THE CORE/NETWORK DESIGN: A PROGRAM PLANNING MODEL

#18

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Introduction

Programs facing retrenchment should develop core program designs that help staff cope with an uncertain future. This means that the core program should both be stable and flexible. It must be stable so that staff members can commit their time and energy to program activities with a sense that their position is reasonably secure. It must be flexible so that the program can respond to new opportunities and threats in ways that do not too quickly disrupt the administrative and programmatic core of the program. The coming period of austerity for legal services programs poses problems of uncertainty as well as inadequate resources. A program design must be responsive to both conditions. It would therefore be inappropriate for staff to simply "strip" their program of all unnecessary activity and focus only on one or two areas of specialization. Such a design may prematurely fix the program within a niche of activity and relationships that may inhibit its future development. Political and social conditions are so uncertain -- it is clear that much of the political economy is undergoing far reaching reorganization, that programs must design systems that enable them to be both productive in the work they currently do as well as responsive to emerging opportunities.

Elsewhere, I have described the program designs that meets the dual criteria of flexibility and stability as a "core/network" design. In such a design, program core activities are managed by full time staff and are supported by systems and equipment which are used for program purposes only. In contrast, network activities are managed by full time, part time or contracted staff, and are supported by systems of people and equipment that are used by other organizations for other purposes. Thus for example, landlord/tenant service is staffed by full time attorneys, while its community education program is jointly managed

with public interest law firms in the same city. The former is in its core while the latter is in its network.

There are critical structural issues that program staff and leadership must address when designing such core/network organizations. In this paper I present a simple planning tool that helps program leadership and staff think concretely about its core, its network, and the relationship of the two. The method can be used to both initiate discussions of the core before the program faces budget cuts, and to assess a design in place after the cuts.

The Model

The framework for design and discussion can be organized through a simple two by two table. Look at the following:

	CORE	NETWORK
Central		
Compensatory		

The words "central" and "compensatory" refer to program activities, the words, "core" and "network" refer to the location of these activities. A central activity is an activity that is central to the mission of the program. A compensatory activity is an activity that a program undertakes to compensate clients, staff and other stakeholders for any activity or service that either remains under developed because of tight budgets, or was eliminated because of budget cutbacks. The compensatory activity is thus consistent with, but not central to the mission of the program. Thus for example, programs may develop prosav clinics to compensate for reductions in direct service to clients. While the clinic provides less service than does direct assistance it nonetheless signifies that the program is working to maintain

some level of help and service to people with legal problems. It thus has two functions. First, it represents a continued symbolic commitment by the programs to the clients. Second, the compensatory activity enables the program to maintain some effective relationships to unserved clients in an area that it can no longer effectively serve. The compensatory activity thus preserves the program's political capital in the community while at the same time providing at least minimal assistance to those in need. Similarly, a program that has lost internal litigation support may compensate for this loss by drawing on the part time help of a specialist from a public interest law firm. Finally, a program may wish to develop a specialization in communications law, but given limited resources does so in a limited, compensatory way by arranging periodic lectures/seminars by outside experts. Thus, a compensatory program enables the program to keep "its foot in the door" in an activity which it cannot fully sustain. The activity may represent either a past or future commitment.

As the table suggests, compensatory activities can be placed in the core while central activities can be placed in the network. Program staff may believe that prosay clinics are essential to its activities and may thus commit long term resources to staffing them, even if this means that attorneys complete a smaller number of individual cases. Similarly, central activities may be organized through the program's network. Thus for example, program staff may believe that continued service to the rural poor is essential to program mission, but may conclude that the service can be provided only through a judicare system. Continued uncertainty about funds for such services require that the program organize the rural service in as flexible a fashion as possible. Judicare contracts do not commit the program to any particular level of service and thus enable staff to expand or contract the service level as funding itself fluctuates. The table, as a planning tool, thus alerts program staff to the fact that central activities

may be paradoxically organized through a network while compensatory activities may be organized through the core. The program will do the former to maintain system flexibility, and the latter to maintain its credibility, reputation and visibility.

Below are some examples of the ways in which program directors "filled out" the tables during a retrenchment planning training session. I have modified them slightly for heuristic purposes.

PROGRAM I

	CORE	NETWORK
Central	- Public Benefits - Landlord tenant - Administer Lawyers Referral Service for Bar	- Existing Pro Bono - Referrals for high priority cases to ex-employees - Domestic violence -- use alternative resources/advocates - Mental, health, shelter counse
Compensatory	- Advise system - Community education	- Ties/workshops with public int law firms, law school faculty doing "trouble spotting" - Research and scanning

PROGRAM II

	CORE	NETWORK
Central	- Housing - AFDC - Housing training to CD Groups	- Contracts to key attorneys
Compensatory	- House Counsel to selected community groups - Outreach through community education	- Alliances with key groups aro City issues as they emerge

PROGRAM III

	CORE	NETWORK
Central	- Entitlements - Housing - Community Legal	- Seniors Law Center - Non-Profits Counsel - Battered Women -- co-counsel - CDBG -- co-counsel
Compensatory	- Emergency litigation - Circuit Riding	- Bar Lawyers referral - Pro Bono - Tel Law

As can be seen from these different tables, programs will distribute core and compensatory programs between their core and network in different ways. Programs I and II for example, describe community education as compensatory activities, program three as central. Often smaller programs which can only provide emergency services after retrenchment must shift to an education/self-help model as the only way to deliver effective service. Larger programs on the other hand may be able to sustain a defensible service system and may therefore organize community education as a compensatory activity. In addition, programs one and three have a more developed conception of central-network activities than does program two. The former programs plan to meet particular substantive commitments by cooperating with other groups in their network. Program three will actively pursue a role as co-counsel on Block Grant and Battered Women Issues. Program Two however, plans only to use "key attorneys" in its network (perhaps some ex-employees) to help clients it cannot assist. The political ecology of the service area is important here. Programs one and three can draw more readily on the resources of like minded groups without at the same time taking great political risks. Program two however, is more isolated. If it tried to develop ties with organizations in its less densely populated network it may in turn risk charges of "over-politicization" from already hostile sources. Finally, all three programs have chosen to specialize in two "specialty" areas of law, based on their past, experience, their present skills, and estimates of client needs. Yet in this regard,

all three designs are insufficiently futures oriented. Program staffs have neglected to consider new substantive areas of work. Such activities, placed in the core/central or core/compensations category may enable the program to commit long term resources to a "unmined" areas of the law where legal remedy and social change may powerfully intersect (e.g. communications law, community development).

Evaluation

In evaluating a particular design, program staff may ask the following questions:

1. Would the design lead the program to use its network actively or passively. There will be a tendency for program staff to think of the network as managing the residual functions of the program, e.g., referring out cases that cannot be taken. This is a mistake. The network should be organized so that it may over time, transform the core program activities, in this way insuring program flexibility. Thus for example, if the program engages its network through co-counseling work it ensure that over time, it will be able to learn new skills and stay in touch with the currents of social change. In general, the network should be organized to optimally balance its residual-absorption function as against its developmental function. The former may help preserve the current political capital of the program, the latter may insure its flexibility and thus, its future political capital.

2. Are compensatory activities, particularly those placed in the core, protected from becoming central activities. Thus for example, many programs are or will be designing advice/referral systems, as compensations for the cutback of service. Program staff must be thoroughly trained to a) interview clients on the phone to extract the most information in the least possible time, b) give the most effective advice/remedies over the phone, and c) immediately and appropriately be able to refer out to other lawyers so that the referral is not simply a mechanical transfer and d) avoid being overwhelmed by the emotional difficulty of saying no to clients in need. Unless an advice system meets these criteria it will face two problems: The advice systems will lead the program to take on more and more cases on a first come-first save basis, limiting its ability to

and second, it will disappoint clients so that the compensatory service actually reduces client good will. (This will happen as clients: a) expect more than is delivered because the advice staff cannot convey the limited nature of the service, b) the advice and referral process is handled poorly).

3. Is there an optimal distribution of resources invested in the core and resources invested in the network. Experience does not yet indicate what a good "balance" is. But the following analytic argument suggests some bounds. The network has a residual and a developmental function. In its residual function it stabilizes the core program by absorbing additional resources in times of high demand and releasing additional resources in times of low demand. It thus gives the overall program flexibility while keeping the core program stable. In this sense it is framework through which the program subcontracts its work. In its developmental function, however, it provides the program with new ideas. In this sense it is framework through which the program organizes part of its "research and development function." Now many companies both subcontract and organize research and development, and the two together might come to as much as 25% of company revenues. Thus, as a rough rule of thumb, I suggest that program staff and leadership use a one to three ratio for evaluating the distribution of resources between the network and the core in any given program design. This 1 to 3 guideline should not function as a hard and fast rule, but rather as a trigger point for examining the reasons why a particular distribution of resources is either above or below this ratio.

Financial Viability

The design must be financially viable. Here, program staff must attend not only to funding levels, this is obvious, but also to funding structure. In general, the funding structure of a program can be described in two categories. How much do the funds restrict program activity and have funding agencies given the money for a short term (defined here as less than three years), or long term (more than three years). These two parameters of program structure describe the ways in which the funding supports program stability (the longer the term of

the funding the more stable is the program), and program flexibility (the less restricted are the funds the more flexible can the program be in determining its set of activities). Thus, the two parameters together are the financial preconditions for constructing a successful core/network design. An organizational design that tries to integrate stability and flexibility in a particular way will not be viable if it is not supported by an appropriate funding structure.

The following table presents the funding structure of program one (see page 10 for its core/network design)

PROGRAM TWO

Funding Structure

	Short term	Long term
Restricted	developmental disabilities (State) -- $35,000	"schooling and the law" foundation; $55,000, LSC, -- $250,000
Unrestricted	United Way $10,000	Attorney fees -- $20,000 Rent $ 7,000

Program staff can determine if the funding structure can support a particular core/network design by applying the following four heuristic criteria:

a. Are core activities supported primarily by long term funds. No core program can be supported unless staff is certain that the program will survive for at least three years. (A two year funding cycle means that in the beginning of the second year program staff must either look for new funds or new jobs. Since the first year is often a "break-in" period in any new program, three years is a minimal program length to create an effective work team.)

b. A substantial portion of network activities should be supported by unrestricted funds. I suggest the heuristic guideline of 50%. The network will not be able to perform its developmental function if it is supported substantially by restricted funds.

c. Compensatory activities should be supported by a combination of short term and long term funds. Long term funds are essential to integrate part of the compensatory activities into the core. Short term funds are necessary to 1) prevent the compensatory activities from swallowing central activities (i.e., if the funding is short term, program staff are more likely to put bounds around it and insure that other program resources are not reorganized to serve the compensatory activity, 2) insure that the program systematically reviews its compensatory activity to see if it is maintaining/enhancing the program's political capital and adaptive potential. Because experience is thin here, I suggest that programs apply the heuristic ratio of one to one between long term funded and short term funded compensatory activity.

d. The ratio of network to core resource investment should be (as argued before), 1 to 3.

The following table matches the core/network design of program I with its funding structure. Across the columns are listed the location/nature of the activities, down the rows are listed the source/nature of the funding stream. Each box lists therefore the activity the funding source and level of resources committed to the activity.

PROGRAM I

FISCAL VIABILITY TABLE

Funding \ Activity	Core/Central	Core/Comp.	Network/Central	Network/Comp	Total
Short Run Unrestricted		Advice System United Way--$15,000			$15,000
Short Run Restricted	Lawyers Referral Service Bar - $15,000 Developmental Disability State-$35,000				$50,000
Long Run Unrestricted			Domestic Violence Co-counseling Attorney fees -- $21,000	Scanning with Public Interest Law Firms Attorney Fees Rent--$6,000	27,000
Long Run Restricted	Public Benefits Landlord/tenant LSC --155,000 Schooling-50,000 (foundat)	Comm. Legal Education LSC--$50,000	- Pro Bono - High Priority cases(judicare) LSC -- 50,000		$305,000
TOTAL	$255,000	$ 65,000	$ 71,000	$ 6,000	$397,000

We can then apply the above criteria to evaluate the financial viability of the core/network design.

EVALUATION TABLE
PROGRAM I - FINANCIAL VIABILITY

Ratio	Number	Comment
Long Run Core ($) / Total Core ($)	80%	Okay
Network Unrestricted $ / Network Total $	54%	Okay
Compensatory long run $ / Compensatory total	71%	1. Seek more short term funds for compensatory activities. 2. Reorganize long term funded compensatory funding so that it covers more activities.
Network $ / Core $	19%	Warning: 1. Review program staff's ability to assess new developments in law. 2. Assess possible over or under utilization of program resources.

In sum, program staff should evaluate their core/network design by asking.

1. What is the balance between the residual absorbing function as against the developmental function of the network?
2. Will compensatory activities not intrude on core activities?
3. Are core activities supported primarily by long term funds?
4. Is a substantial part of network activities supported by unrestricted funds?

5. Is there a balance between short run funded and long run funded compensatory activities?
6. Is there balance between core and network activities?

How to Begin

Program staff and management may have difficulty deciding how activities should be distributed between the core and network. The following design process based on four "design" rules may help. First, the rules:

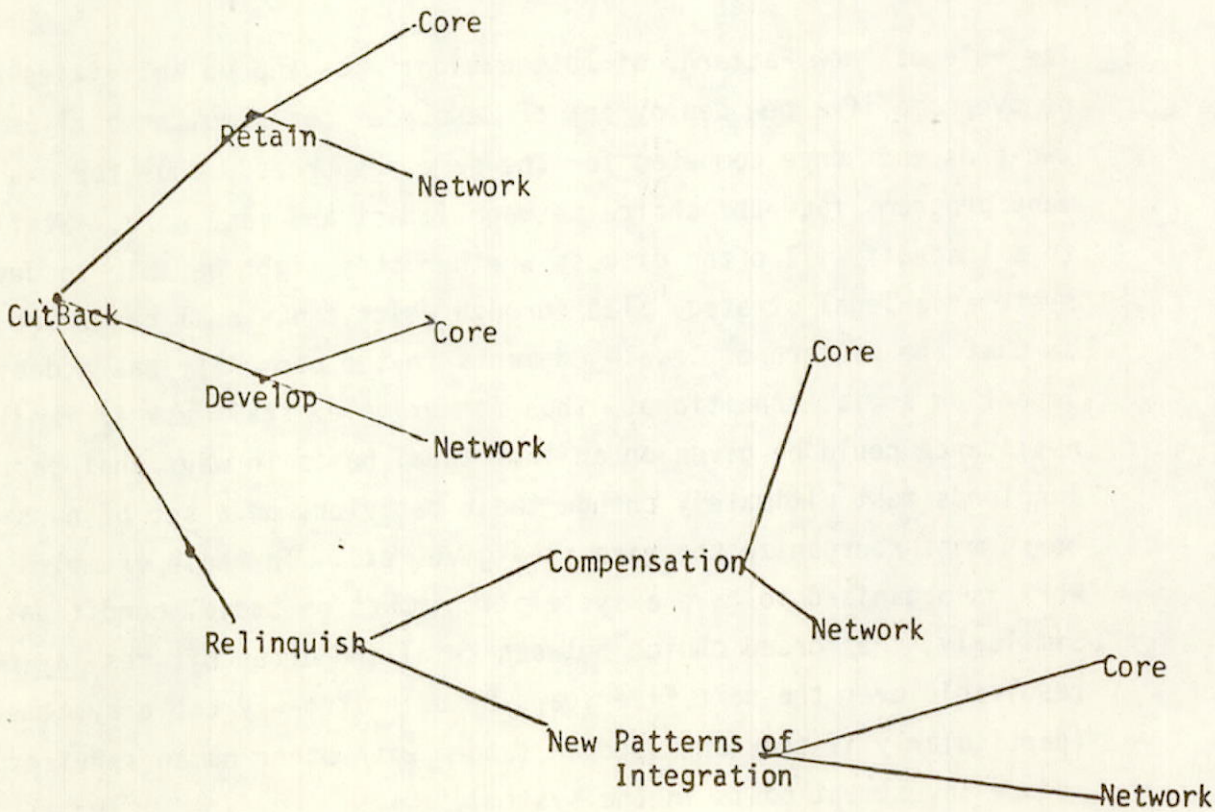
1. The Rule of "Specialization": Retrenchment always means that some activity must be given up. Thus, the program will be more specialized in its orientation after retrenchment. This may seem obvious, but I have worked with several programs where staff and management always sought compromises as a way not to give up prior activities. Thus for example, the staff may try to preserve all offices, even though their resulting small size made them uneconomical and ineffective. Similarly, facing the choice between servicing one of two areas, they might choose a new office site in between, therefore alienating two communities rather than one. Retrenchment means giving up something. This must be faced.

2. The rule of "New Patterns of Integration:" Giving up activities may be overcome if a new deployment of resources can simultaneously serve two ends that once competed for the same resources. Thus for example, many programs face the choice between impact and case work. Staff facing this tradeoff will often discuss whether they might be able to develop a systematic legal strategy plan through which individual cases are chosen so that the pattern of legal judgments in the community has a decisive impact on social conditions. Thus for example, staff ask if landlord/tenant assistance could be given on an individual basis in ways that particular landlords must ultimately change their behavior, or a set of nursing homes must reorganize the care they give, etc. In these examples, case work is organized to have a systematic impact on social conditions. Similarly, the forced choice between rural and urban offices may be resolvable over the next five years by using two-way cable systems (particularly if they are used in tandem with other human services to reduce investment costs in the system).

3. The Rule of "Compensation:" I have already discussed this -- staff can develop activities that enable the program to compensate clients and other stakeholders for activities relinquished. The term compensation means that the program remains symbolically committed to the stakeholder and demonstrates its wish to maintain some level of effort in a particular area <u>despite</u> the cutback. The compensatory activity creates both real services as well as symbolic services.

4. The Rule of "Development:" Retrenchment is both a process of <u>cutback</u> and and <u>regrouping</u>. Regrouping in turn means that the program may wish to develop new initiatives to take advantage of emerging opportunities/forces in its wider environment. The central "positive" feature of retrenchment is the falling away of vested interests in program activities which may no longer represent the best use of program resources.

The following tree shows how program staff can apply these rules in sequence.



This tree enables staff to apply the above rules and produce an ensemble of core/network activities. This ensemble can in turn be used to divide the activities between those that are central and those that are compensatory. The resulting program structure can then be matched against the funding structure to determine if (a) program activities should be changed, or (b) new fund raising strategies should be developed.

Summary

Program staff should base their core program design activities on the core/network model of program structure. By applying the four heuristic rules of design and the guidelines for evaluating the funding structure of the program they should be able to design a program that is fiscally sound, focused in its activities, open to new opportunities and issues, and able to use resources in a surrounding network of organizations, groups and people.