

Portfolio Update

Inside Circle

Presented by The USIT Foundation in Spring '23

Originally Presented in Spring 2022

Original Donation Overview

Charity Summary

Incorporated in 2018, Inside Circle (IC) is a charity based in Sacramento that mitigates the impact of childhood trauma for prisoners through group-based therapy

- IC currently has a **6-person management team** and **22-employee** mental health team
- IC's current receipts for 2022 total **\$874k** and has a total expense amount of **\$826k**
- It costs between **\$447 - \$3k** (weighted average of \$2.3k) to put someone through the Inside Circle program for one year. The target engagement length is **3 years**

Donation Thesis

Inside Circle has created an insurmountable amount of impact but it's unclear how much more donations will create high level meaning impact

- The SROI for capital deployed to IC's mental health work is estimated to be **50.5x**
- Previous donations to Inside Circle were targeted at relieving a funding shortfall in Inside Circle's San Francisco Juvenile Prison program
- After call with Inside Circle management, it seems that progress and growth has stayed consistent with a 0% recidivism rate and has no major plans for any structural changes.
- In the past year, Inside Circle claims to have tripled its impact by training credible messengers, grass roots organizations, and even law enforcement and correctional officers to use practices

Key Metric Impacts

In the last five years, Inside Circle has meaningfully bettered prisoner outcomes on a mental and physical level through emotional therapy.

- There has been an **80% decline** for participants in the number of "115" rule violations
- **70%** of participants dropped 1 to 3 security levels.
- **44%** of the 410 men served in prison are **no longer** in the system.
- **0%** of released participants returned to prison within 3 years of release, which means nobody in the program recidivates

Charity Updates & Forward Trajectory

Notable Highlights

- 2022 Inside Circle Expansion Numbers
 - 3 new projects launched with city governments/law enforcement
 - **11.1% increase** in revenue from 2021
- IC has **worked with municipalities in Brownsville, Brooklyn and San Francisco**, and corrections officers who are **working with prisoners in the system**.
- IC is **involved in a project** in Brownsville IL that's **bringing together community organizations and district attorneys** in Brooklyn to bring together opposing groups. Results on the Brownsville expansion include:
 - Currently serving 24 young, gang-affiliated community stakeholders
 - Inside Circle interventions occur on a weekly basis
 - The stakeholders are "responding well to interventions. Many report wanting to become credible messenger facilitators themselves, they are also taking advantage of the workforce readiness training and fulfilling all of their expectations"
 - 0 violent incidents reported
- IC has began working with **Memphis police staff**, and **children in juvenile detention** after the Memphis police shooting

Future Plans

- IC has set funds set aside to **pay two trainees** and is looking for sponsors for Outside Circles and would like to charge a smaller fee for them
- IC is planning on increasing its offering of **scholarships** - however, there is a funding shortfall and lack of data due to a lack of sponsors
- They intend on making a new **Strategic Planning Initiative**; this initiative will be completed in 2023
- IC plans on starting community events back up again with **4** planned. They will be using former prisoners to contribute to community events
- **San Francisco Expansion:**
 - Currently: Most of the time spent on this project to date has been set up work, regarding impact tracking and building community amongst the network of organizations that will be providing services.
 - Future: IC will get the roster (number to be served) by the end of April 2023
 - IC received a grant (amount unknown) from **San Francisco District Attorney** to help incarcerated youth back into society. This grant will allow youth to engage with the Inside Circle program in Juvenile Detention.

Clarification on Future Plans

What trainees are Inside Circle looking to pay? What do the trainees do?

- IC is looking to continue training for 2 training cohorts this year. Training involves 1, 2–3-hour meeting per week and two weekend intensives. They participate in and practice facilitating healing circles and receive coaching throughout the training sessions.

What types of scholarships does Inside Circle offer (how much, for what purpose, etc.) and how many are they looking to provide?

- IC is offering \$500 scholarships to their Outside Circle weekend events to help expand their network, recruit facilitators and train facilitators.
- There are 36 applicants including 21 facilitators in training, 10 formerly incarcerated individuals, and 5 at-risk youth

What does the "Strategic Planning Initiative" include?

- IC is in a critical phase of their growth and facing some big questions that impact our direction, staffing and fundraising strategy. This initiative involves a series of consultant facilitated meetings with board, staff and key stakeholders and the *creation of a new 3-year vision and strategic plan* outlining our goals and path toward realizing them.

Why do they want to learn about private and public funding? What does this entail? What are they looking into?

- Inside Circle is looking into researching funders to support the advancement of their work.
- Over the last 12-18 months they have secured 3 *public grants* (see chart) and have been learning about the extensive application process, which differs from the application process for many private grants, as well as the extensive reporting process and payment structure attached to these.
- They are also *tracking how much time they need to allocate* to managing these types of grants to help project staffing needs in the coming years.

Prior Engagement & Analyst Verdict

Prior Donation

- Inside Circle utilized PIT's donation to use it for work on strategic planning- supporting planning process with a development consultant. It should help to drive more private grant funding
- Inside Circle accomplished work with municipalities- it got involved in a project in Brownsville, bringing together community organizations and district attorneys for Brooklyn, and Columbia to unite opposing groups trying to reduce gang violence- restorative circles will be provided by Inside Circle.
- Inside Circle aims to provide mental health solutions for incarcerated individuals, allowing them to process trauma, leave the prison system, and find long-term stability.

Contact History

- Had call with Lisa Blum on 03/02/2023
- Had email correspondence with Lisa Blum on 04/10/2023

Analyst Verdict

While Inside Circle has sustained a large amount of impact and has formed many relationships with city municipalities that will assist in creating more change within programs like Outside Circle, it's unclear how much another donation will have a lasting impact because PIT's previous donation was put into their 2023 budget rather than fully alleviating the funding shortfall in San Francisco.

Action Items / Potential Considerations:

- Further donation tied to tangible goals / specific KPIs (i.e., realize meaningful funding progress within SF / other IC locations)
- Further donation or re-evaluation after the establishment of strategic vision and three-year plan (find specific goals within plan for injection)

Unit Economics

KPI	2019	2020	2021	2022
Revenues	\$273,557	\$506,464	\$734,765	\$874,735
Expenses	\$75,200	\$194,123	\$406,556	\$826,482
Participants (by # of engagements)	Did not track this data	456	728	800
Average Cost per Participant (via Expenses/Participants)	Did not track this data	\$425.71	\$558.46	\$1033.10
Average Cost per Participant (via weighted average)	Did not track this data	Did not track this data	\$2,300	Awaiting Data from Inside Circle Director
Total Hours of Therapy	Did not track this data	794	1184.25	Awaiting Data from Inside Circle Director
Rule 115 Violation Reduction	Did not track this data	80%	Awaiting Data from Inside Circle Director	
3-Year Recidivism Rate	0%	0%	Awaiting Data from Inside Circle Director	
Other Commentary / Timeline of Operations	Did not track this data	N/A	Lisa Blum, the USIT Foundation’s main point of contact is hired as the Director and begins data tracking	Inside Circle expansion into SF, Brownsville, Brooklyn, etc. to address gang related violence

Appendix

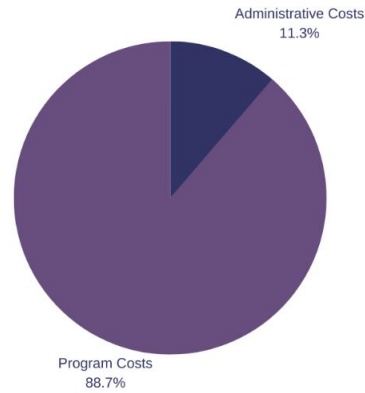
Relevant Links

- 2023 Relevant Links
 - [2020 Form 990](#)
 - [2021 Form 990](#)
 - [2022 Form 990](#)
- Original Relevant Links
 - [Inside Circle Folder](#)
 - [Impact Report](#)
 - [Call Notes](#)
 - [Theory of Change Inside Circle Explanation](#)
 - [USIT Unit Cost Spreadsheet](#)
 - [Action 5 News Clip](#)
 - [Inside Circle Podcast](#)
 - [Inside Circle Free Drop Ins](#)
- Existing Decks
 - [Inside Circle Original Presentation](#)

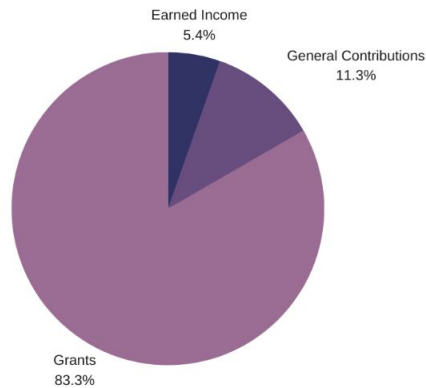
Financial Snapshot

Inside Circle Funding - 2023

EXPENSES: \$826,482



INCOME: \$874,735



NET ASSETS END-OF-YEAR: \$48,253

Notes on current funding:

- *Annie E. Casey* funds the New Jersey work with incarcerated and transitioning youth and young adults
- *Unlikely Collaborators* fund community development work in Memphis, Dallas, and other developing communities which includes training correctional staff, local grassroots organizations, and municipalities.
- The unrestricted funds are all individual donors, and they fund operations, development, scholarships, etc.

RESTRICTED GRANT FUNDING		
2/23/23 Annie E. Casey Foundation		\$520,000.00
2/2/23 Unlikely Collaborators		\$80,000.00
		\$600,000.00
UNRESTRICTED FUNDING		
3/17/23 Will Harper		\$1,500.00
2/13/23 Maxim Sirenko		\$1,000.00
3/27/23 David Kelly		\$500.00
1/10/23 Els Meijer		\$500.00
3/31/23 Network for Good		\$401.45
3/11/23 Jennifer Jerde		\$300.00
3/29/23 Jake Reason		\$225.00
3/14/23 Roth Herrlinger		\$225.00
3/29/23 Donald Berry		\$150.00
1/13/23 Lisa Hertel		\$150.00
3/13/23 Nina Simonds		\$150.00
1/13/23 Timothy Dimock		\$150.00
1/4/23 April Winney		\$100.00
1/13/23 Owen Dimock		\$100.00
2/7/23 Parker Simon		\$100.00
2/17/23 Seth Gale		\$100.00
4/4/23 Al Brown		\$75.00
3/13/23 Sarah Graves		\$75.00
4/3/23 Angela Bucher		\$50.00
1/4/23 Margo Downs		\$50.00
3/14/23 Fred Burks		\$30.00
		\$5,931.45
TOTAL 2023 FUNDING		\$605,931.45

WE ARE SO GRATEFUL FOR OUR DONORS
Thank you for making our work possible!

<p>\$500,000+</p> <p>Annie E. Casey Foundation</p> <p>\$50,000-\$499,999</p> <p>Unlikely Collaborators</p> <p>\$20,000-\$49,999</p> <p>Gordon and Michele Brown California Dept. of Corrections & Rehabilitation</p> <p>Stand Together Foundation</p> <p>USIT Foundation, The University of Texas at Austin</p> <p>\$10,000-\$19,999</p> <p>Blinkk LLC</p> <p>Andrew & Lisa Blum</p> <p>Quinn Emanuel Urquhart & Sullivan LLP</p> <p>Ari Rosen/Campo Fina</p> <p>The Table At Central UMC</p> <p>\$5,000-\$9,999</p> <p>Auchbishop Hanna Boys Center</p> <p>Jeff Buenostro</p> <p>Ellen Benninghoven Charitable Foundation</p> <p>Will Harper</p> <p>Mustafa S</p> <p>National Philanthropic Trust</p>	<p>\$1,000-\$4,999</p> <p>Monica Chi</p> <p>Eric Glass</p> <p>Network for Good</p> <p>Intentional Media LLC</p> <p>Jennifer Jerde</p> <p>Mr. Dal LaMagna</p> <p>Greg Mellor</p> <p>Crispian Mudd</p> <p>Simply Always Awake</p> <p>David Sudolsky</p> <p>Veronica Vargas</p> <p>April Winney</p> <p>\$500-\$999</p> <p>Donald Berry</p> <p>Rio Bithune</p> <p>City and County of San Francisco</p> <p>Dahan Law Group PC</p> <p>Martin Dunhef</p> <p>Cyrtle, Michel, Marie</p> <p>Firino Martell</p> <p>Erin Freeman</p> <p>Roth Herrlinger</p> <p>Heidi Hoering</p> <p>Vern Ludwig</p> <p>Marin Community Foundation</p> <p>Digna Nelson</p> <p>Maren Pedersen</p>	<p>\$500-\$999 (Continued)</p> <p>Dan Persson</p> <p>Jake Reason</p> <p>The Milton And Mildred Rosen Foundation Inc</p> <p>Nina Simonds</p> <p>Judy Trethewey</p> <p>\$249-\$499</p> <p>Phillip Baker</p> <p>Blackbaud Giving Fund/ Jessica Campbell</p> <p>Christopher W Davis</p> <p>Michael Dimock</p> <p>Berry Ellsworth</p> <p>Sarah Graves</p> <p>Navneet Kang</p> <p>Mark Kressner</p> <p>Sterre Mensa</p> <p>Thomas J Nerger</p> <p>Jose Perez</p> <p>Jill Pokemba</p> <p>Jackie Shea</p> <p>Peter Sorlien</p> <p>UP TO \$199</p> <p>Alternative Restorative Communities</p> <p>Laura Appell</p>
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Inside Circle Unit Costs – 2022 to 2025 Projections

B. Substantiate staff benefits expenses:

Payroll taxes are included in the budget for our MSG program at CMF for the following positions: program manager and staff facilitator (as the support facilitator is hired as a contractor, we are not required to pay such taxes for that position). Payroll taxes have been calculated as follows (some dollar amounts and percentages have been rounded):

Total annual salary costs for non-contracted staff (project manager annual salary + staff facilitator annual salary)

Year 1 Salaries for Non-Contracted Staff: \$10,274 + \$5,000 = \$15,275

Year 2 Salaries for Non-Contracted Staff: \$10,274 + \$5,000 = \$15,275

Year 3 Salaries for Non-Contracted Staff: \$10,274 + \$5,000 = \$15,275

FICA (6% of total annual salary costs for non-contracted staff):

Year 1 FICA: \$15,275 x 6% = \$957

Year 2 FICA: \$15,275 x 6% = \$957

Year 3 FICA: \$15,275 x 6% = \$957

SUI (3% of total annual salary costs for non-contracted staff):

Year 1 SUI: \$15,275 x 3% = \$525

Year 2 SUI: \$15,275 x 3% = \$525

Year 3 SUI: \$15,275 x 3% = \$525

Worker's Compensation, C-Medic, Train-CA and FUTA (3% of total annual salary costs for non-contracted staff):

Year 1 Worker's Compensation, C-Medic, Train-CA and Futa: \$15,275 x 3% = \$407

Year 2 Worker's Compensation, C-Medic, Train-CA and Futa: \$15,275 x 3% = \$407

Year 3 Worker's Compensation, C-Medic, Train-CA and Futa: \$15,275 x 3% = \$407

Total Annual Staff Benefits (FICA + SUI + Worker's Compensation, C-Medic, Train-CA and FUTA):

Year 1 Staff Benefits: \$957 + \$525 + \$407 = \$1,889

Year 2 Staff Benefits: \$957 + \$525 + \$407 = \$1,889

Year 3 Staff Benefits: \$957 + \$525 + \$407 = \$1,889

Total benefits (payroll taxes) to be provided over the three-year grant period: \$1,889 + \$1,889 + \$1,889 = \$5,667

A. Substantiate salary expenses for the program:

Salaries for Men's Support Group (MSG) staff are competitive given the high-risk setting in which our program operates and the unique experience of our staff. Note: Some dollar amounts have been rounded. Salary expenses for the MSG program at CMF will include:

1) Program Manager

The program manager will spend 15% of his time working on the MSG program at CMF. He will oversee the program, manage partnerships, engage stakeholders, and report on program performance.

Year 1 Salary: \$5,708 x 15% x 12 = \$10,274

Year 2 Salary: \$5,708 x 15% x 12 = \$10,274

Year 3 Salary: \$5,708 x 15% x 12 = \$10,274

Total program manager salary for the three-year grant period: \$10,274 + \$10,274 + \$10,274 = \$30,823

2) Staff Facilitator

The staff facilitator will spend 10% of his time working on the MSG program at CMF. He will facilitate healing circles for incarcerated individuals within correctional settings and conduct facilitator training.

Year 1 Salary: \$4,167 x 10% x 12 = \$5,000

Year 2 Salary: \$4,167 x 10% x 12 = \$5,000

Year 3 Salary: \$4,167 x 10% x 12 = \$5,000

Total staff facilitator salary for the three-year grant period: \$5,000 + \$5,000 + \$5,000 = \$15,001

3) Support Facilitator

The support facilitator will spend 25% of his time working on the MSG program at CMF. He will support facilitators during healing circles for incarcerated individuals within correctional settings.

Year 1 Salary: \$1,050 x 25% x 12 = \$3,150

Year 2 Salary: \$1,050 x 25% x 12 = \$3,150

Year 3 Salary: \$1,050 x 25% x 12 = \$3,150

Total support facilitator salary for the three-year grant period: \$3,150 + \$3,150 + \$3,150 = \$9,450

The USIT Foundation

usitfoundation.org | texasusit.org

History

The Philanthropy Investment Team was formed in Spring 2020 at The University of Texas at Austin by request of the University Securities Investment Team (USIT) Foundation and Alumni Network, which wished to establish a partnership with the student organization to source charitable investment opportunities.

This fund generates ideas and performs diligence on charities that merit a donation with a value investing framework. Through the primary and secondary research of undergraduate Analysts, the Philanthropy Investment Team is developing a model of impact measurement, both for initial investment diligence and subsequent staged donations. Its funds are replenished yearly, comprising 1% of the total Annual Gross Income of the Alumni Network.

Junior Analyst

Aidan Christensen

aidanscott@utexas.edu



Portfolio Manager

Manu Ramineni

mramineni@utexas.edu



About the USIT Foundation

The USIT Foundation is the 501(c)(3) parent organization of the University Securities Investment Team, the largest student-run investment fund at The University of Texas at Austin. Comprised of alumni who started their investing journeys with the team, the USIT Foundation works closely with student leadership in the contexts of investing, data science, and philanthropy.

The USIT Foundation supports and advises the USIT student organization and marshals and engages its alumni to promote personal and professional growth through active charitable giving. In Spring 2020, the alumni of the USIT Foundation initiated a philanthropic Giving Pledge to commit time and resources to better our communities.

Philosophy and Approach

The USIT Foundation is committed to evidence-based philanthropy and continuously builds upon a model of effective, responsible capital deployment. In its months-long competitive annual process, the Foundation identifies and performs deep diligence, including client testimonials, data room modeling, and impact stress testing, on charities. In the 2022-23 academic year, the Foundation plans to provide \$120,000 in donations to several charities that operate within the three observed impact verticals, with the initial donation opening the door for years-long engagement and follow-on investments.



Education

Ensuring that students of all ages receive high-quality, equitable education while community members are properly supported.



Justice & Opportunity

Breaking down systemic barriers to assist the reentry transition and reduce nationwide recidivism.



Climate Change

Reducing emissions and waste to invest in a cleaner planet and higher quality of life for communities.