



Washington Association
for Children & Families



A Business Plan for WACF Expansion

A Professional Provider Association for Child Welfare
Providers in Washington State

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1. Executive Summary

Highlights

- Private child welfare providers lack a strong statewide association to speak influentially on behalf of the many providers doing vital child welfare work in local communities across Washington State.
 - WACF (the “Association”) has been led by steadfast volunteers since 2012. While volunteers with limited bandwidth have accomplished much for members, adding full time staff capacity will enable the Association to leverage growth toward greater member value, and a more effective voice in partnership with the public child welfare agency.
- A group of 13 child placing agencies, all WACF members, that spent over a year studying Washington’s current foster home shortage crisis believe that, with sufficient capacity, WACF is best positioned not only to address this particular issue but also to represent all agencies working to address other issues along the continuum of child welfare. They believe that, collectively, providers are stronger when they work together.
- The next evolution WACF is as a staffed professional provider association dedicated to serving private child welfare providers in the State of Washington.
 - Key leadership and advocacy staff assets will be supported by a combination of dues, contributions from philanthropy (for the initial three years of expansion to the Association), and government contracts in later years.
 - Two full time employees will be the initial staff capacity. An Executive Director and a Policy Management/Advocacy Director, with assistance from a contracted Lobbyist and an Administrative Assistant, are the minimum staff required to pursue the highest impact association activities in the early years.
- A brief window of opportunity exists during the new Department of Children, Youth, and Families (DCYF) formation to influence policy and budget decisions that govern WACF member agencies’ activities. Agencies can influence the state two-year budgeting processes for resources important to private welfare providers.
- Philanthropic funds and expertise are also being offered to help bootstrap this next evolution for a statewide child welfare provider association.

Mission Statement

- WACF’s mission is to provide services to, and advocate on behalf of children and families in Washington State who are involved in, or at risk of involvement with the child welfare system.

Business Model

- Two funders are interested in helping the Association bridge a three-year transition from an all-volunteer operation to a professionally staffed entity.
- A member dues structure is proposed. It is modeled on analogous provider associations in other states. Dues for current WACF members will gradually rise to the final levels in year 5. A special dues assessment for the 13 agencies who conducted the planning effort is envisioned. Significant upside exists for member growth.
- Contracted government service revenue, or other government funds, are expected as part of the business model by year 4.
- Staff resources will be supplemented by specialized contractors (both one-time and ongoing) and professional services (ongoing).
- The fully-loaded expense footprint by year 5 is \$282,000.

2. Problem Statement and Formation of An Expanded WACF

Problem

Private child welfare providers lack a strong statewide association to speak influentially on behalf of the many providers doing vital child welfare work in local communities across Washington State.

Child welfare services in Washington State are accomplished in a partnership between public agencies and private providers. For the partnership to work well, partners need strong, well-run agencies, and representatives with systemic knowledge and authority. The absence of a statewide provider association with enough capacity to represent private providers full-time across the state has limited the ability for all partners to explore system solutions. Private provider agencies need one voice to help them better serve Washington State’s vulnerable children and families.

Background on Formation of an Expanded Child Welfare Provider Association

Thirteen private Child Placing Agencies¹ (CPAs), who are all members of the Washington Association of Children and Families (WACF, “the Association”), worked alongside two dedicated philanthropic partners to develop a strategy to address Washington’s foster home placement crisis.

The collaborative process made clear that a laser focus on foster homes would not solve the crisis.

Through the process for designing a collaborative entity it became evident that staffing such an entity toward a singular focus of solving the foster home placement crisis would not be sufficient to meet goals of child safety, permanency, and well-being.

It also became clear that many of the strategies and collaborative capacities identified by the CPAs to address the foster home placement crisis are relevant to other service providers attempting to improve the overall child welfare continuum of care.² By working even more closely together, particularly in light of a window to shape relevant policies in the newly forming Department of Children, Youth, and Families (DCYF)³, the private provider agencies could become even more effective.

Resourced to sufficient capacity, WACF, and its current 33 members, are best positioned to grow to represent all agencies along the full continuum of child welfare—including agencies in the state who are not yet members—in conversations with state agency leadership, legislators, and other elected leaders.

¹ For a list of planning agencies and philanthropic partners, and their formation work since 2016, please see Appendix 1.

² The continuum of care is a concept of the care provided by the set of actors and systems that help vulnerable children and families along a continuum: while the child is still in parental custody, and then—if needed—into, through, and out of dependency.

³ See Appendix 6 for DCYF formation key milestones.

3. Business Summary

Mission Statement

WACF's mission is to provide services to, and advocate on behalf of children and families in Washington State who are involved in, or at risk of involvement with the Child Welfare System.

Summary

The next evolution WACF is an expanded and staffed association dedicated to private child welfare provider agencies in the State of Washington.

WACF has been led by steadfast volunteers since 2012. While volunteers with limited bandwidth have accomplished much for members, adding full time staff capacity will enable the Association to leverage growth toward greater member value, and a more effective voice in partnership with the state.

Key leadership and advocacy staff assets will be supported by a combination of dues, contributions from philanthropy (for the initial three years of expansion to the Association), and government contracts in later years.

Company Ownership/Legal Entity

WACF will continue as the current legal entity. It is currently incorporated in Washington State (UBI: 603 272 902), and has an IRS federal tax exemption ruling as a 501c4 entity. Its federal EIN is 46-2045089.

Location

The current address of WACF is in Kenmore, Washington. Space and support for proposed staff is available at either one of two member agencies: Amara (in South Seattle) or at new facilities being renovated for Olive Crest (in Tacoma).

Proposed Services

- Statewide child welfare provider advocacy (representation to legislators and state agency and executive officials, including year-round, full-time state budget and policy advocacy and lobbying)
- Membership communications (budget and policy alerts, pertinent industry research and practice information, notices of opportunities, calls to action)
- Membership recruitment, learning, and mutual support (welcome more agencies to the Association, build community of practice through trainings and convenings designed to support member professionals)
- Special services (market needs research, marketing outreach to prospective foster families, foster home recruitment, and later, as needed, custom collaborative training resources to agencies' clients)

4. Governance and Transition

The Association will be governed by a newly developed, nonprofit board of directors. The board will oversee management through the hiring and direction of the Executive Director position.

A “Transition Committee” is proposed to help the Association add new capacity. The Transition Committee will be responsible for the following activities:

- Finalizing a request to funders
- Draft an Executive Director job description
- Plan and execute an Executive Director search and hiring process
- Implement a new WACF dues model
- Work with legal counsel to revisit and, if necessary, revise the WACF bylaws and governance model (it is envisioned that members with voting privileges would continue to elect some portion of the board of directors)

5. Management, Staffing, and Contractor Plan

Management and Staffing Plan

WACF's initial staff capacity will involve two full time employees: An Executive Director and a Policy Management/Advocacy Director together will pursue the highest impact Association activities in the early years.⁴ The staff will be supported by a contract Administrative Assistant (already engaged) and a contracted Lobbyist (already engaged but budgeted in this plan for a higher amount of services). This is the minimum amount of staff required to executive on this business plan.

Contractor Plan

Contractor capacity for the following activities is also contemplated in the budget for an expanded WACF. Support already secured from philanthropy is noted for specific contractor activities:

One-time/time-limited contractors, total amount, and high-level scopes

- Entity launch consulting assistance to help the transition committee: \$25,000 (estimated at 55 hours per month for 3 months) – philanthropic supported already committed.
- Market research consultant to help with market segmentation of data surfaced by CA contractor Dr. Dyann Daley (target hot spots for foster home recruitment): \$25,000 (Buxton Associates; paid directly by philanthropic partner) – philanthropic supported already committed.
- Marketing strategy and execution, combined with a recruitment outreach strategy and outreach execution, and communications plan, to include build out of digital and social media assets targeting both new child welfare provider members and new foster home prospects: \$170,000 over two years (paid directly by philanthropic partner) – philanthropic supported already committed.
- Customer Relationship Management build out, to interface with public web recruitment of new foster home family prospects, to allow in-bound warm leads to match with CPAs: \$35,000 (e.g., Salesforce setup and customization by Exponent Partners; supported by philanthropic grant) – philanthropic supported already committed.
- Outcomes Dashboard system contracting, to facilitate a process of discerning the best outputs and outcomes framework and system to track for providers WACF-wide in light of performance based contracting and need for tracking the membership's collective impact: \$100,000 (estimated at \$50,000 for each year over the first two years; paid directly by philanthropic partner).

Ongoing contractors, annual amounts, with high-level duties:

- Contract administrative assistance: \$14,000 per year, to support staff and membership. Already an existing part of WACF budget.
- Contract Lobbyist: \$10,500 estimated part-time support in Olympia for 6 months/year. Already an existing part of WACF budget but raised from \$4,400.
- Goals and outcomes tracking maintenance: \$10,000 estimated support to help with dashboard data issues.
- Various legal and accounting services costs: \$9,750 annually. Some of this expense is already an existing part of WACF budget.

⁴ If the revenue allows, additional staffing capacity of ½ FTE each of a Budget and Policy Analyst and a Community of Practice/ Member Services Coordinator could be added in future years. Estimated combined costs for those two ½ FTEs is approximately \$110,000 for partially-benefited staff plus supplies.

6. Proposed Activities, Milestones, and Key Indicators

Roles and Year 1 Activities

Role	Year 1 (and ongoing)
Executive Director	<ul style="list-style-type: none"> • Startup entity; build budget; work with board; hire professional services as needed • Establish new dues model • Steward existing members through dues transition • Recruit new WACF members • Hire Advocacy Director • Vet and hire contractors • Assist Advocacy Director with advocacy agenda shaping and influencing, including representing the Association during DCYF formation • Manage budget • Staff board meetings • Assist with member communications
Advocacy Director, (with support from contract lobbyist and Executive Director)	<ul style="list-style-type: none"> • Quickly establish credibility in Olympia as voice for WACF members • Positively influence DCYF formation • Help shape recruitment and retention RFP from CA • Develop legislative agenda for 2019 full session • Influence rates and policies important to member agencies • Get in front of performance-based-contracting efforts by state
Administrative Assistant contractor	<ul style="list-style-type: none"> • Board meeting notes • Website updates • Manage CRM and action alert system • Membership application processing • Member meeting coordination
Market research contractor	<ul style="list-style-type: none"> • Complete “heat mapping” exercise (conducted at CA) • Complete market segmentation
Marketing and recruitment contractor(s)	<ul style="list-style-type: none"> • Develop new WACF marketing and communications strategy including <ul style="list-style-type: none"> ○ New messaging and identity plan for WACF (target, providers and key influencers) ○ Design market recruitment strategy for foster homes (target, foster parent prospect segments in “hot spots” around state) • Revise identity, as needed • Build needed digital assets (web site, social media) • Communications plan execution to <ul style="list-style-type: none"> ○ Prime new provider member recruitment ○ Prime new foster parent prospect recruitment
CRM contractor	<ul style="list-style-type: none"> • Develop CRM for CPAs to manage prospect-to-agency hand-offs and integrate with public-facing web presence for foster parent prospects
Goals and outcomes dashboard contractor	<ul style="list-style-type: none"> • Work with WACF members to align on goals/outcomes framework (will prepare WACF members for performance based contracting) • Build dashboard systems and, where possible, automate agency indicator data feeds into dashboard
Members	<ul style="list-style-type: none"> • Provide children and families with high quality services • Stay engaged with association by: <ul style="list-style-type: none"> ○ Participation in the outcomes framework exercise with contractor ○ Sitting on and staying active in work of board, divisions and committees ○ Attending trainings ○ Shaping advocacy agenda and participating in calls-to-action for advocacy agenda

Startup Activities

First 90-120 days:

- Finalize WACF expansion evolution via Transition Committee.
 - Hire transition contractors (entity launch support) and professional services (legal, accounting), as needed
 - Write job descriptions and help Transition Committee move through hiring and on-boarding of staff
 - Develop plan for new board of directors model, and revise bylaws as needed.
 - Transition Committee hires first full time Executive Director.
 - New ED to assess and make suggestions regarding functions of board committees
- ED hires first full time Advocacy Director.
- ED and Advocacy Director meet all current members in person.
- Meet with current Children's Administration officials, new DCYF leadership and formation team.
- Shape RFPs for marketing/recruitment plan, CRM, and goals/outcomes dashboard contractors.
- Hire contractors (Lobbyist, Marketing, Outcomes dashboard)
 - Complete foster home market segmentation (market research will likely be completed prior to this in late 2017).
 - Begin marketing, foster home recruitment, and communications planning.
 - Begin outcomes framework exercise.

Next 120 days

- Implement new WACF dues model.
- Work with contractors to:
 - Complete marketing and communications planning and start execution phase.
 - Begin significant foster home recruitment.
 - Begin member communications and outreach strategy.
 - Hire CRM integration firm to help CPAs/BRS divisions with recruitment tools.
 - Complete outcomes plan and complete dashboard and dashboard system development.
- Add new members:
 - Make sales calls on half of the top 10 CA-contracted providers for In-home, BRS, and CPA services in the state that are not already members.
 - Make sales calls on the top 5 CA-contracted providers in Washington tribes.
- Begin to influence DCYF decision packages for 2019 legislative session relating to In-home, BRS, and CPA rates.
- Work on improving DLR process for member providers.

Key Performance Indicators

WACF's board of directors will need to determine, with member input, key performance indicators for WACF against which to hold management and members accountable. Budget is included for contracted help (to advise and facilitate) determining the measures and methods to include in a WACF dashboard. Some suggested indicators are included below.

Business Health Indicators

- Securing startup support for 3 years
- Existing member retention: all inaugural members remain members through year 5
- New member growth from Tribal providers and across the provider size spectrum as outlined in the Member Sales Growth Targets (Appendix 2)

- Secure government contractors totaling \$200,000 over two years before the end of year 3 of staffed WACF operations
- All dues accounts current
- Strong member satisfaction reports

Advocacy Health Indicators

- Legislative wins on CPA, BRS, and In-home service rate adjustments (to be determined by and with members)
- Policy wins on key rules amendments (to be determined by and with members)
- Regularly asked to present at legislative hearings in-session and at legislator meetings out of session on matters of systemic improvements to child welfare
- Solid and reputable relationship with new DCYF leadership

Client-Related Outputs and Outcomes Health Indicators

Initial activities include spending time developing key indicators around client-related outputs and outcomes. Following are sample outputs and outcomes for consideration by WACF membership. Final determination is up to WACF members:

- For foster home/BRS provider clients:
 - Recruit 1,500 new foster homes by the end of 2020.
 - Foster parents report strong satisfaction with fostering, and with private placement agency support.
 - First placement into out-of-home care is same placement within first year of dependency.
 - First placement into out-of-home care is same community where child lives.
 - Lower rates of re-entry into dependency for children who have previous left dependency.
 - Reduction in median length of stay for children member cohorts' foster placements.
- For in-home provider clients:
 - Lower incidences of abuse and neglect in member cohort population versus control population.
 - Lower incidences of out-of-home placements in member cohort population versus control.
 - % reduction in subsequent ACEs for member cohort population.
 - % reduction in subsequent CPS involvement for member cohort population.

7. Business Model and Financial Projections

Revenue Overview

Revenue will come from three sources: philanthropy, dues, and government contracts. Philanthropy will only support the model through its three-year transition phase.

- Key funding for the first three transition years to an expanded and staffed WACF is being provided by two core funders.
 - Because of restrictions on giving to 501c4 entities, monies⁵ from one specific funder will be paid directly to contractors chosen by WACF for specific expenses outlined in the funder's proposal.
- Dues by member agencies will provide the base operating budget for an expanded WACF.
 - A current dues model will be transitioned to higher dues to support the added capacity.
 - For the first five years of a staffed WACF, because they had previously received capacity-building grants from the core funders, the 13 agencies involved in its initial planning agreed to be assessed supplemental dues.
 - Member growth from 33 to 45 members over five years is projected in the financial model.⁶ Significant upside exists to recruit more members to WACF with WACF current members accounting for 8.5%, 3%, and 7% of all of In-home, BRS, and CPA providers, respectively.
 - See dues model below for details.
- The Association will be expected to attract some form of government contract or budget proviso in statute to support its work. Possibilities include:
 - Contracts for foster home recruitment in all three Children's Administration regions
 - Contracts for Caregiver Core Training (CCT) or other types of required family training by provider agencies
 - Contracts for any state mandated provider staff professional quality levels, should such quality requirements emerge

Membership Dues Model Overview

There will be two classes of membership – voting members and non-voting members. Non-voting members are allies of the work of the providers and pay a small membership fee for affiliation.

For the combined benefits of membership, voting member agencies will be assessed annual dues amounts based on their aggregate revenues from the Children's Administration for the most recently completed fiscal year. For more details, see Appendix 3.

Expense Overview

In addition to contractor and professional services expenses outlined above, staffing costs, supplies, fees, occupancy, and depreciation. Detailed expense projections can be found in Appendix 4.

Expense and Revenue Projection Summary

A summary of projected expenses and revenues are listed below. Projected unrestricted net assets are shown at the bottom of the table.

⁵ These monies are shown in the plan's budget in order to demonstrate their value but will not flow from the donor through WACF for legal reasons (donor unable to grant to 501c4 entities).

⁶ See Appendix 2 for Sales Projections for member growth by provider market segment.

EXPENSE	Year 1	Year 2	Year 3	Year 4	Year 5
Core					
Core Program Staff	\$ 168,000	\$ 198,520	\$ 204,476	\$ 210,610	\$ 216,928
Core Contractors	\$ 99,500	\$ 74,500	\$ 34,500	\$ 34,500	\$ 34,500
SubTotal Core	\$ 267,500	\$ 273,020	\$ 238,976	\$ 245,110	\$ 251,428
Other					
Professional Services	\$ 165,250	\$ 84,750	\$ 9,750	\$ 9,750	\$ 9,750
Subscriptions	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300
Supplies	\$ 3,200	\$ 200	\$ 200	\$ 200	\$ 200
Fees	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300
Occupancy+Depr	\$ 18,750	\$ 18,750	\$ 18,750	\$ 18,750	\$ 18,750
SubTotal Other	\$ 191,800	\$ 108,300	\$ 33,300	\$ 33,300	\$ 33,300
SubTotal Before Legal "Home" Costs	\$ 459,300	\$ 381,320	\$ 272,276	\$ 278,410	\$ 284,728
Total Direct Project					
Total	\$ 459,300	\$ 381,320	\$ 272,276	\$ 278,410	\$ 284,728
REVENUE					
Grants	\$ 454,800	\$ 357,000	\$ 50,000	\$ -	\$ -
Member Dues	\$ 63,540	\$ 95,733	\$ 131,885	\$ 181,178	\$ 215,900
Government Contracts	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Total	\$ 518,340	\$ 452,733	\$ 181,885	\$ 281,178	\$ 315,900
Beginning of Year Net Assets	\$ -	\$ 59,040	\$ 130,453	\$ 40,062	\$ 42,830
End of Year Net Assets	\$ 59,040	\$ 130,453	\$ 40,062	\$ 42,830	\$ 74,001
Months-Operating (net assets/(CY Expense), n/a		4.11	1.77	1.85	3.12

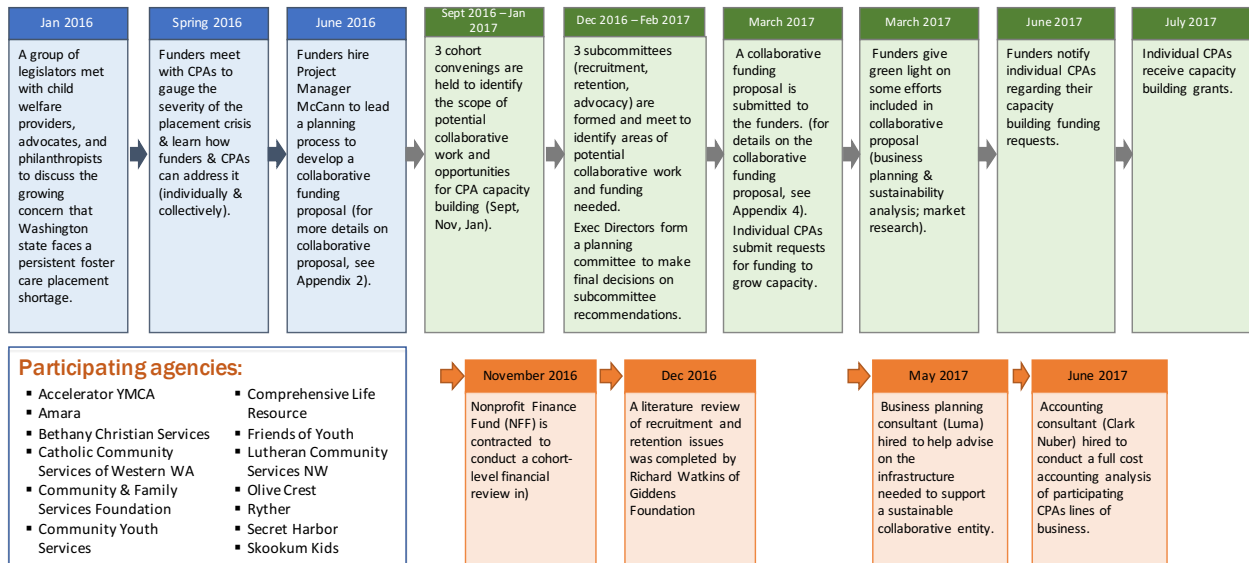
8. Expansion Risks and Mitigation

- **Timing risk** – can the hired staff come on board in time to influence state actions in a significant way during 2018?
 - 2018 supplemental session will be underway as new staff are hired
 - RFP for recruitment contract from state will be in play during first 6 months of 2018
 - DCYF formation will be underway (July 1, 2018, transfer of child welfare and early learning functions to new department)
 - Performance Based Contracting conversations will start to increase in 2018
 - Decision packages for 2019-21 biennial budget will be negotiated by agencies in mid through late 2018 in advance of 2019 legislative session
 - MITIGATION:
 - Transition Committee and board will need to be prompt in executing the hiring and on-boarding of new staff.
- **Sustainability risk** for dues and eventual funder withdrawal.
 - Dues will increase for existing members; there is a risk existing members could have some concerns about staying engaged with WACF.
 - Funders will withdraw funding after year 3 and the revenue model will need to sustain itself after that point.
 - MITIGATION:
 - The new WACF staff will need to be good stewards and conclusively start to demonstrate value to existing members.
 - Funder contributions will help ease the dues increase during the first few years.
 - New members, particularly the larger non-members in the state, will need to be recruited as new WACF members.
 - Staff and membership will need to advocate for and secure some government revenue before the end of the third of staffed operations.
- **Internal risks:**
 - Stakeholders inside WACF may perceive an imbalance of their voices within the Association across the three current committees (In-home, BRS, CPA).
 - MITIGATION:
 - Two staff must be dedicated in word and action to the full continuum of services delivered by member providers.
 - Additional services that serve only one or two subsets of the WACF membership need to be clearly resourced apart from the base dues structure so that full membership understands they are receiving full benefit of staffed services.

Appendices

Appendix 1 –Planning Timeline

The formation of the entity took place in the context of a number of parallel activities related to planning strategies for collaboratively addressing the foster home shortage crisis. A timeline line of activities and the initial agencies (called the Foster Care Funding Collaborative – or FCFC for short – during the planning process) can be found below. Two core funders were actively involved in the Planning Sub-committee formed by 5 representatives the 13 participating agencies.



Appendix 2 – Provider Member Sales Growth in Revenue Projection

Provider Segmentation and Target Segments

The Children’s Administration (CA) of Washington State contracts a significant portion of its child welfare services to a portfolio of private child welfare agencies. These agencies are the provider targets for WACF member growth.

Providers can be segmented by area, service array, and CA-derived revenue totals.

CA-derived revenue is a useful proxy for member segmentation. CA currently pays its contracted providers using a few key dimensions – service volume, service type (by allowed child welfare service), and location.

For WACF membership purposes, the service types are grouped into the three component divisions that make up WACF:

- In-home services aimed at stabilizing the family situation before a child is removed into state custody. (In-home)
 - Currently CA contracts with approximately 117 providers who offer a variety of evidenced based practices. Currently, 10 of those providers are members of WACF, representing 8.5% of in-home providers
- Behavioral rehabilitation services (BRS), aimed at helping foster children with exceptionally difficult emotional challenges stabilize in special foster home environments.
 - Currently CA contracts with approximately 537 providers who offer BRS-related services. Currently, 16 of those providers are members of WACF, representing about 3% of BRS providers.
- Child placement services (CPA), aimed at recruiting foster homes from the general public to provide a home for children in state custody. The foster parents receive licensing and case management support from the agencies and payment from CA passes through those agencies to the foster parents and also compensates the CPAs for their services to families.
 - Currently CA contracts with approximately 235 providers who offer CPA-related services. Currently, 17 of those providers are members of WACF, representing about 7% of CPA providers.

Strategy and Implementation of Member Growth

- The initial strategy is to **retain existing members** during a five-year dues-increase effort, with dues structured to sustain the entity after initial funder support tapers out after year three from the start of the staffed WACF launch.
- The initial five years also will require the Executive Director to **grow the number of new members and market penetration percentages for In-home, BRS, and CPAs** from the baselines in the target segments above. Member sales growth targets by dues segment are listed below.

Promotion Plan

The main sales strategy will be a high-touch, member-benefits solutions- and relationship-selling strategy conducted by the Executive Director through personal key influencer intermediaries.

- Specific individuals will be identified as member recruitment prospects in each segment identified.
- A yearly list of prospects will be solicited for a high-touch new member appeal strategy and relationship selling.
- The high-touch strategy will consist of emails, phone calls, and personal visits arranged by intermediaries that are strong supporters of the mission of WACF who already have relationships with the target prospect.

Member Sales Growth Targets

Modest sales growth, from 33 members to 45 by year 5 (averaging 2.4 new members a year), is projected as follows, with current counts of WACF members to retain listed in Year 1:

New Dues Brackets CA-Revenue-Based Model	Dues Progression during WACF 2.0 Growth					Current WACF Membership	Projected growth by category				
	Year 1	Year 2	Year 3	Year 4	Year 5 Target Dues		Year 1	Year 2	Year 3	Year 4	Year 5
<100K in CA rev	160	220	280	340	400	2	3	3	4	4	
100K-250K	460	520	580	640	700			1	1	2	
250-500K	940	1,080	1,220	1,360	1,500	3	3	4	4	4	
500K-1M	990	1,180	1,370	1,560	1,750	2	2	2	3	3	
1M-1.5	1,360	1,520	1,680	1,840	2,000	6	6	6	7	7	
1.5-2M	1,660	2,120	2,580	3,040	3,500	6	6	6	7	7	
2M-3M	2,260	3,320	4,380	5,440	6,500	6	6	6	7	7	
3M-4M	2,460	3,720	4,980	6,240	7,500	4	4	5	6	6	
\$4M +	2,660	4,120	5,580	7,040	8,500	0	1	1	1	1	
na	100	100	100	100	100	1	1	1	1	1	
na	350	350	350	350	350	3	3	3	3	3	
se Dues Revenue	\$ 47,790	\$ 68,170	\$ 92,510	\$ 129,990	\$ 152,900	33	35	38	44	45	

Stair-step new member growth by member dues bracket is highlighted in yellow.

Appendix 3 - Membership Dues

Dues Principles

The following principles were used to develop the dues model for membership in WACF.

- Dues should be fairly assessed using a rational and uniform determination of a given member’s ability to pay
 - For the initial five years, CPAs involved in the initial planning year will assess themselves with supplemental dues to help start the new WACF.
- Dues should provide great value for the benefits members receive (i.e. dues will provide aggregate value (where the sum is greater than “parts” agencies could buy themselves).
- Dues will signal “togetherness” – that all members contributing to success.
- Dues shall ensure the entity is sustainable by year 5.
- Dues will incentivize member toward shared benefits and desired systems goals.

Member Dues Model

Member dues brackets will be based on the combined total amount of In-home, BRS, and CPA service revenue provided to the provider-members by the Children’s Administration as of the most recently completed fiscal year, as reported by the Children’s Administration to WACF.

Dues will start at the figures listed in Year 1 and grow to a stable level by year 5 as indicated in the table below. After year 5 dues will stabilize. These dues levels in year 5 were based on similar revenue categories found in two child welfare provider associations in Kentucky and California similar to WACF.

New Dues Brackets CA-Revenue-Based Model	Dues Progression during WACF 2.0 Growth				
	Year 1	Year 2	Year 3	Year 4	Year 5 Target Dues
<100K in CA revenue	160	220	280	340	400
100K-250K	460	520	580	640	700
250-500K	940	1,080	1,220	1,360	1,500
500K-1M	990	1,180	1,370	1,560	1,750
1M-1.5	1,360	1,520	1,680	1,840	2,000
1.5-2M	1,660	2,120	2,580	3,040	3,500
2M-3M	2,260	3,320	4,380	5,440	6,500
3M-4M	2,460	3,720	4,980	6,240	7,500
\$4M +	2,660	4,120	5,580	7,040	8,500
Individual Alumni*	100	100	100	100	100
Allied Organizations*	350	350	350	350	350

Special Dues Assessment

The thirteen original members of the planning process that led to the creation of the WACF expansion plan have agree to self-assess additional dues for five transition years as follows:

Agency	Brackets	Special Dues Assessment Progression during WACF 2.0 Growth				
		Year 1	Year 2	Year 3	Year 4	Year 5
Skookum	<100K	250	438	625	813	1,000
	100K-250K	500	875	1,250	1,625	2,000
LCSNW, YMCA, CLR, Bethany	250-500K	750	1,313	1,875	2,438	3,000
	500K-1M	1,000	1,750	2,500	3,250	4,000
Amara, Secret Harbor	1M-1.5	1,250	2,188	3,125	4,063	5,000
	1.5-2M	1,500	2,625	3,750	4,875	6,000
CCSWW, CFSF, Ryther, Olive Crest	2M-3M	1,750	3,063	4,375	5,688	7,000
	3M-4M	2,000	3,500	5,000	6,500	8,000
	\$4M +	2,250	3,938	5,625	7,313	9,000

Appendix 4 – Expense Detail

Revised 11/7/17									
Expense Category	Subcategory	Expense Name	Year 1	Year 2	Year 3	Year 4	Year 5	Notes	
Core Program	Staffing	Executive Director	\$ 84,000	\$ 112,000	\$ 115,360	\$ 118,821	\$ 122,385	Fully benefited FTE for 9 months for year 1; 3% increases; \$75K to 90K base DOE and loaded 25% for benefits	
		Policy Management & Advocacy Director	\$ 84,000	\$ 86,520	\$ 89,116	\$ 91,789	\$ 94,543	Fully benefited FTE starting Day 1 year 1, 3% increases; \$67K base starting w/ 25% for benefits	
Professional Services	Contractors	Entity Launch Consultant	\$ 25,000					55 hours per month X \$150/hr for 3 months	
		Administrative Assistant - part time	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	Linda Conchi currently	
		Contract Lobbyist	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$1750/month for 6 months	
		Goals and Outcomes Tracking	\$ 50,000	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	Facilitated outcomes discernment, dashboard design, code interactions of data into dashboard system, out-years, maintain in out-years	
SubTotal Core Program			\$ 267,500	\$ 273,020	\$ 238,976	\$ 245,110	\$ 251,428		
Other	Professional Svcs	Market Research	\$ 25,000					(heat-mapping effort paid for by CA) Dyann Daly and Buxton to do market segmentation analysis for CPAs	
		Marketing/Recruitment Plan	\$ 95,000	\$ 75,000				Includes build out of web and media assets; strategic communications	
		Recruitment CRM SW Build Out	\$ 35,000					Explore, design, build, train on Salesforce for nonprofits; Exponent Partners	
		Legal Services (Incorporation, IRS filings)	\$ 500					may just need a little review before re-filing articles and bylaws	
		Legal Services (retainer)	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	Bylaws review, employment law issues	
		Accounting Services - through WACF	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	Outsourced accounting services (e.g. someone like McBooks, Inc)	
			Accounting Review	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	Outsourced (e.g. Clark Nuber)	
		Supplies	Computers	\$ 3,000					2 computers at \$1500 each (see Depreciation for replacement after 4 years)
			Other	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	Miscellaneous
		Subscriptions	Office 365 for Business Premium	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	2 licenses at \$12.50/user/month annual billing option
			CRM Subscriptions/Licenses	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	Salesforce CRM for nonprofits - enterprise license for central entity and staff users
		Fees	Filings	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	Initial incorporation and ongoing city, state, federal filing fees
			D+O Insurance	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
	Occupancy+Depr	Office Space and office services	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	Internet, phone, printing, copying, meeting room space; Amara as landlord	
		Depreciation	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	for replacing computers after 4 years	
Subtotal Other			\$ 191,800	\$ 108,300	\$ 33,300	\$ 33,300	\$ 33,300		
Total Projected Expenses			\$ 459,300	\$ 381,320	\$ 272,276	\$ 278,410	\$ 284,728	\$ 284,728 ongoing footprint cost	

Appendix 5 - Required Start-Up Capital

Two core funders are providing startup capital to partially cover initial staff and contractor expenses in years 1 through 3 of WACF expansion.

Current commitments at the time of the writing of this plan are as follows:

Direct WACF Grants per year:

- Year 1: \$284,800
- Year 2: \$232,000
- Year 3: \$50,000

Contract Funds Available (WACF to submit contracts to Funders for final approval and payment directly to contractors):

- Marketing: \$170,000 allowance
- Outcomes/Dashboard Goals Development: ~\$100,000 allowance
- Market segmentation Analysis: ~\$25,000 allowance

Appendix 6 – DCYF Formation Timeline and State Budget Milestones

