

Strengthening Nonprofit Minority Leadership and the
Capacity of Minority-Led and Other Grassroots
Community-Based Organizations

A Report from the Foundation Coalition

December 2008

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Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and Other Grassroots Community-Based Organizations

Executive summary

California's future depends on all residents enjoying meaningful opportunities to improve their quality of life. And, as one of the most diverse states in the nation, that future depends significantly on the success of the communities of color that together comprise a majority of its population.

Engaged over the last year, a group of foundations, known as the Foundation Coalition, found common interest in working together to help California's nonprofit community broaden and deepen its ability to better meet the needs of all Californians.

Over the past four months, these foundations held individual meetings and small-group conversations with nonprofit representatives and other leaders around the state, the result of which identified gaps that, if filled, would help nonprofits have greater impact at greater scale.

Prior to the formation of the coalition, our foundations had already invested significant resources in support of nonprofit organizations that benefit diverse communities in California. But, as the foundations heard from the community, in addition to **multiyear, flexible support**, nonprofit organizations still need **leadership training and board development** and other **capacity-building efforts that are culturally appropriate and locally based**.

Recognizing the value of this targeted, additional support to their existing commitments, these foundations announce a new multiyear, multimillion-dollar set of grantmaking activities focused on minority-led and other grassroots community-based organizations serving diverse and/or low-income communities.

The foundations will work collectively in new **funding partnerships**, through **individual foundation commitments** and by **investing in ongoing research**. Specific support will be through:

1. Increased grant support—over and above ongoing commitments—from individual foundations to nonprofit organizations serving minority-led and other grassroots community-based organizations serving diverse and/or low-income communities **totaling more than \$20 million**.
2. Joint community-based regranting programs in Northern and Southern California to provide leadership training, technical assistance, and organizational capacity support to smaller, minority-led and other grassroots organizations. The total commitment over three years will be in excess of **\$10 million**.
3. Research and analysis (including evaluation of these new initiatives) that continues efforts begun in 2008 to help all interested parties better understand the current state of minority leadership in California's nonprofit community and how best to support those leaders and organizations.

The recent and dramatic economic downturn has hurt institutions of every kind across California, including foundations, but only reinforces the need to find better ways to strengthen smaller, community-based nonprofit organizations. Each of the Foundation Coalition participating foundations will continue to reach out across the foundation sector, including engaging together again as appropriate and through individual grantmaking, to build on these efforts in the years ahead.

Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and Other Grassroots Community-Based Organizations

Preface

In February 2008, a group of California's largest foundations formed the Foundation Coalition to oppose legislation that would have required additional reporting by foundations related to the ethnicity and sexual orientation of their grantees. The Coalition regarded this as unnecessary legislation and, moreover, as an attempt to supplant the decisions of foundation trustees by implying that certain groups or organizations should receive preferential treatment for funding. The bill was ultimately withdrawn by its author.

As our foundations met to discuss opposition to the legislation, we came to a consensus that the proposed legislation would not, ultimately, empower or strengthen nonprofit organizations committed to serving ethnic and low-income communities. We found that we all believed nonprofit organizations in California play a critical role in addressing the challenges facing these communities and that there were important systemic issues that restricted their ability to do so. Each of our foundations was already providing substantial funding to address these issues, but we agreed that we would work together to develop additional grantmaking activities. Our agreement was captured in a written statement that was developed in April and released in June. That document stated our commitment to the development of new grantmaking efforts that would focus on capacity-building and leadership development for small, grassroots community-based organizations that primarily serve ethnic minority populations (please see Appendix A).

This report describes our planning process and our initial grantmaking activities to fulfill our commitment to the statement. With this report, the work of the Foundation Coalition as a formal entity comes to a conclusion, although our foundations' individual commitments to address these systemic issues will continue, as described below. We will evaluate our new efforts and, based on the results, determine appropriate next steps.

It is our hope that other funders who read this report will consider joining us in developing new grantmaking programs and strategies to strengthen support for organizations that serve ethnic and low-income populations in California. We also encourage California's three regional associations of grantmakers to engage their members on the issues of increasing diversity in philanthropy, access to foundation funding, and the capacity-building/leadership development needs of small grassroots nonprofits.

Introduction

California's future depends on all of its residents enjoying meaningful opportunities to improve their quality of life. And, as one of the most diverse states in the nation, it depends significantly on the success of the communities of color that together comprise a majority of its population. Yet many African-Americans, Latinos, Asian-Americans and other Californians lack access to basic needs and the opportunities for better lives – health care, quality education, safe neighborhoods and clean environments.

All sectors of society – including federal, state and local governments; businesses; philanthropy; nonprofit organizations; and local communities themselves – have important roles in meeting these needs. However, discussions with state, community and nonprofit leaders this past year have made it clear that the efforts of all sectors have fallen short of their intended impact. As the CEOs of some of the state’s largest foundations, with long histories of supporting community-based nonprofit organizations in the areas of our respective missions, we focus here on the role of philanthropy.

We believe that nonprofit organizations are essential to the flourishing of communities and that a vibrant and diverse civil society requires both effective community-based organizations and strong, diverse leadership throughout the state’s nonprofit sector. To this end, we have determined to do more to strengthen the capacity of minority-led and other community-based organizations, to make foundation grants more accessible to these organizations and enable them to compete for funding, and to support the development of leaders of color statewide. We have recommitted ourselves to these objectives and particularly to developing a comprehensive set of significant grantmaking activities that would lead to increased funding for:

- Capacity-building support and technical assistance targeted to minority-led and community-based organizations that primarily serve diverse and low-income communities in California; and
- Support for leadership development activities that will bolster and train a pipeline of diverse executives, staff and board members for the nonprofit and philanthropic sectors.¹

Our view remains that voluntary and cooperative partnership will be most effective to ensure that we reach our common goal for minority-led and other grassroots organizations to flourish, benefit equally from public and private funding resources, and are well-equipped to fulfill their missions to positively affect the lives of diverse and/or low-income Californians.

Economic environment

When our foundations agreed to undertake this planning work, no one envisioned the significant turmoil that our economy has experienced since June 2008. As endowed institutions, our asset levels have been negatively impacted by the economic downturn and, as a result, our grantmaking capacity has been diminished. Against this backdrop, we remain committed to the work we have been planning as a coalition, but it is important to recognize that the environment has changed and we must responsibly balance numerous priorities in the context of diminished resources. The plans we describe on the pages that follow seek to strike that balance.

Planning activities to identify effective approaches

Over the past four months, in partnership with the nonprofit community and with the assistance of staff and outside consultants, coalition members have explored how to best organize our grantmaking activities. We convened regional meetings in Fresno, Oakland and Los Angeles with diverse nonprofit leaders to discuss their needs. These meetings were attended by both foundation CEOs and staff members. We conducted over 70 individual interviews with practitioners in the field and benefited from the perspectives and viewpoints of those who have observed the coalition’s activities and wanted to offer ideas. We also completed an extensive literature review to learn from our own and others’ experiences and lessons. During this work, several themes emerged and – despite nonprofits’ ethnic and geographic diversity and focus on

¹ A copy of our June 23 statement is attached as Appendix A.

a wide range of issues – there was remarkable consistency in the input we received about the needs of small nonprofits in California. Specifically:

1. **Multiyear, flexible support tops most nonprofits' lists.** Empowering community organizations to make their own decisions about how to allocate grant dollars transmits a message of trust and confidence. The dialogue between funders and nonprofits often improves when multiyear funding is provided and when funders respect the experience and expertise of the nonprofit organization. Nonprofit executives stated repeatedly that capacity-building grants should include adequate funding for both program expansion and infrastructure, but that infrastructure should be prioritized. They also stated that general operating support should be a priority over project support.
2. **Addressing leadership and pipeline issues is critical.** A distinctive feature of many minority-led nonprofits is reliance on a charismatic leader who has built the organization through an immense amount of passion, dedication and personal will. Capacity-building approaches that strengthen, renew and restore leaders – as well as build a pipeline of new leaders – are particularly needed. This includes approaches that build leadership teams within organizations, increase board-level engagement, and reduce executive-director turnover and burnout. Fostering connection and reducing isolation – including explicit support for peer networks – needs to be a governing theme.
3. **A need to improve foundation practices and processes.** Nonprofit executives have significant concerns about foundation practices. These concerns include: frustration with long timelines for funding decisions; complex application processes requiring sophisticated proposals; funders imposing collaboration and consultants; foundation staff lacking cultural competence; and dissatisfaction with the inherent power dynamic between funder and grantee. Nonprofits also expressed a desire for funders to listen, rather than being told what to do, and to see more funders willing to take risks on small grassroots startups. For minority-led and grassroots organizations, these issues can be magnified by their isolation and operating context.
4. **Capacity-building efforts must be culturally appropriate and locally based.** The cultural reality for leaders in this sector is that they are often engaged in multiple jobs at one time, isolated, and straddling at least two sets of cultural norms. Funders must recognize these tensions and offer approaches to address and/or mitigate them. This approach is often described as being culturally competent and language-proficient. This means understanding and working across belief systems, values, customs and behaviors of a particular group of people. If intermediaries are used, nonprofits expressed a preference for locally based intermediaries who are culturally competent and who are familiar with the small nonprofits and the populations in their regions.

Grantmaking for impact

Community conversations and related research have informed a comprehensive set of grantmaking activities, which we expect to begin in 2009. This includes work at the following three levels:

- **Individual Foundations:** Activities to be undertaken by each foundation
- **Funding Partnerships:** Efforts to be supported with pooled or aligned resources
- **Research:** New knowledge to deepen our understanding of these issues

Some of these plans build on existing efforts and some are new. Inevitably, these will be modified and improved as we get feedback on their effectiveness from community leaders and as we learn what approaches have the greatest impact.

It is important to note that each foundation has its own mission, set by its founders, and some even have legal restrictions that limit the nature and focus of their giving. Moreover, our foundations have set long-term priorities around education, youth development, health, civic engagement and the environment, among other areas of concern. An overriding principle for coalition members, as we developed our own and collaborative plans, was to integrate this work within our strategic priorities so that these projects would be fully integrated into our programming and benefit from full and unqualified institutional commitments.

New funding activities

Our foundations describe below multiyear, multimillion-dollar commitments that will be made to support a wide range of grantmaking activities that primarily focus on access to funding and capacity building for minority-led and other grassroots community-based organizations serving diverse and low-income communities.

Individual foundation commitments

Individual foundations will increase grant support – over and above ongoing commitments – to minority-led and other grassroots organizations by more than \$20 million over the next two to three years. This includes plans to:

- Expand the availability of general operating support and funds for capacity-building needs through small grants specifically targeted to diverse communities in California.
- Develop a new organizational effectiveness initiative to support leadership development and capacity building among organizations serving low-income communities and communities of color in California.
- Support leaders of Los Angeles County grassroots organizations in accessing appropriate training programs geared to their needs.
- Support a pilot program for next-generation leaders of color in the San Francisco Bay Area.
- Infuse capacity building and leadership development into place-based strategies focused on low-income, underserved populations in California.
- Enhance the leadership and organizational capacity of community clinics serving safety-net populations in Los Angeles and northern Orange counties through investments in technology-enabled quality improvement strategies.

More information about each foundation's current grantmaking and their plans for new and enhanced grantmaking activities is provided on the pages that follow.

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The Ahmanson Foundation

Mission

The Ahmanson Foundation (TAF), incorporated as a private foundation in the state of California in 1952, was established by financier Howard F. Ahmanson and his wife, Dorothy. The Foundation's broad purpose, as stated in the articles of incorporation, is to administer funds for charitable, scientific, educational, literary and religious purposes — all for the public welfare.

Currently, TAF concentrates its funding on cultural projects supporting the arts, education at the collegiate and precollegiate levels, medicine and delivery of health care services, specialized library collections, programs related to homelessness and low-income populations, and a wide range of human service projects. The vast majority of TAF's philanthropy is directed toward organizations and institutions based in and serving the Greater Los Angeles community.

Simultaneously, TAF is particularly committed to the support of nonprofit organizations and institutions that continually demonstrate sound fiscal management, responsibility to efficient operation and program integrity.

Through such focused interests and shared vision with the nonprofit sector, TAF endeavors to increase the quality of life in, primarily, Los Angeles County — and to enhance its cultural legacy.

More information is available on our website at www.theahmansonfoundation.org.

Current grantmaking

Grantmaking at TAF is in response to inquiries from nonprofit organizations. We currently do not operate programs, initiatives or proactively seek grants. At the end of TAF's 2008 fiscal year (October 31, 2008), the total number of grants approved were 457 for a total dollar amount of \$59,487,283. Of those grants 242, or 53 percent, were specifically made to low-income and minority populations as part of the grantees' requests, for a dollar amount of \$22,184,140. These numbers have not been audited but are consistent, by percentage, with prior years.

New and enhanced grantmaking

TAF's plan to support the coalition statement dated June 23, 2008, includes but is not limited to:

- Continue our existing grantmaking to minority and low-income populations.
- Train our staff and update our web site to encourage grassroots organizations to become familiar with TAF.
- Implement a new strategy that will provide funding for grassroots organizations' executive directors and board chairs to seek industry-specific training and attend appropriate seminars for their organizations.
- When seminars are known, TAF staff will proactively seek out organizations — for which we can provide assistance — that would like to attend but have limited capacity to do so.
- Work with and encourage regional associations for grantmakers and grantseekers to provide seminars and programs that will better nonprofits.
- As part of this commitment, TAF respects those working in minority and low-income communities and will work with them for positive results.

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The Annenberg Foundation

Mission

The Annenberg Foundation exists to advance the public well-being through improved communication. As the principal means of achieving its goal, the Foundation encourages the development of more effective ways to share ideas and knowledge.

More information is available on our website at www.annenbergfoundation.org.

Current grantmaking

- **Grants to Organizations With Smaller Operating Budgets:** In the past year, over one-third of the Foundation's grants made in California were issued to nonprofits with operating budgets of less than \$2 million. (The Foundation issued 234 grants to California-based nonprofits in FY ending June 30, 2008, totaling \$65.9 million. Of these grants, 93 had budgets of less than \$2 million.)
- **Initiatives/Direct Charitable Activities:** Explore is a multimedia project that creates documentaries and photographs of nonprofit work around the world. Farmlab is a hybrid think tank, art studio and community space near downtown Los Angeles devoted to issues of urban sustainability that offers free programs and events to the general public. The Annenberg Space for Photography will offer free admission to a state-of-the-art venue showcasing digital imagery and photographic print exhibitions. The Foundation creates teacher development and curriculum materials distributed free of charge through www.learner.org, the nation's leading educator resource.

Current Capacity-building and Technical Assistance Investments

- **General Operating Support:** The Annenberg Foundation trustees routinely authorize grants to nonprofit agencies seeking unrestricted support.
- **Annenberg Nonprofit Leadership Seminars:** This is an executive development program for executive and board directors conducted in partnership with two leading Centers on Philanthropy. Tuition is **free** to participating organizations. Sessions are conducted three times per year. To date, more than 150 Los Angeles-area nonprofit groups have attended. The Foundation has an initial three-year funding commitment to the program. The majority of participants have small operating budgets and provide services in traditionally underserved areas of the community.
- **Project Grantsmanship:** This is a comprehensive, hands-on workshop that covers the complete grant development process, from researching funding sources to writing and reviewing actual grant proposals. Eligible participants are staff or board members of nonprofit organizations based in Los Angeles County. The Annenberg Foundation and the California Community Foundation underwrite up to 90 percent of the tuition for eligible nonprofit grantwriters and/or leaders to attend (two people per agency max). The cost for the training program is subsidized so that each participating agency pays approximately \$150-\$300, depending on the size of the organization. Participants also receive postworkshop proposal reviews and grant-maker evaluations.

- **Connecting Funders and Nonprofit Organizations in Low-Income, Underserved Communities in Los Angeles:** Through an Annenberg grant to Southern California Grantmakers (SCG), this yearlong initiative has convened groups in four communities in Los Angeles County: Boyle Heights/East Los Angeles; Pacoima/Northeast San Fernando Valley; South Los Angeles; and Wilmington/Harbor City/San Pedro. Programming increases awareness about the challenges that both funders and nonprofit organizations face.
- **Meet the Grantmakers:** In addition to the technical assistance programs summarized above, the program and leadership staff of the Annenberg Foundation routinely participate in events that enable grant-seekers to engage with Annenberg staff and other potential funders.

New and enhanced grantmaking

\$3.2 million over two years will expand current commitments.

- **Small Grants Program:** The Annenberg Foundation intends to create a small grants program to issue additional unrestricted general operating grants. Participants in the Leadership Seminar will be considered for this funding, as well as other organizations with demonstrated potential.
- **Annenberg Nonprofit Leadership Seminar:** The Foundation will increase its commitments toward increasing the number of sessions available from four times per year to eight. This will enable seminars to be held in underserved communities identified in the Foundation's current outreach into the communities of Boyle Heights/East LA; Pacoima/NE San Fernando Valley; South LA; and Wilmington/Harbor City/San Pedro. The training teams will include individuals who represent the communities being served. Grants will be dedicated to post-seminar training for participants in the areas of finance/accounting; communications and technology. It will also include nonprofit coaching, mentoring, strategic planning and consulting services.
- **Project Grantsmanship:** The Foundation and the California Community Foundation will double the capacity of this program by increasing the number of sessions from four to eight times per year.
- **"Pier to Peer" LA Networking Forum:** This event addresses the isolation that many small nonprofits encounter. In fall 2009, the Foundation will support the planning and implementation of a festival-like gathering of nonprofit leaders, trustees and funders focused on ideas and issues. This unique event will foster continued positive dialogue among nonprofit leaders of color and organizations serving low-income and minority communities. This event will be held free of charge at the public facility, the Annenberg Community Beach House in Santa Monica.

The California Endowment

Mission

The mission of The California Endowment is to expand access to affordable, quality health care for underserved individuals and communities and to promote fundamental improvements in the health status of all Californians.

Current grantmaking

The California Endowment (TCE) is a statewide private foundation with five regional offices —San Diego, Los Angeles, the Bay Area, Fresno and Sacramento. On an annual basis, we distribute approximately \$160 million in grants to nonprofits that focus on three goals, which are:

1. Increase access to health care for underserved populations.
2. Create culturally competent health systems and efforts that diversify the healthcare workforce.
3. Eliminate health disparities with a focus on prevention/early intervention.

We have a deep-rooted, long history of commitment to reaching diverse populations and support for minority-led grassroots organizations. In the recently released Foundation Center report on California grantmaking to diverse communities, TCE accounted for more than 50 percent of all grant dollars allocated to minority communities in the state. This represents approximately \$80 million on an annual basis. Approximately 80 percent of our funds are provided to organizations working on behalf of underserved, marginalized communities. Some examples of our current grantmaking:

- **Poder Popular**, a \$10 million investment to increase access to healthcare, address health disparities, and improve the lives of low-income agricultural workers in the Central Valley.
- **Hmong Collaborative**, a \$1+ million grant to provide capacity-building and leadership/advocacy training to 10 Hmong-serving organizations in the Central Valley.
- **“Having Our Say” Coalition**, a coalition of core policy/advocacy organizations that are largely minority-led and/or representative of minority communities on the issue of access to healthcare.
- **Children’s Coverage Initiative**, a \$50 million program to provide health insurance to uninsured and undocumented children in California.
- **Boundary Crossing Leadership Program**, leadership training programs that are integrating “boundary-crossing” leadership skills to equip new leaders on the art of collaboration and coalition-building across the boundaries of race, ethnicity, age, gender, sexual orientation and geography.
- **California New American Media**, supporting the growth of ethnic media as a means to provide health care information to non-English-speaking communities.
- **Diversity in Philanthropy Project**, a national effort to engage the philanthropy field on issues related to diversity within their own organizations, including their board and staff composition and their grantmaking strategies. Dr. Bob Ross, TCE’s CEO, is chair of the National Advisory

Committee. Last year, his efforts won the acknowledgment of the Council on Foundations with the award for 2008 Outstanding Foundation Leader.

- **Center for Healthy Communities** – TCE offers free conference space located at our headquarters in Los Angeles to grantees from throughout the state and others for purposes related to achieving our three goals. In addition, capacity-building training programs that focus on Communications, Advocacy and Community Organizing are offered to grantees. Last year, we trained over 1,000 individuals and hosted 600+ organizational convenings at our center.

New and enhanced grantmaking

In 2009, TCE will continue to make grants that focus on minority-led organizations as part of our core mission to address health disparities. Beginning in 2010, TCE will be launching a new 10-year foundation strategy targeting low-income/high-need communities in California that will ensure that every child in that community is healthy, safe and ready to learn. As the Foundation develops its new grantmaking strategy, our current guidelines remain in effect. As TCE has committed in the past, the lion's share of our grantmaking budget is committed to serving low-income, minority communities and toward capacity-building and leadership development efforts. New and enhanced grantmaking totaling \$8.65 million includes:

- Partnership with The California Wellness Foundation and the Weingart Foundation in Southern California to provide small and mid-sized, minority-led organizations with core support, technical assistance, and leadership development activities through the Liberty Hill Foundation. TCE is committing up to \$1 million over two years to this effort. A similar commitment of \$1 million will be made available to Northern California organizations. Intermediaries are yet to be identified.
- Approximately \$6 million over two years targeted specifically for place-based capacity-building and leadership development for minority-led organizations in the sites selected as part of the Foundation's new strategy. The dollar amount for these activities is likely to increase as we get deeper into our strategy. TCE's new strategic plan calls for 50 percent of total grant resources over the next 10 years to be invested into the 14 high-poverty communities whose demographics will be majority-minority. This will equal \$60 million in 2009, or half of our projected \$120 million grantmaking budget.
- We will continue our deep engagement with the Diversity in Philanthropy Project with an additional \$100,000 grant as it moves toward institutionalizing its efforts with key institutions that represent the philanthropic field.
- TCE will complete its own internal Diversity Audit and use it to benchmark our progress to measure staff and board diversity, the operations of our diversity values, policies and practices within all departments including finance, human resources, grants administration, information technology and program.
- TCE will consider providing up to \$250,000 of grant support to regional associations of grantmakers (NCG, SCG, and SDG) to increase their programming for funders on issues related to capacity-building/leadership development of grassroots, minority-led nonprofits.
- We will explore the role of Affinity groups as a bridge to philanthropy representing the needs and issues of disenfranchised populations, estimating up to \$300,000 of additional support. Prior grants have focused on the identification of culturally competent intermediaries/ capacity consultants as well as potential philanthropic leaders of color.

The California Wellness Foundation

Mission

The mission of The California Wellness Foundation (TCWF) is to improve the health of the people of California by making grants for health promotion, disease prevention and wellness education.

- **Program areas:** TCWF has a Responsive Grantmaking Program with eight health issues that are prioritized for funding: diversity in the health professions, environmental health, healthy aging, mental health, teen pregnancy prevention, violence prevention, women's health and work and health. It also has a special projects fund to respond to other health issues.
- **Overarching grant restraints:** At least half of all grant dollars annually must be for direct health services and at least half must be for general operating support. TCWF prioritizes funding for underserved populations including low-income individuals, people of color, youth and residents of rural areas.

More information is available on our website at www.tcwf.org.

Current grantmaking

- **Common features of minority-led and grassroots organizations funded by TCWF:** TCWF funds in all nine regions of the state with grant dollars somewhat proportional to the population in each region. All grants to organizations serving ethnic populations are health-related, and annual operating budgets of organizations funded range from less than \$200,000 (Latino Health Collaborative) to \$10 million (Community Health Clinic Ole).
- **Distinctive features of selection process:** TCWF employs an open application process. One-page letters of interest (LOIs) are accepted throughout the year. On average, 1,400 LOIs are received and 400 grants are made annually.
- **Dollar value of grants targeting low-income or ethnic minority populations:** TCWF makes multiyear grants of up to three years. Currently, there are 928 active grants totaling \$180,081,980. Of these, 533 grants (57 percent) totaling \$110,232,000 (61 percent) are to organizations that primarily serve ethnic minority populations.
- **Total dollar value of grants to organizations with annual budgets of less than \$2 million:** Currently, 555 grants (60 percent) totaling \$97,121,100 (54 percent) are to organizations with operating budgets of less than \$2 million.

New and enhanced grantmaking

TCWF has approved a \$200,000, two-year grant to CompassPoint in San Francisco to create the Leadership Program for Next Generation Leaders of Color, a pilot program in the San Francisco Bay Area that will provide leadership development training for a minimum of 16 ethnic minority individuals from nonprofit health and human service organizations.

TCWF has approved a \$1 million, two-year grant to the Liberty Hill Foundation for a regranting pilot project to provide capacity-building grants to a minimum of 12 small grassroots, minority-led nonprofits in Los Angeles County. A total of \$800,000 will be regranted to the nonprofits. The grant will be funded in partnership with the Weingart Foundation and The California Endowment, with each providing up to a \$1 million, two-year grant for this pilot program. Therefore, the total amount for the pilot program will be \$3 million over two years.

Both pilot programs will be evaluated, assessing demand for these services as well as the efficacy of the program activities. Based on the results of these evaluations, TCWF will determine next steps.

In 2009, TCWF will continue its Responsive Grantmaking Program and make an estimated \$50 million in new grants. The majority of these grants will be for core operating support and capacity-building to nonprofits that serve primarily ethnic populations. These grants will be made in all regions of the state.

TCWF will also consider providing grant support to California's regional associations of grantmakers to engage other funders on the issues of increasing diversity in philanthropy, access to foundation funding, and the capacity-building/leadership development needs of small grassroots, minority-led nonprofits.

Foundation practices

TCWF employs an open application process, accepting one-page letters of interest throughout the year. Any nonprofit in California may apply at any time. The process for receiving a grant usually takes between three and six months. TCWF makes multiple-year grants of up to three years, limits grant objectives to no more than three, and requires annual reports from grantees. TCWF has no plans to change this process.

TCWF is one of California's largest private foundations and a major funder of nonprofit organizations providing both health services in communities of color and working to build the capacity of community members to engage in the political process to improve the health of their communities. Given the diversity of California's population, the Foundation seeks to engage individuals on its board and staff who are representative of that diversity and is committed to incorporating the values of pluralism and inclusiveness into every aspect of its work. We also seek to fund organizations that embrace those values in their missions and activities. We will continue this operating policy.

The William and Flora Hewlett Foundation

Mission

Making grants to solve social and environmental problems at home and around the world.

- **Total grantmaking in past fiscal year:** In 2007, the Foundation awarded 660 grants totaling over \$480 million in California, nationally and in developing countries. Of those grants, 241 were given to organizations serving populations in the state of California, totaling nearly \$180 million.
- **Program areas:** Education, Environment, Global Development, Performing Arts, Philanthropy and Population. While most of the Foundation's work falls within our six strategic program areas, it also supports some special projects that do not fall within the guidelines of a particular program. Programs that work in California set aside a portion of their budget for organizations and projects that serve Bay Area communities (more information below).
- **Overarching grantmaking constraints:** Each program has a strategy that guides how and where it makes grants. For example, the Performing Arts Program only makes grants to Bay Area organizations within a defined geographic region, and the Population Program works both domestically and internationally.

More information is available on our website at www.hewlett.org.

Current grantmaking

Of the nearly \$180 million in grants that the Hewlett Foundation made to organizations serving communities in the state of California in 2007, approximately 24 percent of the dollars and 60 percent of the grants went to organizations serving low-income communities and/or communities of color.

GRANTS to ORGANIZATIONS SERVING LOW-INCOME & COMMUNITIES OF COLOR

Program Area	2006			2007			2008 YTD			2006-2008 TOTAL		
	Grants		Orgs	Grants		Orgs	Grants		Orgs	Grants		Orgs
	#	\$	#	#	\$	#	#	\$	#	#	\$	#
Education	57	\$18,863,600	46	54	\$23,414,500	52	42	\$20,410,250	42	153	\$62,688,350	76
Environment	31	\$2,526,300	27	39	\$5,813,000	31	28	\$3,184,108	25	98	\$11,523,408	47
Performing Arts	23	\$2,752,000	21	28	\$3,902,600	24	41	\$9,008,998	36	92	\$15,663,598	63
Population	23	\$9,617,500	21	25	\$14,225,000	20	36	\$15,772,000	30	84	\$39,614,500	46
Other	1	\$757,496	1	-	-	-	4	\$495,000	4	5	\$1,252,496	4
TOTAL	135	\$34,516,896	111	146	\$47,355,100	112	151	\$48,870,356	124	432	\$130,742,352	224

The Hewlett Foundation does not track the demographics of populations that grantees serve. The metrics above are estimates, and the organizations included in these calculations are those whose grants fall into program components that target low-income communities and communities of color. For example, the Education, Environment, Performing Arts and Population programs receive an annual allocation of funds to serve disadvantaged communities throughout the San Francisco Bay Area. All of the grants made through this Bay Area Communities Fund were included in the above calculations. As part of its efforts to increase exposure to and understanding of diverse cultural expression in the arts, the Performing Arts Program funds cultural community centers and organizations that create in a diversity of cultural forms. Many of these organizations serve low-income communities and communities of color. Other illustrative examples are located below.

The following are examples of program initiatives and strategic components that benefit organizations that serve low-income communities and communities of color.

- Through the Population Program, the Foundation makes grants to expand reproductive health and outreach services to sexually active, low-income teens, to reduce teen pregnancy, and to evaluate the effectiveness of these efforts. Many of these grants serve the population of the Central Valley, 29 percent of which is Latino.
 - The Hewlett Foundation's support for the Fresno Regional Foundation is strengthening the ability of this growing community foundation to make local grants for teen pregnancy prevention among communities of color in the Central Valley. By supporting development and implementation of best practices, favoring general operating support to strengthen core functions, and collaborating with other donors to diversify grantees' funding sources, the Hewlett Foundation helps grantees enhance their overall ability to have impact.
- Low-income communities of color frequently have fewer neighborhood parks, lack equipment or training to take advantage of outdoor recreation, and are in need of more environmentally friendly public transportation. The Environment Program's regional grants support organizations that serve these communities by: 1) enhancing urban parks; 2) supporting outdoor recreation programs; and 3) improving public transit and reducing pollution. Toward these ends, the Hewlett Foundation partners closely with community foundation regranteeing partners, including the San Francisco Foundation, the Rose Foundation and the Fresno Regional Foundation.
- New Constituencies for the Environment (NCE), housed within the Environment Program, supports nonprofit organizations that are advocating for cleaner air on behalf of communities of color whose environmental concerns have often been underrepresented. Based in the Central Valley and Los Angeles, NCE's grantees target efforts to address state policies that can deliver large-scale improvements.
- The Education Program aims to reduce the achievement gap between low-income and middle-income students. Through the program's regional grants, the Foundation supports instructional reform in East Palo Alto, which has resulted in the district meeting state-set goals for improvement on the state index. While the program targets its grants toward the whole California education system, students of color constitute the majority of the population served.

New and enhanced grantmaking

Through its core grantmaking programs, the Hewlett Foundation will continue to provide grants to effective nonprofit organizations that offer a variety of services to and advocate on behalf of low-income and diverse communities throughout California. Organizations that meet the programs' grant guidelines can send letters of inquiry to the Education and Environment Programs.

Additionally, the Hewlett Foundation's programs are reviewing their portfolios of grants and fields of focus, with attention to target organizations – both current and potential grantees – that would benefit from general operating and capacity-building support. Over the next three years, the Foundation has made the strategic decision to invest an additional \$3.5 million in organizations serving people of color and low-income communities throughout the state of California. A portion of these funds will be pooled in collaboration with the James Irvine Foundation and the David and Lucile Packard Foundation.

The James Irvine Foundation

Mission

The James Irvine Foundation's mission is to expand opportunity for the people of California to participate in a vibrant, successful and inclusive society. We advance this mission by making grants in three program areas: Arts, Youth and California Perspectives, which focuses on improving decision-making on significant state issues.

More information is available on our website at www.irvine.org.

Current grantmaking

Grantmaking to benefit low-income and/or diverse communities is at the core of Irvine's mission and program strategies. A significant proportion of our grants each year are awarded to organizations that explicitly focus on serving low-income and/or diverse communities. We both make direct grants to organizations serving low-income and diverse communities and work with intermediary organizations that regrant Irvine dollars to very small organizations in more rural areas of the state or in areas or communities where we might not have an active presence or established networks. Approximately \$89 million of our current and active grants, or 42 percent, are to organizations that explicitly serve low-income and/or diverse communities. Highlights of these current and active grants include:

- **Families Improving Education initiative**, a regranting and capacity-building effort to help families in the Central Valley, particularly those in low-income, ethnic and immigrant communities, to become involved in educational policymaking concerning their local schools. Irvine awarded \$1.65 million in grants in this area between 2006 and 2008.
- **Strengthening Organizations to Mobilize Californians**, a \$1.7 million effort involving training, peer networking and technical assistance to enhance the management and governance capacity of organizations working to involve underrepresented Californians in public policy decision-making.
- **Regranting to arts organizations and artists**, working with organizations such as the Alliance for California Traditional Arts and the Native Cultures Fund, which regrant Irvine funds to support individual artists and organizations working in ethnically and culturally diverse traditions and aesthetics.
- Several initiatives to strengthen multiple pathways for **California students who are low-income, struggling academically and/or underrepresented in higher education** by providing them with rigorous academic instruction, demanding technical curriculum and work-based learning. We most frequently work with intermediary organizations, such as ConnectEd: The California Center for College and Career, to identify and regrant Irvine dollars to model programs.
- The **Fund for Leadership Advancement** offers flexible and customized resources to executive directors of select Irvine grantees to enhance their capacities to lead their respective organizations. These leaders are a diverse group of executive directors in terms of their demographic profiles, geographic locations, sizes and types of organization they lead, and tenures and experiences.

New and enhanced grantmaking

Beginning in 2009, we plan to continue, deepen and initiate several activities to benefit low-income and diverse communities during the next several years. New and enhanced grantmaking plans, totaling just over \$8.5 million, include:

- **Partnership with the Hewlett and Packard Foundations** to provide small and mid-sized, minority-led organizations with core support, technical assistance and leadership development activities. Irvine is committing approximately \$2.5 million, over three years, to this effort. We plan to work with well-regarded intermediary organizations and to develop a competitive application process to reach beyond our known networks. Specific details will be released in the first quarter of 2009.
- Investments in the **leadership and growth capacity of leading community-based organizations** at critical junctures in their development. For example, we recently awarded a \$1 million grant to the Los Angeles Urban League, as a prominent and respected organization serving the African-American community in Los Angeles, for Neighborhoods@Work, a comprehensive community change initiative.
- **Small grants programs within each of our program areas**, specifically targeted to support low-income and/or diverse communities. This includes:
 - An additional \$2.8 million to expand the **Families Improving Education initiative** to the Inland Empire in 2008-2010.
 - The **College and Career Connections Fund**, a \$1.5 million fund created in 2008 to support community-based organizations in Riverside and San Bernardino counties that assist disconnected, low-income youth to reconnect with employment and postsecondary educational options. We hope to expand this Fund to other regions in California based on what we learn after a pilot period of working in the Inland Empire.
 - A more explicit focus within our **Creative Connections Fund** in the Arts to target diverse artistic expressions. This open and competitive grantmaking program will include new priorities with a focus on diverse communities, and we anticipate grants specific to this purpose will total \$1 million in 2009.

Foundation practices

Irvine seeks ongoing **feedback from our grantees** about our practices, policies and responsiveness through regular confidential surveys. We are committed to an **open and transparent** grantmaking process, and we incorporate competitive selection processes into our work wherever appropriate. Lastly, we focus on **learning how to expand and reach beyond our current networks and contacts** by hosting regional meetings, conducting focus groups and targeted interviews, and using publicly available databases of organizations to better identify organizations with strong track records of results, working to improve the lives of low-income and disadvantaged Californians.

The David and Lucile Packard Foundation

Mission

The David and Lucile Packard Foundation is a private family foundation created in 1964 by David Packard, cofounder of the Hewlett-Packard Company, and Lucile Salter Packard. We work to improve the lives of children, enable the creative pursuit of science, advance reproductive health, and conserve and restore the earth's natural systems. In doing so, the Foundation provides grants to nonprofit organizations in the following program areas: Conservation and Science; Population; and Children, Families and Communities. The Foundation makes national and international grants and also has a special focus on the Northern California counties of San Mateo, San Benito, Santa Clara, Santa Cruz and Monterey. Foundation grantmaking includes support for a wide variety of activities including direct services, research and policy development, and public information and education.

Our program goals are selected and guided by our trustees and the course set by our founders. We focus internationally and in the United States. In 2007, we awarded \$277.7 million, with about \$81.6 million going to benefit grantee organizations and communities in other countries. Of the \$196.1 million awarded in the United States, \$130.8 million was awarded to grantees and communities throughout California. In many instances, the goals of our programs focus on increasing services and improving the quality of life for low-income communities. For example, in our U.S. programs, we devote close to \$20 million a year to help ensure that children in low-income families have access to health insurance and to preschool.

The goals of our programs and complete lists of all of our grants can be found on our website at www.packard.org.

Current grantmaking

As part of our programmatic work and longstanding commitment to the five Northern California counties and other parts of California, we have numerous examples of grants that target diverse communities. The examples here are mentioned for illustrative purposes. A comprehensive list of grants is on our website.

- As part of our Conservation and Science program, we awarded a \$150,000 grant to the **Boys and Girls Club of Monterey County** to fund a project coordinator for Marks Ranch, an environmental education facility outside of Salinas. We awarded a \$150,000 grant to the **Silicon Valley Community Foundation** for Environmental Solutions Forum II, a program in three schools in Redwood City and East Palo Alto to provide environmental education in the classroom and in the field. And we awarded \$3 million over three years to the **Resources Legacy Fund, Urban Rivers Project**, to fund Latino and other community groups that want to revitalize the 51-mile Los Angeles River and surrounding communities. Similar programs are being run in three other river areas across the state.
- Through our Children, Families and Communities program, we awarded \$275,000 to **After-School All Stars**, a direct service and technical assistance after-school provider headed by an executive director who hails from a local community served by the program. We also awarded \$900,000 to the **California Community Foundation**, a regrantee organization that redirects Foundation funds to relatively small organizations that are deeply rooted in communities of color and that are working to build a local preschool advocacy

campaign that reflects the voices of low-income families, families of color and immigrant families.

- Our Population program awarded \$420,000 over three years to the **National Latina Institute for Reproductive Health**, part of our continuing support to help establish this emerging leader and national advocate for Latinas on reproductive health issues; NCDI acts as a bridge to national Latina organizations like La Raza. We awarded a \$250,000 grant to **The Women's Foundation of California**, an organization that directs funds to community-based organizations that work with communities of color and young people to support programs that link reproductive health and rights to a broader set of issues and concerns. And we awarded \$500,000 over two years to the **Tides Foundation, Catalyst Fund**, to provide matching grants and technical assistance to local funding partners to support women of color-led groups working on reproductive health, rights and justice.
- And in our Organizational Effectiveness program, we funded **CompassPoint, Community Foundation for Monterey County** to help build leadership capacity of leaders of color in Monterey County. One of CompassPoint's initiatives is the Women Executive Directors of Color (WEDOC), a network of Bay Area women executives for fellowship, policy advocacy and peer learning. Also through a 2007 OE grant to the **National Community Development Institute**, we are supporting a two-year effort to provide organizational development assistance to eight after-school grantee organizations with budgets at or under \$800,000 to increase cultural competence.

New and enhanced grantmaking

In addition to this ongoing work in our programs, we are undertaking special efforts in 2009 to increase our support for organizations and initiatives that reach communities of color and support diverse leadership serving low-income communities. Here are a few examples:

- Our Organizational Effectiveness program is developing a new initiative that will align with the Foundation's programs and support leadership development and capacity-building among organizations serving low-income communities and communities of color. We intend to commit approximately \$1 million annually to support this effort.
- We will partner **with the Hewlett and Irvine Foundations** to provide small organizations, often minority-led, serving low-income communities with core support, technical assistance, and leadership development activities. Packard intends to commit \$2 million - \$3 million over three years to support this effort.
- We will also be more intentional about advancing diversity and inclusion as part of the strategies for our work in the following areas: Agriculture and the Environment; Land and Water Conservation; After-School Programs for Children and Youth; Philanthropic Sector Improvement; Nonprofit Capacity-building; Early Childhood Development; and Community Grantmaking in Five Central Coast Counties. We have sought widespread community input on this.

Together, these three efforts will likely represent a **total new commitment of \$5 million - \$6 million in grants in 2009** directed to strengthen the capacity and to develop leaders in organizations serving low-income and/or communities of color. These efforts will be cumulative to our existing commitment of tens of millions of dollars directed with the intent to improve the quality of life for persons in low-income communities throughout the United States.



UniHealth Foundation

Mission

UniHealth Foundation is a private grantmaking organization established in 1998 when a nonprofit healthcare system converted its charitable status from an operating corporation to a private foundation. With the consent of the attorney general, the Foundation agreed to maintain conformity with its historical mission and is primarily a funder of nonprofit and public hospitals that serve residents of Los Angeles and northern Orange Counties. The terms of the consent decree under which we operate restrict our giving by mission, agency and geography.

Our mission is to support activities that significantly improve the health and well-being of individuals and communities we serve by making grants from two funds: the Hospital Fund, a restricted fund comprised of most of the foundation's assets and from which grants are made to hospitals; and the General Purpose Fund, a smaller fund from which grants may be made to qualified nonprofit organizations for health related purposes.

Most UniHealth Foundation grantee hospitals serve large numbers of low-income and diverse constituents. UniHealth Foundation hospital grants often involve multiple partners, including community clinics and social service organizations. Smaller grants made from our General Purpose Fund frequently include organizational capacity-building and leadership development in smaller, minority-led organizations that provide health-related services.

UniHealth Foundation's grantmaking priority areas include community health improvement, healthcare systems enhancement and workforce development. They respond to healthcare needs and disparities as well as feedback from our grantees. UniHealth Foundation requires a letter of inquiry to determine eligibility and invites applications from eligible grantees. Our process acknowledges and respects the many demands on the time of nonprofit leaders. Program staff works collaboratively with grantees throughout the grantmaking process. More information is available on our website at www.unihealthfoundation.org.

Current grantmaking

Since October 2005 (to September 30, 2008), UniHealth Foundation has awarded approximately \$5 million in grants from its General Purpose Fund. In the same period, approximately \$37.6 million was granted from the Hospital Fund. Virtually all UniHealth Foundation grants benefit low-income and diverse populations. In addition, our grants often target the healthcare needs of specific populations: for example, vascular disease among African-Americans, diabetes in Latino populations, and dental care for low-income children. Other projects, such as the Bet Tzedek Legal Services Caregiver Training Coalition and L.A. Best Babies Perinatal Healthcare Network, build capacity among providers serving low-income and minority populations. Other illustrative examples of current grantmaking include:

- A commitment of \$1.5 million to the Building Clinic Capacity for Quality (BCCQ) Program to improve the health of Southern California's safety-net population by enhancing the capacity of community clinics to successfully implement technology-enabled quality improvement strategies.
- Capacity-building grants to intermediary organizations assisting community-based

organizations, including several to Executive Service Corp for needs assessments and business plan development, a \$100,000 grant to California Food Policy Advocates to assist grassroots organizations in promoting a healthy-eating public policy agenda in public schools, and a \$122,239 grant to the Human Interaction Research Institute to increase the capacity of small mental health agencies in using evidence-based practice.

- Nursing grants, primarily for training and education, including scholarships. Most beneficiaries are first-generation college minority students. Since 2001, approximately \$17 million has been awarded in nursing grants.
- More complicated healthcare systems enhancement grants are supporting community-based clinical and translational research partnerships among academic medical centers, schools of medicine and community-based organizations. For example, a 2008 grant of almost \$900,000 to the USC Keck School of Medicine and LAC+USC Medical Center establishes ongoing mechanisms to engage minority communities in determining the health needs of their communities and in priority setting for health improvement projects.

New and enhanced grantmaking

UniHealth Foundation will continue to conform to the terms of its consent decree by making grants primarily to hospitals serving residents of Los Angeles and northern Orange Counties. All of our grants will be for healthcare and most will benefit underserved populations. To support the Foundation Coalition's June 23, 2008, statement, UniHealth Foundation will:

- Promote, encourage and fund hospital/community clinic/community-based organization partnerships whose budgets can include line items for capacity-building.
- Enhance the leadership and organizational capacity of community clinics serving safety-net populations by supporting the BCCQ Program (\$500,000 commitment for FYE 2009).
- Fund six Medical Student Scholarships for students committed to practicing in medically underserved communities (\$300,000 commitment for FYE 2009).
- Fund the UniHealth Foundation International Medical Graduate Program in the amount of \$50,000 to support the enrollment of qualified bilingual (English-Spanish) and bicultural international medical graduates in an innovative one-year UCLA program to prepare these unlicensed physicians to pass the U.S. Medical Licensing Exam and enter residency training programs in California.
- Support programs fostering broad awareness of career opportunities in healthcare. Our commitment to the UCLA Healthcare Management Program for FYE 2009 is \$50,000.
- Promote cultural competency in the provision of healthcare services.
- Fund intermediary organizations to assist smaller providers of healthcare services. The approved amount for FYE 2009 is \$50,000.
- Listen to, learn from and engage in an iterative process with all eligible grantees.

Together, these efforts represent a total new commitment of \$950,000 for the fiscal year ending in 2009.

Weingart Foundation

Mission

Influenced by the background and interests of Ben Weingart, the Weingart Foundation has a longstanding goal to help build stronger, better communities throughout Southern California. Weingart Foundation makes grants to credible nonprofit agencies and charitable organizations throughout Southern California. Highest priority is given to activities that provide greater access to services for people who are economically disadvantaged and underserved. Of particular interest to the Foundation are applications that specifically address the needs of low-income children and youth, older adults, and people affected by disabilities and homelessness. The Foundation also funds activities that benefit the general community and improve the quality of life for all individuals in Southern California.

More information is available on our website at www.weingartfnd.org.

Current grantmaking

Weingart Foundation is a responsive grantmaker that accepts unsolicited requests for support from nonprofit organizations in program areas of health, human services and education. Grants support facility and equipment needs, expansion of program operations, capacity-building efforts that strengthen internal capabilities leading to increased organizational strength, and general operating support. Grant amounts range from \$1,000 to several million dollars. During FY07 and FY08, the Foundation approved approximately \$100 million in grants. Of that amount, conservatively, \$65 million went to poor, low-income communities.

Currently, nonprofits may access grant awards of up to \$10,000 on an expedited basis. This program offers the opportunity to small and new nonprofit organizations to receive funding from the Foundation, many for the first time. It also extends the Foundation's reach into underserved communities within Southern California.

In recent years, the Foundation has played a leadership role in a number of low-income communities of color, including: the creation of a multi-generational community center in Exposition Park (Expo Center); the development of a community land trust (Figueroa Corridor project); the development of a property acquisition fund for low-income housing (New Generation Fund); and the development of an innovative place-based strategy in the Park Mesa Heights community of South Los Angeles (Urban League Neighborhood Works project).

Through Foundation support of intermediary organizations that provide training, coaching, peer networking and other types of management assistance, small to mid-size nonprofit organizations are able to afford and access resources that increase their effectiveness in leadership, management, fundraising and program delivery. Our grantee partners have included Executive Service Corps of Southern California, Hispanics in Philanthropy, the Women's Foundation of California, Low Income Investment Fund, Ventura Community Foundation, Southern California Center for Nonprofit Management, High Desert Resource Network, Long Beach Nonprofit Partnership, and the Volunteer Center of Orange County.

To complement its responsive grantmaking program, the Foundation also identifies areas of particular impact that are addressed through special initiatives. Current initiatives include: Skid Row Homeless Healthcare, Gang Prevention and Intervention, Developmental Disabilities,

and Urban Public School Districts. In conjunction with their grants, leaders of initiative grantee organizations are offered participation in regular convenings tailored to their needs.

New and enhanced grantmaking

To address the key issues of creating access to funding, building capacity and supporting leadership development among minority-led and grassroots organizations, in 2009, the Weingart Foundation plans to implement an initiative that has four major components. Within this initiative, new practices are being infused into these activities to increase the Foundation's effectiveness.

- **Grantmaking enhancements.** The Foundation will further extend its reach into underserved communities and communities of color through an expansion of the expedited grant program described above. Beginning January 1, 2009, nonprofits accessing the streamlined application process will be able to request higher grant amounts of up to \$25,000. Increased general operating support will be made available along with a strong emphasis on capacity-building activities. Therefore, the Foundation is expanding eligible grant-supported activities to include organizational assessments, first financial audits, strategic planning, board development, executive coaching and consulting, and professional development for leadership and staff. As a result, the Foundation expects that grants in this category to community-based and minority led organizations will increase above current levels by a total of \$1 million over three years.
- **Community-based partnerships.** Targeted outreach to minority-led, grassroots and community-based organizations will begin in 2009. The Foundation will establish and fund partnerships with well-respected community-based organizations that have deep roots and a high level of cultural fluency in South Los Angeles, East Los Angeles, Inland Empire, and North San Fernando Valley. The goal of these partnerships is to identify and provide technical assistance to emerging and existing nonprofits that may be unfamiliar with the Foundation, as well as improve the Foundation's knowledge of organizations serving these communities. Grant funding for all outreach activities is likely to exceed \$250,000 over two years.
- **Comprehensive regranting program for minority-led organizations.** In partnership with The California Wellness Foundation and The California Endowment, the Foundation intends to announce a two-year, \$1 million capacity-building regranting relationship with Liberty Hill Foundation. Through this partnership, minority-led organizations in Los Angeles County may access grants and technical assistance managed by Liberty Hill. Eligible organizations will include nonprofits with budgets of less than \$2 million that engage in a variety of programmatic and social change activities.
- **Outreach to other funders.** The Foundation intends to provide capacity-building grant support to Southern California Grantmakers (SCG) to engage other funders on systemic issues that impact grassroots, community-based and minority-led organizations. It is expected that SCG will conduct awareness and education programs for its membership on the topics of access to foundation funding, capacity-building, and leadership development.

In light of significant financial challenges currently faced by the nonprofit sector, the Foundation will be expanding the availability of **general operating support** in 2009 with special consideration given to safety net programs that provide people with the basic necessities of life. This will likely extend grant support to organizations and communities that are the focus of this report. Additional announcements are expected in the future, which can be found on the Foundation's website.

Funding partnerships

Several foundations are working collectively to provide more than \$10 million of additional, flexible and responsive resources to increase the capacity of community-based nonprofits serving diverse and/or low-income communities. While these plans are still in formation and more specific details will be available throughout 2009, we can offer the following descriptions at this time. We also want to acknowledge that additional partnerships may emerge during the course of 2009 based on discussions underway among various partners. Please refer to the individual foundation profiles on Pages 7-24 for additional information about planned and prospective partnerships.

The Hewlett, Irvine and Packard Foundations will collaborate on a three-prong strategy of regranteeing, peer networking and technical assistance, and leadership development. This effort will provide \$7 million to \$9 million over three years to minority-led and other grassroots organizations in the Greater San Francisco Bay Area, Central Coast and Central Valley.

- *Regranteeing:* Working with selected intermediary organizations, offer general operating support and capacity-building grants to 50-60 minority-led and grassroots organizations working in a diverse range of fields and program areas.
- *Peer networking and group technical assistance:* Provide workshops, trainings and peer networking opportunities for a broad range of organizations, and designed to build the capacity of minority-led and other grassroots organizations.
- *Leadership development:* Support leadership development and renewal opportunities for leaders from disadvantaged communities. Opportunities would focus on building leadership teams within organizations, increasing board-level engagement, reducing executive director turnover and burnout, and building a pipeline of next-generation leaders.

The California Wellness Foundation, Weingart Foundation, and The California Endowment are cofunding a regranteeing project with grants totaling \$3 million over two years to the Liberty Hill Foundation. The project will provide capacity-building grants and technical assistance to small, grassroots, minority-led organizations in Los Angeles County, building on the solid research about what works and tapping the expertise and networks of Liberty Hill, a well-respected partner in communities of color. Eligible organizations would include nonprofits with annual operating budgets of less than \$2 million that engage in a variety of programmatic and social change activities in ethnic minority communities.

Research

We are supplementing ongoing research by the Foundation Center on foundation giving to minority-led nonprofits in California² with an independent study that will, for the first time, describe the diversity of California's nonprofit sector, with a focus on minority-led nonprofit organizations in California. Four members of the coalition have funded a project by The Center for Nonprofits and Philanthropy at The Urban Institute in Washington, D.C. This research study will show the prevalence of minority-led organizations in California through a survey of nonprofits. Our hope is that these quantitative data on foundation giving and nonprofit diversity, to be published in 2009, will inform and focus future grantmaking by our own and other foundations.

² "Embracing Diversity: Foundation Giving Benefiting California's Communities of Color," Foundation Center, June 2008, http://foundationcenter.org/gainknowledge/research/pdf/ca_diversity_2008.pdf.

Conclusion

With this report, the work of the Foundation Coalition as a formal entity comes to a conclusion, although our commitment to address the systemic issues that restrict nonprofits' ability to serve ethnic and low-income communities continues. We will be evaluating the results of our new grantmaking efforts and learning as we go. It is our hope that other funders who read this report will consider joining us in developing new grantmaking programs and strategies to strengthen support for organizations that serve ethnic and low-income populations in California. We also encourage California's regional associations of grantmakers to engage their members on the issues of increasing diversity in philanthropy, access to foundation funding and the capacity-building/leadership development needs of small grassroots nonprofits.

Respectfully,

The Ahmanson Foundation
The Annenberg Foundation
The California Endowment
The California Wellness Foundation
The William and Flora Hewlett Foundation

The James Irvine Foundation
The David and Lucile Packard Foundation
UniHealth Foundation
Weingart Foundation

Appendix A

Statement by Selected California Foundation CEOs on Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and other Grassroots Community-Based Organizations

June 23, 2008

The undersigned, consisting of a group of California private foundations, issued the following statement:

As leaders in the philanthropic community, we recognize that California's future depends on all of its communities enjoying meaningful opportunities to improve their quality of life. And, as one of the most diverse states in the nation, our future depends significantly on the success of the communities of color that together comprise a majority of our population.

Consistent with our institutions' particular missions, the intentions of our donors, our founding documents and any restrictions imposed by regulatory bodies, we reaffirm our continuing commitment to incorporating the values of effectiveness, diversity and inclusiveness into our all aspects of our work.

Nonprofit organizations throughout the state play a critical role in addressing the challenges facing minority and other predominantly low-income communities. Yet three systemic issues restrict the ability of these organizations to realize their full potential:

- The lack of capacity of many minority-led organizations and other grassroots community-based organizations to compete for funding from large foundations.
- The need for additional investment in capacity-building and leadership development targeted at such organizations and leaders of color; and
- The lack of access to larger foundations by many minority-led and other grassroots community-based nonprofits.

The undersigned foundations, which represent some of California's largest philanthropic organizations, are committed to undertaking tangible actions to address these issues. In doing so, we shall build upon existing initiatives and will dedicate the resources necessary to carry out new ones. We expect that other foundations will join in these efforts.

By the end of 2008, we plan to announce a comprehensive set of grantmaking activities, which we expect to be overall in the multi-million dollar range and over several years, to begin in 2009 that will lead to increased funding for:

(1) Capacity-building support and technical assistance targeted to minority-led and grassroots, community-based organizations that primarily serve minority and low-income communities in California; and

(2) Support for leadership development activities that will bolster and train a diverse pipeline of executives, staff and board members for the nonprofit and philanthropic sectors.

We believe the organizations receiving funding for these capacity-building and leadership activities will be involved in a variety of programmatic activities, including but not limited to: youth development, healthy communities, civic engagement, environmental justice, financial literacy and policy advocacy.

We are confident that, over time, these measures will increase and improve the efficacy of our and other donors' funding of programs and services that will benefit minority and low-income communities in California.

As part of these grantmaking activities, we intend to meet on a periodic basis with key community leaders to review progress against stated objectives and to benefit from the perspectives of those who understand these issues and can inform our work. We will also report publicly on an annual basis on the activities undertaken by the foundations as part of this collaborative effort.

Finally, to help focus our efforts, we plan to supplement ongoing research on foundation giving in California with an independent study of the nonprofit sector in California, including the communities it serves, and the number of minority-led, community-based nonprofits and their capacity needs.

The members of the Foundation Coalition include:

The Ahmanson Foundation
The James Irvine Foundation
UniHealth Foundation
The Ralph M. Parsons Foundation
The California Endowment

The California Wellness Foundation
The Annenberg Foundation
The William and Flora Hewlett Foundation
The David and Lucile Packard Foundation
Weingart Foundation