

Serving as an Intermediary for Region-Wide Grants: Lessons Learned

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Introduction to Lessons Learned Series

Michigan has been intentional about growing community foundations since the late 1980's. Local efforts have been supported by the Council of Michigan Foundations with funding from the W.K. Kellogg Foundation. FERA (Formative Evaluation Research Associates), an independent evaluation group, has documented growth, identified supports and obstacles, and developed lessons learned across multiple statewide initiatives designed to support community foundations. This document is part of a larger set of lessons learned about community foundation growth. To learn more about a conceptual framework and methods for developing lessons learned see Evaluation Overview in "Introduction" on www.GrowingCF.org.

Background

One of the hoped-for long-term impacts of the W.K. Kellogg Foundation challenge grant was to create a strong, sustainable network of local grantmakers that national funders and others could partner with on local and regional initiatives. The Council of Michigan Foundations (CMF) has served as an intermediary for six such initiatives that have been implemented and/or re-granted by Michigan community foundations.

- ◆ The Michigan Community Foundations' Youth Project (MCFYP) (1988–ongoing). Funded by the W.K. Kellogg Foundation with additional support from the C.S. Mott Foundation.
- ◆ Michigan CARES - Communities Accessing Resources to Engage in Service (1994-1999). Initial funding from the Corporation for National and Community Service and a subsequent four-year grant from the W.K. Kellogg Foundation.
- ◆ Healthy Youth Healthy Seniors Tobacco Settlement Funds Distribution (2000-2003). Funded by an annual budget appropriation from the Michigan State Government.
- ◆ Great Lakes Community Foundations Environmental Collaborative (1996-1998 Phase I, 1999 - 2002 Phase II and 2002 – 2003 Phase III)

- ◆ Emergency Homelessness Prevention Initiative, Michigan State Housing Development Authority (MSHDA) (2000-2003). Helping Community Foundations develop endowed funds for Emergency Homelessness Prevention.
- ◆ Michigan IDA (Individual Development Account) Partnership. Involving community foundations with low income working families saving to purchase a home, start a small business or participate in advanced education.

CMF has played a vital role in serving as a partner/intermediary for national funders, state government and other organizations interested in regional efforts that are implemented locally. Roles have included fiduciary, technical assistance provider, grantmaker, and coordinator of initiative-wide evaluation. Coordinating evaluation involves selecting and contracting with an outside evaluator, facilitating and participating in the evaluation as a key stakeholder, disseminating key findings and lessons learned back to the field and to other interested groups. CMF has also played a valuable role in the collection, analysis, interpretation and archival of area-wide grantmaking data. They plan to continue to track key initiative indicator data long after project funding has ended. This allows for selected outcomes to be tracked longitudinally.

A description of each initiative (except MCFYP) and a discussion about tracking short and long-term outcomes follows. Finally, lessons learned about serving in the intermediary role are offered.

Michigan CARES

Michigan CARES (Communities Accessing Resources to Engage in Service) was a state-wide effort implemented at the local level that requires community foundations to serve as convenors and facilitators for a collaborative community-based effort. Michigan CARES was established in 1994 with initial funding by a national demonstration grant awarded by the Corporation for National and Community Service and a four-year grant from the W.K. Kellogg Foundation. Michigan CARES was a public-private partnership between the Michigan Community Service Commission (MCSC), a state agency dedicated to enabling all citizens, including youth, to engage in public problem solving through service and volunteerism, and CMF. The intent of Michigan CARES was to demonstrate how service and volunteerism can serve as the nexus for improved

collaboration and more efficient service delivery among community-based non-profit agencies.

CARES had three primary goals:

1. Integrate best practices of service learning into communities to spark interests that will lead to the spread of innovative and sustaining service programs.
2. Provide resources to create programs and partnerships in communities.
3. Aid in building strong partnerships and collaboratives to ensure sustained program development and implementation to address community needs.

Six community foundations were asked to be conveners in their communities for Michigan CARES. The six foundations were: Community Foundation for Muskegon County, Community Foundation of Greater Flint, Community Foundation for Southeastern Michigan, Marquette Community Foundation, The Grand Rapids Community Foundation, and Community Foundation for Northeast Michigan. Each community had to collaboratively develop a long-term vision and plan for volunteerism and service. Once in place, communities worked toward implementing their plan. MCSC and CMF provided technical assistance, grant support, resource materials and networking opportunities. Local project conveners were brought together quarterly for workshops, networking and information-sharing opportunities. While many community foundations hired consultants to serve as conveners during one or more phases of the project, most remained quite involved in the process.

Healthy Youth Healthy Seniors - Tobacco Settlement Fund

As a result of legislation passed and signed into law by Governor Engler, CMF is receiving interest income from the tobacco settlement from the State of Michigan. The funds are being distributed through 65 community foundations, certified by the state for the community foundation tax credit, in a formula based on the population of youth 18 years of age and younger and seniors over the age of 65. The funds are being used to support local community efforts to address youth and senior health needs.

From 2000-2002, community foundations used 50% of the funds received to create permanent endowed funds for healthy youth and healthy seniors' needs with the other 50% used for direct pass-through grantmaking for the same purpose. In 2003 the

allocation of 50% to endowment was dropped as a requirement. It is anticipated that the endowed funds will attract other donors and thus grow over time.

Each community foundation has created a local advisory committee, including representatives of local health organizations, public health and community tobacco reduction coalitions, and two representatives from its youth advisory committee (or other youth if it does not have one) to oversee the distribution of the funds.

Great Lakes Community Foundations Environmental Collaborative

In 1993, the Great Lakes Protection Fund, the Charles Stewart Mott Foundation and the Joyce Foundation convened a meeting of Great Lakes community foundations to discuss their participation in a collaborative effort to increase support for local environmental protection efforts. These foundations recognized the critical roles community foundations could serve in protecting the Great Lakes ecosystem. The initial meeting led to the creation of the Great Lakes Community Foundations Environmental Collaborative (the Collaborative) in the spring of 1996. Under the leadership of CMF and with input from a nine-member project advisory committee, three goals were established: 1) Increase environmental literacy for Great Lakes shoreline community foundations; 2) Strengthen community foundation abilities to convene their communities on environmental issues; and 3) Increase local environmental grantmaking by either expanding existing permanent endowments or establishing new ones. Phase I of this initiative was two years 1996-1998, followed by Phase II 1999-2001 and Phase III 2002-2003. Thirty-four community foundations in 7 states and the province of Ontario have participated. See *Growing Community Foundations as Environmental Stewards, Phase II* in “Strengthening Existing Community Foundations” on www.GrowingCF.org.

Emergency Homelessness Prevention Initiative

CMF distributed Michigan State Housing Development Authority (MSHDA) funds to more than 20 community foundations partnering with local Continuum of Care Planning bodies. Specifically, funds were to be used to support direct costs of prevention activities and programs designed to increase housing stability and permanency for at-risk individuals and families. Local matching funds were required. Partnerships also had to

convene a community-wide prevention planning summit, designed to facilitate a coordinated community prevention services plan and start endowed emergency homelessness funds.

Michigan IDA (Individual Development Accounts) Partnership

The Michigan IDA (Individual Development Accounts) Partnership is an innovative partnership between the State of Michigan Family Independence Agency (FIA) and CMF to create a new tool that supports low income families in their struggle to get out and stay out of poverty. This unique public/private partnership recognizes that asset accumulation is a key to helping low-income families work their way out of poverty. A State IDA Advisory Committee made up of a diverse group of funders, IDA program providers, and government representatives oversees the project. The Michigan IDA Partnership will invest up to \$10 million over a five-year period to establish and evaluate a state-wide effort that supports up to 2,000 of low-income families.

A growing number of welfare experts recognize the need to support families in their exit from poverty by encouraging the accumulation of wealth and assets, as opposed to maintaining a set level of income. IDAs are matched savings accounts designed to help low-income and low-wealth families accumulate a few thousand dollars for high return investments in education or job training, home-ownership, or micro enterprise (small-business start-up). IDAs are designed to increase savings and investments for the working poor, welfare recipients, and citizens teetering on the edge of life-long poverty. Just as the GI bill provided hundreds of thousands of families the opportunity to acquire a home and enter the middle-class, IDAs are tools that will help low-income citizens strive toward their dream of leaving poverty for good.

Evaluating Outcomes

An external evaluator was hired to evaluate each of the initiatives described. Evaluation is usually paid for with initiative funds. CMF is in the process of developing: 1) an integrated database to archive all of the data collected by the evaluations and 2) long-term outcome indicators to track for each initiative and across initiatives. The impetus for this effort is:

- ◆ Funding for initiative-level evaluations was ending and with it outcome-related data collection. CMF wanted to find a way to continue tracking basic information and outcome data for these initiatives;
- ◆ Initiative-level data was housed in multiple evaluation firms. There was no way to conduct across-initiative analyses; and
- ◆ CMF is interested in understanding the factors related to community foundation growth over time.

A task force representing different size community foundations has been working to identify: 1) data elements that should be included in the database; 2) intended uses for the information; 3) reporting needs and audiences; and 4) issues related to access and confidentiality.

Lessons Learned

Interviews with CMF staff and analysis of their roles across multiple initiatives have informed these lessons learned: For initiative-specific lessons learned, see *Serving as a Community Foundation Convener and Leader: Lessons Learned* in “Strengthening Existing Community Foundations” on www.GrowingCF.org.

- ◆ **Community foundation buy-in to regional initiatives is important and there needs to be both a process and structure for making sure this occurs.** Criteria for engaging in statewide initiatives were created by the CMF Community Foundation Committee, a representative body of Michigan community foundation CEO’s and trustees. Key questions include:
 - ⇒ Is the initiative consistent with both CMF mission and strategic goals and Michigan community foundations’ missions and strategic goals?
 - ⇒ Is there a compelling need or opportunity?
 - ⇒ Is there potential for local or regional impact?
 - ⇒ Are CMF and Michigan community foundations’ involvement imperative to the success of the particular effort?
 - ⇒ Do CMF and Michigan community foundations have the capacity to provide the necessary resources (i.e., time, staffing, direct cost, matching funds) to support the initiative?
 - ⇒ Are Michigan community foundations involved in the review and planning of the initiative? Is there a high level of interest by Michigan community foundations to participate in the initiative? Is the timing appropriate to introduce the initiative?
 - ⇒ Does the initiative present an opportunity to partner and/or collaborate?

- ⇒ Is there potential for additional fund development opportunities for community foundations?
- ⇒ Will community foundation involvement impact its donor base?
- ⇒ Will community foundation involvement impact its role in the community as a neutral convener?
- ⇒ Is the initiative viewed as political or partisan?
- ◆ **Don't expect every community foundation to participate, especially in content or issue-focused initiatives.** Community foundations had their own local grantmaking and leadership priorities, which in some cases did not coincide with regional initiatives' foci.
- ◆ **It is easy to under estimate administrative support necessary to cover the costs of implementing a regional initiative.** Program management of a regional initiative could include some or all of the following: program design, budgeting, proposal writing for funding, re-granting proposal review, grantmaking, program implementation, technical assistance delivery, data collection, evaluation and grant reporting to the funder. Multi-year programs require regular review and updating of process, procedures and technical assistance delivery to best meet the needs of stakeholders.
- ◆ **Consider partnering with other groups besides national funders to accomplish your goals.** CMF partnered with state government and community foundations to implement regional initiatives.
- ◆ **Building effective partnerships with other regional or state-level organizations takes time. Build in time and resources for developing solid working relationships and working through cultural differences among the organizations.** CMF sought out many different partners. These partnerships brought resources to the table including money, staff, expertise, and access to systems. Differences in organizational cultures and approaches had to be worked through. Once that had occurred, they accomplished together what neither could do alone.
- ◆ **Use effective collaborative relationships between support organizations and state-level organizations to model and facilitate similar collaborative efforts at the local level.** As CMF developed effective collaborative relationships with state-level organizations, relationships at the local level were also facilitated.
- ◆ **Help establish collaborative relationships to facilitate communities accessing needed resources.** Increasingly, national and state funders are requiring collaboration among community groups. (National and state initiatives are more easily integrated into local communities through an already established working collaboration.) With a strong infrastructure and working collaborative relationships, communities are better positioned to take advantage of and successfully implement new national or state initiatives.

- ◆ **Grant manager is a valuable role for a supporting organization to play.** CMF has responsibility for collecting data from community foundations and executing reports to national funders and state agencies. This frees community foundations to do what they do best—concentrate on local funding and convening roles.

Summary

Overall, serving as an intermediary for regional grants has been a positive role for CMF to play. National funders or state-level government can make a single grant to CMF knowing that it will be appropriately re-granted to community foundations that will in turn make grants at the local level. CMF has relationships with community foundations, knows their strengths and weaknesses, and is an experienced technical assistance provider. All of these factors put them in a prime position to serve in an intermediary grantmaking role. Community foundations are familiar with nonprofits in their communities in a way that national and state-level organizations are not. This type of funding offers community foundations opportunities that they most likely would not seek or have access to individually. Their biggest challenge has been managing opportunity. Funders are beginning to realize that this type of grant leverages their grantmaking and ensures that individuals at the local level are implementing the grants.