

Efficient Philanthropy: Modest Beginnings at The Health Funders Partnership of Orange County

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The Health Funders Partnership of Orange County

A recently released report from The Center for Effective Philanthropy, *Indicators of Effectiveness*, comments on foundations' growing understanding and interest in assessing their overall performance, noting that many are "convinced that better performance assessment will lead to greater effectiveness and, in turn, to more social impact on the people and issues they affect." Later, the report adds that foundations are "facing increasing pressure to measure and improve performance."

Historically, when foundations have focused on performance, the unit of analysis has typically been a single funded project, or cluster of funded projects. In Orange County, California, a group of foundations has come together to focus on improving their collective performance. This article describes the work of a cluster of foundations with shared grantmaking priorities that are working to improve their efficiency, that is, their ability to be "productive of desired results, without waste."

FEEDING THE BABY AND BEYOND (THE GRANTEE'S VIEW OF EFFICIENT SUSTENANCE)

The past decade has seen a proliferation of foundations, often small or midsized in resources, created by both individual donors and through the sale of historically nonprofit entities to for-profit corporations. As a result, some geographic communities, or charitable causes, have multiple benefactors, each with its own mission, grant submittal specifications, due dates, audit, evaluation, and other reporting requirements.

From the grantees' perspective, this potential windfall of resources actually translates into tremendous inefficiency. Even when funders try to be accessible to grantseekers, are conscientious and respectful in returning calls, notify applicants of proposal receipt, streamline timelines for internal review and award, grantseekers still have the burden of having to knock on each door individually, prepare distinctively tailored proposals, and develop reports in the formats and on the timetables individual funders specify.

Given the complexity and expense of health projects, many are now supported by several private funders, and perhaps a few governmental ones. This is true for the incubation of good ideas that haven't yet made a market for themselves. And it is certainly needed for those services which bring value to the community but for which the fee or price (what clients or customers are willing and able to pay) does not cover the cost of production. So foundation grants reduce or eliminate the fees at health clinics for low-income families, and fund health research, health education, and efforts to change public policy outright.

Multiple grant sources are also typical for programs that have moved beyond the incubation stage but still have a ledger requiring an infusion of grants and donations to balance. The so-called sustainability we funders often seek for community nonprofits ends up being attained by getting a year or two of funding from a varied, and ever-changing, group of foundations.

THE ORANGE COUNTY STORY

In Orange County, California a group of foundations has come together to leverage the impact of our giving, while streamlining the grantseeking process. The Health Funders Partnership of Orange County is an association of grantmakers with varying corporate structures, geographic giving areas, and priorities, who all give year after year, in health, in Orange County. Partners include privately endowed foundations, corporate foundations, and fundraising grantmakers (United Way, the local community foundation), that give locally, regionally, and statewide. As a group, we monitor information on the health status of the county (some of us also fund a collaborative Orange County Health Needs Assessment, every three years, as well as an annual report on the condition of children). Rather than incorporate and create added bureaucracy, we have established a donor-advised trust at our local community foundation, Orange County Community Foundation, itself a partner at the table. By this means, we can pool funds for

shared grantmaking initiatives, and disperse funds from multiple sources with a single check. When staff are needed to support a grantmaking initiative, they can be loaned from Partnership members, or retained as consultants using our pooled resources (the latter was done for the Diabetes Initiative discussed below, the former for other Partnership efforts).

Our most ambitious funding effort to date has been a multiyear chronic disease initiative, *A Systems Approach to Diabetes*. (More information about this effort is available on the Partnership Web site, www.ohealthfunders.org.) The foundations worked cooperatively in the design of the initiative, convened forums of interested stakeholders to offer input to the design effort, and collectively issued one request for proposals for project implementation collaboratives, a second for project evaluation. Foundation contributions to the effort ranged from \$15,000 to \$100,000, with most at the upper end of the scale; then two statewide funders joined the mix (The California Wellness Foundation, with \$300,000, and The California Endowment, matching the total). Overall, funds committed to this project amounted to more than \$2.5 million, far more than any one of the local funders could have dedicated to this purpose.

With the key elements of the Diabetes Initiative in place, the Partnership has initiated some other efforts at efficient grantmaking.

- **California Cares.** When The California Endowment sought to bring funds rapidly to community-based nonprofits adversely impacted by the economic downturn and the events of September 11, 2001, their intent was to distribute funds in each county of California through local United Ways and community foundations. In Orange County, these funds were pooled through the Partnership – with a single shared applicants’ conference, application process, and fund disbursement mechanism.
- **GrantPartners.net.** What started as an effort to develop a common grant application form for use by Partnership members, has resulted in creation of a user-friendly Web site that harnesses the power of the Internet to link grantseekers and philanthropists. The site offers funders a searchable database of applicant agency information, project proposals, and equipment funding requests. To be launched officially later this fall, the Web site has already been adopted by two member foundations for their responsive grantmaking; their grants brochures actually introduce it to prospective applicants. Others are evaluating it as a substitute for a two-page letter of inquiry. As there are about 200 foundations in Orange County, a special local outreach effort is underway to introduce the site to smaller family foundations, which do not customarily issue requests for proposals. The site is being introduced to applicants and grantwriters through training sessions at the local nonprofit resource center.

Although begun in Orange County, California, GrantPartners.net knows no geographic bounds. Any foundation can invite applications through the Web site, then use a keyword search process to find applications of interest. Initial funding for this effort has been provided by The California Endowment, The California Wellness

Foundation, The HealthCare Foundation for Orange County, and Samueli Foundation.

Although less useful for donors who need high profile visibility for their foundation in soliciting applications, the site can go far to streamline fundseeking, especially for smaller community-based organizations. A single application may be read by multiple funders, in much the way private universities have joined together to use a common application form for incoming students.

- **Project Connect.** As the Diabetes Initiative moved forward, it became clear that the 24 funded service providers varied considerably in their organizational, administrative, and information technology skills and experience. We have also seen many agencies use small grants to pay for consultants on these topics with little visible impact. Now, several Partners have joined a steering committee to advise a fledgling local venture (Project Connect) intended to link community-based organizations with training, coaching, and technical assistance in a range of administrative areas. Our intent in joining forces is to avoid duplicative efforts and create a reputable source for such aid within the community.

HOW WILL WE KNOW WE’RE EFFICIENT?

While the projects above certainly have face validity (that is, they look as if they will streamline grantseeking for the programs we fund), only the Diabetes Initiative is presently the subject of a multiyear external evaluation. Although we are receiving regular feedback, the final results are still a few years away. GrantPartners.net has been through a testing period, and potential users have been surveyed about their response, but it is only now being launched. As consultants like to say, “further evaluation is needed.” At this point all we have is an enticing sizzle to share; we hope the steak lives up to its promise.

Foundations tend to be proudly autonomous, with an independent spirit and, often, a carefully articulated mission and vision. Yet, as The Health Funders Partnership has begun to show, we can work together where our aims overlap, to make the giving and getting of philanthropic support less wasteful of human effort, funds, and time.

SOURCES

The Center for Effective Philanthropy, *Indicators of Effectiveness: Understanding and Improving Foundation Performance* (Boston, MA: 2002).

More information about the Health Funders Partnership of Orange County is available at <http://www.ohealthfunders.org/>.

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