Per Scholas Diligence Trip Report
September 11 - 12, 2018

Program Visited
- Per Scholas and Platform Bronx
- Per Scholas Brooklyn
- Per Scholas Newark (staff only – program is in planning stages)

Focusing Philanthropy Staff
- Teresa Burton

Per Scholas Staff
- Plinio Ayala, ED
- Ian Schaad, Board Member
- Caitlyn Brazil, Exec. VP Development
- Sara Block, Sr. Manager Development Operations
- Kelly Richardson, Managing Director, New York
- Sara Conte, Director of Corporate Engagement

Executive Summary

Teresa Burton visited Per Scholas September 11 and 12, 2018 in the Bronx, Brooklyn and Newark. In April Focusing Philanthropy initiated conversations with Per Scholas (PS) and began due diligence efforts. Site visits were scheduled to meet the leadership team at the national headquarters as well as meet students, teachers, board members, and observe classes for the purpose of assessing the potential of a first-time grant in 2019.

Background and Purpose of Visit

Per Scholas is a national nonprofit offering intensive, tuition-free classes, placement and career development services to prepare young people and adults for long-term careers in technology. Working closely with employers in each location, Per Scholas designs class curricula to teach students the technical skills they need for entry-level jobs in high demand locally. In 18 weeks or less, graduates have the knowledge and experience to apply for highly technical jobs at a range of companies. Per Scholas students are 90% people of color, one quarter are women, and before the program, all students report household incomes at 200% of the federal poverty level or below. After the program, Per Scholas graduates go on to earn first-year salaries between $30,000 and $40,000 with potential for more each year they continue in the industry.

Board of Directors

Each regional office is a satellite of Per Scholas. They are not independent nonprofits. The highest position in each region is Managing Director (MD), and all MDs report to the Executive Vice President of Programs on the national leadership team.

Per Scholas is governed by one national board and includes the CEO. Each satellite location has an Advisory Board that is made up of local leaders in the nonprofit, technology, government and business communities.

The national board currently has 22 members. Ian Schaad serves on the board. He is part of the Strategic Planning Committee which will release a new Strategic Plan for board approval in November. He considers his

role to push PS to stay relevant in the changing tech market and to continue to build internal capacity to meet the demands of growth, specifically by helping managers change their roles as the organization evolves.

Local Advisory Boards

Local advisory boards are not fiduciary boards. One representative of each local advisory board serves on the national board. Advisory board members are chosen for their ability to contribute financially as well as build the pipeline of students and employers. Initial members are often related to other local service agencies whose participants would benefit from PS coming to town, also lawyers, employers and funders. After the initial launch, advisory members grow to include more employers, recruiters, tech professional, and alumni of PS.

History & Culture

I repeatedly asked how the culture of the organization became and remained so innovative and entrepreneurial. Employees said it's imbedded in the culture since the founding. PS was founded by two businessmen who met on an airplane and started a conversation about how to bridge the digital divide and keep used computers out of landfills. In addition, the founders did not want to take government funds due to the high levels of bureaucracy and inability of government to innovate. Employees feel that every team member is aware they are on the cutting edge of workforce development and prioritize keeping courses up-to-date with the local markets in each location. Staff shared that they have permission to take calculated risks and embrace the learning process after mistakes.

Employees described Plinio Ayala as a leader who looks for continual improvement and ideas. They said he is thoughtful, but not afraid to make mistakes. Separately, Ayala recounted how the relationship with Cognizant developed only after a previous relationship with Doran Jones failed. Similarly, after the closure of the Miami sites, management and the board used what they learned to develop a set of criteria for choosing new markets. The criteria for new market studies include level of unemployment, jobs in tech sector, funders, employer's hiring needs, and local nonprofits in workforce development in technology.

Growth Plan & Goals - Serve 4000 people/year

PS opened five new locations in the five years between 2012-2016. After opening in Atlanta in 2016, PS paused and did not open a new site in 2017. PS plans to open Boston and Newark in 2019 and plans to open six new sites in the next five years.

Each site has its own story. The Boston Foundation offered to help PS launch in Boston as a result of the 0% unemployment rate in local the technology sector. The first two funders backed out, delaying the launch. The Boston Foundation brought in SkillWorks to fund the launch. Other corporate partners include Google, BlackRock and Salesforce. The Weinberg Foundation is also helping, as is the City of Boston.

Barclays offered to help PS open in downtown Newark where it is expanding and will need to hire hundreds of employees. Prudential is also located in Newark and supporting the opening there.

In Dallas, the United Way and Cognizant have been instrumental in helping it serve nearly 500 students since 2014.

The San Diego Workforce Development Corporation contacted PS and even completed the due diligence document for PS. The plan is still in the early stages.

Policy Goals

According to Plinio Ayala, PS must grow in both red and blue states in order to influence workforce development policy at the national level. Plinio's priorities for improving government policies in this area include sending more government resources to the programs that are most effective, allowing students to use Pell grants for training programs, and redefining the Workforce Investment and Opportunity Act (WIOA) policies to expand opportunities for low-income students.

Programs Offered in the Bronx & Brooklyn
Bronx & Brooklyn – all classes start with 21 students
- Core Programs: Systems Administrator (19 weeks), IT Support (18 weeks), Cyber Security (17 weeks), and CodeBridge (18 weeks), Cyber Security Advancement Program (2 summer plus community college)
- Platform: Java Basics, Software Support, Data Engineering, Java Developer, SOC Analyst
- Newark: Under construction, will offer Comp TIA+ and Network+ (15 weeks)

Bridge Programs
Tech Bridge is a remedial program developed along with The Door, a teen service center in NYC. It's a 5-week curriculum that teaches students contextualized reading and math skills. Students read tech materials and work on binary math used in computing, then seamlessly matriculate into Per Scholas. So far, students in this program are performing as well as those who did not need remedial help.

The High School Pilot Program will launch in the 2019-2020 school year with six high schools. Some high schools are general education and others are technical schools. PS would teach a work-based learning curriculum for credit and after graduation, matriculate students into the Per Scholas Platform program of advanced classes.

New Earned Revenue Plan
In Boston, PS will begin piloting a placement fee, earned revenue model. PS will charge employers a recruitment fee of for each new hire. Employers will also be charitable donors of the program and help develop the training curriculums for PS classes.

Employer and Volunteer Engagement
The goal of the core program is to place 70% of each class within four months of graduation. PS regularly exceeds 80%. Graduates move into all kinds of jobs – full-time, part-time, contract work and short-term gigs.

Career Coaches work with students on practice interviews, resumes, elevator pitches. After graduation, coaches continue to be in contact with students on a range of issues from job searches, to job satisfaction, salary, and continuing education.

Talent Managers spend time getting to know students in order to understand what kinds of careers are a good fit for each student. One month before graduation, they check-in with students to polish resumes, elevator pitches, LinkedIn profiles, and other social media posts. Talent Managers search job boards looking for applicable job posts, tech events for students to attend, and other networking opportunities.

Tours and Guest Lecturers – Tours and practice interviews at Barclays JP Morgan are very helpful to students because PS lessons are reinforced by the employers. Board Members often guest lecture on their career paths and give insights into the current job market.

Alumni Network – The PS alumni network is growing and now includes people with hiring responsibility in large companies. For example, 40 volunteer alums recently did mock interviews at Barclays and a handful of students were quickly hired.

Challenges

Challenges for students – Students who have no prior work experience in tech lack confidence to apply for jobs that list experience as a requirement. PS teachers and coaches work hard to build students' confidence and encourage them to apply for entry level positions by explaining that students have the required skills and are often even more prepared than other applicants, including college graduates. PS collaborates with SAMA School to address this problem by teaching students how to get "gigs" working on short-term projects in order to gain experience and confidence. SAMA School is a non-profit based in the Bay Area that guest lectures at PS on the gig economy. They identify the best job boards, types of jobs to look for, how to market oneself, and discuss safety as well.

Challenges for PS – Employers, especially large companies, have layers of bureaucracy that include multiple hiring managers and recruiting coordinators in each division. PS has to build relationships with them all. It's helpful and lends PS credibility, when a company hosts a meeting introducing PS to all of its recruiters at once.

Challenges for PS – Data collection. Response rates from graduates get lower as time passes and the further students are from graduation. Also, some do not want to share their salary information. In Dallas, PS offers gift cards to people who respond to surveys and employment questionnaires. So far, this has been a helpful method.

Employers – PS initiated or replied to over 300 companies last year and 100 are very active. The best way to develop relationships with companies is to ask them to send volunteers to visit and participate in mock interviews. Once they meet and hear students' stories, companies become interested in hiring people with non-traditional backgrounds.

PS Academy

As PS grows, it needs more instructors and has started a new training program to on-board junior teaching assistants with the hope that they will eventually become senior instructors.

Key Observations

The Bronx headquarters is a bustling place. As their largest location, the Bronx hosts both the Core and the Platform programs with several classrooms and hundreds of students at a time. It was exciting to see the facility, meet with staff, visit classes, and watch students present their work. I met with three students who arrived at Per Scholas from very different life circumstances and I enjoyed hearing their stories and plans for the future. It was refreshing to learn that each student plans to continue their education by pursuing advanced classes and certifications at their new jobs now that they have a clear direction for their lives and careers.

My meetings with staff and board members were successful. I was impressed by each member of the national team. They are each focused on the right things: excellent market-driven classes, additional helpful programming, employer relations, fundraising, financial health, and leadership development. Per Scholas has a strong history, dynamic leadership, and a clear path for growth.

In Brooklyn, it was useful to see a smaller, but fully operational, satellite location. I met with staff and students who were all very engaging. It's helpful to hear how students found Per Scholas, their reasons for deciding to enroll, the adjustments and sacrifices they each had to make in their lives and/or family lives in order to attend

and be successful, as well as the stories about how hard they are working to learn all the material in a short period of time. Lastly, I observed a class of students collaborating on configuring complicated networks in teams. As a hands-on, real world exercise each person had a specific job title and tasks. I could have watched them communicate and problem solve all-day.

Per Scholas Diligence Trip Report
September 13, 2018

Program Visited
- Per Scholas and Platform in Dallas

Focusing Philanthropy Staff
- Teresa Burton

Per Scholas Dallas Staff
- Stephanie Valadez, Managing Director Dallas
- Meghann Bridgeman, Managing Director Social Ventures (Platform)

Executive Summary

Teresa Burton visited Per Scholas in Dallas on September 13, 2018 in order to see a satellite office in operation and meet local staff. In April Focusing Philanthropy initiated conversations with Per Scholas (PS) and began due diligence efforts. Site visits were scheduled to meet leadership, board members, staff, teachers, students and to observe classes for the purpose of assessing the potential of a first-time grant in 2019.

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Programs Offered in Dallas
- Core programs – 1 classroom right now (24 students), 2nd classroom will open after funds are raised, 3rd classroom is being used for career development
  - IT Support (10 weeks)
  - Network Support (15 weeks)
- Platform – 2 classrooms (24 each), additional 3 classrooms located in Irving at Cognizant (32 students each)
  - Data Engineering
  - Quality Engineering
  - Application Software Management
  - New in October- Combo Data Eng. and Software Support

Funding

In Dallas funding is 25% NYC and 75% local. Their largest local funders are United Way, AT&T, and JP Morgan.

Local Employers

The Dallas office advertises student resumes to 100 employers. Tech Systems takes 50% of each class. Other employers are staffing companies for Toyota, Baylor, and Capital One.

Student Recruitment

Most students hear about PS through word of mouth or are referrals from other social service agencies or Indeed digital marketing.

Platform Demographics in Dallas

- 47% women
- 38% African American
- 36% South Asian, Indian
- 12% Latino
- 11% Caucasian
- 3% Other
- Average age of women is 35
- 90% of grads go to salaried jobs

Community College Partnership

PS is working on Cedar Valley community college giving student CTE credits for PS classes. PS also sends students there for remedial work. The biggest challenge are the bureaucratic requirements for qualifying for school credit.

HS Pilot Program

High school students can study Microsoft Office Specialist IT Support at PS and receive diploma plus certifications. This program will be most helpful for students from South Dallas who often can't afford college.

PTech

This is a collaboration with several local technical high schools. After graduation, student can go from high school to the Platform classes. Each school program will be supported by one local employer. So far PTech only has 10th graders so it will take a couple years to see results. This effort is meant to participate in the trend of large tech employers hiring students after high school and paying for students to go to college while they work (e.g. Apple, Google, Facebook.)

Other Local Job Training Programs

- Year UP
- Empower (for Veterans only)

Benefits of hiring Per Scholas graduates cited by local employers

- Charitable donation for company
- Good publicity for company
- Quick access to new hires
- Diversity hires
- Savings in recruiting costs
- Customization of employee training
- Retention of loyal employees – still in early stages

- PS students are more prepared, reliable and customer-service focused.
- Students have stronger soft skills than other hires. They know what it means to be a customer-service company, how to be a consultant and have two bosses, be a brand representative, and care about the quality of their work.

Key Observations

The Dallas office and classrooms were very bright and welcoming, and resembled a professional tech start-up. The technical class lessons I observed they were working on and presentations the students gave were very interesting. Staff was knowledgeable about the local market, their program and budget numbers and goals. It was also helpful to learn the Dallas office has a strong working relationship with the national office.

The Dallas office has a clear path for growth and is actively pursuing pipelines for student recruitment from low-income high schools and community colleges. They also have a head start with local employers such as Cognizant, AT&T and others. Now that the program is fully operational, they plan to diversity local funders to include more corporations, foundations and individuals in order to increase revenues and add new classrooms.