Volume 9 | Issue 2

Summer 2006

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Jeanne B. Mullgrav

New York City Department of Youth and Community Development

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Recommended Citation

Jeanne B. Mullgrav, *Government Gets in the Game: Strategic Philanthropy Isn't Just for Foundations Anymore*, 9 N.Y. City L. Rev. 295 (2006).
Available at: 10.31641/clr090204

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GOVERNMENT GETS IN THE GAME: STRATEGIC PHILANTHROPY ISN'T JUST FOR FOUNDATIONS ANYMORE

*Jeanne B. Mullgrav**

I would like to thank CUNY School of Law for convening this conference. It is my pleasure to be here with so many old and new friends who share a common commitment to the nonprofit sector. We are partners in the movement to provide effective social services.

As you know, government has contracted social services to the nonprofit sector for many years. The question is no longer whether to contract out services, but *how best* to contract with nonprofits to support and achieve high standards. In recent years, government has taken dramatic steps to raise standards of accountability and demand measurable results from service providers. At the same time, government is working harder to support our nonprofit partners in meaningful ways.

City government has adopted the strategic philanthropy model of investment familiar to the corporate and foundation worlds. Rather than scattered and uncoordinated grant-making, this approach favors targeted investments, a focus on outcomes, and collaborative partnerships. With Mayor Michael R. Bloomberg's leadership and support, we have significantly accelerated this trend.

Today, I'll share the Department of Youth and Community Development's (DYCD) perspective on the strategic philanthropy model. With an overall budget of \$304 million and about 450 employees, DYCD is certainly not one of the city's largest agencies. However, with more than 3000 contracts and 1500 unique organizations, we process more contracts than any other city agency. In fact, we perform about two-thirds of the contracting work for the city.

The programs we fund through a competitive bidding process

* Commissioner of the New York City Department of Youth and Community Development (DYCD); B.A., Swarthmore; J.D., New York University School of Law. Prior to being appointed Commissioner in 2002, Ms. Mullgrav served as Vice President for External Relations at The After-School Corporation. Previously, she was the Deputy Director of Intergovernmental Relations under New York State Attorney General Eliot Spitzer and held several senior management positions at Victim Services (now Safe Horizon), a major nonprofit serving crime victims.

include after-school, immigration, literacy, employment, and run-away and homeless services, to name a few. Rather than attempt to provide these services ourselves, it is more prudent and efficient for the city to contract with local community-based organizations (CBOs). These groups are closer to the communities, they understand their needs, and they are linguistically and culturally sensitive to their clients. As a result, our success lies in investing in strong, vibrant organizations and supporting a healthy and robust non-profit sector. To those ends, I will highlight three themes today:

- I. **Equity:** using data and research to ensure fairness and geographic coverage;
- II. **Quality:** requiring accountability and building capacity of nonprofits; and
- III. **Collaboration:** drawing on stake-holder input and creating inter-agency coordination.

I. EQUITY

For DYCD, equity in programs means that we are putting our limited resources to the best possible use. In the past, funding streams were not data-driven and did not reflect demographic changes. Resources were not necessarily distributed to the communities that demonstrated the highest need.

Now, DYCD identifies unmet needs in specific areas through data analysis, research, and tools such as geo-mapping. Extensive outreach is made to local community-based groups that might address these needs, and we post contracting opportunities and Requests for Proposals (RFPs) on our website.¹ Technology also helps us fairly allocate funds using formulas that incorporate relevant demographic data. Let me provide you with some examples:

A. *Summer Youth Employment Program*

In New York, we get twice as many applicants for summer employment as we have funded slots. Our challenge is to distribute these valuable jobs fairly. Common sense tells us that we should direct these scarce resources to low-income communities that suffer from high rates of adult unemployment. When parents are not working, their children especially need opportunities to gain employment experience and enter the workforce. So, we allocate slots accordingly.

¹ NYC Department of Youth and Community Development, <http://www.nyc.gov/dycd/> (last visited Dec. 26, 2006).

B. Anti-Poverty Programs (Neighborhood Development Areas)

Similarly, in a city where, over the past decade, poverty has gone up 20% while anti-poverty funding has remained level, we were challenged to determine who was the “poorest” and how to distribute funds fairly. In this case, we commissioned a spatial analysis of federal census data to identify specific neighborhoods where poverty is especially concentrated; this is because the research tells us that individuals living in concentrated poverty are at greater risk than those who are poor but live among the middle-class. This analysis helped us identify the forty-three neediest communities eligible for programs supported by federal anti-poverty funding.

C. Out-of-School Time

Our recent \$200 million Out-of-School Time (OST) initiative provides other examples. For this initiative, we wanted to strengthen the connection between school-day and *quality* after-school activities and support the mayor’s education reforms. Together with our colleagues, we determined that we would target high-need communities where the money would have the strongest impact. To accomplish this, we identified fifty-eight high-need zip codes, using the following key indicators:

- Percentage of youth population;
- Youth poverty rate;
- Concentration of English Language Learner students;
- Number of single parents with school-age youth; and
- Number of disconnected youth (not in school or the workforce).

Through the procurement process, we encouraged program proposers to locate in these areas. Now, more than 60% of the 558 OST programs are located in these zip codes. In some instances, this resulted in more programs opening in underserved communities, such as East New York. In other cases, DYCD is funding programs for the first time in areas never served by us before, such as the Rockaways and parts of Staten Island. We also encourage providers to meet the needs of target groups that have been traditionally underserved, including:

- Youth with disabilities;
- Lesbian, Gay, Bisexual, Transgender, and Questioning [LGBTQ] youth;
- Immigrant youth;
- Young parents;
- Runaway and homeless youth; and

- Youth in the juvenile justice system.

A key element of procurement involves using the carrot and the stick. Simply stating that we would like to “target” services to historically underserved populations is not enough. In some cases, we need to “market” these opportunities and pay a premium for the services. This strategy yielded new programs serving these groups.

II. QUALITY

We want to ensure that the programs we fund provide the highest-quality services to the city’s youth. We want to know that they are applying best practices and, in the end, are having a positive impact on the participants.

A. *Quality Standards and Accountability*

Historically, the city funded many strong programs serving young people. However, there was too little focus on assessing and improving quality. For example, one-shot programs—such as a basketball game—could yield a large number of participants, thereby meeting targets for “annual enrollment,” but what impact is a single basketball game having on those spectators? That’s not quality youth development.

It is now well-established that, for youth programs to be effective, participation should be *sustained* and activities engaging and challenging. To address this, we focused on new, uniform quality standards. Among our new OST programs—our employment programs *and* our community development initiatives—we are making providers aware of these expectations at the outset so they can be held accountable for their programs’ outcomes. Programs must offer welcoming, healthy, safe environments that support academic achievement, job readiness, and career exploration.

To back up these standards, we have introduced new requirements and new technology. For OST programs, we have introduced attendance-tracking using an on-line database called OST Online. We now know who is attending, how often, and what activities they are participating in. We can catalogue program types and track participants’ dosage. To assure program quality across the board, OST Online will be expanded to other youth programs, such as our Beacons and the youth programs in the Neighborhood Development Areas. In the next year, we will pilot an expansion of this tracking tool to capture participant outcomes or impact.

B. Program Evaluation and Capacity-Building

In order to ensure these quality standards are being met, DYCD is equally focused on program evaluation and capacity-building among providers. We find that experienced nonprofit staff generally understands what works, how to lead by example, and how to inspire others. However, we must now go further and also embrace analytic frameworks and use quantitative tools to ensure our continued success.

As a start, we hired an outside firm, Policy Studies Associates, to conduct a three-year evaluation of our OST initiative. This initiative encompasses data collection from OST Online, as well as surveys and focus groups of staff, program directors, youth participants, and parents.

As we expect increased accountability from providers, we also want to strengthen these organizations and their ability to deliver quality services. DYCD has done this by strengthening our own Technical Assistance and Capacity-Building unit. This means training on new reporting systems, building organizational capacity and staff development, and information-sharing on research-based best practices.

We've also hired outside consultants to assist CBOs with reporting requirements, ensure compliance with state licensing, and support an on-line network. DYCD is committed to helping CBOs not only survive, but to grow and flourish. In the past, capacity-building has been one of the last areas to be funded because most funders wanted to focus on direct services. But now we understand the need to support providers so that they can deliver high-quality services.

III. COLLABORATION

A. Inter-Agency Collaboration

In the City of New York, there are twenty-one government agencies that provide some sort of youth services. Clearly, these twenty-one organizations need to work together to maximize their resources. In this regard, DYCD has sought out collaborative relationships with our colleagues in other city agencies.

This was particularly true during the planning stages of the new OST system, a process that engaged the work of eight city agencies. As a result of our efforts, thirteen OST programs are located in Parks Department facilities and thirty-two programs are housed in New York City Housing Authority buildings. DYCD's

most extensive partnership is with the Department of Education, with 320 OST programs located in public schools. This is a direct result of the first-of-its kind Memorandum of Understanding between our two agencies. More recently, the communication between agencies helped to facilitate the continuity of services during the transit strike and address the newly required additional 150 minutes added to each school week.

B. Private-Sector Collaboration

This city's needs are great and our resources are limited—government simply can not do it all. That's where our partners in the private sector can provide a valuable hand in addressing the needs of the city's most disadvantaged communities.

For example, the New York Times Foundation recently played a critical role in helping DYCD convene leaders in the family literacy field, and the Carnegie Corporation helped us focus attention on the issue of adolescent literacy. As a result, we will shortly release an RFP for literacy services to address many of the shortcomings the Times Foundation group identified, and launch a new adolescent literacy initiative. In addition, The Wallace Foundation has pledged \$12 million over five years to help us with the system-building elements of the OST initiative. DYCD is also working with dozens of corporations in our new corporate summer jobs program, CAPITAL: Corporate Allies' Program for Internships, Training, and Leadership. These are just a few examples of how DYCD is tapping into the private sector and engaging it in our work.

C. Provider Collaboration

Finally, DYCD collaborates with our provider nonprofits and advocacy organizations. We recognize that the individuals and organizations working in the field—in the schools, community centers, and shelters—have an incredible amount of expertise and insight into the needs of their clients. This is why DYCD regularly seeks community, provider, and advocate input in the procurement process, including the development of our solicitations.

Even before procurement reform required publication of concept reports for any new solicitation, DYCD made a practice of inviting these groups to both participate in focus groups and provide feedback on concept papers before we release the RFP. In fact, they contribute feedback at every turn—both before and after our RFPs are released; sometimes contributing substantial changes in addenda to our RFPs. This insight helps ensure that DYCD's RFPs

and programs respond to the needs of the community, reflect sound public policy, and can be implemented.

CONCLUSION

As you can see, the City of New York has interpreted the foundation world's notion of effective giving or strategic philanthropy: In other words, funding that is grounded in research and data, targeted to high need areas, and supportive of our public-private partnerships; this interpretation reflects DYCD's core values of quality, equity, and collaboration.