

***Osborne Association
Strategic Expansion Plan
September 2012***

Section I - Purpose

Osborne works in partnership with individuals, families and communities to create opportunities for people affected by the criminal justice system to further develop their strengths and lead lives of responsibility and contribution. We design, implement and advocate for solutions that prevent and reduce the damage caused by crime and incarceration.

Section II - Framework for Service

Target Population

Osborne targets individuals with the experience of incarceration and close family members in families who have experienced incarceration. This includes:

- People with pending court cases
- People who are incarcerated
- People who were incarcerated and are recently returned to community
- Close family members in families who have experienced incarceration.

Our target population includes people of all genders and ages, statewide, including people whose cases are adjudicated in family court or federal court. Our target population does not include people with severe and persistent mental illness but does include people with mild to moderate mental illness. Our target population includes undocumented immigrants with a criminal conviction but not undocumented immigrants who do not have a criminal conviction.

All participants in Osborne's programs will be served in the context of their family relationships.

Short-term Outcomes for Individuals

No new criminal justice involvement
Increased accountability for the consequences of decisions
Improved family relationships/pro-social support network
Reduced health risks
Abstain from illegal substance use
Attainment of stable housing
Improved education
Improved employment
Prevent involvement with the criminal justice system

Intended Long-term Outcomes for Individuals

Lead fulfilling lives free of criminal behavior
Experience increased ability to make decisions that produce positive results
Maintain positive involvement with family and community
Capable of effectively managing their lives

Overarching Change Assumption:

Preventing and reducing the damage from incarceration and crime is an individual and social responsibility.

Assumptions Regarding Healing for Individuals (Individual Responsibility)

One's past does not drive one's future. People can declare the future they want for themselves and live their lives consistent with that future.

Elements of transformation include:

- Education and exposure to new possibilities.
- Individuals taking responsibility for the choices they make and the effect their choices have on others.

Every individual has strengths and assets upon which to build a successful future. (Our approach seeks to be asset based.)

Different people respond to different approaches. Interventions should be individualized, which requires service plans based on comprehensive assessments.

Positive family¹ connections increase the likelihood participants will lead happy, productive, thriving lives. Individuals should be served within the context of their family relationships.

It is important to use methods that are proven by evidence to work with people with histories of incarceration.

Summary of Osborne's Approach: Osborne creates opportunities for individuals to see possibilities they couldn't see before and offers science-based tools that individuals can use to create positive change in their lives.

Healing Community Assumptions (Social Responsibility)

Our goal is to create communities that work for everyone, with no one excluded.

If a community is welcoming and receptive to people with criminal records, individuals are more likely to succeed, and the community benefits.

Osborne operates in support of the principle of community sustainability.²

¹ Throughout this document, "family" is broadly defined as meaning the significant people in one's life.

Summary of Osborne's Approach: Osborne builds awareness and receptivity in communities by engaging the community members and returning successful leaders/advocates back to their communities.

Assumptions Regarding Healing for the Criminal Justice System

Systems are made up of individuals. Awareness and alignment can be built through relationships with individuals.

Corrections administrators and staff are important allies for supporting successful re-entry and creating systems change.

Educating and engaging decision makers can help to direct resources to unmet needs and successful solutions.

Direct service providers and their clients can be effective advocates for systems change. (Requires ongoing training for staff.)

To advocate for systems change it is important to have evidence that the current approach is not working and that an alternative approach can work.

Summary of Osborne's Approach: Osborne creates positive change in systems by creating strategic alliances with and engaging decision-makers within the system.

Emerging Decisions about Osborne's Approach:

Osborne serves people involved in the criminal justice system within the context of their family relationships.

Osborne works to change communities and the criminal justice system even in the face of strong opposition.

Osborne provides seamless integration of services organized by an assessment of the strengths and needs of individuals and their families.

All Osborne participants receive services reflecting a common set of values and theories about how people change and how Osborne supports change.

Osborne will ensure that what it has learned about best practices are consistently implemented and exemplified throughout the organization.

² "Sustainability requires the reconciliation of environmental, social and economic demands – the 'three pillars' of sustainability" (Source: Wikipedia).

Section III – Concept of Expansion and Scaling

A key aspect of criminal justice theory and of Osborne’s work is responsivity. Its central understanding is that people are not all the alike and the same approach will not work for everybody. Effectiveness requires that we be responsive to people’s individual needs, circumstances, challenges, and assets. The same principle applies to expansion and scaling. We would not assume that we can take a program site that, say, has worked well in the Bronx, NY, and simply replicate it in some other place and expect it to work. Rather, we must expand in ways that are responsive to the differences in reentry populations, in the challenges and assets they bring to reentry, in their neighborhoods, and in the structures of the criminal justice and other social systems they are involved with. Accordingly, when we think of expansion and scaling, we must ask the following questions: What is it that we are able to bring to scale? What are our expansion strategies for the next 5-7 years? How will we target and measure our success at expansion?

What Are We Able to Bring to Scale?

- A comprehensive approach to reentry.

Research has demonstrated that reentry is strengthened and recidivism reduced when we respond to multiple criminogenic needs. Contrary to first generation reentry programs, which tended to focus on a single area of need (typically employment), Osborne has developed capacity to respond to needs in the areas of employment, health, sobriety, housing, and family, all of which are crucial to people in reentry.

- A focus on families.

An increasing body of research has shown that strengthening families is a key aspect of reentry. Our experience reinforces that view. Osborne has developed groundbreaking programs addressing family reunification, improved family relationships, parenting, building support systems, and securing the rights of children made vulnerable through incarceration. In addition to family services we have increasingly sought to bring a family perspective into all of our programs, so that whether we are addressing employment, health or housing, we are also looking at people in the context of their families.

- Experience with and understanding of people in reentry.

Although incarceration is widespread, one of its impacts is to render people invisible and their life circumstances either unknown or the subject of parody (as in crime dramas and prison “reality” shows.) Accordingly, much work with people in reentry is attempted without knowing or understanding their circumstances well. Osborne has reversed that. Through 80 years of experience and research, Osborne has come to understand both the challenges and the assets of people in reentry and has learned how to work with them successfully.

- Use of evidence-based practices.

A personal understanding of participants is combined with science. Over the past 20 years Osborne has studied the literature on best practices in working with people in reentry. In all of our work we use cognitive behavioral therapy (CBT), which has been shown in research spanning 30 years to be the most effective approach in working with people who have been involved with the criminal justice system. We are experienced in and use several different CBT approaches, including Thinking for a Change, Framework for Breaking Barriers, and Moral Reconciliation Therapy (MRT). In addition, we use established evidence-based practices, such as motivational enhancement therapy (MET) and relapse prevention therapy (RPT), in the several fields in which we work.

- An understanding of the need to heal individuals, communities and systems.

We understand the need not only to work with individuals but also to transform communities and social systems. Individuals need to take responsibility for their success in reentry, but it helps immeasurably when communities are prepared to welcome them and social systems are cognizant of their impact upon people in reentry and their families. Although we focus primarily upon helping individuals who are involved with the criminal justice system, we also use advocacy and coalition building to lead change.

- Skill in program management, grants management, and program evaluation.

Resources for our mission have never been plentiful, so we have learned to manage well. We have developed best practices in program management, grants management, and program evaluation, which help us to use resources effectively and for the greatest possible impact. These skills have been structured in the form of principles, procedures and ways of working together that will inform our expansion efforts.

What are our Expansion Strategies for the next 5-7 Years?

➤ New Site Expansion

We plan to add sites of different sizes and structure, depending on location and circumstances:

(a) Fulton Reentry and Economic Development Center. Due to lower crime and incarceration rates, New York has been able to reduce its prison population and close prisons. One of these facilities, the Fulton Correctional Facility, is less than 2 miles from Osborne’s headquarters in the South Bronx, in New York’s 16th (soon 15th) Congressional District, the poorest in the nation. Through the advocacy of our executive director, and with the support of every elected official in the Bronx, we have created and are pursuing a dramatic opportunity to convert the former Fulton Correctional Facility into a Reentry and Economic Development Center. The transfer has been approved unanimously in the NYS Assembly and awaits passage in the State Senate when

session resumes. We anticipate approximately \$5 million in capital funding from the Prison Transformation Fund created by the Governor as part of the prison closure and re-use plan. An architectural plan for renovating and repurposing the 6-floor facility has been developed and submitted to the Empire State Development Corporation. The center will provide multiple services for people in reentry, including transitional housing and workforce development services. A key part of the workforce program will be incubation of new Bronx-based businesses that can employ our participants. Services will be provided both by Osborne and by a consortium of providers we will convene through a community advisory process. Fulton has a commercial kitchen as well as fenced parking and loading dock that will support a viable economic development plan and capacity to significantly expand capacity for people returning to the Bronx from prison and jail.

(b) Develop a presence at additional correctional facilities. Currently we have a presence at Rikers Island Jail (three facilities) and at 20 NYS correctional facilities. Our presence in jails and prisons ranges considerably. At some sites, we have multiple programs and dedicated space, such as office space and Family Visiting Centers. At other facilities we have one program that takes place on an occasional basis. At other facilities, our presence is at hospitality centers, where visitors first arrive when they come to a facility. Regardless of the nature of it, it is valuable for us to have a presence in as many facilities as possible. Doing so increases our reach within the criminal justice system, our capacity to reach families of the incarcerated, our influence on prison reform policy, and strengthens our profile as a reentry service provider. The cost of such sites is small, as we do not bear space costs. But they do require that we have program funding to provide services. NYS currently has 57 prison facilities, and our long-term goal is to have a presence at all facilities.

(c) Virtual presence through technology. We have begun to develop the capacity to meet with people through advanced telecommunications technology made available to us through Cisco Systems, Inc. We developed this capacity initially to enable children to “televisit” with parents incarcerated at distant prison facilities, especially at Albion Correctional Facility, the largest facility for women in NYS. However, we are now extending that capacity to enable discharge planning and other services with people incarcerated at remote facilities, such as Chateaugay Correctional Facility in far upstate New York. Such telecommunication links allow us to have a presence at more remote facilities. We are committed to expansion of capacity to all maximum security prisons and a total of 25 prisons within 4 years.

➤ Current Site Expansion

We have a detailed architectural plan in place for development of the extensive unused space in our Bronx facility, and we are completing the plan as we have the resources to do so. The plan creates sorely needed additional program space. It also opens up lease space to be used for complementary services that generate revenue.

➤ SIB-Funded New Services

We have recently begun implementation of the new Adolescent Behavioral Learning Experience (ABLE), providing cognitive behavioral therapy and recreational services for adolescents at Rikers Island jail facility. This is an expansion into a relative new service population (heretofore we have not heavily focused on adolescent services). It is also potentially sustainable in a way that most government-funded programs are not. The ABLE Project is funded by the first-in-the nation social impact bond (SIB) funding mechanism, with support from Goldman Sachs and Bloomberg Philanthropies, whereby if the program succeeds in reducing recidivism rates, it will be financially beneficial for New York City to fund it on an ongoing basis, and they will. We have concerns that there is insufficient support for post-release services for a vulnerable population, and are undertaking additional fundraising for community-based services for adolescents. We believe we are also in a strong position to apply for and receive additional SIB funding, which is currently being explored by both NYC and NYS.

➤ Merger

Osborne has never sought mergers and acquisitions simply for the sake of expansion but has acquired two smaller organizations over the last 15 years for strategic purposes, i.e. to gain expertise, create synergies, or protect endangered service capacity. An example is our acquisition of Fresh Start, a reentry program based on Rikers Island, which both spearheaded our reach into Rikers and maintained an important program serving our target population. We also acquired an organization that provided vocational placement services for people leaving jail and prison to enhance our workforce development capacity. Currently we are exploring merger/acquisition or a strategic partnership with an organization that would complement and supplement our services in the substance abuse/mental health area as well as extend our reach geographically. This organization has significant (\$5 million) Medicaid revenue, and would also strengthen and diversify our funding base. As the country wrestles with the implementation of the Affordable Care Act, and the inclusion of behavioral health in assumptions about health care and Medicaid redesign, and as the percentage of people in the justice system with mental health challenges and co-occurring (substance abuse and mental illness) disorders, it is increasingly important for Osborne – as a multi-service agency offering wraparound services – to offer high quality mental health services. Although we are not basing revenue and growth projections on the assumption that this effort will come to fruition, but it has reached a phase that gives us confidence that it would move us toward our expansion goals if it did.

How will we Target and Measure our Success at Expansion

Although we have an ambitious development plan to support this expansion (see below), we also recognize that we will need to attack and achieve targets opportunistically, as funding opportunities, partnerships, collaborations, or other funding mechanisms become available. For this reason, we primarily use total number of participants served as our target/measure for expansion. ***Our goal will be to double the number of annual program participants within seven years.*** We will also use other measures, as shown in the chart below:

	FY 12	FY 13	FY 14	FY 15	FY 16	FY17	FY 18	FY 19
Total participants served	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000
Presence in NYS prisons	20	20	23	25	25	30	30	35
Bronx renovations made		X		X	X		X	
Fulton Center opened					X			

For the Fulton Reentry and Economic Development Center, our timeline is as follows:

- By 3/31/2013 State approves project (Governor signs special legislation).

- By 12/31/2013 Secure state funds for redevelopment of the facility.
Secure required matching funds.
Secure partners/tenants for the facility.
Recruit and structure advisory Board for the project.
Conduct community advance/public relations work.

- By 12/31/2014 Complete facility renovations.
Secure operating funds from individual, corporate, foundation and government grants, as well as tenants.
Complete operational plans with partners and tenants.
Complete fundraising for program operations.
Continue community relations work.
Plan launch and opening event.

- By 12/31/2015 Open the Center.

Section IV – Revenue Projections and Development Plan

Revenue Projections

At present, Osborne has a \$15.6 million annual budget. The current revenue mix is 63.2% government funds, including federal, state, and city funds; 26.4% earned income, primarily New York State Industries for the Disabled (NYSID) and Medicaid; 5.9% foundations; and 4.5% individuals.

Resource needs have been projected for the next seven years. The plan projects an increase of operating revenue over the next seven years from \$15million annually to roughly \$22 million annually. It should be noted that in the current budget, roughly \$4 million NYSID- funded janitorial business skews a per person cost estimate. A better way to look at the resource plan is that we are projecting to double the current budget after subtracting the NYSID portion.

A good portion of the increased revenue is projected to come from increase earned revenue. We see the potential for substantial increase in Medicaid revenue, as the Medicaid is currently being redesigned in ways that will be advantageous to us. A moderate increase of \$100,000 per year is projected; however, it may well be more. The Fulton facility is intended to be shared with a variety of complementary service providers, from whom we expect to receive space costs. The renovation of our Bronx facility is also intended to open up leased space on the first floor and generate revenue. The uniqueness of our experience in family-focused reentry services is such that we are in a strong position to consult and provide training. We are currently developing that capacity and have projected revenue from it.

A major turning point for us was our recent award of funds through the NYC social impact bond (SIB) for services with adolescents at Rikers Island. We are the first-in-the-nation recipient of funds granted through this funding mechanism. If the project is successful in reducing recidivism, thereby substantially reducing costs for local government, continuing funds to support the work will flow from the savings. Further, we anticipate that we will be successful in accessing additional SIB funds, as both the city and state are aggressively developing new SIB projects. We are well positioned because of our understanding of the mechanism and our cache as the first recipient.

We are projecting steady year over year increases in foundation, individual, and corporate support. We believe the SIB award, which derives from corporate funding, will generate new interest in Osborne among corporate funders. Our current revenue mix is over-weighted on the government side. Accordingly, our plan is to build private revenue, while maintaining public revenue at close to current levels, thereby improving the revenue mix over time at the same time that we develop resources for expansion.

In addition to the operating costs, substantial capital funds will be needed both to undertake the renovation of the Fulton facility and to complete renovation of our Bronx facility. A \$5 million proposal to NYS is pending. Assuming they approve the transfer of the Fulton facility, it is expected they will also grant the \$5 million in renovation funds. Substantial additional funds (estimated at \$6-7 million) will need to be raised from public and private sources.

Development Capacity-Building Plan

In order to meet these resource goals, we have taken and/or are in the process of taking the following steps to increase resource development capacity:

Individual Donors

- In December 2010, we hired a new Development Director with deep experience in individual donor fundraising and major gifts. Our intent is to strengthen private fundraising at the same time that we maintain our longstanding strength on the public side. During the past year, we doubled attendance (from 325 to over 650) at our annual

Lighting the Way event and increased total contributions from individuals by more than 40% year over year.

- During FY 13/14 we will convert our donor relations database from the obsolescing DonorPerfect to the state of the art Raisers Edge. This will greatly enhance our capacity to manage and develop donor relationships. It will provide a single platform for overseeing all projects (government, foundations, individuals, capital funds, events, etc.) across the department. Finally, it will provide analytics which will help us more effectively segment, target, and advance donors.

Communications, Media, Public Relations

- About the same time, we hired a Communications Manager, who along with our IT staff, has focused on strengthening Osborne's social media presence, while continuing to work with traditional media. This year our website was greatly improved, we have developed a presence on Facebook and Twitter, and we have generated increased print and TV coverage. A higher public profile and stronger brand are foundational for increased resource development.
- In FY 13 we plan for the first time to hire a media consultant to help us secure placements across all media platforms.

Capital Funds and Corporate Gifts

- In FY 13 we will hire staff and/or consultant to raise capital funds, corporate gifts, and to lead relationship building for foundation fundraising.

Foundation Grants

- In FY 13 we plan to re-allocate staff resources so that we have at least one staff person specifically dedicated to foundation funding in order to move an increased number of foundation fundraising projects forward.

Government Grants

- Government funding opportunities tend to come in unpredictable waves. They provide multi-year funding streams, so it is important to aggressively take advantage of them when available. Osborne had a strong government fundraising year in FY 12, and will continue to take advantage of such opportunities as they arise.

Section V – Risk Factors and Contingency Plans

The following risks are present in relation to the plan described above:

1 – By far the largest portion of Osborne’s funding continues to derive from government grants. In light of the size of the federal and other budget deficits, continued public and political pressure for austerity, and the looming December 2012 fiscal cliff, it’s possible that government funding streams may be sharply curtailed over the next several years. Although we have strong capacity to manage such situations (and emerged from the 2009 crash and its aftermath unharmed), there are limits to the size of such reductions that we could comfortably withstand.

2 – Although we believe the Fulton project is on track, we have not yet received final approval from the state legislature. If approval is not forthcoming, it would likely scuttle the Fulton project. This would not threaten the current finances of the agency but it would deal a significant blow to our expansion plan. However, our plan is designed to take advantage of many contingent opportunities simultaneously, not all of which we expect to be realized. We would be seriously disappointed if Fulton did not materialize, but would move on to other growth opportunities.

3 – We have begun operating our Court Advocacy Services as a fee for service business for privately retained lawyers in limited cases, and are developing a business plan for a substantial expansion for a fee-generating business that could support significant expansion of current services to indigent clients. We have submitted to New York State a plan for this expansion (proposing to expand from 350 to 3500 cases per year) for consideration for a Social Impact Bond. In either case, if Fulton (or other scaling projects) did not materialize we would invest executive energy into this and other business plans for social enterprises that are mission related and capable of creating revenue and jobs.

4 – If approved, we believe the Fulton project has so many neighborhood and public benefits that it will be readily embraced, enabling our capital and operating funding needs to be raised relatively easily. However, this may not be the case. If not, a prolonged period in which an unfinished Center lays fallow would have financial and public relations detriments. As a contingency we will have re-assessment points and seek stakeholders who are prepared to provide support if delays occur.

5 – Our plan calls for us to raise increased funds from individual donors, foundations, and corporations. Although we believe the goals are not overly aggressive and can be met, they lie in areas where traditionally our fundraising has not been strong. It is possible the goals will not be met. If so, our capacity to serve an expanding service population would be cramped. As a contingency, we will closely monitor year by year results against targets, making adjustments in both targets and strategy as indicated by results.