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ABSTRACT

In 1988, the Annie E. Casey Foundation began New Futures, an 5-year initiative aimed at preparing disadvantaged urban youth for successful lives as adults. Through grants to five mid-sized cities, the Casey Foundation sought to encourage a fundamental restructuring of the way these communities planned, financed, and delivered educational, health, and other services to at-risk youth. Grants averaging $10 million for each city made New Futures a highly visible and much discussed initiative. This paper is the Foundation's look at New Futures, a reflection on funding and managing an ambitious and comprehensive initiative. A formal evaluation, "Building New Futures for At-Risk Youth: Findings from a Five-Year Multi-Site Evaluation," was produced by the Center for the Study of Social Policy. The lessons learned are briefly summarized as: (1) comprehensive reforms are very difficult; (2) it takes time; (3) it's not for every community; (4) building local ownership is no simple matter; (5) refine and modify plans; (6) communicate; (7) real change often depends on increases in economic opportunity and social capital; and (8) stay at it. Contact addresses in the five cities are provided. (SLD)

The Path of Most Resistance

Reflections on Lessons Learned from New Futures

The Annie E. Casey Foundation

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The Annie E. Casey Foundation

The Annie E. Casey Foundation, 701 St. Paul Street, Baltimore, Maryland 21202

Additional free copies may be obtained from:

The Annie E. Casey Foundation
701 St. Paul Street
Baltimore, Maryland 21202
(410) 547-6600
(410) 547-6624 (FAX)

Table of Contents

Foreword v

Introduction ix

Lesson One: Comprehensive Reforms Are Very Difficult 1

Lesson Two: It Takes Time 7

Lesson Three: It's Not for Every Community 11

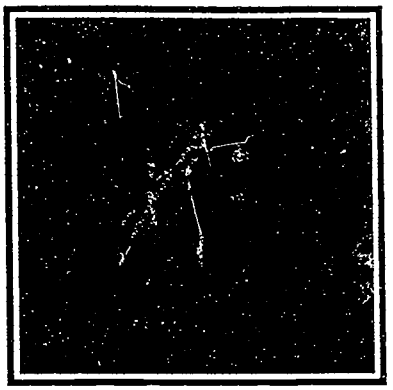
Lesson Four: Building Local Ownership Is No Simple Matter 15

Lesson Five: Refine and Modify Plans 19

Lesson Six: Communicate 21

Lesson Seven: Real Change Often Depends on Increases in Economic Opportunity and Social Capital 25

Lesson Eight: Stay at It 27



Foreword

In 1988 the Annie E. Casey Foundation launched New Futures, an ambitious five-year initiative aimed at preparing disadvantaged urban youth for successful lives as adults. Designed as a response to the alarming number of young people dropping out of school, becoming teen parents, and leading idle, unproductive lives, New Futures was unusual, if not unique, among children's initiatives in the late 1980s.

Through grants to five mid-sized American cities, the Casey Foundation sought to encourage a fundamental restructuring of the way these communities planned, financed, and delivered educational, health, and other services to at-risk youth. This focus on deep, systemic reform was a consequence of our view of existing services: despite obvious connections between the problems and risks faced by disadvantaged youth, human services were frequently fragmented, isolated from one another, needlessly complex, and all too often incapable of meeting the multiple needs of many children and families or the particular needs of individual children and families.

The Casey Foundation grants offered each New Futures city an average of $10 million over five years. Although relatively small when compared to city budgets

for educational and human services, the grants were large enough to make New Futures a highly visible and much discussed initiative.

Over the years, Foundation staff members have often been asked: did New Futures work? Would we do anything differently? What advice would we offer to similar change efforts sponsored by states, the federal government, and foundations? This paper is our attempt to answer such questions. Our hope is that a candid, accessible summary of our conclusions might provide useful insights for others committed to fostering strong community responses to the needs of at-risk children and youth.

Although it represents the views of Foundation staff members most closely associated with the initiative, this paper should not be considered a formal evaluation. An extensive independent evaluation, *Building New Futures For At-Risk Youth: Findings From A Five-Year Multi-Site Evaluation*, is available from the Center for the Study of Social Policy in Washington, D.C., and we recommend it to you. The pages that follow are more properly seen as the Foundation's reflection on funding and managing an ambitious, comprehensive reform initiative.

In general, the "lessons" we have learned do not represent brand new insights into the planning and implementation of the initiative. Nearly all of these lessons reflect a deeper and sometimes more nuanced view of the difficult, complex issues New Futures sought to address, and many have been incorporated into subsequent Casey Foundation initiatives.

For example, we recognized the complexity of reaching both conceptual and practical consensus among diverse public, private, and community stakeholders, so the Foundation has expanded the planning periods for its comprehensive reform initiatives. Moreover, New Futures taught us how much time it takes for broadly based collaborative decision-making bodies to gel.

Other lessons include a deeper realization that no plan, however well conceived, can continue to guide implementation without significant rethinking and mid-course adjustments. Our major initiatives now have more frequent points at which to reconsider funding and initiative

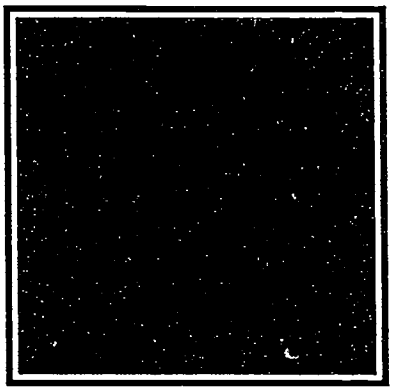
design. We also routinely include grantees in designing evaluations and in selecting technical assistance resources.

Finally, a key lesson that emerged from the Foundation's experience with New Futures was that in some low-income communities, service-system and institutional-change initiatives, by themselves, cannot transform poor educational, social, and health outcomes for vulnerable children and families. Because of this lesson, the Foundation's change strategies now include social-capital and economic-development initiatives that target entire low-income neighborhoods.

Some observers suggest that the obstacles faced by a change effort like New Futures, such as reaching a consensus among diverse youth-serving agencies or creating new funding and service agreements, are insurmountable. In our view, such skepticism is unwarranted. Although New Futures was indeed fraught with these and other difficulties. our experience with the initiative shows that reform efforts characterized by a comprehensive vision can inspire tremendous energy in communities, produce sustained engagement by critical local participants, and attract people who have an awe-inspiring willingness to invest of themselves and to stay with the process. Even when these efforts fall short of their greatest ambitions, they can help guide a community's long-term planning for youth development and ultimately produce real change in the lives of young people.

Based in large part on our experience with New Futures, the Casey Foundation continues to believe in and bet on comprehensive system-reform initiatives. Such efforts, in our view, are the only plausible way to address the multiple needs of at-risk children and families. We remain convinced that fundamental changes in the systems serving children and families are absolutely essential to creating more effective interventions, supports, and frontline practices capable of producing measurably better outcomes for disadvantaged kids.

Douglas W. Nelson
Executive Director
The Annie E. Casey Foundation
August 1995



Introduction

The Annie E. Casey Foundation was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his brothers and sister, who named the philanthropy in honor of their mother.

Throughout most of its history, the Foundation focused on providing long-term foster care for children with particularly troubled lives. In the mid-1980s, the estate of Jim Casey increased the Foundation's assets dramatically. (With current assets totaling more than $1 billion, the Casey Foundation is the nation's largest philanthropy dedicated exclusively to disadvantaged children.) Looking to expand the Foundation's mission on behalf of disadvantaged children, the Trustees and staff began to develop a grant-making strategy targeted at the causes and conditions that put large numbers of children at risk of poor outcomes.

New Futures was the first of the Casey Foundation's now characteristically long-term, multi-site initiatives aimed at reforming public policies and improving the effectiveness of major institutions serving children. The theory behind this and similar reform efforts was rooted in several premises.

The first was that existing service and support systems, despite growing expenditures, were unacceptably inefficient in meeting their goals for poor children and poor families, especially those in low-income urban areas. The failures were visible: worsening outcomes in learning, graduation, pregnancy, employment, poverty, family dissolution, and delinquency.

Second, these failures are partially due to deficiencies in the transactions between helping institutions/professionals and the children and families allegedly being helped. In our view, these transactions were

- narrowly organized to respond to categorically defined problems and isolated from other relevant needs or circumstances;
- expensive reactions to problems that are already fully developed and severe;
- rewarded for expensive institutional interventions at the expense of preventive and community-based ones;
- geographically and culturally remote from the children and families who need services; and
- evaluated on the basis of the number of persons served or services provided instead of the results achieved.

Third, we had solid ideas about the characteristics of practice that would work better and produce better outcomes. Drawing on research, exemplary programs, and common sense, we had come to believe that more effective services would be

- able to prevent or interrupt problems from developing into greater hardship and the need for more costly responses;
- tailored to individual family circumstances and perceptions;
- flexible in the provision of coordinated, comprehensive responses to interrelated needs;
- available in neighborhoods and in settings that allow easy access and simplified intake; and

- respectful, culturally competent, and empowering.

Fourth, and perhaps most important, we believed that current practices could not be changed to more effective ones—on a significant scale—unless the systems that determine such practice are changed first. In other words, our vision of effective services first requires pooling of funding and program boundaries; decentralization of resource and policy decisions; development of collaborative governing bodies empowered to make decisions across youth-serving systems; enhancement of the flexibility, discretion, and community rootedness of frontline decision making and practice; and agreement on genuine accountability measures for children and family outcomes.

These premises shaped our New Futures initiative. We asked cities to engage in deep system change in order to create more effective interventions, supports, and practices capable of producing better outcomes for at-risk middle- and high-school-age youth.

In mid-1987 ten cities[1] received $20,000 grants to subsidize a six-month planning process. Each city was asked to form a broadly based planning committee that would prepare a proposal to the Foundation. Guidance in preparing the proposal was provided by a Strategic Planning Guide and application format prepared by the Center for the Study of Social Policy.

The Foundation emphasized that the locally designed approaches and interventions were to cut across education, employment, health, and human services. The Foundation asked the cities to create collaborative decision-making bodies that represented a broad cross section of local leadership. These collaboratives were to have the authority to pool funding and programs in order to allow categorical institutions and staff to cross boundaries, blend their work, or, at the very least, coordinate better.

[1] Bridgeport, Conn.; Dayton, Ohio; Fresno, Calif.; Greenville, S.C.; Lawrence, Mass.; Little Rock, Ark.; Pittsburgh, Penn.; Reading, Penn.; Rochester, N.Y.; and Savannah, Ga.

We also asked that the collaboratives deliberately use pooled and deregulated resources as a way of increasing the discretion, flexibility, and responsiveness of institutions, teachers, and frontline staff. At the outset of New Futures, this was reflected in a heavy Foundation emphasis on the creation of broadly empowered, cross-agency case managers.

Finally, we asked the cities to create a data base of outcomes in order to provide an incentive for and a measure of the local commitment to continuous improvement and reform over the life of the initiative and beyond. The process of gathering, analyzing, tracking, and sharing information about children and families was deemed central to the development of a community culture of responsibility and change for children.

Over the long term, the progress of New Futures would be measured by

- improved school achievement, a decrease in the dropout rate, and a corresponding increase in the graduation rate;
- a reduction in the incidence of adolescent pregnancy and parenthood; and
- a lessening of youth unemployment and inactivity after high school.

The Foundation considered these measures of success useful in several ways. We believed each could be measured accurately and annually so that progress could be monitored. Because youth problems are intertwined, we also believed that success in these three areas would be an indication of broad progress in improving the lives of children. While substance abuse, for example, was not specifically measured (and to a large extent defies precise measurement), we thought that a community would be unable to make dramatic progress in academics, teen pregnancy prevention, and employment unless it was also addressing substance abuse effectively.

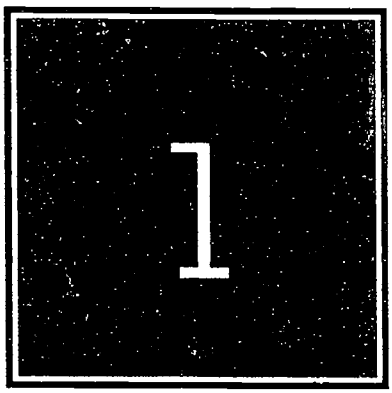
After a review of the community plans by Foundation staff, consultants, and independent readers, five cities were selected for implementation grants: Dayton, Little Rock, Lawrence, Pittsburgh, and Savannah. With the exception of Lawrence, which at the Foundation's recommendation withdrew from full participation after about 18 months, the cities received five-year grants that ranged from $7.5 million to $12.5 million, depending on the size of the city. The cities were required to match the Foundation funds through a combination of "new money" and locally redeployed funds.

The five cities that were not selected for New Futures implementation grants each received grants ranging from $100,000 to $750,000 to implement promising elements of their proposals. One of the cities was Bridgeport, Conn., which replaced Lawrence as a New Futures city in 1991.

That same year each of the New Futures sites completed a comprehensive review of their goals, strategies, and what they had learned. The sites developed a "Second Half Plan" to guide their work in the next phase of the initiative. This review provided the sites with an opportunity to revisit their decisions about collaborative membership, focus, approach, and priorities.

In 1993 no-cost extensions were offered to all of the cities, which extended the formal period of New Futures beyond June 30, 1993. In addition, the Foundation reviewed the progress of each site and awarded an additional $1 million over two years to Savannah and Little Rock.

In brief, New Futures tested the Casey Foundation's belief that mid-sized American cities had the political will and the capacity to reform their youth-serving institutions and, ultimately, improve outcomes for at-risk youth.



Lesson One

Comprehensive Reforms Are Very Difficult

"Our problem is to figure out how these various authoritative bodies can be made to act as a single entity in terms of addressing issues that affect the outcomes of kids."

DON MENDONSA
Collaborative Member
Chatham-Savannah Youth Futures Authority

Community leaders, Foundation staff, and evaluation and technical-assistance consultants have said that the planning and implementation of New Futures were among the hardest undertakings they had ever been involved in. But what made New Futures so hard? We believe the cumulative impact of three factors makes the process very difficult.

First, comprehensive system reform is the path of most resistance. At the heart of New Futures was the belief that at-risk youth are beset by multiple challenges and served ineffectively by multiple systems of service delivery. Real changes in aggregate youth outcomes would require fundamental and deep changes in existing institutions and systems. Such an approach would not only serve vulnerable children and families more effectively, but it also was the only way to proceed, given the scarce public resources available for significant additions to existing youth-serving systems.

By challenging communities to design comprehensive system reforms rather than to add programs, New Futures had embarked on the path of most resistance. Although reform always encounters resistance, the comprehensive reform agenda envisioned by the Casey

Foundation would require simultaneous changes in many youth-serving systems as well as changes in relationships among these systems. Vested interests in current practice, fiscal constraints, and political risks created a constant force capable of minimalizing system change. Some parts of the reform agenda threatened the stability of the current system, and others seemed to discount the importance of the good aspects of the system that already existed. Based on their experience with previous reform efforts, often described as initially exciting but later lacking follow-through, local participants in New Futures were sometimes drawn to improving or expanding good programs rather than challenging fundamental arrangements and attitudes and seeking basic reforms.

At first, all of the New Futures sites pursued a variety of direct-service demonstrations. Several sites soon realized the difficulty of simultaneously running programs and pursuing the system analysis, policy evaluation, public education, planning, and advocacy necessary to advance their ideas for comprehensive reform. In communities that came to rely on direct services, it was a painful process to shift them or phase them down. In the sites that persevered, their accumulating experience and deepening awareness of the failures of current service approaches galvanized their commitment to systems reform as the only practical hope for long-term change.

The lesson we learned is that the impulse to provide direct services was difficult to resist and interfered with reform-oriented work. Subsequent Foundation initiatives have provided more guidance to sites in developing genuinely collaborative governing bodies that can resist this impulse and make binding decisions across youth-serving systems. True integration at the service-delivery level, we learned, requires unprecedented commitments by school boards, child-welfare agencies, and other youth-serving institutions to subordinate their traditional authority over critical functions—including budgeting, staffing, and resource allocation—in favor of collective decision making.

Second, good communication demands clarity of purpose, design, and expectations. A fundamental tenet of New Futures was that meaningful improvements in outcomes for children would require action across a broad front and by many actors. The breadth of the initiative's goals—better outcomes for youth, restructuring community decision making, greater local awareness of the needs of at-risk children, development of improved methods of measuring the well-being of children, and improvement of service delivery—created a risk of focusing on parts rather than the whole.

For example, school achievement and high school graduation rates were deemed good surrogates for broader measures of child well-being: youth who graduated on time were probably not pregnant, probably not incarcerated, probably in reasonably good physical and mental health, and probably had some measure of self-esteem and some optimism about their chances in the world. In other words, understandable and measurable goals were intended to serve as entry points for addressing a range of related issues and needs.

At times, however, these proxies tended to become the whole point of the initiative. The result was often a disproportionate and almost categorical emphasis on school-improvement and dropout-prevention strategies instead of broader systemic reform. Moreover, the difficulty of keeping a clear and consistent focus in the midst of a complex initiative was complicated by the sometimes diverse perspectives of technical assistance providers, evaluators, and Foundation staff.

To help ensure more consistent understanding and communication about complex system-reform efforts, more recently established Foundation initiatives begin with a framework paper that articulates the fundamental elements of the work and serves as a point of consistent departure for sites, evaluators, Foundation staff, and others. During the planning phases, site visits allow a thorough presentation of these fundamental elements to a cross section of local stakeholders. Finally, meetings of technical assistance providers, evaluators, and Foundation staff are held at least quarterly to increase communications.

Third, power, race, and ethnicity matter. The cross-race, cross-sector, cross-discipline nature of New Futures increased the difficulty of the initiative and starkly revealed the different perspectives of various community stakeholders. Business leaders often had a limited appreciation of the real day-to-day conditions of the lives of disadvantaged children. Schools and other public officials frequently reacted defensively, quick to take offense and inclined to confuse calls for change with personal criticism. And low-income residents of the community were often suspicious of the integrity of the process.

"It is important to have strong advocates in the white community and in the black community. You've got to fight prejudice with the facts."

OTIS JOHNSON
Executive Director
Chatham-Savannah Youth Futures Authority

Communication gaps created by the historical isolation of participants from one another were formidable. The sheer lack of experience that most people have in dealing across racial, class, and cultural lines was as pervasive on most of the collaborative governing boards as in the communities at large. The diversity of language, style, beliefs, and interests—at least in the early stages of the collaborative processes—were considerable and needed to be addressed. Frankly, the Foundation did not appreciate or emphasize the importance of these challenges in its early guidance to New Futures cities.

The lesson here is that broadly representative collaborative decision-making bodies will always need significant time to work together. We found the lack of information and direct experience many civic leaders bring to discussions of poverty, or inadequate housing, or low aspirations, or how government really works present real barriers that a collaborative group must overcome if it is to move ahead. In its worst forms, this isolation leads to misunderstandings of the nature of the problems to be solved, to wrong-headed solutions, or to attitudes that underappreciate the difficulties of reform.

Unfortunately, there is no single group-work exercise that helps very different people work well together to do big things, no magic technique that quickly enables diverse groups to collaborate in meaningful ways. Instead, we discovered that people who work hard together and in good faith on problems of enormous importance to the community can provide, in time, the impetus for taking risks, for

talking about things most often not raised directly, and ultimately for building mutual respect. Further, we learned that a truly diverse array of local stakeholders must be involved early, and that this expectation must be communicated as early and as clearly and consistently as possible.

Lesson Two

It Takes Time

"You cannot address and attack a problem unless you have everybody who has a stake in this sit down and put heads together, and, as painful as it is, come up with solutions that may not work, but certainly can go toward addressing those problems. And, as Casey [Foundation] told us when we started, if it doesn't work, regroup and try it again."

JOYCE WILLIAMS WARREN
Collaborative Chair
New Futures for Little Rock Youth

A comprehensive reform initiative like New Futures requires a great deal of front-end time to accomplish the following four critical steps:

- to build constituencies politically committed to long-term efforts;
- to conduct detailed assessments of current conditions and the current state of services and resources;
- to allow for careful and detailed planning of strategically sequenced change; and
- to build the management capacities necessary to sustain the effort over time and through changes in leadership.

Constituency building for the New Futures effort proved to be an early and ongoing challenge. The planning period left cities with insufficient time to identify, reach out to, and involve important constituencies before committing to a proposed set of actions and goals. As a result, not only were important insights and points of view not considered, but also the planning process excluded many who said that because they were left out of key planning decisions, they owed no allegiance to the

specific commitments or vision embodied in the original plans. In most cities, the "Second Half" planning process was far more inclusive and yielded wiser and more broadly endorsed commitments.

In addition to the risks and uncertainties inherent in the New Futures effort, the participants discovered that system-change efforts required an extraordinary amount of time and energy. For local school administrators, mayor's staff, social service personnel, and neighborhood center staff, a day spent working on New Futures came on top of day-to-day responsibilities.

On the positive side, external support from a national foundation helped create the political and psychological room that enabled local officials to put aside their normal tasks and attend to a reform initiative. We learned that creatively used financial support makes it possible for back-up arrangements to free otherwise unavailable participants, compensate for time, and help overcome logistical hurdles. But even with these opportunities, the timetable for change needs to take into account that many key players will be compelled to balance their lives between maintaining existing efforts *while* they are designing and implementing new ways of doing business.

Over time we learned how to mitigate barriers to satisfactory progress in a comprehensive reform initiative. For example, when New Futures was established, there were few examples of the kind of permanent, broad-based, reform-minded body envisioned as the "Oversight Collaborative"; in each city such entities had to be created virtually from scratch. In some of our subsequent initiatives, the Foundation has been able to build on preexisting collaborative capacity and thereby bypass some of the slow going in the early stages.

The bottom line, however, is that there is no substitute for adequate time. Indeed, the Foundation's comprehensive initiatives have incorporated progressively longer time horizons as we have become increasingly convinced that more is gained than is lost through acting deliberately. New Futures itself began as a five-year initiative but

through no-cost extensions and/or additional funding, most sites will have at least seven years of formal involvement with the Foundation.

Lesson Three

It's Not for Every Community

"They [Casey] should have never come to a community that boasts of having P.T. Barnum as its former mayor if they didn't want to play along with a three-ring circus every once in a while."

GUS SERRA
Collaborative Chair
Bridgeport Futures

As was apparent when New Futures was launched, and is still true today, not every community is ready to take on a complicated and comprehensive child and family service system reform initiative. Some communities have too many of their resources (financial, political, and intellectual) committed to other efforts or other priorities. In other cities, there is a lack of leadership commitment, leadership stability, or management capacity needed to sustain a long-term change process. In still other places, a systems change approach fails to excite the individuals it needs to engage.

"Community readiness," in other words, plays a critical role in the timing and pace of an initiative like New Futures and in its eventual impact. We now have a far deeper understanding of the following:

- Need for core leadership that can articulate the initiative, build the necessary consensus, manage the change process, weather the storms, and continually refine and redesign the effort without losing the community's support.
- Management challenges inherent in the kind of complex change processes we believe are required

to have a significant impact on youth. Managing a reform initiative requires the capacity to articulate and communicate distant goals and complex strategies, to use information strategically, to recognize what does not work and be ready to offer alternative solutions, and to identify and capitalize on opportunities to move an agenda along.

- Conviction that the existing systems are badly flawed and require fundamental change so that they create better opportunities for at-risk youth. Without a profound loyalty to this proposition, it is difficult to prevent a difficult reform initiative from eroding into just another service "project."
- Credibility and legitimacy of the lead agency to speak with authority and candor, to be taken seriously even when taking on larger and more established organizations or constituencies, and to become a respected source of information about the status of youth and what improvements are needed.

"In assessing a community, you want to know there is a core group with a conviction that fundamentally they've got a bad system and have to change."

DON CRARY
Executive Director
New Futures for Little Rock Youth

In sum, a community cannot back into, or evolve into, a system-change agenda. The political will to take risks, to face resistance, and to do business differently must be present from the beginning. The clearest example is in collaboration. If real authority to collectively allocate resources, decategorize program rules, and delegate authority across systems is not given up-front to collaborative governing bodies, this power will not emerge. Collaboratives that begin as information sharing will stay information sharing. To put it another way, federal governance is unlikely to emerge from the Articles of Confederation; you need to start with the Constitution.

"Site selection" is vital. This means looking hard at local leadership and collaborative experience, the complexity and risks of the initiative, the maturity of the organization expected to carry it out, the presence or absence of other related efforts, and the availability of a sufficient resolve and patience to build effective cross-system communication. These management capacities will likely determine the

impact of the initiative. Subsequent Casey initiatives have taken a variety of approaches to gaining a deeper understanding of these issues of capacity, credibility, political will, leadership, and timing.

In a variety of ways, our site selection process incorporates the insights of key stakeholders and observers, clear selection criteria, and longer periods of assessment before the initial application. As we bring new initiatives to places where we already have made significant, successful investments, we have a more focused knowledge of the local circumstances.

Yet even with careful up-front assessment, circumstances change. A charismatic, politically skillful leader may move on to another job; the inauguration of a new mayor can send an initiative "back to the drawing board" in terms of the readiness and commitment of city hall; the region may face a sudden economic downturn, shifting everyone's attention from reform to survival; and the initially strong relationship among key players may become much less solid. In other words, "readiness" and "will" need to be reassessed throughout the initiative.

As a result of New Futures, later Casey initiatives not only have longer planning periods but also often have "transition periods" or "capacity building" periods—additional time for states and communities to work together before they and the Foundation make a final decision to proceed. Consequently, the "cohort" of sites that begin each initiative typically becomes a mix of sites in various stages of planning, transition, and implementation. In a few cases, the transition periods revealed sites that lacked the readiness to take on the implementation of system-reform goals. Thus, we carried out a gradual phase-down of initiative funding.

Lesson Four

Building Local Ownership Is No Simple Matter

"The fact that this was a much publicized competitive process was beneficial for us. I think it added to some of the legitimacy and some of the community spirit; it elevated our spirit and self-esteem."

BRENDA DONALD
Collaborative Member
New Futures for Little Rock Youth

The balance between serving as a knowledgeable, confident outside catalyst or funder and promoting local buy-in, commitment, leadership, and ownership is a tricky one. Foundations, universities, advocates, and business interests can serve a crucial role—providing ideas, expertise, money, reassurance, advice—and cover for risk-taking.

However, if the role of the outside funder is not done carefully and deferentially, its presence can become an obstacle to local ownership and local political control of the agenda. Because system change ultimately requires the political reassignment of local public dollars and public functions, it absolutely demands local ownership. When a project becomes known as the Casey project after the third year, the project is in trouble. The role of the Foundation and other outside catalysts should be one of a limited partner—not an owner.

Similarly, technical assistance provided by programmatic experts worked best when it was deployed according to the site's developmental needs and according to local judgment as to the appropriateness of help that is offered. Midway through New Futures, the responsibility, along with the resources, for most technical assistance shifted from the Foundation to the initiative sites.

The experience of determining priorities from among competing needs and of articulating the desired content, process, and outcomes led to more thoughtful initiation and use of resources. We continue to view both the development of local capacity and the eventual transfer of authority and resources for technical assistance to be key to local ownership of the initiative.

The evaluation process should also be co-managed by the funder and the site and should be a major source of data leading to refinement of the effort. Sites should be involved to the greatest extent possible in the design of evaluations so that the benchmarks have local buy-in and the findings have local relevance. This is critical both in terms of the overall goals of the initiative and in terms of interim benchmarks that are used to guide and monitor the work as it unfolds.

Based in part on our experience with New Futures, we have learned a number of things about managing this sort of complicated enterprise with its large cast of players. First and foremost is the importance of clear roles, frank and respectful communications, and well-defined partnerships that are clear about goals, strategies, processes, and outcomes. Moreover, local ownership and leadership cannot be replaced successfully by any amount of Foundation staff work or technical assistance. If technical assistance and evaluation are to be a part of the initiative, the site also should be involved in vendor selection, have a strong say in scheduling, and have some ongoing control over the content and audience of technical assistance and evaluation products.

These reflections are not to suggest a distant or uninvolved relationship between the outside funder and the sites. There is too much information to be shared, and the strategic use of our presence (for political cover, for helping to keep the long-range goals in mind, for insuring that key local leadership stays at the table) is too valuable. In our subsequent initiatives, we have continued to sustain heavy involvement with the sites, but we have come to view the importance of local ownership from a more consistent perspective.

The primary purpose for our presence at sites is to ensure that we are knowledgeable and informed enough to make meaningful, continual assessments of local readiness and capacity. The second reason is to learn. We frankly acknowledge how little of what we are asking people to do has been tried before. Instead, we want to participate with our sites in identifying strategies that work and can be shared with others, pitfalls in initiative design that need to be addressed, and the like. And, although we manage much of our work as discrete initiatives, the work of each major Casey initiative relates to our overarching theory and vision of comprehensive reform.

No discussion of the funder's role in New Futures would be complete without addressing some of the issues associated with the size of the grants. On the one hand, the award of approximately $2 million per year did exactly what we had hoped: it created excitement, provided leverage, brought community leaders to the table, made a claim on their time, and helped to focus unprecedented local attention on the needs of at-risk youth. Just as importantly, the size of the award sent a message about the comprehensiveness, complexity, and difficulty inherent in developing a community-wide systems change strategy. This was not a little demonstration project; $10 million was a dramatic challenge to the community and its institutions.

On the other hand, while $2 million a year appeared to be a huge windfall in terms of an external private grant, it was really insignificant in comparison to the operating annual budgets of the institutions we hoped to reform. The school systems alone had annual budgets of hundreds of millions of dollars; and the health, mental health, and social service systems added scores of millions to that. So while the Foundation award had the virtue of being new, discretionary, and not controlled by anyone locally, it was not nearly enough to pay for a whole separate set of interventions on a scale large enough to change the lives of large numbers of kids.

New Futures provided enough money to attract attention, but not enough to operate large-scale programs. The hope was that the

New Futures grant would move local reformers to examine the existing institution budgets where, Foundation staff pointed out, the real money was located and real change had to occur. However, this leverage strategy required overcoming local resistance to dramatic redeployment or redirection of funds.

The lesson we have drawn from these reflections is that the best initiative design will contain funds that are significant enough to get the initiative going, establish legitimacy, and keep the stakeholders on board. The design should also be structured so that funds are available based on the evolution of a local plan and capacity that is well enough developed and has enough support to encourage wise, timely, and well-targeted investments.

Finally, the Foundation required New Futures sites to "match" Foundation support through new or redeployed funds. One reason was the simple fact that Foundation funds alone were insufficient to support fully the sort of interventions and reforms that both the Foundation and the cities felt were necessary. Moreover, matching dollars were seen as evidence of local commitment.

Emphasis was put on both raising "new" money—not previously available for youth—and on "redeploying" existing money toward New Futures goals. Although the strategic intentions were sound enough, the operational definitions proved difficult both to articulate and monitor.

Despite these difficulties, we continue to see the value in using Foundation funds to leverage other monies and in using the appropriation of new money or transfer of existing funds as both necessary to getting the job done and as evidence of commitment. The lesson, perhaps, is to design a clear and simple matching fund requirement, recognizing that a community's ability to shift, supplant, or rename funds, in order to look like a match, is nearly infinite.

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Lesson Five

Refine and Modify Plans

"The idea that you can develop a standardized template for this kind of fundamental political and social change is, in fact, the imposition of a kind of bureaucratic daydream on reality."

DOUGLAS W. NELSON
Executive Director
Annie E. Casey Foundation

The best original plans from states or local communities for complex multi-year change will require repair, revision, reassessment, and recommitment. This should not be an excuse for tentativeness in original plans. In fact, the more developed the original plan, the more likely the implementation will be successful. But review and revision must be permitted, and significant modification cannot be a sign of failure.

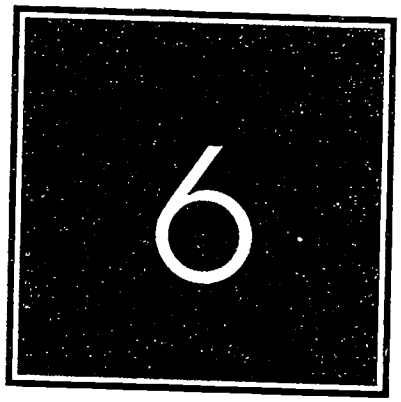
Each of the New Futures cities periodically needed to critically examine its short- and long-term goals, the membership on the collaborative, the allocation of funds—in other words, the operational and strategic parts of the initiative. Some cities handled this process of reflection and mid-course correction well, using it to reconnect to central values, to shore up and expand constituencies, to push the initiative into new and expanded directions, and to rectify significant missteps.

It was at such critical moments that the strongest of the New Futures cities made the initiative their own. In some cities, New Futures wholly reconstituted the membership of the collaborative, some added a neighborhood focus, and some redefined their target population to include younger children.

When the Foundation asked the cities to submit new plans about halfway through the initiative, several New Futures communities had very positive results. They came out of that process clearer in their goals and stronger in their connection to the community at large.

The external funder—a foundation or state, for example—can help local reformers by requiring periodic reporting and sign-offs that bind the local participants to each other for promised actions and outcomes. Periodic updates describing local modifications based on experience can provide feedback to the community site and to the Foundation about progress and concerns.

The assistance of a national foundation, particularly when used wisely by local change advocates, can contribute to the systemic change effort in a community when it is clear that its support is for reforms that are fundamental, enduring, and comprehensive. Moreover, it helps local participants to have someone in the discussion who is unwavering on the fundamentals; as an "outsider" this is a lot easier for the foundation to do. Periodic reassessments and revisions of the local plan provide occasions to test and reinforce this long-range view and overall vision.



Lesson Six

Communicate

"You've got to be clear on the what before you can talk about changing anything."

OTIS JOHNSON
Executive Director
Chatham-Savannah Youth Futures Authority

One of the key lessons of New Futures is that funders, advocates, and leaders of major reform initiatives have done a poor job of making the reformers' theory or logic visible. Most egregiously, we have not fostered a thoughtful awareness of the logical connections between collaboration and decategorization at the system level, nor between service integration and institutional linkages at the program level. Nor have we justified greater empowerment and discretionary practice at the frontline staff level.

Like many other exciting and well-publicized initiatives in our field, New Futures suffered from the twin problems of accolades that were given too early followed by criticism and disappointment that were equally premature. Moreover, New Futures was often described as failing against benchmarks that neither the sites nor the Foundation would have used to judge the effort.

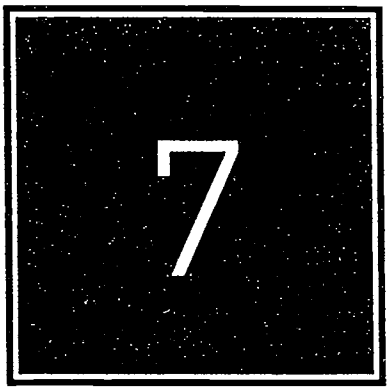
Sometimes New Futures was judged solely as a school reform initiative, sometimes on the basis of a single city, and sometimes on ambitious child-outcome goals long before any reasonable person would expect significant impact. What was most often overlooked was the constituency building and political process that we saw as the heart of the initiative.

The initial public attention to New Futures focused on each city's ambitious, very measurable, long-term goals: reduction in the incidence of adolescent pregnancy and parenthood; decrease in the dropout rate with a corresponding increase in the graduation rate; and lessening of youth unemployment and inactivity after high school. We were less articulate about the interim benchmarks that were of paramount significance, for example, to develop and publish information on the needs of children and the effectiveness of services; to create a durable and legitimate forum for discussions of policies and practices leading to joint decisions about budgeting and planning for more effective child-centered services; to rethink how schools and other youth-serving institutions could work better for youth and their families; and to maintain a commitment to children and families. It was our belief that these preconditions to system change would have to be successfully established before anything like lasting improvements in child outcomes could be credited to the initiative.

Had New Futures developed interim benchmarks from the beginning, they would have given participants and observers clearer road signs. Instead, commentators were often left to conclude that one or another particular piece or aspect of the overall design was what New Futures was about. The irony—and perhaps the lesson learned—is that while we were mindful of the need to communicate effectively with external audiences, other things that appeared more substantive or immediate always seemed to crowd out the communications issue.

In subsequent initiatives, we have been more attentive to the importance of a well-developed communication strategy and of establishing interim measures of progress. The "framework papers" that articulate the background, goals, and strategies of our newer initiatives are intended to be the basis of initial and ongoing external communications and to provide a more accurate and comprehensive view of the change process theory behind each initiative. They also spell out both long-term goals and some interim benchmarks.

In many cases, we have found that locally determined interim measures are equally meaningful, and we have invested in building the capacity of sites to develop and use data and set relevant benchmarks. For example, in some initiatives the third-party evaluator works intensively with sites in building their capacity to analyze data and apply it to managing and evaluating the initiative. In others, the third-party evaluator is using the planning year to lay the groundwork for articulating the interim benchmarks that will be appropriate to the sites' community plans.



Lesson Seven

Real Change Often Depends on Increases in Economic Opportunity and Social Capital

"If the overriding issue isn't the interconnectedness of all the social questions as they impact on families and children, then we just simply fall back to the categorical planning that we have been involved in in the past."

TOM DALTON
Collaborative Chair
New Futures for Little Rock Youth

In many low-income communities, service-system and institutional-change initiatives like New Futures may, by themselves, prove insufficient to transform educational, social, and health outcomes. The emerging lesson is that in some environments, system-reform efforts must be augmented by social-capital and economic-development initiatives that target the whole community.

The disinvested communities we are talking about are places where children and young people experience too few examples, incentives, rewards, or opportunities for what the larger society calls success. The tragic consequence is that youth are compelled to grow up without much experience of success, without much imagining of great possibilities, with too little security, and without much hope. Instead, there is too much room for recklessness, despair, alienation, and settling for too little.

In such communities, our investments in human development and potential will only make sense if there are perceivable opportunities for that potential to be realized. We must find ways of increasing employment, enterprise, and role opportunities for the families and youth

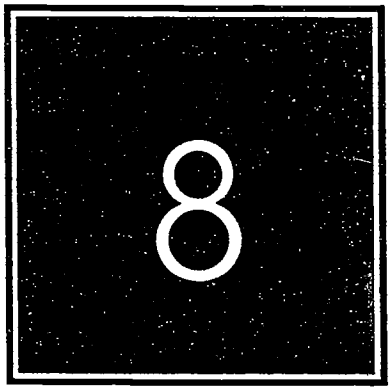
who reside there. To encourage family and community well-being in low-income neighborhoods, the Foundation has recently embarked on a new line of grant making that seeks to increase the access of poor families to incomes, opportunity, and work.

We have also concluded that the radical decentralization and reorganization of existing human service resources down to the neighborhood level could be an enormously powerful engine for community development and community transformation. This is important for several reasons.

First, while the existing public investment in human services for poor neighborhoods is huge, it often has no developmental or return impact for the communities themselves. Funds are paid to eligibility workers, maintenance company employees, secretaries, foster parents, entry level welfare and protective service workers, youth counselors, administrators, teacher aides, teachers, and housing guards—who live, shop, bank, dine, recreate, and pay rent somewhere else.

In our view, there is no insurmountable reason why these functions could not, over time, go to create jobs, roles, and multiplier effects in the very community the expenditure was earmarked for in the first place. Even if only a fifth of the jobs and roles now lodged with outsiders were transferred to in-community residents and institutions, the increased investment would exceed what has been available to most of these neighborhoods for decades. Add to this the secondary and psychological effect of putting more currently underutilized neighborhood residents and their talent and energy to work on positive human development and community building activity.

This approach is a key element of the Foundation's Rebuilding Communities initiative, which has established partnerships with neighborhood organizations in five cities to develop comprehensive development strategies that can reverse the social isolation and disenfranchisement of low-income neighborhoods.



Lesson Eight

Stay at It

"We want to change the system; we want to bring everyone to the table. We want the business community there. We want the different sectors there. We want everybody together working. We want to talk about reallocation of resources. We need to talk about our real problems and define them accurately."

FELICIA LYNCH
President
Allegheny Policy Council

While the outcomes of the New Futures cities to date have by no means proven the validity of our underlying system change paradigm or theory, there is nothing in our experience with this initiative that disproves or erodes it. Indeed, our confidence has grown that these initiatives reflect the only plausible strategy available to improve aggregate outcomes for large numbers of American youth who are poor.

After a lot of incomplete success and some plain failure, we remain absolutely convinced that system change—along the theoretical lines outlined at the beginning of this paper—is the only promising, practical, and logical avenue for attempting to bring about reduced hardship and improved outcomes for the millions of poor children and families in this country who have been losing ground for the last 20 years. Tinkering with current systems won't do it; new support systems built alongside old systems would be prohibitively expensive; and simply unleashing market forces won't get the job done.

We are convinced that efforts like New Futures can be the impetus toward the creation of effective partnerships among institutions, community leaders, and the general public. In every New Futures city enduring

coalitions are working to create better lives for children, and we are confident that these groups will continue to function long after the initiative ends.

Clearly New Futures cities have seen a growth in their capacities to organize, to define and address children/family issues, and to raise and target local funds. These cities have become more attractive to outside funders, including their states, establishing a can-do attitude and perhaps, most importantly, a collaborative body that has a history of speaking for the entire community.

We are convinced that communities that have undergone New Futures-like efforts will find themselves better prepared to respond to new challenges and opportunities. We are gratified to see a large number of New Futures communities, and communities with similar experience, organized very quickly to apply for federal Empowerment Zone and Enterprise Community designations, for example. Increasingly, we believe that the combination of scarce resources and growing social demands will require that *whole* communities, represented by collaborative bodies, learn to make decisions, set priorities, and be held accountable.

Contact Information for New Futures Collaboratives

Allegheny Policy Council
130 7th Street
Pittsburgh, Pennsylvania 15222
(412) 394-1200

Bridgeport Futures
211 State Street
Bridgeport, Connecticut 06604
(203) 330-6050

Chatham-Savannah Youth Futures Authority
316 East Bay Street
Savannah, Georgia 31401
(912) 651-3810

New Futures for Little Rock Youth
209 West Capitol Avenue
Little Rock, Arkansas 72201
(501) 374-1011

Youth and Family Collaborative
1900 Miami Valley Tower
40 West Fourth Street
Dayton, Ohio 45402
(513) 461-5151

The Annie E. Casey Foundation
701 St. Paul Street
BALTIMORE, Maryland 21202
(410) 547-6600
(410) 547-6624 (Fax.)