

The California Wellness Foundation

Grantmaking for a Healthier California

Reflections

On Our First
Initiatives



The California Wellness Foundation

While foundations expect their grantees to engage in a variety of evaluative activities to assess the outcomes of their work, we all too seldom invest in a systematic examination of our own grantmaking strategies and practices. Even less frequently do we share the results of those deliberations with our colleagues. In recent years there have been some refreshing exceptions to that pattern, among them documents from the Annie E. Casey and W.K. Kellogg foundations and from the Colorado Trust, that have candidly addressed “lessons learned” from their grantmaking. This paper is a modest attempt to follow their good example, in the belief that shared self-analysis can benefit the field of organized philanthropy as a whole.

The California Wellness Foundation is a relatively new organization, having recently celebrated its seventh anniversary. With a mission of grantmaking for health promotion, disease prevention, and wellness education, long-term thinking came naturally to our founding Board of Directors. They elected to allocate the majority of our grant dollars to a limited number of multi-year strategic funding initiatives. The decision to pursue such a strategy was influenced by the experience of other established health funders such as the Robert Wood Johnson, Kaiser Family and W.K. Kellogg foundations, which had pioneered the concept of initiative funding.

Launching and managing a multi-site initiative is a complex undertaking, to say the least. After five years’ experience with initiative funding, we feel we are just beginning to understand some of the basic issues that are illuminated by such a strategy. As other foundations contemplate a similar path, we thought it useful to share some of our observations, even though they are based on limited experience. These are very much initial lessons that we plan to modify with subsequent experience.

We know that initiatives have been the source of considerable controversy in the grantseeking community, and hope that this self-assessment will stimulate productive dialogue and serve as a conversation starter, both with funders and with community-based organizations. We welcome your comments.

Tom David, Executive Vice President
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Lessons Learned

About Initiative Funding

By Tom David

When The California Wellness Foundation was created in 1992, its asset base made it by far the largest private health funder in California. Mindful of the opportunity for leadership, the founding board established bold goals. It was decided that we would focus on complex problems and make large grants over a long enough period of time to really make a difference. Given the public health background of much of the board, there was a high level of comfort with funding media, public education, and advocacy in order to push the policy envelope on key health concerns. There was also an expectation that the foundation would contribute what it learned from its projects to the general pool of knowledge on health issues. Thus, from the beginning, there was an emphasis on sound theory as well as research and evaluation.

These initial goals and expectations combined to shape a grantmaking strategy that devoted 70 percent of grant dollars to five strategic initiatives. These initiatives were defined as “coherent, integrated programs of grantmaking designed to focus foundation resources intensively and strategically on important health issues for a sufficient period of time to have a measurable impact.” The expectation was that, by packaging grants in the form of initiatives, we would “enhance their overall coherence and synergy and amplify their collective impacts.”

Our first such undertaking, the Violence Prevention Initiative (VPI), exemplified these principles. It tackled a challenging subject with which there was little prior grantmaking experience in the foundation world. The board allocated \$60 million over 10 years. With input from a wide variety of constituencies, ranging from O.G.s (street slang for “original gangstas”) to law enforcement to academic experts at the Centers for Disease Control, a complex grantmaking program was designed that included funding for community action, leadership, public policy and public education, research, and a substantial evaluation component. June 1998 marked the completion of the first five years of that initiative. We have subsequently launched four additional initiatives: Health Improvement, Work and Health, Teen Pregnancy Prevention and Children and Youth Community Health. These initial lessons learned reflect our experience with these initiatives.

REQUESTS FOR PROPOSALS

Because the request for proposal process can be daunting to some community-based organizations, they need adequate time and even technical assistance to prepare grant applications.

In order to provide equal access to initiative grant dollars, we have relied almost exclusively on competitive requests for proposals (RFPs) to select our various grantees. We have learned that establishing an adequate time line for RFPs is an important concern. In order to give applicants at least two months to prepare a response and to allow time for appropriate due diligence once proposals are received, a minimum of nine months needs to be set aside from the date of mailing to the projected board meeting when recommendations will be presented. To

ensure enough time to do it right, 12 months are preferred. The timing of the release of RFPs is a related issue. The ideal timing for the foundation may not always be the best for the field, and can sometimes result in the loss of quality applicants from the pool.

There is also no question that the RFP process itself presents a formidable barrier to many community-based organizations, particularly those without paid development staff. In an attempt to level the playing field, we are reviewing the form and language of our RFPs to make them more user-friendly. We have also instituted informational meetings to provide in-person feedback and technical assistance on proposal preparation for promising applicants who lack the sophistication or resources of larger, more established organizations. A related “leveling” strategy is to fund an expanded cohort of planning grants (described below).

The RFP process for research grants presents a particular challenge. Although the applicants are among the most experienced at understanding the demands of an RFP, their experience can present a different dilemma. This is particularly true when the foundation, rather than the investigator, is setting the research questions. In that case, there is a risk that applicants will (enthusiastically) pursue the dollars even though the specific research questions may be of only secondary interest to them. Then, when subsequent funds are won from other sources for projects of higher saliency, the RFP-driven projects can end up on the back burner. If we are counting on those research projects to inform other aspects of the initiative, their value can swiftly diminish.

COLLABORATIVES

Collaboration can contribute to an initiative, but that contribution is sometimes outweighed by the amount of energy and maintenance collaboration demands.

While it is tempting for both theoretical and practical reasons to require collaboration as a prerequisite for funding, we need to be aware of the costs involved. Collaboratives are not always the best mechanism for concerted action; in fact, complicated governance structures can actually make consensus (and joint action) more difficult to achieve. Consequently, collaboratives require specialized technical assistance and ongoing maintenance to maximize their effectiveness.

Finally, the proliferation of collaboratives across various funders' initiatives has taken a toll on communities in terms of the sheer energy it takes to sustain committees and myriad meetings on top of regular operations. Such collaboratives should be embarked upon with caution.

PLANNING PERIOD

The planning period is an essential stage of initiative funding, but not all grantees will complete their plans at the same time, and some may not make it to the implementation stage at all.

If we are preparing to provide large-scale, multi-year funding for a project, it is not only prudent but essential to invest adequate time and dollars up front in planning. For complex efforts that seek to break new ground in a community, it is important to fund planning for at least 18 months. Part of that period will be spent preparing an implementation proposal to the foundation to ensure continuity of funding, so the actual planning period actually ends up being less than a year. Moreover, sites are often slow to get started with planning, so careful attention needs to

be paid to providing some structure as early in the process as possible. The best method is to have already funded one or both of the technical support and evaluation grantees in advance of those planning grants. They are important resources (and partners) for sites in their planning process. We have also learned that it is wise to provide more planning grants than one eventually anticipates for implementation. Inevitably, one or more of the sites that showed promise at the proposal stage simply fails to live up to expectations. Needless to say, it's much better to find this out before one has made a multi-year grant commitment. Eighteen months for planning provides a fair test of what may lie ahead. Of course, the downside is the potential for competition rather than cooperation among the sites during planning, plus the inevitable disappointment of those who are not chosen for implementation funding.

With two of our initiatives, we have dealt with this challenge by providing two levels of implementation funding. One cohort of sites received full funding, while the other received

reduced funding for continued capacity-building activities over a shorter period of time. All of the planning sites have remained part of the initiative, rather than seeing themselves as also-rans in a competitive process. It's an imperfect solution, but preferable to discontinuing support for sites that may have expended valuable "social capital" engaging their respective communities in their planning process in anticipation of multi-year funding.

Another issue to consider is the typical foundation expectation that all sites be prepared for implementation funding at the same time. This is rarely the case, even with the most skilled provision of technical assistance during planning. An alternative is to provide for "rolling admissions" to implementation funding, based on the attainment of specific intermediate objectives (e.g., completion of a community-asset mapping process). This would also take some of the pressure off sites that may need more than 18 months to undertake full implementation.

TECHNICAL ASSISTANCE AND CAPACITY BUILDING

Providing technical assistance to grantees is one of the most complicated aspects of initiative funding.

We underestimated the need for technical assistance and capacity building in our first initiative, and thus these activities have been essential components of all of our subsequent ones. Ultimately, such assistance provides the answer to the perennial question, "What will be sustainable after our grant dollars end?" If nothing else, we leave behind considerable skills and an increased level of capacity developed in those communities, which can be significant. Communities need help confronting a variety of challenges, from the more technical aspects of program design and implementation to basic organizational issues. Since most of our initiatives call for strong youth involvement, we've discovered this presents a particular need for building the skills of youth and adults alike.

Some observations: First and foremost, this is not the program officer's job. Even if a particular program officer brings special experience and cultural competencies to the task, the role of technical assistance provider is sufficiently different from that of grant monitor to create significant strains in the relationship. It is far more desirable to fund an intermediary organization to provide technical assistance and help with capacity building. Granted, there aren't many organizations that fit our ideal "job description" in that regard, which argues for selecting a technical assistance grantee that can and will serve as a skilled broker and networker to a variety of resources related to training and technical assistance, rather than expecting to find multiple competencies under the same roof.

A related issue is the need to clarify the respective roles of foundation staff, technical assistance providers, evaluators and other initiative support providers as early in the process as possible. It is essential for efficient coordination of effort, but also critical for the other initiative

grantees. They need to know what to expect from whom, and where lines of authority begin and end. We have found, for example, that when representatives of the technical assistance grantee are visibly involved in the process of selecting community sites, confusion can result about their subsequent role in the initiative vis-a-vis the foundation's staff, with some grantees attributing to them a special status that they do not hold.

No matter how skilled the technical assistance provider may be, it is still important to provide opportunities for peer learning among sites. The more they are engaged as partners in planning training events, for example, the more successful those meetings are likely to be. Also, it only makes sense to draw on the talents and experiences that all grantees bring to the table, not just the ordained "experts."

Finally, we have found that the technical assistance needs of grantees change throughout the life of a multi-year initiative. This argues for either an up-front negotiation of the "broker" approach described above, or for shorter grant periods to allow for rebidding the technical assistance grantee role midstream to bring on board needed skills in a timely fashion.

THE GRANT PERIOD

Implementation grants are best awarded for less than the life of the initiative, because it is simpler to renew funding than rescind it.

Even if all has gone well in the initial planning period, many things can happen after implementation funding has been awarded. We have learned from experience that the most graceful way to deal with potential complications is to not make implementation grants for the entire life of the initiative. Even when there is an implied commitment for the duration, it is best all around to avoid making implementation grants for more than three years at a time. If all proceeds according to plan, renewal funding is a simple matter. If the situation in a particular agency has devolved (for any of a number of reasons), it's much easier to not invite a proposal for renewal than it is to rescind funding.

CONVENING

When funding an initiative, it is important to include support for grantee meetings that help build communication and commitment among them.

Convening is perhaps the most powerful (yet simple) mechanism for building synergy among the grantees of an initiative. We now include grants to intermediary organizations specifically to support the costs of a variety of meetings, conferences, group sessions, and retreats as a part of all our initiatives. In addition to face-to-face meetings, "virtual" meetings via electronic networking and other technologies

such as video conferences have played an important role in establishing true learning communities among our grantees. We periodically convene clusters of grantees to encourage communication, often (and preferably) without a highly structured agenda. An annual gathering of all of the grantees of the VPI has been an invaluable vehicle for building bridges of communication and commitment across the various sectors of its grantees. Although the costs of such meetings are not trivial, we're convinced that they are an essential part of helping an initiative realize its potential.

If there is a downside to convening, it is the temptation to bring grantees together so often that it actually interferes with their work. One needs to be conscious of how much time initiative grantees already spend meeting with technical assistance providers and complying with requests for information from evaluators and the foundation itself. In the pursuit of synergy, it is possible to lose sight of the potential negative impact of the multiple distractions we can impose on grantees. When it comes to convening, there can be too much of a good thing.

MEDIA RELATIONS

Funding for public education campaigns and media advocacy training for grantees can significantly advance the goals of an initiative.

Although many foundations are reluctant to fund media, we have found that strategic grants for that purpose have made a major contribution to advancing the larger policy goals of our initiatives. Specifically, the “opinion leader” technology utilized by our VPI public education grantee has been a major success. It has utilized paid media spots, polling, and targeted mailings combined with the development of a sophisticated computerized database of opinion leaders to generate

statewide momentum on the initiative's policy priorities. A companion piece undertaken by a different grantee has provided media advocacy training to community-based grantees to sharpen their skills in monitoring local media and taking a proactive stance in shaping stories that impact their work. Many community-based organizations have been slow to embrace the possibilities of media and for many, a certain threshold of readiness needed to be achieved. But as the initiative evolved, most of these organizations have become full and enthusiastic partners in the media work and their participation has increased the reach and effectiveness of the media itself.

LEADERSHIP TURNOVER

Leadership turnover is a challenge for which there is no easy answer. Dedicating a person full-time to project coordination and training a cadre of people at each site are two “prevention” strategies.

In retrospect, it seems inevitable that we would have initially underestimated the negative impact of turnover in both site-level leadership and foundation staff over the life of a multi-year initiative. For some sites, the loss of a single principal staff person proved fatal to their work. When key staff members move on, there is not only a loss of institutional memory in the general sense, but the vision for local implementation of an initiative’s guiding theory can be sacrificed as well. All of the careful groundwork laid and capacity built during 18 months of planning can disappear in an

instant. When there is turnover at the foundation as well, relationships and trust that are essential to the “chemistry” of an initiative need to be rebuilt from scratch. Critical continuity and forward momentum can be lost. While changes in personnel are a fact of life that become more likely the longer the lifespan of a project, they are particularly challenging for an initiative. We have grappled with ways to create incentives to encourage key site-level leaders to stay in place, but have not yet come up with sufficient answers to this dilemma.

One way to boost retention is to budget the project coordinator position as full-time. In some instances, we have seen a shared coordinator role work effectively, when just the right combination of personalities and skills are brought together. But as a general rule, we have seen the highest turnover when the operational responsibility for the program was only one of several demands on a coordinator’s time. That is a certain recipe for burnout.

Some turnover is virtually inevitable, but one strategy for retaining institutional memory at the project site is to allocate appropriate resources for training sessions at the local level, rather than focusing only on regional or statewide events which can be attended only by one or two representatives from each program. Although they are labor-intensive, local trainings can involve a larger group of participants from across the program, resulting in a broader and deeper understanding of the initiative’s goals. Alternatively, videotape key trainings so that they can be shared with local staff who were unable to attend, including those who join the program at a later date.

EVALUATION

We have changed our expectation of evaluation to emphasize capacity building, program improvement, and “telling the story” of what has happened as a result of our funding

We initially had very high expectations for what evaluation would tell us about the ultimate outcomes of our initiatives. Subsequent reality has significantly tempered those hopes. In the meantime, we have arrived at a more realistic sense of what evaluation can offer both us and our grantees.

The work we are funding is being carried out in high-noise environments, where many interventions are simultaneously taking

place. Random assignment to “treatments” is not an option. As a result, attribution of specific outcomes to our funding is at best problematic. Consequently, we have shifted our goals for evaluation to focus on capacity building and continuous feedback for program improvement. That paradigm shift changes the nature of the relationship from one where sites were concerned about evaluation being used against them to one where evaluators are seen increasingly as partners in a common endeavor.

Cultural competence on the part of evaluators is a concern consistently raised by our grantees. It’s more complicated than simply matching the ethnic make-up of evaluator and community, because most of our projects are multi-ethnic in composition. But it does raise the question of what funders are doing to build career paths for young people of color who might not otherwise think of evaluation as a calling. With the number of foundations growing in California (and, one assumes, a commensurate demand for evaluation) this is a potential growth industry.

It is also important to plan evaluation and dissemination efforts hand-in-hand, so that everyone is challenged to think “up front” (before it’s too late) about how the final story of an initiative will be told. What kind of information do we need to be gathering across the lifespan of a grantmaking program to make sure we do it justice? In our effort to quantify results, are we missing the more qualitative human dramas that might capture the most significant achievements of an initiative? Do we need to commission journalists as well as professional evaluators to take independent looks at something as complex as an initiative? What amount of time and dollars should be set aside in advance to be certain that critical dissemination activities are not shortchanged? The answers to these questions may vary, and we believe we still have much to learn about this important element of an initiative.

PHASEDOWN

Although the foundation and grantee forge a close relationship over the duration of an initiative, it is important to plan early on for the phasing out of funding and eventual sustainability of the organization.

One might think that after funding an organization for five years as part of an initiative, the organization’s gratitude would far outweigh any concern they might have about continued funding. Contrary to that expectation, we’ve learned that we actually incur a greater obligation to those organizations we have funded over an extended period of time. This is particularly true if they have invented a collaborative or a project specifically for our initiative. If we wish to pay more than lip service to the concept of sustainability of such programs, we need to begin planning for it early on in an initiative. Technical assistance regarding fundraising is one strategy, but support for concerted advocacy work to secure continued funding from other sources is also essential. Even in a best-case scenario, one should plan for a period of phasedown funding for organizations at the completion of an initiative.

ADVISORY COMMITTEES

An advisory committee that is kept well-informed will provide an unbiased, external view of initiative activities.

To keep an initiative grounded and provide a source of objective external feedback, well-constructed advisory committees can be a significant help. Advisory committee members can be excellent outside reviewers for proposals and act as a vital sounding board for decisions. They can also become some of the strongest advocates for the work of an initiative across a diverse set of audiences. To maximize the effective-

ness of committee members, however, there are three key actions that must be taken. One is to clearly communicate from the outset what the committee's role will be. It is not made up of decision-makers, but thoughtful advisors to the foundation.

Second, the foundation should carefully consider how the committee might maintain an active role throughout the life of an initiative without being intrusive. It is natural for the committee to be highly involved at the beginning, when design and funding decisions are being made. But when projects are in their implementation phase, committee members should not be forgotten. There are a number of ways to make sure they feel appreciated and involved. For one, they should receive regular written updates on the progress of the initiative outside of their meetings.

Third, the foundation should establish a process to periodically reappoint committee members as a subtle way of bringing in new expertise as needed and painlessly cycling out those who have not contributed as expected. That will help to keep the dynamics positive and the members rowing in the same direction.

ROLE OF THE PROGRAM OFFICER

Program officers must be sensitive to the needs of grantees, remaining accessible while avoiding micromanagement.

Depending on a particular foundation's philosophy, defining the program officer's role is perhaps one of the subtlest and trickiest challenges of initiative-style grantmaking. For those foundations that encourage a high-profile role for their staff in running their own programs, this is not an issue. But for foundations like ours, which emphasize a "backstage," instrumental role for the program officer, this

can be a difficult balancing act. Although initiatives are grantmaking programs, they can feel like operating programs to the program officers assigned to them. There is a real, daily temptation to "manage" grantees and the relationships among them in ways that can be inappropriate.

Certainly, it's important to provide some coordination and feedback, and convening grantees is a good way to do that. But there is a fine line between such coordination and perceived micromanagement, and grantees will usually be reluctant to speak up when they believe that is happening.

Given the magnitude of initiatives and the inherent risk involved, there's also a natural ten-

gency for program officers to feel that the grantees' success (or lack of it) reflects directly on them. Thus arises the perceived need to manage the initiative for the benefit of all. Since many program officers come to this work from an executive director position in a CBO, the initiative manager's role also fits nicely with a skill set they already possess. Dealing effectively with these issues of control and coordination is an ongoing challenge for even the most effective and enlightened foundation professionals.

A related challenge is appropriate involvement of co-funders, if they are part of an initiative. In day-to-day dealings with grantees, co-funders can be easily forgotten, to everyone's detriment. No matter how limited their "equity stake" in an initiative, they need to be present at key meetings and fully informed about all developments. Good partnership demands that we be particularly gracious in acknowledging their contributions, even if our organization is responsible for the lion's share of the funding. Also, if we are to encourage others to join us as partners in our initiatives, we must also be prepared to reciprocate when they extend us a similar invitation.

ISSUES TO CONSIDER

Our experiences are also raising larger questions about the impact that initiatives have on the resources of grantees and communities, as well as how they fit into a foundation's overall grant-making strategy.

In conclusion, I would like to flag a few important issues for foundations to consider regarding their investments in initiative grantmaking. First, we must acknowledge that initiatives are controversial in the grantseeking community. In candid conversations with executives of community-based organizations, they have expressed concern about what they perceive as a widening gulf between the foundations with the most grant dollars and front-line service providers on this topic. They see funders moving more and more in the direction of "top-down," foundation-driven initiatives vs. a more responsive style of grantmaking,

which in their eyes is personified by core operating support. If we open ourselves to such exchanges, it is clear that most agencies desire the latter in their relationships with foundations. Yet most funders have a very different perspective.

Second, I'm not convinced that complexity within grantmaking programs is a good thing in and of itself. In our drive to simultaneously fund multiple sites and multiple components in the name of bringing good ideas to scale, we may be unwittingly stacking the deck against success. The synergy we seek does not develop quickly. We are beginning to see evidence of it in the VPI after five years of hard work, employing the lessons we have learned along the way. Too much complexity in design may actually be an obstacle to synergy, diffusing the attention of all concerned from the business at hand.

Third, we need to seriously attend to building a corps of culturally competent technical

assistance providers and evaluators. They are essential partners in our work, and their ranks are thin in California at present. What can funders do — together, ideally — to address that situation?

Fourth, and perhaps most controversial, we need to carefully consider the costs that we (unwittingly) exact from communities to participate in our initiatives. When funders hold out the promise of long-term substantial funding, it constitutes a golden carrot that few organizations or disenfranchised communities can resist. Yet it can cause them to stretch their mission and internal resources to the maximum, in the process perhaps even losing ground on other important work they might be undertaking.

Madeline Landau, a researcher at U.C. Berkeley, has coined the phrase “hyperinnovation” to describe the unintended consequences that result from the convergence of multiple funding initiatives in communities with limited infrastructure and overtaxed leadership. How many initiatives from government and foundations can low-income neighborhoods productively engage in? For the best of intentions, we design these complex programs — while our colleagues in government and other foundations are doing the same from their own set of assumptions — all targeting the same communities. Given the nature of things, several of these programs can then end up on the ground in the same place at the same time. What are the unexamined costs of this behavior? How much time are community leaders spending in coordinating meetings, task forces, and focus groups, not to mention writing reports to their multiple funders? What is our responsibility here?

Finally, I suggest that while initiatives are an intriguing, potentially powerful strategy of grantmaking, they should be employed in combination with other styles of grantmaking and other important functions of a foundation (e.g., informing our colleagues and the field about what we are learning). Finding the right balance point is essential if we are to live up to our potential and to also do the right thing for the communities we aim to serve.

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