

## NOCRA Laboratories Project: *Step Up Silicon Valley*

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### *Disrupting the Cycle of Poverty Through Laboratories of Innovation*

Over the past three years, Catholic Charities USA (CCUSA) has worked on both sides of the aisle to introduce policy reform concepts to revolutionize the way poverty reduction is approached in the United States. These concepts, which emphasize that reform must be systems-changing, market-driven, and results-based, were first embodied in a legislative vehicle developed by CCUSA, the National Opportunity and Community Renewal Act (NOCRA).

In 2010, NOCRA was introduced by Senator Bob Casey and Congressman Jim McGovern on the occasion of CCUSA's Centennial. During the 112th Congress that followed in January 2011, NOCRA was reintroduced in the Senate only by Senator Casey. Through legislative visits and outreach, CCUSA has built a foundation on Capitol Hill for the concepts of NOCRA, but continued political polarization leaves little possibility of moving this significant legislation in its entirety at this time.

In light of this political reality, CCUSA has identified six local Catholic Charities agencies with whom they will work to launch or expand innovative social services programs and initiatives that exemplify at least two of the principles outlined in NOCRA. One of these pilot sites will be in San Jose, California.

Founded by Catholic Charities, Step Up Silicon Valley is a movement of over one hundred organizations focused on disrupting the cycle of poverty in Santa Clara County through convening, advocating for policy changes, and incubating innovative solutions. Some examples include Pay for Success/Social Impact Financing, 1000 Out of Poverty, the Franklin-McKinley Children's Initiative, the Community Action Poverty Simulation and advocacy against predatory pay day lending and for increasing the minimum wage. Each of these strategies is guided by the principles developed by Catholic Charities USA's Campaign to Reduce Poverty in America, i.e., 1) results-driven, 2) market-based, and 3) systems-changing, with oversight by a local Outcomes Leadership Council.

**Results-Driven:** Step Up is focusing on measuring results of people moving out of poverty through the 1000 Out of Poverty pilot with 15 organizations collecting data using a common tool called the self-sufficiency scale measuring 1000 clients' improvements in access to food, housing, healthcare, education, and income growth. Agencies measure the outcomes as well as the cost of interventions and the frequency and type of contacts. An evaluator will analyze the methods and the results to determine what is most efficient, effective, scalable, or replicable.

**Market-Based:** Step Up launched a local Pay for Success/Social Impact Financing disruptive innovation initiative in Santa Clara County. The County of Santa Clara is the first county in the country to fund this model with help from local foundations and technical assistance from Third Sector Capital Partners working to engage private investors in the social sector. Two priority areas will be tested first: chronic homelessness and psychiatric services for clients with severe mental illness.

**Systems-Changing:** In addition to the system changes being created by the new collaboration among service providers with 1000 Out of Poverty and the public-private partnership being developed through Pay for Success/Social Impact Financing, Step Up has launched other initiatives that are changing policies and systems. Step Up incubated the Franklin-McKinley Children's Initiative as a neighborhood and school-based collaborative to break the cycle of poverty by focusing on children from cradle to career one block at a time. Out of this effort, the Franklin-McKinley Women's Initiative was formed to train women to create microenterprises to bring income into their families.