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**Ms. Nellie Bogar, Executive Director
Youth Village, Inc.
312 Pelham Road
Ft. Walton Beach, FL 32547**

September 21, 2006

Dear Ms. Bogar,

Some time ago the Board of Directors of Youth Village requested the assistance of the Institute of Senior Professionals (ISP) in developing a business plan for your organization.

We formed a working committee under the leadership of Charlie Morris, and have accomplished that task. As I understand, Charlie and his committee have already shared with you in advance the thrust of their recommendations.

This week our directors reviewed and officially approved a document entitled *Youth Village: A Proposed Business Plan*, dated 25 August 2006. I am pleased to convey it to you at attachment.

Let me express the appreciation of our directors for the generous work that your organization is doing on behalf of the children of Ft. Walton Beach. We hope that our work has helped to identify some of the choices facing Youth Village.

Thank you for permitting us to assist you.

Sincerely yours,



David R. Keener, Chairman

Attachment: as noted (two copies)


YOUTH VILLAGE

A PROPOSED BUSINESS PLAN

Institute for Senior Professionals

August 25, 2006

August 25, 2006

To: David Keener, ISP Chair
From: Charles Morris 
Re: Youth Village Business Plan

Enclosed is the proposed Business Plan our committee has developed for Youth Village, an afterschool program for "at risk" children in the Fort Walton Beach area. Our recommendations are based upon several visits to Youth Village and meetings with Director Nellie Bogar, plus discussions with various school officials, social service agency personnel, and directors of other afterschool programs in Okaloosa County.

The recommendations has been presented to--and discussed with--the Board of Directors of YouthVillage and it is our current understanding that the fee-based program we have proposed will be adopted by the Board. It is our belief that a fee-based program combined with financial aid for needy families offers the best solution for sustaining Youth Village once grant support runs out in June, 2007.

We have enjoyed our work with Youth Village and are optimistic that it will continue to provide a vital service to the Fort Walton Beach community.

Committee members:

Russ Christesen
Audrey Hains
Charles Morris

Youth Village

A Proposed Business Plan

Introduction and Background

Youth Village is currently a free, nonprofit after school program that provides tutoring and mentoring for boys and girls between the ages of 7-15 in the Greater Ft. Walton Beach area. Its goal is to offer a variety of programs designed, on the one hand, to promote educational success and personal growth among at-risk children, and, on the other, to decrease the rate of juvenile delinquency, drug abuse, and recidivism in the community.

In order to achieve its objectives, Youth Village has formed partnerships with the Okaloosa County School Board, the Okaloosa County Sheriff's Department, Striving for Perfection Ministries, the Okaloosa County Anti-drug Coalition, the Mental Health Association of Okaloosa/Walton Counties, and the Florida Department of Juvenile Justice.

Over the past few years, Youth Village has served 60-75 children during the school year (plus a small fee-based summer program) and has had an annual budget of about \$100,000. Funds for the program have been provided almost exclusively by a Prevention Grant from the Florida Department of Juvenile Justice. According to the Florida Department of Juvenile Justice, Youth Village is located in a "High Risk Zip Code" area of Ft. Walton Beach where many of the children are known as "latchkey kids" who have no supervision following dismissal from school. The area is largely military with a sizeable transient population that leads to low neighborhood attachment, one of several factors that are correlated with truancy, delinquency, and poor academic performance.

Currently, there is no place in the immediate area where youths can gather under adult supervision to receive help with homework, mentoring, and healthy recreational activities. With no adult supervision, young children in the community are prone to delinquency, gang activity, drug and alcohol abuse, and other undesirable activity during the high-risk hours of 2:00-6:00pm when most juvenile crime occurs.

Youth Village is based on a holistic model of child development which focuses on the "whole child" in his or her school and community. Along with tutoring and mentoring, children are taught life-management skills, made aware of the causes and consequences of drug and alcohol abuse, and encouraged to become morally responsible and productive members of their community. It is believed that this approach will both foster personal growth and reduce juvenile crime and recidivism in the community.

Keys to Success

- **Building and strengthening families:** Through a partnership with the Mental Health Association and Okaloosa County Anti-Drug Coalition, Youth Village provides domestic violence awareness and education classes, family-to-family training for families with mental illness, and drug and alcohol abuse information for the youth/family and school anti-violence programs.
- **Community Service:** Youth Village provides opportunities for high school students to earn community service hours while volunteering in the program. A partnership has also been formed with Wellington Place, an assisted-living facility in Ft. Walton Beach. The children visit Wellington Place to help with serving lunch/dinner, read to and with residents, play games, and help out in whatever capacity is needed.
- **Reducing Delinquency and Recidivism:** In partnership with the Okaloosa County Sheriff's Department, at-risk youths are referred to Youth Village and receive mentoring and support aimed at breaking the cycle of delinquency and helping these children cope with family and community issues.
- **Volunteers:** A partnership with Okaloosa-Walton College provides volunteers from various academic departments that enable Youth Village to achieve its objectives.

Needs Assessment

Youth Village is located in an area that has been designated "high risk" by the Florida Department of Juvenile Justice. At least one-third of the children in this low socio-economic area are eligible for free or reduced price lunches and more often than not the parent(s) work one or more jobs and are not available when many of these children are dismissed from school. According to the Okaloosa County Sheriff's Department, juvenile crime and arrests are on the increase in this area of the community.

Currently, Youth Village is the only facility in this area where youths can gather under adult supervision to receive the academic and emotional support needed to both nurture positive personal growth and counter the prevailing negative temptations which exist in the community. We estimate that the children presently served by Youth Village represent only a fraction of those who could benefit from this kind of program.

Financial Challenges

Since its inception, Youth Village has been funded by a Prevention Grant from the Florida Department of Juvenile Justice. Initially, the grant was for \$100,000 a year, but that amount has been reduced by about 25% for the current year. Thanks to a very positive recent site visitation, the grant has been extended through the 2006-2007 academic year, after which the program is expected by the State to become self-sustaining. This, then, represents the fundamental challenge for the program, and the one

which ISP was asked to address: Once the Prevention Grant is terminated, how will Youth Village raise the money needed to sustain itself in the future?

Models for Sustaining Youth Village

Before exploring various models for the long-term sustainability of Youth Village, it may be helpful to examine other After School Programs which exist in Okaloosa County. Currently, 14 such programs are available at schools within the district, 11 of which are administered by the schools themselves and 3 run by the YMCA which pays a fee to the schools for use of the facilities. According to Robert McEachern, Assistant Superintendent of Schools, approximately 400-500 children are served by these programs. In all cases, families pay for this service and all of the programs are on reasonably sound financial footing and at least one has built up significant reserves. "Scholarship" support is available through federal funds to pay for children from low-income families. Mr. McEachern further believes that a need exists for additional after school programs within the district. In light of this information, we recommend that at least three alternative--not necessarily mutually exclusive--models should be considered as Director Nellie Bogar and the Board of Directors plan for the future:

1. Youth Village in Its Present Form. If Youth Village is to operate as a free after school program, as it currently does, we believe it will have to continue to rely upon grant support (federal and/or state) to sustain itself. While it may be possible to increase the amount of local support to some degree (e.g., through fundraisers, small corporate grants, and individual donations), we do not believe that this kind of support will ever amount to more than 10-15% of the annual budget. Moreover, we are not optimistic that continuing support from the federal and/or state levels is a realistic possibility over the long term. We recommend that those interested in exploring potential grant opportunities consult the Afterschool Alliance web site (www.afterschoolalliance.org) which provides a wealth of information regarding the funding of after school programs.

2. Youth Village as a Fee-Based Program. We believe that the existence of other financially successful after school programs throughout the county that expect parents to pay for the service must be given serious consideration by the Director and Board of Directors. Given the apparent need for after school programs, both now and in the future, a fee-based program would provide an on-going source of funds to support Youth Village over the long run. Moreover, while concerns about parents within the "high risk" area served by Youth Village not being able to pay is a serious issue, we have learned that other programs have received Title XX funds to provide "scholarship" (need-based) support for families that cannot afford to pay the full amount for after school services. Unfortunately, due to limited funds and shifting priorities toward pre-school programs, such funds are not currently available for new families with school age children in need of after school care. Nonetheless, we remain persuaded that a fee-based program combined with some other sources of funds to help needy families pay for after school care is the most realistic way to put Youth Village on a more solid financial footing and reduce the uncertainty inherent in applying for grant support from one year to the next.

3. Community Outreach. The way in which the YMCA operates its after school programs provides a third potential model for achieving the goals of Youth Village. Currently, the YMCA offers after school care in three elementary schools, two in Ft. Walton Beach and one in Valparaiso. Parents pay for the service and the YMCA pays a fee to the school for use of the facilities. Given that the demand for after school care appears to be growing, perhaps Youth Village could consider expanding its program to involve other schools in the community as well as maintain its current facility and program. We are not certain that this approach is feasible at this time, nor do we have a clear understanding of the potential financial impact of expansion, but we felt that this approach offered a third potential model that the Board of Directors should be aware of and discuss.

How Feasible is a Fee-Based Program?

In an effort to evaluate the feasibility of a fee-based program combined with a financial aid component, we asked Director Nellie Bogar for an estimate of what percentage of her current families with children enrolled at Youth Village could afford to pay the full amount for after school care. The left-hand column of the chart below provides her estimates:

A Fee-Based Financial Model

Category	%	Daily	Weekly	Yearly	Number of Children		
					60	80	100
Full Pay	10	\$9	\$45	\$1,800	\$10,800	\$14,400	\$18,000
2/3rds Pay	20	\$6	\$30	\$1,200	\$14,400	\$19,200	\$24,000
1/3rd Pay	20	\$3	\$15	\$600	\$7,200	\$9,600	\$12,000
Minimum	50	\$1	\$5	\$200	\$6,000	\$8,000	\$10,000
Total					\$38,400	\$51,200	\$64,000

Ms. Bogar estimates that only 10% of her families could afford to pay the full amount, 20% could pay 2/3rds, 20% could pay 1/3rd, and about half could pay very little or nothing at all. Based on these estimates and assuming a \$45 weekly fee and a 40-week school year, the chart shows what income would be generated based on having 60, 80, or 100 children in the program. (Note: We have included a minimum fee of \$1 per day on the advice of several people who argue that parental commitment is strengthened if at least some payment is expected of all families.)

It can be seen that, with an enrollment of 100 children, the amount of income generated annually would be \$64,000, a number that comes reasonably close to the annual budget for the current year. At the very least, the additional amount needed to operate the

program seems within reach through various local fundraising efforts. Importantly, now that Youth Village has achieved official tax-exempt status, it becomes qualified for potential support from local foundations (e.g., Gulf Power Foundation) and well as some foundations at the national level (e.g., Mott Foundation, Tiger Woods Foundation), agencies that are unlikely to support salaries but would provide financial aid and other forms of programmatic support (e.g., classroom materials, computers, etc.). We further believe that other local agencies and businesses would be supportive of one or more needy families if the good work of Youth Village becomes more visible in the community.

Even with an enrollment of 80 students, and an annual income of about \$51,000, it may be possible to raise the additional money needed to fully budget the program with a more aggressive fund-raising effort. On the other hand, any drop in enrollment below this number would likely create serious financial difficulties. Thus we propose that the Director and Board of Directors undertake a comprehensive evaluation of both the prospects for greater enrollment and untapped funding sources.

Summary and Conclusions

Our review of Youth Village persuades us that it serves a vital function within our community. We believe that every effort should be made to develop a strategy for sustaining the program over time and putting it on a firmer financial basis than is currently possible by relying almost exclusively on uncertain "soft" money from federal and state sources (although such sources should not be overlooked as well). A fee-based model combined with additional fund raising to provide financial aid for needy families appears to be the most realistic way to achieve sustainability in the years ahead. We are confident that the continued leadership and enthusiasm of the current Director coupled with an involved Board of Directors bodes well for the future success of the Youth Village concept.