, and where feasible, the program will be co-located with the state office.
- State offices will be aware of the program and collaborate, as appropriate, but will not have specific responsibilities for the program. If state offices do support the program, it will be at their discretion – there will be no mandate that they do so.

This planned operational model has been vetted with AARP's State & Communities leadership, as well as a group of ten AARP State Directors. There was unanimous consensus that this was the best model for success. None felt that operational responsibility should be housed in the AARP state office. It was acknowledged that anything that happens in a state has a ripple effect on the state office, but all of the State Directors felt that could be effectively managed by good communication between AARP Experience Corps and the state office.

State offices, and State & Communities leadership, will be engaged in the selection of new branches, leveraging their community connections and local assets wherever possible. To facilitate this involvement, three State Directors and the Vice President of NRTA: AARP's Educator Community) will join the implementation team, should the Boards approve moving forward. In addition, several State Directors indicated that they would be able to assist with recruitment and promotion of the program, though as stated above there will be no mandate that they do so.

Research and Evaluation

Significant research and evaluation has been built into the plan for the first five years. Because

one of the key strengths of the EC program is the fact that it is supported by independent research, the same level of rigor must be applied to ensure that it continues to maintain the high quality standards and level of impact stakeholders have come to expect. Monitoring will also identify opportunities to make changes to increase effectiveness over time. It will be important to coordinate closely with AARP's in-house research team to ensure that the program's research agenda is in sync with AARP's existing efforts. A successful research effort will be critical to the programmatic and financial success by year five and beyond.

Initiating the research quickly and effectively is vital to maintaining program integrity and supporting long-term sustainability. For example, AARP and EC are looking forward to results from the Johns Hopkins University study being published in Spring 2012, which is expected to inform and guide implementation efforts in a very powerful way.

Following is a table of other Key Metrics and indicators.

Metrics	Current	Program Year (Jul-June) 2012	Program Year (Jul-June) 2013	Program Year (Jul-June) 2014	Program Year (Jul-June) 2015	Program Year (Jul-June) 2016
# Students Served - Current	23,000	23,000	23,000	23,000	23,000	23,000
# Students Served - New	0	0	1,530	9,690	33,150	77,000
# Students Served - Total	23,000	23,000	24,530	32,690	56,150	100,000
Total # AARP / EC Volunteers	2,000	2,000	2,271	3,672	7,866	15,538
# New Branches / Affiliates	0	3	3	8	0	0
Total # FTE's	16	61	82	201	211	225
# Schools - Total	<i>n/a</i>	<i>n/a</i>	12	76	260	600
# Schools - Per Site	<i>n/a</i>	<i>n/a</i>	2	10	30	60
# Classrooms	<i>n/a</i>	<i>n/a</i>	128	808	2,763	6,375
Average # Students in	24	24	24	24	24	24
Participation Rate / School	<i>n/a</i>	50%	50%	50%	50%	50%

Integration of EC into AARP

AARP and EC will approach this partnership in the form of an acquisition. Because AARP is a 501c4 and has a 501c3 Foundation, there has been serious consideration as to which would provide the optimum "parent" structure to best fulfill the joint vision. It has been determined that the 501c4 is the preferred home for this effort and AARP is prepared to proceed accordingly. Although being housed within a 501c4 presents challenges in terms of receiving contributions of funds from various sources, AARP anticipates working with its 501c3 to mitigate these.

Where the EC program best fits within AARP (i.e. which department) continues to be under discussion. Regardless of the final location, EC will need to maintain a strong relationship with the Office of Volunteer and Civic Engagement (OVCE) because of the high level of alignment it has with the activities of this department and the support and commitment it has from OVCE staff.

Functionally, AARP and EC will seek to operate as one entity as quickly as possible. The integration of operations, the brand, and administration will begin shortly after board approval. That said, the process will take some time, particularly aspects related to IT and federal grant management. AARP and EC may choose to extend the integration time for some matters – particularly federal grants – to ease the workload and to avoid confusion among funders.

The operations teams at Experience Corps and AARP are actively preparing to move the current Experience Corps national staff into AARP space. Should the acquisition not be approved, Experience Corps will lease space from AARP. The teams are planning for both scenarios. Initial conversations have yielded a framework for engaging with the appropriate business units within AARP. The move date is tentatively scheduled for September 1, 2011.

A two-year employment contract with Lester Strong, EC's CEO, will be executed upon approval of the acquisition. There is an aggressive hiring plan to follow within the first 12 months. We anticipate that key positions will take approximately six months to fill.

A more detailed integration plan is in development.

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Financial Overview and Contingencies

To support expansion goals, substantial investment in program and operational staff as well as non-personnel costs will be required. The proposed staffing model indicates an ongoing commitment to serve existing affiliates to provide technical assistance and support to the branches in meeting their start up responsibilities. The new infrastructure model also depends on significant operational staff to fill a number of key administrative functions and positions. Significant investment will also be required for research to document the impact of the program over the first five years, analyze optimal branch locations, and conduct negotiations with top school district prospects. Ongoing program consulting services will support best practices in literacy tutoring.

The five-year plan proposes the generation of \$87.3 million in revenue, inclusive of the \$12 million AARP cash contribution. Revenues are projected to come primarily from national philanthropic sources. Additional support is projected from local foundations and other local contributors, ongoing federal grants, and fees paid by schools/school districts for services rendered. In the event that funding sources do not materialize according to projections, AARP will not be required to make up the shortfall but rather, the growth plan will be altered to slow the growth to match available resources.

Revenue projections, while ambitious, are based on realistic assumptions informed by EC's relationships with funders interested in supporting K-3 students in disadvantaged communities, and by positive indications from these and other funders about the possibility of ongoing and/or future support. These preliminary discussions are cited later in this report.

The model is also designed to provide multiple opportunities for course correction to address contingencies. In all contingencies, once it becomes clear that our goals and benchmarks are not being met, management will pause forward movement, reassess strategies, and set an alternate course that effectively addresses the new landscape. Contingency plans are detailed further below.

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Experience Corps Five Year Financial Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
STATEMENT OF ACTIVITIES	Projected	Projected	Projected	Projected	Projected	Projected
EC REVENUES						
School Revenues	670,000	580,000	1,400,000	4,550,000	10,500,000	17,700,000
Federal-Americorps/DOJ	1,451,179	1,451,179	1,451,179	1,451,179	1,451,179	7,255,895
Contributions/Local Branch/Affiliates	475,000	900,000	3,000,000	5,400,000	8,500,000	18,275,000
Philanthropic Fundraising (National)	3,079,083	6,657,675	11,330,669	6,767,565	2,598,615	30,433,607
Member/Volunteer Contributions	-	20,400	129,200	442,000	1,020,000	1,611,600
Total EC Revenues	5,675,262	9,609,254	17,311,048	18,610,744	24,069,794	75,276,102
<i>Note: Annual Contribution & Fundraising requirements</i>	3,554,083	7,578,075	14,459,869	12,609,565	12,118,615	50,320,207
Expense	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Salaries and Benefits (Operational Staff)	1,859,963	1,928,713	1,928,713	1,603,713	1,603,714	8,924,816
Salaries and Benefits (Program Staff)	943,678	1,757,194	1,757,194	1,689,694	1,689,694	7,837,453
Salaries and benefits (Branch Staff)	1,075,000	3,657,773	9,652,346	11,623,500	12,366,000	38,374,619
Total Wage and Compensation	3,878,641	7,343,680	13,338,253	14,916,907	15,659,407	55,136,888
Sub-grants	1,451,179	1,451,179	1,451,179	1,451,179	1,451,179	7,255,895
Program Consult: Literacy	100,000	100,000	100,000	100,000	100,000	500,000
Program Consult: Mentoring	100,000	100,000	100,000	100,000	100,000	500,000
Training Materials	20,000	20,000	20,000	20,000	20,000	100,000
Research and Evaluation						-
Program Model	250,000	750,000	750,000	500,000	250,000	2,500,000
Site Feasibility	500,000	250,000	-	-	-	750,000
District Relations	500,000	250,000	-	-	-	750,000
Travel	30,307	121,229	151,536	30,307	30,307	363,686
Stipends	280,000	66,750	422,750	1,446,250	3,337,500	5,553,250
Technology Expense (from InKind)	250,000	9,500	23,000	23,000	13,000	318,500
Program Advertising Expense (from InKind)	100,000	100,000	100,000	100,000	100,000	500,000
Conversion Expense from Balt & Phila	355,635	-	-	-	-	355,635
Branch Fundraising Expense	60,000	221,381	493,656	490,000	460,000	1,725,037
Branch Marketing Expense	170,000	506,013	676,627	90,000	104,000	1,546,640
Branch Program Expense	200,000	45,857	181,005	327,100	438,400	1,192,362
Branch Operations Expense	429,500	1,273,665	2,503,042	2,016,001	2,006,001	8,228,208
Total Operating Expense	4,796,621	5,265,574	6,972,795	6,693,837	8,410,387	32,139,214
Total Expense	8,675,262	12,609,254	20,311,048	21,610,744	24,069,794	87,276,101
Surplus/ (Deficit)-AARP Contribution	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(0)	(12,000,000)

Development Strategies

Success in achieving these development goals will require the efforts of a robust development team at both the national and local levels. At the national level there will be high level, experienced staff, including a School District Relations Officer. This person will be a recognized figure within the education community capable of facilitating fee-for-service conversations with school districts nationwide. At the local level, each branch will have both a Director of Development and a Development Officer. These staff will be responsible for cultivating new and ongoing relationships within their communities and local funders, and for partnering with the national staff to pursue funding from national funders.

Together, AARP and EC have an opportunity to create a development program that provides donors with high-touch engagement and recognition; leverages the brands, relationships, and spheres of influence unique to each organization; and ultimately supports high-quality service delivery to our nation's older adults and children.

Startup Capital

The revenue target is ambitious: \$30.4 million over the course of five years. But AARP and EC are confident that with the right people, plan, and case for support, it is attainable. This ambitious fundraising plan is required to fuel the growth goals for the number of branches, volunteers, and children served within the five-year proof of concept period. If fundraising targets are not met, adjustments will be made to program targets, infrastructure plans, and staffing models.

Current Funders

Over the years, EC has received major funding from and developed close relationships with large funders interested in supporting K-3 students in disadvantaged communities. These foundations include The Atlantic Philanthropies, the W.K. Kellogg Foundation, the Noyce Foundation, the Robert Wood Johnson Foundation, the Charles Stewart Mott Foundation, Wells Fargo Bank, and UPS. See Appendix B for a complete list.

Listed below are just a few of the major funders that AARP and EC have had preliminary discussions with regarding ongoing and/or future support. The few that have been approached to date have signaled their interest in the proof of concept, but they need to know whether AARP and EC will decide on consummating their partnership.

- **The W.K Kellogg Foundation** is a current supporter of EC in Grand Rapids, having contributed \$800,000. The Foundation has indicated that it would look favorably on any programs EC launches in its priority states of Mississippi, Michigan, and New Mexico. EC feels that significant funding (\$1 million) in multiple years is plausible. AARP also has a strong connection with the Foundation, and sees the opportunity for support of research and evaluation of the national program, potentially with a capacity building gift of \$1 million or more.
- **The Noyce Foundation and The Annie E. Casey Foundation** have been briefed on the potential AARP/EC partnership, and have expressed a commitment to support the effort by connecting this

work to key major donors and foundations. The Noyce Foundation has made significant investments in EC and has been a major supporter since its inception. The Annie E. Casey Foundation is one of the architects of the national *Campaign for Grade-Level Reading* and has expressed an interest in the EC program.

- **The Deerbrook Trust**, the family foundation of a current EC board member, is another major investor in the program. In addition to a major capital campaign gift, this relationship can be leveraged to connect with other potential major donors and foundations.

Potential Major Funders

There are numerous large foundations funding K-3 education and literacy that could potentially support the proof of concept. Due to the limited capacity of EC's current staff, it has not been able to pursue many of these prospective funders. These funders include the Wal-Mart Foundation, the Buffett Family, and JP Morgan Chase. For a more detailed list, see Appendix B. Listed below are some of the potential funders that AARP and EC have either already contacted or plan to approach.

- **Buffett Family and Wal-Mart Foundation:** A current EC board member (and CEO of the Public Education Network) has strong connections with the Buffet Family and the Wal-Mart Foundation. She has indicated that capital campaign support is a strong possibility from these sources and is helping to facilitate introductions to the key players.
- **New Profit Inc.:** EC is currently being assessed by New Profit's investment team and there is strong interest in supporting the five-year expansion plan. Current conversations are for \$1 million in capacity building dollars and \$1 million in management consulting support.
- **The Verizon Foundation** has just invited a proposal for continued funding.
- **Target Foundation** recently committed an additional \$500 million to the literacy cause, bringing its total commitment to \$1 billion by 2015, to help more U.S. children read proficiently by the end of third grade. EC and AARP have good relationships with Target, and have recently been invited to submit proposals for multiple grants estimated at \$8-\$10 million over a three-year funding cycle.

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Local Branch Sustainability Funding

Start up capital raised by the national office will be used to fund approximately \$1.2 million per branch for startup activities for the first two years, until local fundraising can fully sustain the program in the third year of operations. This provides a two-year runway for local relationships to be solidified and for local fundraising efforts to mature. As shown in the chart below, in subsequent years the model demonstrates that branches will be operating at a surplus that is sufficient to support national office operations. This, in turn, will free the national office to pursue startup capital for additional markets.

Overall, branches will depend on two major sources of funding to sustain operations: 1) school-based fee-for-service revenue and other public funds, and 2) revenues from other sources, including local foundations, corporations, individual donors, and events.

SINGLE BRANCH FINANCES - OVERVIEW

	<i>Local Yr. 1</i>	<i>Local Yr. 2</i>	<i>Local Yr. 3</i>	<i>Local Yr. 4</i>
Revenue				
Contributions	\$150,000	\$300,000	\$500,000	\$750,000
School-based Fees/Public Funds	35,000	175,000	525,000	1,050,000
Total	\$185,000	\$475,000	\$1,025,000	\$1,800,000
Expenses	861,115	957,293	1,004,543	1,070,343
Total Surplus (Deficit)	(\$676,115)	(\$482,293)	\$20,457	\$729,657

School-Based Funding

Revenue from school-based fees is vital to local sustainability and therefore to market selection. As new branches and affiliate conversions are identified, rigorous market research and negotiations will be conducted to ensure there is a fee-for-service revenue base able to support the program. Capital investments in new markets will not be made until there is clear and undeniable evidence (including an upfront commitment from the school district) to demonstrate a viable fee-for-service revenue base.

The scale up model proposes a fee-for-service revenue stream valued at \$17,500 per school. This amount is based on a conservative average of school-based fees currently being contributed. EC has already succeeded in raising fee-for-service revenue in Baltimore, where fees are currently set at \$20,000 per school, and agreements are currently in place to increase the fees to \$25,000 per school for the next three years. Twenty schools currently meet this fee structure and there is a waiting list of more than ten additional schools willing to meet this requirement. Substantial fees are also secured in Philadelphia (\$10,000+ per school for 16 schools), in Revere, MA (\$21,000+ per school for 3 schools.), and in New York (\$50,000 per school). EC is also in fee negotiations for approximately \$40,000 per school for a two-school pilot program in Washington, D.C.

The source of school revenues for the scale up model will vary by market. It is likely that districts will use Title 1 funds, but each district manages finances uniquely, so other funds may be tapped. It is even possible that in some markets school fees may not come from the district per se, but may be provided by the county, city council, or some other local public agency. What will be true of all markets is that

there will be a local agency (probably the school district) serving as the primary customer who is directly purchasing the program's services, through the branch.

Additionally, public school district foundations raise millions of dollars every year for programs and facilities that are not funded through their government funding. These foundations are good potential partners for raising ongoing sustainable funding from local sources. There are hundreds of these foundations (see National School Foundations Association's website at www.schoolfoundations.org) raising funds for special programs including music, literacy, tutoring, sports, and arts.

An example of a public school district foundation is the San Francisco School Alliance, created as a separate nonprofit foundation by the San Francisco School District. The foundation not only raises money from various sources including corporations, foundations, government entities, and individuals, it also serves as a fiscal sponsor and/or manager for the various programs it funds. Many funders prefer to fund a foundation associated with a school district rather than to fund the school district directly because of the high administrative costs and often cumbersome work rules of many school districts. Also there is often better accountability for the funder through a foundation than through the administration of a school district.

Other Revenue Streams

In addition to school fees, local affiliates currently raise a substantial amount of their EC program funding from a variety of community sources (see Appendix B). For example, the Boston affiliate currently raises \$2 million annually (in support of operations in 20 schools) from a broad portfolio of sources. It is anticipated that their fundraising capacity will only grow with the new partnership.

The scale up model allows for each branch to build a fund development model with strategies that will leverage the unique funding opportunities in their community. Some branches may raise a significant amount of funding from local foundations, while others may have robust individual donor and corporate donor programs. EC's current affiliates all have their own model, which means there are helpful contacts and strategies for new branches to draw from in developing their own models.

As with school fees, the market selection process will be vital to success in tapping other revenue streams. Prior to startup, each new market must be vetted to ensure there is a funding base that can meet the demands demonstrated in the business case.

The precise funding mix will vary by market and will include:

- **Foundations:** In foundation-rich markets (West Coast, New England), local branches will secure support from a blend of grants ranging from \$5,000 to \$50,000. This is true of our existing affiliates, some of whom receive dozens of such grants annually.
- **Corporations:** Corporate support – particularly sponsorships and cause-related marketing – is an area of great opportunity. We are confident that corporate partners will be interested in identifying with both our service recipients (students/families) as well as our volunteers, particularly as we reach scale in the marketplace. Peer organizations such as CityYear with Timberland and Jumpstart with Starbucks have used this approach to great effect.
- **Events:** Events are a growing source of support for our current affiliates. Boston, for example, now nets \$75,000 - \$100,000 annually through a several events, including a gala.

- **Individual Giving and Venture Philanthropy:** While currently a small part of our affiliates' funding mix, we believe there is great opportunity to expand individual giving. We will invest in local fundraising capacity and the national office will provide expertise, strategic guidance, and support to capitalize on the opportunity. Venture Philanthropists will be a particular area of focus, as the scale and potential impact of our effort will be particularly compelling for them. Additionally, with the changing demographics of volunteers, donations from volunteers are a potential source of revenue.
- **Partnerships:** Experience Corps is exploring partnerships with United Way and Catholic Charities, which may lead to financial support and recruiting assistance in local markets.

Current Affiliate Funding

As described above, local funding is derived from a patchwork of sources, with some existing affiliates having demonstrated a promising ability to garner fee-for-service revenue as well as support from other sources such as foundations and events. For more detail on historical sources of support for specific affiliates, see Appendix B.

Prospects for Federal Funding

Although the business case is conservative in its projections of funding from federal sources, subsequent analysis suggests that there may be opportunities on the horizon. For example:

- **The Department of Education** has issued a new competitive round of the Investing in Innovation Fund (i3) Program. EC's application in the first round was ranked very high (25th in the nation in the funding category). A new request, which will incorporate reviewer feedback from round one, should be even more competitive. It is plausible that such support could be as much as \$15 million. Applications are due in August, with selections occurring in December.
- **The Corporation for National and Community Service (CNCS)** has long been a strong partner for EC, and although federal funding is being tightened for Americorps and other service programs, there is still significant political goodwill for supporting programs that engage seniors. CNCS has just approved a one-year grant (with likely continuation for two additional years) to EC for \$1.75 million, which goes mostly toward stipends, with some for national operations.
- **The Department of Justice Mentoring Fund** provides grant funds to current EC affiliates. In addition to an ongoing grant for affiliates, a request was submitted in February in the amount of \$3 million to support enhanced volunteer training and data evaluation. A decision is expected this summer.

Other federal funding opportunities include the "Community Based Schools" program under the Department of Education. This would require that the EC program partner directly with school districts at the local level, which may be more feasible for some affiliates than others, depending on the strength of these relationships.

Also administered by the Department of Education, Supplemental Education Support (SES) funds are granted to school districts, which are then regranted to nonprofit partners. EC would need to become an SES provider to be eligible.

Each of these opportunities would need to be further researched and verified, but should speak to a

greater sense of optimism in the potential for funding from federal sources than is reflected in the original business case. In fact, it is believed that because state funding is in such crisis, it is even more important to tap federal sources to meet local needs.

Other Local Support

The list of foundations in Appendix B include private and corporate foundations that fund at the local level. Geographic interest is a key criterion for some funders, making them excellent prospects for local-level, rather than national, solicitations. It will be important for national and local development staff to work in close partnership to identify and leverage these opportunities to maximum effect.

Contingency Plans

This undertaking requires significant start-up capital and a robust level of ongoing support, which demands diligence in planning to reach achievable milestones, as well as contingency plans should these goals not be met. In the event that funding sources do not materialize according to projections, AARP will not be required to make up the shortfall but rather, the growth plan will be altered to slow the growth to match available resources. The contingency plans developed below are based on the following key assumptions:

1. Year 1 will be staffed with the intent to reach 100,000 by year five, as stated in the business case
2. The goal is to secure \$30.4 million in philanthropic fundraising over the course of five years. In Year 1 the milestone is to secure \$9 million, and in Years 2-5 the goal is to secure approximately \$5 million annually.
3. Contingency plans will be triggered only in Year 2, if the start-up capital fails to materialize. Scenarios A, B, C or D will be implemented depending on amounts of start-up capital raised at that time.
4. AARP \$12 million cash contribution will remain intact under all scenarios.
5. Scale up metrics (number of schools, classrooms, and students served) for single branch remain unchanged.³
6. Local branch fundraising projections, including school revenue, remain unchanged.⁴ A robust market analysis and research effort in Year 1 will ensure we understand market capacity prior to establishing a branch.

³ In developing the scaling model, we researched ten sample communities to determine reasonable targets for the number of Title I schools and K-3 students that could be served. The financial model projected that a site would reach 60 schools by year 4. This assumes each site will be located in mid-to-large size market and would aggressively target a larger geography—e.g., Bay Area rather than San Francisco. The number 60 is simply an overall average of the number of schools identified in the potential markets researched divided by the number of K-3 students in those same markets. Total class size of 25 was again simply the average of the total number of students in the markets researched, and the 50% served is based upon a conservative assumption that the volunteer members working in a classroom will over the course of a year have direct interaction with 12 of 24 students or 128 per school.

Contingency Scenario Projections in Year 5				
	Scenario A: Capital at 25% of Projected	Scenario B: Capital at 50% of Projected	Scenario C: Capital at 75% of Projected	Scenario D: Capital at 100% of Projected
Philanthropic Fundraising	\$7.5M	\$15M	\$22.5M	\$30M
# of Branches	4	11	14	14
# of Students Served	45,950	66,350	77,315	100,000
# of AARP/EC Volunteers	3,825	7,225	9,052	15,000
# of Schools	180	340	426	600
# of Classrooms	1,913	3,612	4,526	6,375
# of FTE's	55	168	196	225
Students Served at Scale	~30,000 (by Yr 6)	~84,000 (by Yr 7)	~100,000 (by Yr 8)	~100,000 (by Yr 5)
Years to Reach Annual Operating Surplus	4	7	7	6

The contingency response to scenarios A, B & C are detailed below:

Scenario A:
Capital at 25% of Projected

- Philadelphia and Baltimore conversion + two new branches
- 50% reduction in operational staff beginning year 2
- 30% reduction in program staff beginning year 2
- 10% reduction in single branch staff costs beginning year 2
- Eliminate ongoing research and program consultants
- Reduce travel and marketing costs by 50%

Scenario B:
Capital at 50% of projected

- Philadelphia and Baltimore conversion + nine new branches
- 15% reduction in operational staff beginning year 2
- 15% reduction in program staff beginning year 2
- No reduction in single branch staff costs beginning year 2

Scenario C:
Capital at 75% of projected

- Philadelphia and Baltimore conversion + 12 new branches
- 5% reduction in operational staff beginning year 2
- 5% reduction in program staff beginning year 2
- No reduction in single branch staff costs

⁴ Several of the high performing EC affiliates (e.g., Boston) have been able to secure school revenues ranging from \$10,000-\$25,000 per school. The mid-point of that range (\$17,500) was used consistently in the model and is considered to be attainable.

Risks and Risk Mitigation

The success of the scale up plan depends on a number of variables, or assumptions. It is for this express reason that the plan has been built around a five-year “proof of concept” phase. As AARP and EC inaugurate their partnership and undertake this testing and refinement of the proposed business model, there are reputational, financial, legal, and programmatic risks to consider – and ways in which they might be mitigated.

Reputational

This partnership represents a significant and high-visibility opportunity to engage older adults in meaningful service and transform the education system. If the alliance does not work out, a separation could damage both brands. For this reason, it is important that AARP and EC have engaged in a thorough planning process so that both can move forward with a high degree of confidence, while at the same time identifying specific steps that would be taken as part of an exit strategy should that become necessary. For detail on exit strategies, see Appendix C.

The program’s success will also require that EC receive significant support from AARP to ensure a successful transition, as well as its ongoing attention necessary for long-term success. This means that AARP’s board and senior management will need to make EC a high priority in order to protect its investment.

Financial

This undertaking requires significant start-up capital and a robust level of ongoing support, which demands diligence in planning to reach achievable milestones, as well as contingency plans should these goals not be met. In the event that funding sources do not materialize according to projections, AARP will not be required to make up the shortfall but rather, the growth plan will be altered to slow the growth to match available resources. Contingency plans are detailed in the above section on Development Strategies.

It is also recognized that EC merging into AARP’s 501c4 may complicate or result in a loss of financial support from some funders. AARP anticipates working with its 501c3 to mitigate this risk and address fundraising challenges.

Legal

Working with children brings inherent legal liabilities. There is also the potential reputational risk relative to abuse claims. That said, EC has not had any claims of child abuse in its 15-year history. This risk is mitigated to a large extent by the fact that the EC program model calls for the tutors to work in the classroom while the teacher is present, so that the tutors are not alone with the students. Additionally, working with children in small groups further reduces the risk.

AARP and EC have considered this issue carefully, and have prepared an operational approach to ensure that any such risks are well managed. This approach is detailed in Appendix D.

Program Integrity

Effective volunteer recruitment, management, and retention will be a critical success factor. AARP and EC are confident in their joint capacity to recruit, retain and maintain the significant numbers of volunteers needed to deliver the program in order to achieve the desired results. Both have years of experience in recruiting volunteers, and AARP has an enormous base of members from which to recruit. While statistical support does not exist that supports previous or similar recruitment attempts in the history of AARP, the significant base from which to recruit and the years of experience recruiting and training volunteers by both organizations is a significant advantage.

Access to schools will also be critical. Shifting the school access point from the local school level to the district level may pose challenges. However, it is also hoped that this will help to scale the model more quickly and effectively. The creation of a new School District Relationship Officer will be dedicated to fostering a high level of access to school districts.

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Appendix A: Branch Criteria

Market Strength

For new branches, as well as affiliate conversions, it is vital to analyze the strength of the local market to ensure that it can sustain the new business model. Key factors to consider include:

Market Size, Supply, and Demand

- The market has an abundance of unserved K-3 students to be served, both through schools and NPO partners;
- The market has an abundance of unserved K-3 schools;
- Significant demand for an EC project has been indicated in the market (e.g., inquiries from orgs/schools);
- The market has an abundance of potential volunteers age 55+;
- The demographic and psychographic profiles of the market's potential volunteer pool are highly favorable to participation;

National Importance

- The market is visible and important to AARP – EC's national branding strategy;
- The market is important to AARP – EC's national funding strategy;
- The market is politically represented nationally by influential senators and/or house members favorable to CBO involvement in schools;

Local Context

- The local funding landscape offers ample fundraising opportunities;
- The local political landscape is highly favorable to delivering successful programs;
- There are few threats of local service substitutes that could compete for AARP – EC's volunteer pool or capture student/school market share;
- The school district shows sufficient literacy need as measured by... [e.g. Average yearly progress or some other 'national' standard];
- The AARP state office and other existing AARP resources are supportive of the effort and aligned well to offer assistance;
- There is a high probability of leveraging partnerships (perhaps with Wireless Generation and/or United Way) to support the branch;
- There is high brand recognition of AARP – EC within the district;
- The Superintendent's literacy strategy is inclusive and welcoming of CBO's and he/she is favorable to partnering with AARP – EC. The local election cycle ensures s/he will be in office at least over course of our launch into the market;

- There is a critical mass of principals amenable to working with EC in the district;
- There is a critical mass of teachers amenable to working with EC in the district and the teacher's union is amenable to CBO involvement in schools;
- There is ample Title I and other state/federal funding sources available to the school district to support AARP – EC's work.

Affiliate Strength

These criteria will be used to assess the feasibility of current affiliates converting to branches:

Project Team Strength

- The project has a strong leader focused on carrying out the AARP – EC mission with quality;
- The project team has the required skills sets to effectively expand operations beyond current demand and carry out the AARP – EC mission with quality;
- The project team has the capacity (bandwidth) in relation to market size to expand operations beyond current demand and carry out the EC mission with quality;
- The project's systems have the capacity to support successful operations -or - upgrading the project's system to an adequate level is not prohibitively difficult or costly.

Project Funding

- The project has the ability to sufficiently fund the program;
- The project has a diverse and sustainable array of funding sources;
- The project has ample cash flow to cover current operating expenses;
- The project has strong relationships with current funders, independent of host;
- The project has additional funder relationships in the pipeline.

Project Compliance

- Project has met or exceeded service delivery standards.

Appendix B: Funding History and Future Prospects

National Funders – Past or Current

American Resort Development Association
AT&T Foundation
Atlantic Philanthropies, The
Capital One
Charles Hayden Foundation
Charles Stewart Mott Foundation
David & Lucille Packard Foundation
Deerbrook Charitable Trust
DeWitt Wallace-Reader's Digest Fund
DOJ/Office of Juvenile Justice and Delinquency Prevention
Edna McConnell Clark Foundation
Eisner Foundation
Evelyn and Walter Haas, Jr. Fund
Ewing Marion Kauffman Foundation
Fidelity Investments/Charitable Gift Fund
Florence V. Burden Foundation, The
Hasbro Children's Foundation
Henry E. Niles Foundation
HHS/Administration on Aging
Corporation for National and Community Service/AmeriCorps
HRC Foundation
James C. Penny Foundation
MetLife Foundation
Noyce Foundation
Patton Charitable Foundation
Penzance Foundation
Pinkerton Foundation
Polk Family Charitable Trust
Robert Wood Johnson Foundation
University of Texas at Austin, The
UPS Foundation
Verizon
Virginia G. Piper Charitable Trust
Wachovia, A Wells Fargo Company
Wallace Foundation, The

Local Funders – Past or Current

The Stulman Foundation
Agnes M. Lindsay Trust
Bain Capital Children's Charity
Boston Foundation
Boston Globe Foundation
Boston Scientific Foundation
Charles Hayden Foundation
Clippership Foundation, Inc.
FleetBoston Financial Foundation
Frank W. and Carl S. Adams Memorial Fund
The Fuller Foundation, Inc.
Georgiana Goddard Eaton Memorial Fund
Hestia Fund
Irving and Edyth S. Usen Family Charitable Foundation
Linde Family Foundation
Nessen Family Foundation
Walter J. Noonan Trust
Orchard Foundation
Polaroid Fund at the Boston Foundation
Schrafft Charitable Trust
Sovereign Bank Foundation
State Street Global Philanthropy Program
Alcoa Foundation
The Cleveland Foundation
Fox Foundation
Martha Holden Jennings Foundation
John K. Mott Youth Fund
The Nathan & Fanny Shafran Foundation
Ackerman Foundation
Indianapolis Latino Institute
Lilly Corporation
Reilly Foundation
Scottish Rite Foundation
Minneapolis Foundation
Star Tribune Foundation
Altria Corporation
The Nathan Cummings Foundation

The Dickler Foundation
Charles Henry Leach II Foundation
Pinkerton Foundation
Verizon Foundation
Philly CARES
YMCA of Germantown
Evelyn and Walter Haas, Jr. Fund
Helen Diller Family Foundation of the Jewish Community
Endowment Fund
Walter S. Johnson Foundation
Wells Fargo Foundation
The Morris and Gwendolyn Cafritz Foundation
The Clark-Winchcole Foundation
Community Foundation of the National Capitol Region
The Max and Victoria Dreyfuss Foundation
The HRC Foundation

Prospective Funder Detail

- **The W.K Kellogg Foundation** is a current supporter of EC in Grand Rapids, having contributed \$800,000. The Foundation has indicated that it would look favorably on any programs EC launches in its priority states of Mississippi, Michigan, and New Mexico. EC feels that significant funding (\$1 million) in multiple years is plausible. AARP also has a strong connection with the Foundation, and sees the opportunity for support of research and evaluation of the national program, potentially with a capacity building gift of \$1 million or more.
- **The Deerbrook Trust**, the family foundation of a current EC board member, is another major investor in the program. In addition to a capital campaign gift, this relationship can be leveraged to connect with other potential major donors and foundations.
- **The Noyce Foundation and The Annie E. Casey Foundation** have been briefed on the AARP/EC partnership, and have expressed a commitment to support the effort by connecting this work to key major donors and foundations. The Noyce Foundation has made significant investments in EC in the past. The Annie E. Casey Foundation is one of the architects of the national *Campaign for Grade-Level Reading* and is a valued organizational partner.
- **Wachovia Wells Fargo** is a current supporter of EC. A renewal request will be submitted this summer.
- **Buffett Family and Wal-Mart Foundation:** A current EC board member (and CEO of the Public Education Network) has strong connections with the Buffet Family and the Wal-Mart Foundation. She has indicated that capital campaign support is a strong possibility from these sources and is helping to facilitate introductions to the key players.
- **New Profit Inc.:** EC is currently being assessed by New Profit's investment team and there is strong interest in supporting the five-year expansion plan. Current conversations are for \$1 million in capacity building dollars and \$1 million in management consulting support.
- **Met Life Foundation** was a major investor in EC's former parent organization, Civic Ventures. A meeting was held with key foundation executives in June and EC has been asked to submit a proposal for significant investment, likely \$1 million a year for 3 years.
- **Cone Communications** is the premier cause-marketing firm in America. EC's CEO has a close relationship with Cone and believes the firm has corporate clients who would be excellent partners and potential investors.
- **Target Foundation** recently committed an additional \$500 million to the cause of literacy, bringing its total commitment to \$1 billion by 2015, to help more U.S. children read proficiently by the end of third grade. EC and AARP have good relationships with Target, and were recently invited to submit proposals for multiple grants estimated at \$8-\$10 million over a three-year funding cycle
- **The Department of Education** is reissuing its Investing in Innovation Fund (i3) RFP, which could be as much as \$15 million. EC was ranked highly in the first round, suggesting a request would be very competitive.
- EC is one of the five finalists for the **Eisner Prize** for \$100,000. On site interviews will occur in late June with the award coming in September.

Other major funders supporting children's literacy include: JP Morgan Chase, Mattel Children's Foundation, and others. The Foundation Center's Foundation Directory is one way to identify funders with specific interests in key areas such as literacy, engaging seniors, etc.

Appendix C: Exit Strategies (DRAFT)

In the event that the program's operational metrics and milestones become jeopardized and/or the projected funding sources do not materialize as anticipated, the entire expansion plan will slow or freeze depending upon the available capital. AARP Experience Corps intends to aggressively fundraise in Year 1 of the proposed plan. The available capital from those fundraising efforts will dictate the extent of implementation efforts. (If investment impact continues to be in excess of \$3 million, the option exists to close down branches in order to match the expense run-rate to the annual AARP \$3 million investment.)

Within the Five Year Growth Period

During the five-year scale up period, AARP will have the right to cease operating the program at any time in its sole discretion; provided, however, in such event, AARP will provide 12 month's written notice to EC. During the 12-month notice period, AARP will continue to provide office space and administrative support services at the same level as provided in the previous year. Funding from AARP to operate the program will be provided at a comparable level to the prior year except that, because AARP funding is primarily intended to support growth rather than transition, funding from AARP will be based on a good faith budget for the transition, but shall be no less than \$1.5 million and no more than \$3 million.

Post Five Year Period

Following the end of the five-year scale up period, AARP may elect to cease operations of the program at any time without providing the transition assistance described above. AARP in its sole discretion may elect to provide transition assistance or provide funding to the program, but is under no obligation to do so. If it should provide transition assistance to allow the program to continue through another organization, AARP and EC will provide each other with written indemnification pursuant to which each party will indemnify and hold the other party harmless from any claims, actions or liabilities arising out of or in connection with such party's operation of the program.

Appendix D: Working With Minors

EC has managed tutoring and mentoring operations for more than 15 years, without ever having had a claim of impropriety. Throughout its history, EC has used an affiliate structure, where operations are conducted by independent partners (generally 501c3 organizations). Liability for such operations rested with the affiliates and the national office was indemnified. The national office took robust steps to ensure the safety of each child served in the program, including: volunteer screening, training, supervision, monitoring, and evaluation.

Moving forward, operations will be directly controlled by the national office, and all necessary steps will be taken to mitigate the risk associated with serving children, including:

- **Volunteer Applications.** All prospective tutors must apply for open volunteer positions. Each applicant will be interviewed by branch staff, and reference checks will be conducted and filed.
- **Volunteer Screening.** EC staff have an extensive understanding of the local, state, and federal screening requirements that must be met prior to placing a volunteer in service. For 15+ years the national office has set screening standards for its affiliates and monitored affiliates to ensure compliance. Moving forward, the national office will continue to establish the screening standards for each volunteer, including the following background checks: state criminal records check, state child abuse clearance, FBI clearance including fingerprinting, and National Sex Offenders Registry check. The actual screening process will be outsourced to a firm such as Asurint, a vendor recommended by the Corporation for National and Community Service. Asurint specializes in such screening and is better able to accommodate the increased volume of volunteer applications projected in the business case. That firm's work product will be audited annually to ensure it is meeting the standards set by the national office. New and returning volunteers will be screened prior to service initiation in the fall.
- **Volunteer Service Agreements.** Prior to admittance to the program, volunteers must sign a Volunteer Service Agreement, in which they commit to adhere to program standards.
- **Volunteer Training.** All volunteers are required to have a minimum of 25 training hours throughout a service year, including the following components:
 - *New and returning volunteer orientation:* introduction to mission, vision, and brand; responsibilities of volunteers; safety and risk mitigation; overview of the program; orientation to the local service site; and basic, intermediate, or advanced training (as appropriate to the individual) across the following topics: literacy (including the five components of reading), tutoring and mentoring techniques, child development, behavior management, and relationship building.
 - *Regular In-service training:* volunteers will attend in-service trainings (minimum of 3x annually) that support primary service activity.
 - *Informal on-going training and/or peer learning:* training calibration for volunteers (i.e. EC staff or teacher coaching; peer shadowing; peer best practice sharing).

- *Leadership development training:* volunteers will have the opportunity for leadership development through: leadership and public speaking trainings; delivery of peer teaching; and/or opportunities for leadership positions.

- **Restrictions on Volunteer/Child Interaction:** All service activities take place within the confines of the classroom and in the presence of the teacher / other adults. Volunteers are not permitted to interact with children outside of this monitoring mechanism.

- **Volunteer Performance Review:** Each volunteer receives a performance review at mid-year and end-of year.

- **Insurance:** There will be an increase in D&O coverage, and additional coverage will be obtained to address liabilities pertaining to working with minors.