

# Remaining Stable in Unstable Times: Swords to Plowshares

## *San Francisco*

### Provider Background

Founded in 1974, Swords to Plowshares is a community-based, non-profit organization focused on veteran services and housing. They provide counseling, case management, employment, training, housing, and legal assistance to more than 1,500 homeless and low-income veterans annually in the San Francisco Bay Area. In the past few years, Swords has expanded its work to include policy issues impacting veterans. The organization has an annual operating budget of about \$6.7 million.

### Community in Context

In June 2009, San Francisco Mayor Gavin Newsom unveiled a proposed budget that included 1,600 job cuts, the biggest workforce reduction in 20 years. The budget also included a \$13.5 million decrease to community groups offering substance abuse services, a 19% reduction, and a \$9.3 million hit to those serving the mentally ill, a 6% reduction.

Meanwhile, unemployment more than doubled from 2007 to 2009 to over 9 percent. In the 2010-2011 fiscal year, the City is facing a \$522 million budget deficit with many more proposed budget cuts to homeless services.

*SF's unemployment rate is at its highest since 1984.*

### Economic Impact

Despite a suffering economy, Swords has been able to sustain comprehensive services and housing for veterans in need. In fact, Swords is currently expanding its services, not only for the young generation of veterans just now returning from service, but also for older Vietnam-era veterans whose health care needs are greater than ever. In the coming two years, Swords will develop a new housing facility for aging veterans, will expand employment and training to recently separated veterans, and will launch a pro bono legal program to reach more veterans in need of legal assistance.

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Leon Winston, the Chief Operating Officer for Swords, reports that the organization has been fortunate during the economic crisis, because suddenly “vets are sexy.” In particular, policy makers are focused on veterans returning from Iraq and Afghanistan; stakeholders are cognizant of the fate suffered by

*Veterans are disproportionately represented in America's homeless population. While they comprise only 11% of the civilian population, veterans represent 26% of the entire homeless population. Moreover, California has the highest number of homeless veterans in the country--nearly 50,000.*

## Current Funding

As for local government funding, Swords offers a healthcare program that is funded entirely by the City & County of San Francisco and is augmented by Medi-Cal reimbursements. During recent budget cuts, the program lost \$8,000; however, Swords is optimistic that funding will be fully restored during the next RFP cycle. The organization also anticipates an RFP from the VA to fund several pilot projects of the same healthcare model. Swords will apply for that funding in order to geographically expand the project.

*While corporate and private support has slightly decreased with the economic crisis, federal government and foundation support has actually increased for Swords*

The Veteran Administration Secretary recently declared a policy of “zero tolerance” for veteran homelessness. Mr.

Winston says that they are “cautiously optimistic” that this signals a move towards expanded community-based resources for veterans. More immediately, veteran service providers nationwide expect the VA to release an RFP that would fund housing retention and placement services. If Swords successfully responds to the RFP, the money will help the organization expand its legal services.

### ***Government Programs Funding Swords to Plowshares:***

- Dept. of Housing and Urban Development’s (HUD) McKinney-Vento Programs and Section 8 mod-rehab
- Veterans Administration’s (VA) per diem grants
- Dept. of Labor’s veterans program
- California Employment Development Dept.

The largest expansion of Swords’ budget has come through their Iraq Veteran Project. The California Endowment gave the organization \$3 million to do policy, outreach, and legal work on the topic. The Endowment then provided an additional \$3 million to convene a series of conferences, to form the Iraq Veteran Coalition, and to perform other policy-related work.

Finally, Swords is set to expand their programming to a new permanent supportive housing project. The 150 Otis Street project, which is in pre-development with Chinatown Redevelopment, will provide roughly 75 studios to homeless individuals. Swords secured the property for the project for free through San Francisco’s surplus property ordinance.

*The White House has announced a proposed \$125 billion budget in 2011 for the Department of Veterans Affairs (VA). The proposal calls for expanding health care to a record number of veterans, reducing the number of homeless veterans and processing a dramatically increased number of new disability compensation claims.*

## **Stimulus Funding**

The Department of Labor awarded Swords a grant through ARRA that will fund green job training and placement. This grant will compliment foundation money the organization received to do employment services. Mr. Winston explained that employment programs are essential to engage younger veterans.

Finally, Swords will also receive some ARRA Homeless Prevention and Rapid Re-Housing Program funding; that funding will come from another San Francisco service provider who serves a broader population and wants to add veteran-specific care to its service package.

*“We engage young vets primarily through employment; then we try to wrap everything we have around them, like mental health services that they otherwise would not seek out.” – Leon Winston, Chief Operating Officer for Swords*

## **Solutions**

*“About 7 or 8 years ago we decided to start investing in fundraising. We didn’t have a strategy around fundraising, but we needed one. So many organizations do not have a strategy. We realized that we needed to diversify.”  
– Leon Winston, Chief Operating Officer for Swords*

Prior to developing a fundraising strategy, Swords relied “too heavily” on government funding. Mr. Winston says, “Our main stakeholder is the client, not the government.” With private money Swords has been able to develop a better infrastructure to support its work. Coincidentally, this infrastructure has made the organization more competitive for federal grants and, ultimately, more stable in unstable times.