



# Collaboration Wave of the Future?

Presented by

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# Why Collaborate?

- Bring together the strengths of multiple organizations
- Fits in your strategic plan
- Collaboration brings an unique model to the table
- Shared expense and cost effective
- Builds strong relationships in child welfare

# National Trends

- The “Business”
- The “Money”
- The “Workforce”
- The “Higher Calling”

## “The Business”

“...national and global trends are changing the environment for nonprofits. Thoughtful observers recognize that five years from now the sector will not simply have returned to its previous, pre-crisis state. They know that a fundamental change in American’s attitudes toward credit, debt, risk, work and philanthropy coupled with the loss of 100,000 or more nonprofits, will permanently change the landscape.”

## “The Money”

- Nonprofit Sector hit in many ways: Public sector \$, philanthropic sector, increased need and CASH
- Foundation giving declined 8.9% between 2008 – 2010.
- 45 states have addressed their budget problems by cutting services

# **“The Money” Private**

“The worst economic crisis since the Great Depression resulted in the biggest reduction in U.S. foundation giving on record. In 2009, the nation’s more than 75,000 grant making foundations cut their giving by an estimated 8.4 percent, or \$3.9 billion. This was by far the largest decline in foundation giving ever tracked by the Foundation Center.”

# **“The Money” Public**

As expected, fiscal 2010 presented the most difficult challenge for states’ financial management since the Great Depression. Fiscal 2011 is expected to present states with significant continuing fiscal difficulties with the slower than average growth. The severe national recession drastically reduced tax revenues from every revenue source. State general fund spending has been so negatively affected by this recession that both fiscal

# “The Money” Public

2009 and fiscal 2010 saw nominal declines in state spending. This two year decline is unprecedented and is only the second time that state general fund spending has declined in the history of the Fiscal Survey. The decrease in revenues also resulted in 40 states making mid-year budget cuts to FY 2010 budgets totaling \$22 billion along with 43 states making mid-year budget cuts of \$31.3 billion in FY 2009. As nearly all

# **“The Money” Public**

Recovery Act funds are set to expire by the end of FY 2011, the loss of these funds combined with the anticipated slow recovery of state revenues is expected to result in the continuation of difficult state fiscal conditions for the next few years.

# The Workforce

- Exempt vs. Nonexempt employees
- Continued salary gap between nonprofit child welfare workers and equally educated counterparts
- Erosion of benefits
- Erosion of training
- Multi-generational workforce

# The Workforce

The workforces this country employs to provide child protection, child welfare, child care, youth services, employment counseling, and juvenile justice are not stable enough, experienced enough, trained enough, equipped enough, nor valued enough to do their jobs as effectively or efficiently as they should - or as many of them wish they could.

Douglas Nelson, President  
Annie E Casey Foundation

# Higher calling

- The national trends are not encouraging
- Children and Families are requiring more support and there are less funds to provide the support needed
- What are some of our options for mission driven organizations that feel called to work in child welfare?

# Back Office Cooperative Example

At a time when human service agencies are losing state funding and cutting many of their programs, United Way is backing a unique alternative that can help agencies save on back office costs. The Back Office Cooperative (BOC)'s goal is to improve the condition of the human services sector by driving down agency costs. The BOC brings agencies together and providing bulk discount prices in several areas. “We exist to help agencies free up money to enhance the services they provide in the community,” said Preston.

# Back Office Cooperative Example

“We’re focused on Chicagoland but believe that one day the model could be replicated nationally.” BOC launched in the spring and already many agencies are saving anywhere from 12-60% in areas like office supplies and energy. Other products and services under consideration include insurance and risk management, telecom, finance and accounting, human resources, IT and facilities management. Currently there are 11 agencies using BOC but Preston hopes that number will rise to 30 by next year.

# Collaboration as a Tool

- The collaboration has to create a win-win-win!
- Both organizations have to be better able to serve the population, better off financially in serving the population, and stronger based on the collaboration
- Board involvement is crucial!

# **Arrow and Parks Collaborative**

- Wanted to meet a community need to serve the homeless and at risk population in Ft. Bend County
- 130+ homeless youth identified in the local school districts that need assessment, case management, family therapy, and transitional planning
- DFPS identified a lack of resources for assessment in the Ft. Bend area
- Ft. Bend JPD also identified a lack of resources for juveniles and their families

## **Fred and Mabel Parks started the process**

- Parks Youth Ranch (PYR) received \$500k challenge grant from Fred and Mabel Parks foundation and \$300k grant from the George Foundation in December of 2008
- PYR hired an Executive Director in March of 2009
- PYR expanded the Capital Campaign in May of 2009

## **Fred and Mabel Parks started the process**

- Summer of 2009, Executive Director began meeting with experts in the field of child welfare in Houston about a potential partner agency to operate the assessment center program
- PYR Executive Director met with Arrow CEO and Arrow COO in August 2009

## **Fred and Mabel Parks started the process**

- PYR Board President met with Arrow CEO and COO in September of 2009. Full Board met with Arrow in same month
- Arrow made a presentation to the PYR board in October 2009 and began working on the proforma and the MOU
- November 2009 the PYR board voted to move forward with the partnership
- MOU signed in January of 2010

# MOU

- Written and approved by attorneys by all parties
- Establish agreements: Most important is the core values of organizations have to match! If the core values don't intersect, the collaborative will start on rocky ground and not have a solid foundation
- Establish clearly defined roles and responsibilities of each party separately and also joint obligations that are shared.

# MOU

- Need clear delineation of liability exposure and indemnification. Each entity needs proper insurance coverage at agreed upon limits to cover their own exposure
- All parties signed the MOU and full transparency of financial information is paramount in the relationship. We agreed upon full transparency in relation to staffing, program model, and of all financial information

# **Delineation of Roles**

## **Parks**

- Parks Youth Ranch will provide repair and maintenance to the exterior of ranch buildings
- Raise money to cover pro-bono homeless youth expenses
- Develop community outreach awareness and seek support for successful operation of the ranch.

# **Delineation of Roles**

## **Arrow**

- Will serve as the licensed and contracted entity to manage and operate the Shelter
- Will meet all requirements for initial and ongoing licensing/contracting standards
- Will provide repair and maintenance to the interior of all buildings on the ranch
- Will pay for all transportation needs and repair
- Will maintain the grounds

# Joint Obligations of Collaborative

- Parties shall mutually agree upon an annual budget
- Parties shall mutually agree to share monthly financial statements and year to date financial data
- Parties shall mutually agree to participate in community awareness activities and donor development activities for the Ranch

# Stakeholders

- Explaining the collaborative to stakeholders is challenging
- Usually has had to be done with Arrow and Parks at the table
- Realize that there will be confusion and work together to alleviate concerns

# Donors

- Donors want to know where their money is going and what it is being used for
- We have had to distinguish between Arrow and Parks in talking to Donors
- We have had to communicate about needs and then utilize the donor relationships of each organization to meet the needs

# DFPS/RCCL/Contracts

- DFPS has needed a single entity to be accountable for the contracts, license, and referrals
- Arrow is that accountable entity for DFPS
- Our success is dependent on every entity but DFPS needs a go to person or organization
- We met jointly with JPD but the contract will be with Arrow

# School

- We met jointly with the school district to address needs and educational services for the residents
- The school district will also primarily deal with Arrow on educational services
- The school will go through the collaborative for referrals. This will include Parks and Arrow

# Kids and Families

- Kids and Families should not see a difference between entities
- All services will be provided, needs met, and plans made jointly with the collaborative entities and the youth/families.
- Our goal is for youth and families to see seamless support.
- We will just have more resources come into play because of the collaborative

# Sharing the Vision to Stakeholders

- The collaborative partners have had many meetings and regular communication to develop the partnership, establish roles, and design the collaborative to be the best that it can be
- Stakeholders don't have the benefit of all of those meetings and communication so the vision has to be clear amongst partners so it can be shared clearly to the stakeholders

# Legal Issues Exposure

- Duties have to be clearly identified and defined
- Exposure rests with the identified roles
- Insurance coverage rests with the identified roles and the entity responsible for those roles
- Potential Exposure then needs to be brought to the boards so the boards are clear on the exposure

# Legal Issues

- **Employee Issues:** independent contract vs employee
- **Insurance Issues:** making sure each partner is properly insured and with the proper limits
- **Facility Issues:** maintenance issues, upkeep, etc.

# Finances

- Have to determine what money goes where?
- Clear definition of how the money will be utilized for the program
- Determine who has what expense
- Develop budgets for each partner and share the budgets so everyone knows who pays what
- **Transparency Is Crucial!**

# Finances

- Arrow and Parks developed a budget for each and shared the budgets with each Governing Board
- It was put into the MOU that all monthly financials would be shared jointly
- Fundraising would be jointly communicated and we have decided on who goes out for what grant...etc.

# **Collaborative Marketing**

- We have agreed on signage for the property to represent both organizations
- We have discussed website development and making sure that Arrow and Parks websites both reflect shared message
- We have discussed brochures and marketing materials so that they are consistent for partner organizations

# Start-Up

- Whatever can possibly go wrong.....will!
- Health inspections
- Fire inspections
- RCCL licensure
- Contracts

# Start-Up

- Pressure was beginning to mount on Parks Youth Ranch E.D. and Board to open
- Grants, donors, community leaders were questioning when we were going to open our doors!
- School district, Juvenile Probation had contracts but no DFPS contract
- Parks asked to open without a DFPS contract

## Start-Up

- Hired staff, trained staff and ramped up for opening
- Referrals came in but they were community referrals that had no revenue stream
- Put increasing financial pressure on Parks and Arrow
- Had to decrease census due to costs and no revenue
- Had significant staff turnover because we could not give them the hours they needed

# More challenges

- Arrow began to share the financial losses with Parks
- We all began to get a little testy!
- If we are honest with ourselves, we all began to get a little resentful at times.
- Arrow had many meetings with Parks Board and Executive Director
- Bottom line- through all of the challenges we were committed to fulfill our collaborative mission together

# DFPS Contract!

- We got our DFPS contract on 9/1/11.
- We began the ramping up of staff again!
- More training!
- Admissions began to come fast and furious
- This relieved the financial strain and both Parks and Arrow could get back to doing what we love to do....Serve kids and families!

# Lessons learned

- You can't collaborate without frank honest communication
- There has to be a foundation of commitment to each other so each partner feels safe to communicate transparently
- This is an emotional field and emotions can and will range high...Don't take it personal!

# Check Your Egos at the Door

- You have to like your partner...very much like a marriage. It takes work on both sides!
- You have to relish in each other's success and help each other be successful!
- You have to help when your partner needs help! There is no room for territorialism or it is not in my job description!

# Collaboration

- Miriam Webster definition is to work jointly with others or together especially in an intellectual endeavor
- Latin – collaboratus - to labor together.
- **We Are All in this Together and Working Together as One for Great Outcomes for Youth!**



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