

IMPACT 2010

How STEP's unique programs do more than help those in need



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Dear Friends,

I'm proud to introduce this report to you that shows the impact STEP has on our community. STEP has always taken great pride in providing services to individuals and families that are in need, and in the past, we've measured our effectiveness solely on providing those valuable services to our most vulnerable populations. But STEP does so much more.



Since 2004, STEP has added more than 50 new jobs to our community, our budget has increased by more than \$3 million annually, and we've added more than 8 new programs. In 2009, STEP received the largest Early Head Start grant for new organizations in Virginia for \$1.2 million. We recently completed construction on a new 7,200 square foot classroom/office building in Patrick County and we've broken ground for a new Early Head Start building. We work with more than 30 local businesses spending more than \$1.2 million in 2009. STEP also purchased the Dent Street Apartment Building, our first venture into affordable housing. In short, we do more than help people; we are Community and Economic Development. Our impact is greater than the assistance we provide for those we serve; it's also giving business to our local contractors and merchants. Our services provide savings to local governments as well. Therefore, every dollar

we receive is not a gift, handout, or even a donation, it's an investment! This report shows that for every dollar we receive, we are able to leverage that into greater resources for our community.

I hope this report also shows you our level of accountability. We don't take your support for granted and we hope that this report makes you proud of how we've used those resources. We have been so blessed to grow this agency during a time when many businesses and non-profits are downsizing. Thank you for your support and please let us know how we can be of service, so we can continue to make an impact.

Sincerely,

Our Mission

To provide exceptional services to people seeking to improve their quality of life through community, economic, personal and family development.

The Value of STEP, Inc.

STEP, Inc. does a lot more for our communities than provide needed services for low-income individuals and families. STEP is a major employer, community development organization, and business leader. In short, STEP is an economic development engine that impacts many areas of our community, not just the low-income. This report shows how far we've come in the last five years and the impact our agency has on our citizens, businesses, and local governments.

This report will focus on four major areas: 1) STEP's use of ARRA (Stimulus) Funds, 2) CSBG Funding, 3) Economic Impact, and 4) Human Impact. Some of the areas of this report may overlap, in part, because it's nearly impossible to discuss how STEP affects one segment of our community without touching another.

AMERICAN RECOVERY AND REINVESTMENT ACT

How STEP has utilized Stimulus dollars

STEP has received four sources of funding from the American Recovery and Reinvestment Act. They include;

- **CSBG ARRA** – This funding was made available to enable STEP to respond to the increase in demand for our services, specifically to low-income individuals who have been negatively impacted by the economy.
- **Homeless Prevention and Rapid Re-housing (HPRP)** – HPRP was implemented to provide temporary financial assistance to people who are homeless or are in danger of becoming homeless. HPRP can pay for rent, security deposits, energy bills, and moving expenses.
- **Weatherization** – Provides services to make homes more energy efficient, allowing homeowners to save money on monthly energy bills and reducing the amount of energy needed to heat/cool homes.
- **Early Head Start** – provides services for low-income families with infants, toddlers and pregnant women. Similar to Head Start, Early Head Start provides center-based care and education as well as home-based care and support to eligible families.



CSBG ARRA

STEP held a series of community meetings to determine the greatest need for low-income clients in our communities. Instead of using these funds solely for STEP programs, we chose to provide grants to other non-profits so we could make the greatest impact on our communities.

Focus Area	Agency	Funding Amount	People Served
Emergency Financial Assistance	Helping Hands (Franklin County)	\$50,000	131
Emergency Financial Assistance	Safetyrope (Patrick County)	\$25,000	110
Prescription Assistance	Franklin County Free Clinic	\$10,000	20
Prescription Assistance	Caring Hearts Free Clinic (Patrick County)	\$15,000	50
Daily Meals/Food	Stepping Stone Ministries	\$25,000	7,810 meals 869 individuals
Homeless Prevention Services	STEP	\$20,000	36
Daycare Assistance	STEP	\$5,000	5
Transitional Employment for Hard to Employ	STEP	\$50,000	4
Technology Updates*	STEP	\$15,000	110+
TOTAL		\$215,000	1,335+

*STEP purchased a new server to replace our existing outdated model. This will make our data more secure and allow us to keep up with changes in technology. STEP also purchased a video conferencing unit to increase Board of Director and Policy Council participation, reduce the travel between Rocky Mount and Patrick County, and to allow STEP employees to participate in trainings via video conference.

Homeless Prevention and Rapid Re-housing (HPRP)

STEP has done an amazing job getting HPRP funds to low-income individuals who are or will become homeless without our assistance. STEP provides this service in Franklin, Patrick, Pittsylvania and Henry Counties and the cities of Martinsville and Danville. STEP can show the following numbers as a result of our HPRP intervention:

- STEP has provided approximately \$300,000 in rental assistance.
- 200 homes and 600 individuals have been placed in housing or have been able to keep their housing as a result.

Weatherization

STEP can boast the following successes with our Weatherization Program.

- STEP received \$1.3 million over three years to Weatherize 80 additional homes.
- STEP hired 4 new full-time positions as a result of ARRA funds.
- STEP recently weatherized our first multi-family apartment building in Patrick County.



- STEP has provided subcontracting jobs to more than 25 businesses in our service area.
- STEP has spent more than \$500,000 at local businesses to make homes more energy efficient.
- STEP has purchased one large box truck, two new pick-up trucks, and a plethora of tools and equipment (all American made) to expand our operations.

Early Head Start

STEP received the largest start-up grant for Early Head Start in Virginia at \$1.2 million (grant is for \$1 million per year after start-up). This grant will allow us to serve 80 infants, toddlers, and pregnant women from low-income families in Franklin County and Patrick County. As a result of this grant, STEP:

- Began providing services to families on April 26, 2010. STEP organized and implemented this expansion in less than 5 months!
- Hired approximately 30 new staff positions.
- Is building a new Early Head Start Center in Patrick County.
- Is purchasing two new buses and two new crossover vehicles (all American made).
- Is renovating four other classrooms/sites to accommodate our children.
- Purchased new desks, cribs, classroom furniture, office supplies, etc. (American made products when possible).
- Purchased new playground equipment for centers.



CSBG

STEP Growth and the Importance of CSBG

STEP has experienced tremendous growth over the last five years. This growth would not be possible without Community Services Block Grant (CSBG) funding. ***CSBG is our core funding***, approved by Congress and the Virginia General Assembly. STEP utilizes CSBG to leverage other funding sources and to support programs where the need is the greatest. STEP could not have experienced this growth without the ***investment*** of CSBG.

STEP Growth

	Agency Budget	Employees	Programs	Number of people served
2005	\$2 million	52	14	1,000
2010	\$5 million	110	22	3,500
Growth	+ \$3 million	+58	+8	+2,500

Programs Supported by CSBG

Program	Level of Support	Significant Outcomes
Individual Development Account	Annual Financial Support	First client purchased her first home last year!
Homeownership	Annual Financial Support	Serves approximately 50 individuals each year, incorporating local banks and realtors to assist the program.
Project Discovery	Annual Financial Support	Three former Project Discovery students graduated from college last spring.
Planning Department	Provided seed money	Department writes all agency grants and has been integral in the growth of STEP.
Teen Outreach Program	Provided seed money	Program was funded by Franklin County CSA last year
Strengthening Families	Provided seed money	Leveraged other grants to expand program this year. Three families have regained custody of their children.
Volunteer Income Tax Assistance	Provided seed money and annual financial support	STEP partnered with Ferrum College to provide free tax assistance to 328 individuals last year.
Group Workcamps	Provided seed money	STEP secured donations and support to bring in Group Workcamps, which provided needed repairs to the homes of 50 low-income senior citizens.

ECONOMIC IMPACT

STEP's Impact in the local economy is significant. Not only is STEP a large employer with approximately 110 employees, we also provide a lot of support to local businesses. Our programs have pumped millions of dollars into the local economy. During this economic downturn, STEP's growth has been a tremendous blessing to those in need, as well as to many local businesses.

STEP has also taken on several large projects this year. STEP received a loan from USDA Rural Development to construct a 7,200 square foot facility in Stuart that will house STEP's operations for Patrick County. The new building, completed in April 2010, will house a new Head Start classroom, full service kitchen, community meeting rooms and 15 offices for staff.

STEP has also broken ground on the Early Head Start facility. Located behind our new building in Stuart, this structure will contain three classrooms and offices for Early Head Start, and should be completed in July 2010.

STEP recently purchased a 12 unit apartment building in Rocky Mount that will

continue to provide very reasonable rent for residents. STEP has already made many improvements to the property and will continue make upgrades where needed. This is STEP's first venture into property development and management.

STEP has also raised more than \$50,000 through local businesses, non-profits, foundations and individuals, to construct a duplex that will serve as a transitional house for homeless individuals and families. A Rocky Mount company, Mod-U-Kraf, will build the duplex which will help our local economy. Groundbreaking is expected to take place in August, 2010.

STEP's economic impact can be quantified in the following ways:

1. Savings to localities
2. Non-profit impact
3. Business to Business Support



Savings to Localities

The programs STEP provides not only provide jobs for our community and support to local businesses, we also save our local governments money! The following programs or projects are extremely beneficial to local governments and the people of our community.

Project or Program	Government Benefiting	Key factor in savings	Amount saved	Other benefits
LIFES Academy	Franklin County – CSA	The cost for a student to attend Minnick or Rivermont in Roanoke is approximately \$30,000 per student (not counting transportation). It costs an average of \$13,149.15 to send that same student to LIFES Academy.	\$337,017 (Based on 20 students not going to Roanoke to attend school).	<ul style="list-style-type: none"> • LIFES students remain in the county. • No long bus rides. • Better opportunity to reintegrate back into their home school.
VA CARES	Franklin County – Sherriff’s office	The state recidivism rate is 30%. STEP VA CARES recidivism rate is less than 8%. For every person that doesn’t go back to jail, the county saves money.	\$237,588 (Based on 13 ex-offenders that CARES enabled to keep from returning to jail).	CARES participants get jobs!
Strengthening Families	Franklin County – CSA	Strengthening Families has assisted three parents gain full custody of their children. We’ve also provided education and support to increase parenting skills to approximately 20 other parents. STEP will monitor these cases to see if children stayed within the home.	\$156,000 (Based on 3 families either winning custody or retaining custody as a result of our services. It costs an average of \$52,000 for one year of foster care for one child.	<ul style="list-style-type: none"> • Parents are learning how valuable they are to their children. • Children are learning better coping skills. • Schools and courts are relying on our program.
TOTAL			\$730,605	

STEP also started the Teen Outreach Program (TOP) last year. Although program data is not yet available, this after-school program is showing positive results through the young people that participate. Teens are learning self-respect, control, and gaining self-esteem through service to others. This program is also serving as a foster-care prevention program that will save Franklin County money.

Non-profit Support

STEP supports many local non-profits. Below is a breakdown of support. These numbers do not reflect financial support given through ARRA grants.

Non-profit agency	Type of support	Projected savings or support
Free Clinic of Franklin County	STEP charges Free Clinic \$4.00 per square foot in rent, far below the market rate rent of \$10 per square foot for comparable space.	\$20,000 annually
Helping Hands	STEP provides approximately 1,000 square feet of space at no cost.	\$10,000
Stepping Stone Ministries	Provided repairs and improvements to building. Provides food donations on occasion.	\$1,000
Ferrum College	Provides internships for approximately 7 students annually. STEP also partners with Ferrum College on our Volunteer Income Tax Assistance program and other projects throughout the year. STEP is currently working with Ferrum College to establish Social Entrepreneurship and Energy Conservation Learning Opportunities for their students.	\$70,000 (Based on 7 interns at a conservative rate of \$10.00 per/hour for a combined 1,000 hours of service and instruction).
Other non-profit support	STEP also supports other non-profits through financial support, free meeting space, or through consulting and technical support. Non-profits include but are not limited to Chamber of Commerce, Franklin Center, Franklin County Youth Center, DSS, Goodwill, Lions Club United Way, and more.	\$10,000 (Based on financial contribution to United Way, in-kind contributions and support to other non-profits).
TOTAL		\$111,000+



Business to Business Support

STEP utilizes local businesses as often as possible. The following breakdown shows the businesses, sector, and amount of business STEP has done.

Sector	Locality	Amount
Landlords	Franklin County	\$176,665.86
	Martinsville/Henry	\$129,213.16
	Patrick County	\$21,530.18
	Regional	\$65,050.53
Retail	Franklin County	\$169,848.41
	Henry/Martinsville	\$28,476.50
	Patrick County	\$1,069.20
	Regional	\$9,278.43
Service	Franklin County	\$46,400.34
	Henry/Martinsville	\$34,344.88
	Patrick County	\$3,145.00
	Regional	\$1,415.00
Subcontractors	Franklin County	\$223,016.02
	Henry/Martinsville	\$257,368.60
	Patrick County	\$49,902.07
TOTAL		\$1,216,724.18

Section 8

STEP is the Section 8 provider for Franklin and Patrick County. Not only does Section 8 provide much needed assistance for our clients, but it also provides consistent and reliable rental income for our local landlords.

Locality	Number of Tenants	Average Rent	Total per locality
Franklin County	86	\$324	\$334,368
Patrick County	71	\$324	\$276,048
TOTAL	157		\$610,416

Human Impact

STEP served more than 3,500 individuals during FY 2009. With more than 20 programs serving individuals from 6 weeks of age to 100 years of age, STEP has provided valuable services to people in need for more than 40 years. Some of our highlights include:

Katrinea Smith



Katrinea purchased her first home after enrolling in our Individual Development Account Program (IDA). IDA matched her \$2 for every dollar she saved. She also participated in our Homeownership Program and our Volunteer Income Tax Assistance Program, ensuring she took advantage of the Earned Income Tax Credit. In addition, her son Jayron was a student in our Head Start Program. STEP's programs provide our clients opportunities to gain/increase their assets, giving them more opportunities to climb out of poverty.

Hue Smith



Hue Smith was one of 41 people in Franklin County that signed up through STEP, to receive some much needed work on their homes. STEP partnered with Ferrum College and raised money throughout the local community to bring in Group Workcamps, a national organization that provides service opportunities to young people in faith-based settings. 265 high school students and 25 adults from across the country came to repair porches, paint, patch leaky roofs, and clear brush to make life more comfortable for low-income and disabled senior citizens.

John Omar



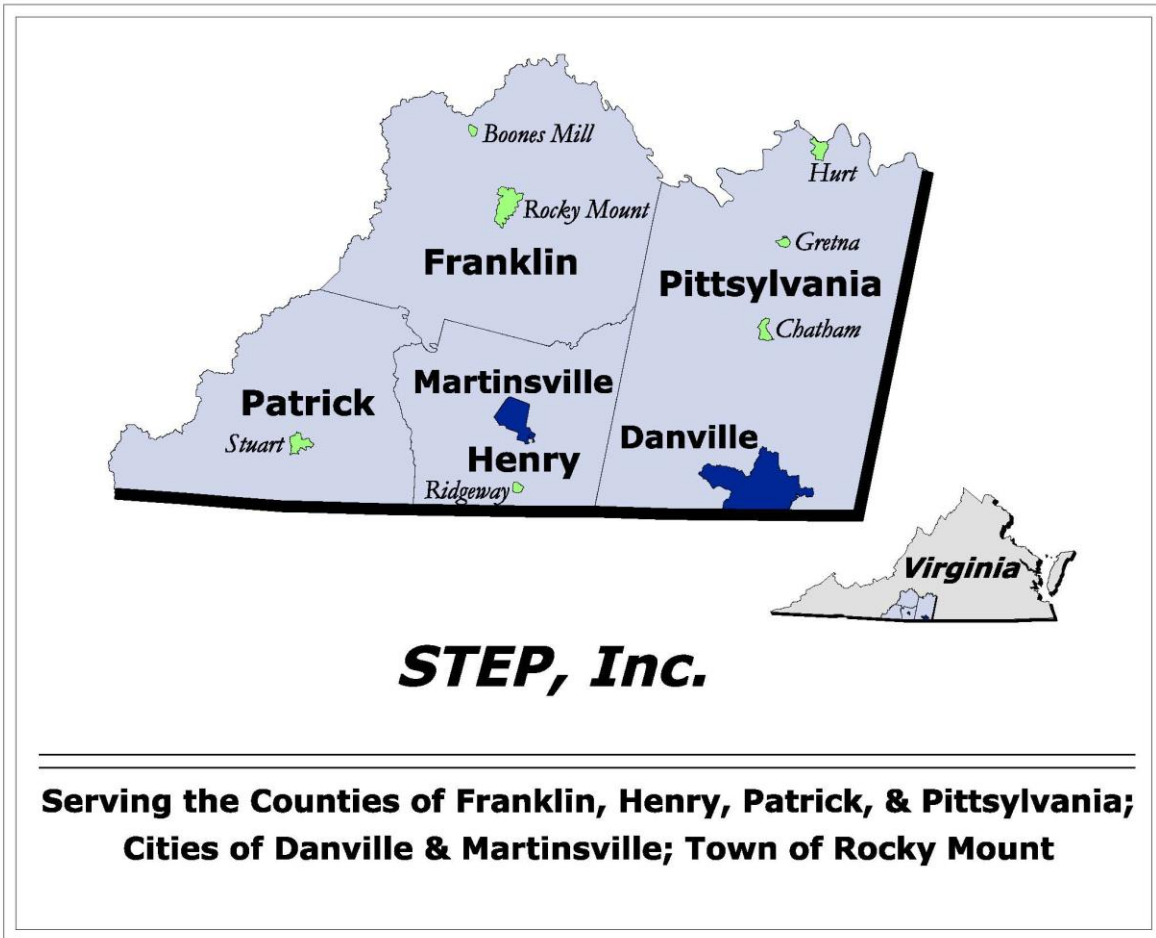
John Omar was a lifelong handyman. His specialties were drywall and painting. An injury caused him to go on partial disability which reduced his income significantly. John has lived the last several years in a tool shed with no indoor plumbing or running water. With the assistance of STEP's Indoor Plumbing and Rehabilitation (IPR) Program, John will soon move into a new 750 square foot home with indoor plumbing and other features most people take for granted.

STEP IPR Board Members and Housing Employees stand with Mr. Omar. Left to Right are, John Tiggle, IPR Board Member, Alice Hall, IPR Board Member, Mike Smith, STEP Housing Director, John Omar, Buddy Brooks, IPR Board Member, and Sharon Lambert, STEP Housing Coordinator.

In conclusion

STEP is a growing community and economic development agency. Not only does STEP provide valuable services, but we are valuable to our communities. We serve those in need, expand businesses opportunities in our communities, we've added jobs to our agency, and we save our local governments money. As we grow and develop our social entrepreneurship capabilities, we will strive to ensure that our impact grows accordingly.

Agency Budget	\$5 million +
Employees	110
Agency Payroll (Current)	\$2,004,546
Agency Payroll (2009)	\$1,397,506
Number of Programs	20+
Clients Served (Annually)	3,500+
Business to business support (2009)	\$1.2 million
Non-profit support	\$111,000 +
Savings to Franklin County	\$730,605
Section 8 Financial Support	\$610,416



For more information on STEP’s programs or any information outlined in this report, please contact one of the following offices.

<p>Franklin County 200 Dent Street Rocky Mount, VA 24151 (540) 483-5142</p>	<p>Patrick County 4559 Wayside Road Stuart, VA 24171 (276) 694-2239</p>
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www.stepincva.com