**NNIP LA Camp Session 2 Thursday October 18, 2018**

**Startup Funding**

**Leader: Scott Hughes**

**Notes: Rob Pitingolo**

Attendance: Scott Hughes, Sarin Adhikari, Nate Ron-Ferguson, Josh Wheeling, Brian Waldron

Scott: We are starting to join NNIP. I have started outreach to local decision makers including the city of ABQ and talking to people there and the county commission. There’s a group responsible for criminal justice data. That’s council chaired by a NM supreme court justice. Also our foundation. What we are anticipating is the working name of the group called ABCNM360. The idea is to get going with advisory and community groups, make sure it’s working, then expand out to surrounding counties around us, work with them, then eventually in the future expand statewide. We’ll probably start focusing in on large urban areas which are in the south, then farther north to Santa Fe and those places. NM is the 5th largest area with a small population mostly in the ABQ area. So we get big bang for the buck starting out. NM is very urban in that way. We also have a large native American population. There’s a lot of challenges with that. I was thinking the proper name for this session would be ‘love gives me thrills but doesn’t pay the bills’. I had proposed this from the perspective of locating local funders. What are you guys thinking? Who are your targets? We are thinking about going to ABQ community foundation to provide some initial money. I don’t anticipate anything more than 10k. A few corporations in the area including the National Laboratory, the utility company in NM. They have a foundation. A couple other corporations have foundations. Typically, they don’t give big amounts. To make this viable our budget would be 365k per year. I have to identify where to get that money so let’s open it up to discussion. Where are you in terms of setting up a partnership?

Sarin: Where we are is the same place as you. 4 years ago we started this data analysis platform. We started at a regional level. The data was easy at the regional level. We had an internal resource who worked as planning director for 25 years and had a good network. We got the first round of data, cleaned it up, sent it back.

Scott: Getting paid?

Sarin: Not yet. In the beginning we went to the university and said we need 500k and they gave 30k. We shopped around to community foundations. The community foundation and association of realtors came in at 60k, so we could at least start and get a website. In the second round we started to feed project money into that program. We realized that it wasn’t sustainable and needed more money. Thankfully we met with NNIP and D3 and did a business canvas. What that helped us to is identify target users, what data is important, who are the funders or possible funders. In the beginning we looked everywhere and found nothing. Now we have a plan and someone to contact. We are still using the model of funding through projects. I am here for ideas.

Nate: Same boat. We were recipients of the D3 NNIP business plan. Our center has been around 10 years based on fee for service. 5 years ago started doing data intermediary services in Memphis and began to build out the NNIP model. We have programming areas in our center. Directory is faculty, I’m staff. All money is soft money. Everything is paid for with contracts. To do the data intermediary services we need more staff. What we said we’d attempt is to meet with local foundations and we thought it would be an easy pitch. We explained the model, they were excited but they didn’t come up with funding. We are hopeful that eventually it will happen. Until then we shifted a little to build the staff we need to continue the work. We proposed they pitch in money and they didn’t have to pay for it themselves.

Scott: Unless you’ve got a constant stream of money if we can’t get that established all I’m going to be able to do is go out and churn contracts. Ideally my vision is to go ahead and get an endowment for the center. We do have a family in NM who we identified as potential funders. It’s oil money. NM simply does not have a history of philanthropic investment. Kellogg has a presence. Gates has been around but primarily for education. They grew sour because they dumped a billion bucks and didn’t get anything back. We were recipients of Wallace money that lasted 5 years but we need something that will be devoted to the center. Run it through the foundation. The investment is there in perpetuity and that relationship would allow us 5% of 7 million. Whether or not we can pull this off is that we have to be lean and establish a track record. The group I’m with is responsible for census work and demographics for NM. We’ve got capacity and staff for data and security. Not that many people need ACS on a daily basis. We’ve got a homelessness problem. We’ve got drug problems. We have one of the lowest graduation rates. We’ve got huge challenges. If you don’t get the data you can’t make good decisions. The pitch I’m making is that we can finally do this.

Josh: We existed for 10 years and eventually ran out of money. We were started by Casey in 99 and then stopped funding us. We had a lot of different sources. We were under a hospital who gave 15k. Then a medical nonprofit who gave in-kind services. We had a little money, mostly just me. We leaned on organizations for support in random ways. We had a Vista volunteer. We had a membership base. We had 50 orgs who would give $100 to $500 each year. That led to other things like interns.

Scott: Was there an expectation to get something in return?

Josh: They would call us and ask for help. We had a daily newsletter. Aggregated the news and sent it around. So many people saw that and forwarded it. Eventually I would put ads in there. The rest of it was contract work. People pulled funding which is really the reason we went under. We accepted a grant to do a city-wide survey for 40k which took me 3 years to complete. It was an awesome project but it really downed us and we had to scramble to fundraise. We would charge $90 an hour for work. The fee for service works until things go wrong.

Sarin: What kind of members? What field? Do they provide data?

Josh: A lot were on the board too. We probably should have had a board of people who could give money. It was more of an advisory board. There were some hospitals. Nonprofits mostly. Some for profits. Salvation army. I have a full list. I would do a lot of stuff for the members that was quick. Sometimes we’d get work because of the membership. Most of the data was publicly available anyway. We had community profiles with census data.

Scott: Was there a university?

Josh: There were a few but not really. We tried to get Rutgers to give us money but they’re such bureaucracies. It was disappointing because they leaned on us but didn’t want to pay.

Scott: This whole process we suffer from the fact that vast majority of people have not heard of NNIP. A lot of people have heard of Urban Institute. Nobody knows NNIP. Other than that, no action or check writing. That seems to be the endemic issue. You have fee for service but unless we can get this thing operational and not dependent on those contracts. You write a report but only pull specific data. We’re going into this with eyes open but i have no illusion on the difficulty.

Nate: One of our projects was around blight and urban revitalization. With that we’ve been compiling data from different agencies to track progress. It’s been the biggest help for us to community the value of an organization that can handle things. It’s been a visible and tangible example.

Scott: We’re not doing this for us or the glory of us. It’s for you and your ability to make good decisions. Having this type of data is important. You have individuals who are slumlords. They overcharge or drive benefit and profit out of people who are being served.

Brian: One thing that helps get funding is that being at a university you can get data from multiple partners. In a single partner, they only use your data. There’s a self-benefit. It helps but doesn’t get you money. What really helps is a story. Nate does a good job of developing the story of your problem and solution. People follow that more than other way. The other thing we do is look for low hanging fruit. What is easy and costs less but has a good outcome. We have pilot projects that are low risk, low money, good outcome. I can guarantee that when you touch someone else’s data you can create more opportunities and can feed back and forth. We’ve done projects that were 5k. Now we have one that’s 550k. It’s building the reputation.

Scott: How long was the point of time between 5 and 550?

Brian: I’d say 4 years. That 550 is on the heels of what’s been done which is combined about 550k. It is truly based upon reputation. Most faculty is focused on grants. It takes 1-2 years to shake hands. When it’s done, the next contract is easier and the relationships continues. We don’t get grants we get contracts.

Scott: Like you said reputation is crucial. We’ve got a good reputation in a limited sphere. I’d bet that 7 out of 10 faculty members don’t even know we exist. It’s just one of those things. I need to identify a high need area and put together what we can pull together.

Brian: Pilot projects are good. Agencies have a fixed amount of funding. When something comes up for 20k it’s a quick turnaround.

Scott: We’ve got relationships with local legislatures at the state. They have more access to money. City and county have tight budgets right now. With the uptick in oil and gas maybe we can tap into that. Those are one year gigs. Very unlikely you get a multiyear contract. Most of ours are one year. If we could get an endowment, we could dream but it’s long-term. How do we get from A to B.

Sarin: There’s no singular funding mechanism. Definitely grants are great. In the short term, everyone seems to use contracts and scrape off of projects.

Nate: Being open to anything like Sarin said. Willing to be flexible and be creative.

Sarin: Sometimes grants come in elsewhere. We sign contract with the PD. They applied for a grant from the feds.