DONOR FUNDING TO NETWORKS: DONOR CASE STUDY I

This case study is one of nine capturing the experience and insights from a diverse set of donors about how they fund networks. It is part of an in-depth research project undertaken by Collective Mind to help both donors and networks to improve funding to and fundraising for networks.

All case studies were developed by the respondents using a provided template and have been anonymized to allow us to share them publicly. Other research products – including nine case studies of networks and a "how to" guide for network funding and fundraising – are also available at www.collectivemindglobal.org.

Each donor case study provides insights on:
- The donor's funding strategy
- The donor's operational approach to funding/grantee management
- The challenges and reflections of the donor

DONOR I PROFILE

- **Donor location**: U.S.
- **Geographic funding scope**: Single U.S. state with some national investments
- **Types of networks funded**: County or multi-county, topically-focused networks
- **Types of funding provided to networks**: Funding for backbone function, evaluation, and programs/projects; also funds a statewide learning collaborative, which provides a learning community for network managers and evaluators
- **Percentage of network grantees**: About 22% of the foundation's overall program budget
- **Donor's definition of networks**: A group of diverse stakeholders, including community representatives, leaders, and other partners working towards a common goal and connected by a shared purpose

ORGANIZATIONAL FUNDING STRATEGY

WHY DO YOU FUND NETWORKS?

We fund networks with the goal of achieving greater impact related to our field of work within a geographic region. Networks allow the foundation access to a greater web of partners, the opportunity to develop relationships with organizations we might not otherwise partner with, and to organize around advocacy/policy issues. Networks help build local capacity and common vision, which leads towards sustainability. A network approach allows us to broaden our ability to achieve our mission through a multi-pronged approach, keeping equity at the center, and focused on prevention, access, and policy change, which the literature demonstrates is necessary for improved outcomes in our issue area.

WHAT TYPES OF FUNDING DO YOU PROVIDE TO NETWORKS?

The foundation funds the backbone function along with evaluation and programmatic interventions. The funding focuses on prevention and access activities related to our issue area. The foundation is especially interested in working with networks to pilot, test, and scale interventions/programs. We are less interested in funding one-off projects or efforts that are not sustainable.

HOW FLEXIBLE ARE THE FUNDS THAT YOU PROVIDE TO NETWORKS? HOW LONG-TERM ARE THOSE FUNDS?

The funding provided to networks is very flexible. Decisions about programmatic funding are determined by the network leadership team, while funding for the backbone and evaluation is set by the foundation. The foundation's commitment is for 5-8 years, although our board approves the budget in 3-year cycles, so we are transparent with partners that the foundation board has the final say in the longevity of funding.

WHAT CONDITIONS, IF ANY, DO YOU PLACE ON YOUR FUNDING TO NETWORKS?

Projects need to be focused on our topical issue area and any funding allocation made by a local network of over $150K must go through foundation board approval. For project partners, there is a general set of agreements related to reporting data. We are also in the process of creating an equity agreement that will be part of our MOUs with backbone agencies and partners – that both the foundation and the partner commit to a set of equity agreements that are central to how the network operates.

HOW DO YOU SELECT THE NETWORKS THAT YOU FUND?

To date, the networks have been identified through a combination of where the foundation had relationships and a history of partnerships, community readiness/leadership to pursue a network approach, and a set of equity criteria related to our issue area. In the most recent network established, there was a thorough stakeholder analysis completed before the foundation decided to pursue a network. This approach will likely be used in the future. The foundation will not be pursuing any new networks for the next three years, but if we were to do so, there would be a thorough examination statewide using an equity framework to identify potential communities.

ORGANIZATIONAL FUNDING MANAGEMENT

HOW DO YOU OVERSEE THE USE OF YOUR FUNDS?

Each network has an independent evaluator who helps the network with establishing metrics, reporting, and evaluation needs. Generally, the funding is disbursed through grant agreements or MOUs between the foundation and the partner organization. Within the grant agreement, expectations for reporting are outlined. Quarterly or twice-yearly reports are collected by the evaluator and reported back to the leadership team/network manager, who then can help guide the network with any needed changes. The evaluator is also responsible for evaluating the collaboration happening within the network via a survey, implemented one time per year. There is also an agreement that network managers and evaluators participate in a statewide learning collaborative, which meets quarterly.

DO YOU CHANGE YOUR APPROACH AND PROCEDURES TO WORK WITH NETWORKS AS COMPARED WITH OTHER GRANTEES?

The biggest difference between grantees that the foundation funds directly vs. through the networks is the accountability. For the grantees funded via the networks, the accountability for outcomes lies within the network itself vs. just with the foundation for grantees that we fund directly. In work with networks, the foundation views itself as one of many partners, and while we are the funder, we work to overcome power dynamics and allow the local leadership team to make decisions on behalf of the network.

WHAT OUTPUTS, OUTCOMES, OR IMPACTS DO YOU REQUIRE NETWORKS TO DEMONSTRATE FOR THEIR FUNDING FROM YOU?

Generally, the foundation looks for indicators that point toward improvements related to our issue area and at the functioning of the network. This is achieved through a combination of both shared and unique metrics, which are dependent on the work the network decides to pursue. These are determined by project leads within the network and in collaboration with the evaluator. In addition, there are some headline metrics that we expect every network to be working towards. The partners are responsible for sharing metrics with the evaluator, who then collates and shares with the foundation and network. In some networks, collated storyboards of projects have been created, while in others it's more raw data that is shared.

WHAT DO YOU SEE AS YOUR ORGANIZATION'S ROLE WITHIN THE NETWORKS YOU FUND?

The foundation's role is multifaceted. Besides being the funder, we serve as a thought partner to the network manager and projects as needed. For example, we participate in the leadership team and we provide technical assistance. Foundation staff provide assistance

when needed/requested and depending on the role, may be driving and leading some work in collaboration with the community. Also, in times of transition, foundation staff have stepped in to fulfill the network manager role.

DONOR REFLECTIONS

WHAT ARE THE TYPICAL CHALLENGES YOU ENCOUNTER IN FUNDING NETWORKS?

Challenges and questions the foundation faces in funding networks:

- **Transformative change** – a goal of our local impact network approach is to set a vision for transformative change that centers equity. Communicating what the foundation means by "transformation" can be a challenge, as is keeping equity at the center. And this type of change takes time and can be hard to measure (see challenge related to evaluation).
- **Equity** – What do we mean by equity, how to operationalize it and keep it at the center of the work?
- **Evaluation** – Each local impact network has its own evaluator that is measuring both process and outcome metrics. There are questions about the level of evaluation needed at the local level and for the foundation – what do we need to know that we're on the right track? How can we best track progress? How might we consider/explore whether there are ways to track progress across all local networks? How can we, in collaboration with our partners, set the vision for equity and expectations around the desire to generate transformational change? And, does it make sense to consolidate the evaluation?
- **Role of foundation staff/programs** – foundation staffs' role is as a thought partner with the backbone's network manager and leadership team. This can be a tricky role at times due to the power dynamic of also being the funder – how much do we push our agenda and priorities vs. allowing network managers and the local network partners to evolve more organically? Also, how do we transition and sunset foundation staff involvement as the network matures? When we have multiple staff involved in networks – who is the lead relationship manager and how do we coordinate our "asks" of our partners?
- **Level of investment and sustainability** – We envision the investment in the network being a bell-shaped curve over 5-8 years, with the peak of investment at year four and tapering off beyond that. Is that enough time for the network to sustain itself? Our vision of sustainability is a robust network in place and programmatic interventions continue beyond the foundation's investments. What activities do we need to be engaged in from the beginning to ensure sustainability?
- **Network** – The hope is that the network functions as a web of interconnected partners, who are generating more progress together than is possible alone, including sharing resources. rather than a more individualized grant program. At times, the local networks are more of a small grants program – how do we ensure the conditions are in place for a successful network? How much do we push when they are not? How does the network hold itself accountable? When do we know it's time to sunset a network and what are the best practices to do this?

- **Community Engagement** – We have struggled with the various levels of partner/community engagement through the local impact networks. Traditionally, there is a leadership team that makes decisions on behalf of the network and they tend to be representatives from various community groups. There is a desire to engage more grassroots organizations along with community members most impacted by the issue area and there are questions about how best to do this along with expanding the representation of voting members at the leadership team.

Challenges networks face:
Many of the challenges the networks face are very similar to the challenges the foundation faces.

- **Sustainability** – How to push projects from the beginning to think about sustainability? What is needed/meant by sustainability? How to approach sustainability when many projects require policy changes to get the funding needed (i.e. managed care or state dollars)? Struggles with identifying funding sources for backbone and evaluation functions.
- **Network** – To continue to focus on the overarching goals and purpose of the network as opposed to individual projects, organizations, and funding streams.
- **Evaluation** – To keep a focus on evaluation and how to integrate into overall network activities can be a challenge at times.
- **Turnover** – Turnover of backbone/evaluation staff along with project staff can be difficult in building continuity and momentum within the network.
- **Politics** – Competing politics between organizations and sectors has been a challenge.
- **Engagement** – To keep members engaged at various levels (decision-makers to boots on the ground).
- **Accountability** – How does the network hold partners accountable? Whose responsibility is it to engage in challenging conversations when work is not going as planned or people/projects are not following through on deliverables?

WHAT INFLUENCE DO YOU HAVE WITHIN THE NETWORK?

The foundation influences the strategy and direction of a network, in collaboration and in dialogue with the leadership team and network manager/evaluator. We attempt to be very transparent about our goals/vision for involvement and ask that our partners provide feedback on our influence.

We also influence networks to consider systems change/policy and push the network to focus beyond access, but on a multitude of interventions such as the impact of social determinants on the issue area.

Undoubtedly there are unintentional ways the foundation influences within the networks. In general, we are initially the sole funder, allowing us to exert our influence in a broader way than if there were multiple funding partners. This is a question we would like to ask of our networks so we can learn and be more intentional about unintended influence/consequences going forward.

WHAT LESSONS HAVE YOU LEARNED FROM WORKING WITH NETWORKS?

There are many lessons the foundation has learned from working with networks.

- **People** – Having the right mix of people in the network, including an effective network manager, is critical to the success of the network. The involvement of local leaders and "doers" makes a difference towards the momentum and overall work of the network.
- **Celebrate** – Celebrate the wins early and often – it makes a difference in the momentum of the network, which is critical to keep the work going.
- **Accountability** – Accountability is hard and sometimes requires difficult conversations. Do not be afraid to engage in challenging dialogue – the network will be stronger for it.
- **Impact** – The network partners together can do more and have more impact than working separately. It is too easy to fall into the work of a small grants program, but a continued focus on shared purpose, population impact, and a network approach is helpful.
- **Long-game** – Seeing population-related outcomes change is a long game – it takes at least 5-8 years, and in some cases longer. The foundation's investments need to be multi-year and flexible.
- **Equity** – Equity work is inherently messy; it needs constant tending and intentionality.
- **Every network is different** – When you've seen one network, you've seen one network.
- **Transparency** – Transparency on behalf of the foundation is critical to building and maintaining trust with network partners.
- **The ultimate success of the network is out of the foundation's control** – But there are many things we can do before starting the network to ensure we have laid the groundwork for positive outcomes.

HAVE YOU INTEGRATED THESE LESSONS INTO YOUR ORGANIZATION'S STRATEGY AND/OR OPERATIONS?

The foundation is continuously improving on lessons learned with networks. Here are some things we've done:

- **Documenting lessons learned** and integrating into network selection method, role description for network manager, and more engagement with other resources such as Collective Impact Forum and consulting with Collective Mind.
- **Establishing a learning collaborative** for network managers and evaluators to help troubleshoot issues within networks and celebrate successes.
- **Encouraging networks to have group norms/governance charters**.
- **Focus on the mission/vision of the network** and pushing a network mindset
- **Clear ongoing and transparent communication** both from the foundation, but also network out to partners about the work. This includes engaging in challenging conversations.
- **Commitment to 5-8 years of funding** (it was previously 3-5 years).
- **Establishing equity agreements** with backbone and partners (in process).
- We are still working on **how we can successfully and smoothly integrate other major funders** into the effort and how that would influence network dynamics, decisions, etc.

HOW WOULD YOU CHANGE THE WAYS IN WHICH YOU FUND NETWORKS?

If/when we decide to fund additional networks, the foundation is committed to more intentionality about where we would fund including the selection of networks and how to engage partners. This intentionality would include a rigorous look at data-driven by an equity framework.

Having other funders at the table might make it easier to fund networks going forward. Each network is a significant investment for the foundation over a long period of time and having additional funders could help offset the financial investment the foundation makes and broaden the number of stakeholders invested in advancing this issue area.

IN YOUR VIEW, HOW CAN DONORS BE MOST SUPPORTIVE TO NETWORKS? HOW CAN NETWORKS BE MOST RESPONSIVE TO DONORS?

Unrestricted ongoing capacity support is critical for network survival - understanding that it takes years for change to happen so committing to ongoing support is important. Being upfront and transparent about the foundation's goals. Networks can also be upfront and transparent about needs. There is a need to surface issues early so that any challenges can be addressed in a timely manner. Both donors and networks need to be honest about sustainability – it takes a lot of time to build towards sustainability and identifying needs early on can help in the long-term success of a network.

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