

The Association
of Baltimore Area
Grantmakers

A membership organization dedicated to promoting philanthropy

Local Donor Collaboration: Lessons from Baltimore and Beyond

By Alice C. Buhl
Buhl and Associates
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Association of Baltimore Area Grantmakers, 2 East Read Street, 2nd Floor
Baltimore, MD 21202, (410) 727-1205, www.abagmd.org

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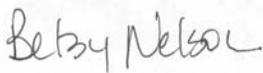
I am pleased to share this report, which communicates the stories and lessons learned from four Association of Baltimore Area Grantmakers (ABAG) funder collaboratives. At ABAG we have embraced the opportunity to further funder cooperation and have sought not only to learn from our work but also to communicate our experience with the field. Collaboration isn't always easy. But we've come to believe that the benefits far outweigh the challenges. We hope that this report adequately captures the promise of funder cooperation for maximizing the impact of philanthropy.

Many people contributed to this research. First, we are indebted to Alice C. Buhl of Buhl & Associates for taking on this project and completing it according to the tight timeline that we requested. Alice was our first choice as consultant for this research because of her knowledge and expertise on funder collaboratives and, in particular, the role of regional associations as catalysts for cooperation. Alice wrote the seminal works on this issue for the Council on Foundations in the early 1990s and, therefore, it seemed even more fitting that she conduct this research more than a decade later.

We also owe thanks to our many collaborative members and colleagues in the field who graciously participated in the interviews and focus groups upon which this report is based. Their reflections and experiences enrich our understanding of the nature and challenges of funder cooperation. Last, Tracey Rutnik on our staff conducted all of the background research necessary to complete the project, coordinated the many interviews and two focus groups, and provided significant editorial assistance for the report.

This research was funded by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the author alone, and do not necessarily reflect the opinions of the Foundation.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Nelson". The signature is written in dark ink on a light-colored background.

Betsy S. Nelson
Executive Director

This study takes a close look at four Association of Baltimore Area Grantmakers (ABAG) funder cooperative groups that range in style from the relatively simple to the complex. The unique lens of the research is *local donor collaboration* as seen by the participants and staff themselves. In particular, the research explores three key issues: how local cooperatives begin, what makes them effective and sustainable over time, and the unique role that a regional association can play in furthering funder collaboration.

How Funder Collaboratives Get Started

There are three familiar factors that tend to be responsible for propelling funder groups into existence: a supportive climate with strong interpersonal networks and a congenial environment for coming together, which may be provided by a regional association or other infrastructure organization; a credible champion willing to take on the issue and devote the necessary time, energy and resources to bring the idea to fruition; and the right timing for addressing a critical issue, which often coincides with a special opportunity such as outside funding and/or a change in circumstances that results in a crisis or an environment “ripe” for change (e.g., a change in political or school system leadership). This is usually complemented by a perceived value to learning or working together – something that can’t be done as easily (or at all) on one’s own.

What Makes Cooperation or Collaboration Effective and Sustainable Over Time

The survival and effectiveness of a collaborative group depends on its *flexibility* and *evolution* over time. These are apparent throughout profiles of the four Baltimore groups and in other cities.

The Benefits of Collaboration

Members of funder groups participate for many different reasons, both personal and organizational. Participants cite a long list of benefits to themselves and their institutions in being part of the group. Including:

1. The ability to accomplish as a group that which cannot be done easily independently.
2. The ability to learn and grow professionally and maximize grantmaking efficiencies.
3. The capacity to democratize local philanthropy by creating a balance of power, ideas, and strategies and helping to level the playing field between larger and smaller funders.
4. Access to a rich network of colleagues that provide support, connections, and enriching learning experiences.
5. The freedom to make grantmaking decisions and/or stretch the foundation’s areas of interest.

Principles and Practices of Effective Funder Cooperatives and Collaboratives

Despite the many benefits, all agree that collaboration is rarely easy, and it can be time consuming and challenging to come together in a productive, mutually rewarding philanthropic experience. Effective funder collaboratives share some or all of the following principles and practices:

- They add value that exceeds their cost in time and dollars.
- They consider the community context and act to take advantage of ripe opportunities and available resources.
- They develop a clear agreement on mission and results.
- They match expectations to resources, both volunteer and staff support.
- They reach agreement on how the group will work together, identifying clear expectations for participants, including issues such as marketing to your own organization, contributing funds, attending meetings, serving on committees, and making grant decisions.
- They balance the work between process and results, and are mindful that while results may attract funders in the early stages, a thoughtful process for pursuing the work is essential to longevity.
- They balance the role of funder and grantee and concomitant reporting requirements.
- They provide flexibility for funder participation and understand that not everyone can fund or engage at the same level.
- They set a tone of personal attention and intentional inclusiveness to ensure that all members are connected.
- They are nimble over time, bending and adapting to accommodate changing circumstances and conditions.

The Role of Regional Associations as Catalysts for Cooperations

Our research indicates that the benefits identified more than a decade ago in *Catalysts for Cooperation: The Role of Regional Associations of Grantmakers in Collaborative Grantmaking*, pertain today. They include: added visibility for the regional association, a source of accomplishment and pride for the association's members, opportunities for more focused networking, and professional development opportunities for the collaborative's members and hands-on learning for the association's staff.

Over the past 15 years, regional associations of grantmakers have continued to grow and evolve. However, they differ in their organizational patterns and in their sponsorship of funder cooperation; many choose to focus strictly on member services. City-based associations, or those that focus on a small region of grantmakers (e.g., Baltimore and its immediate suburbs), are the most likely – and perhaps best-positioned – to encourage and/or sponsor local funder groups. Such city-based associations typically have strong local connections and staff frequently has personal relationships with the funders they serve. Further, the funders are more likely to know one another already and may be more receptive to the idea of forming a learning network and/or working together. Last, collaboration at this geographic level may be more manageable than a statewide focus, which can quickly become unwieldy.

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INTRODUCTION

This study takes a close look at four Association of Baltimore Area Grantmakers (ABAG) funder cooperative groups that range in style from the relatively simple to the complex. The unique lens of the research is **local donor collaboration** as seen by the participants and staff themselves. In particular, the research explores three key issues: how local cooperatives begin, what makes them effective and sustainable over time, and the unique role that a regional association can play in furthering funder collaboration. Not all regional associations actively encourage and support funder cooperation, but donor groups play a significant role in ABAG's work, and in the work of area funders (see ABAG Approach and Policies in Appendix I). Accordingly, ABAG provides a useful learning lab for exploring and understanding funder cooperation.

This study builds on two broader examinations of funder cooperation and uses frameworks from both, without attempting to repeat all the issues covered in each. The first is Alice Buhl's 1993 study, *Patterns of Cooperation Among Grantmakers*. That study used many local examples but did not focus directly on the issue of local collaboration. The second is a more recent work by Ralph Hamilton, *Moving Ideas and Money: Issues in Funder Collaboration*. Hamilton looks at funder collaboration more broadly and describes many national collaboratives. A number of the principles in the two studies—although produced nearly a decade apart—are the same.

Ralph Hamilton's notion of moving ideas as well as money is particularly salient. As Buhl found in *Patterns of Cooperation Among Grantmakers* more than a decade ago, funder groups today cooperate and work together effectively on numerous levels, many of which do not include joint funding. However, all of them strive to add value to the "collaborative idea," to those funders who participate, to funding organizations in general and to the community.

As work was being completed on this study, we received drafts of *Greater Than the Sum of Our Parts?: A Local Funders' Guide to Collaborating with Peers*, by Janet Heroux, and *Collaborative Philanthropies: What Groups of Funders Can Do that Individual Foundations Cannot* by Elwood Hopkins, Director of Los Angeles Urban Funders. Heroux focuses on different aspects of local collaboration, with many of the same conclusions articulated in this paper. Hopkins, on the other hand, explores the context in which funder collaboratives are developing and the advantages they bring both to individual funders and to the field. An annotated bibliography of these and other sources cited in this report is provided in Appendix IV.

PURPOSE OF THE RESEARCH AND METHODOLOGY

ABAG, a regional association comprised of more than 110 members, has a 20-year history of promoting and strengthening organized philanthropy in Central Maryland. In addition to the traditional member services offered by most regional associations, ABAG has a strong commitment to encouraging and supporting funder cooperation. Such cooperation can range from a highly organized, staffed funding collaborative to an intentional learning network or affinity group of members. ABAG's ongoing support for these endeavors ranges from staff assistance to acting as the fiscal agent and employer for the collaborative.

The purpose of this research is to capture and share some of the lessons learned from the long history of collaboration among Baltimore funders and the diverse ways in which they have come together to address shared issues. In addition, we sought to explore the principles and practices of effective collaborations and the unique role that regional associations can play in furthering and encouraging funder cooperation. Four of ABAG's organized funder groups, which vary in form, function, and tenure, were selected for study: the Baltimore Neighborhood Collaborative (BNC), the Maryland Service Funding Collaborative (MSFC), the Environmental Funders Affinity Group, and the Education Funders Affinity Group, hereafter Environmental Funders and Education Funders respectively. These groups exemplify some of the noted forms of funder cooperation and are useful models for understanding cooperation as it exists at different levels of involvement and intensity. For simplicity, throughout this paper we refer to groups that pool resources and make shared funding decisions as "collaboratives;" for all others we use the term funder "cooperative."

Methodology

The research included in-depth telephone interviews with the founding members, key participants, and staff (13 in total) of each of the four Baltimore cooperatives selected for study, plus interviews with select founders and staff of seven other locally focused pooled or aligned funding collaboratives nationally (8 in total) in five cities and one state (see Appendix II for a full list). These seven groups have a wide range of operating styles, and so add another perspective to the Baltimore experience. The interview data was supplemented by two focus groups—one with ABAG's staff and another with members of the four local cooperatives selected for study—and a review of the available literature, which is modest.

FRAMEWORK: TYPES OF FUNDER COOPERATION AND COLLABORATION

Funder collaboratives are growing in number, size, and sophistication and, although still an exception to philanthropic practice, Hopkins argues that they can be considered a trend. In the past decade, national affinity groups have multiplied, and many of them host or have spun off entities that are involved in all types of collaborative work. Many more local and national collaborative or cooperative groups have started somewhat

independently, usually in response to individual funders who have provided resources to support the effort or because of the saliency of a particular issue.

Local funder cooperatives come in many styles with much overlap among their approaches. In general, though, there are five major types of funder cooperation at the local level: 1) the learning network, 2) informal alignment of grants, 3) shared funding for a specific project, 4) formal alignment of grants, and 5) the pooled funding collaborative. This typology describes a discrete continuum of cooperation, which in practice can be quite fluid. For example, a learning network may evolve over time into a pooled funding collaborative, or a pooled funding collaborative may decide to spend down its funds and discontinue shared grantmaking but continue to pursue a learning agenda.

Learning Network or Community

Local grantmakers are now often quite intentional about their learning, wanting it to be deeper, more focused, and more contextual. Such learning networks, which typically address a particular issue, may develop with support from the local regional association, community foundation, or an influential funder, or as the result of a group of funders sharing similar interests. In these networks, information exchange is an important element, as it was a decade ago; however, much more frequently these days, the group exists for the purpose of creating an intentional learning network or community. Two of the ABAG cooperatives, Environmental Funders and Educational Funders, are examples of this model.

Informal Alignment of Grants

Funders that participate in learning networks often informally align their grantmaking with a strategy or focus of mutual interest. Typically, this takes place when the learning network raises issues, and members realize the advantages and disadvantages of various strategies. This study does not directly address informal alignment, but recognizes that this can be an important result of a learning network.

Shared Funding for a Specific Project

Learning networks often lead members to share funding for a specific project. This activity takes place outside the network but includes several network members. Usually a specific need is identified, and one funder – with a good understanding of key elements that might encourage colleagues to participate and contribute – takes the lead in negotiating the scope of the project. Both Environmental Funders and Education Funders have helped spawn projects funded by several of their members.

Formal Alignment of Grants

Some local funder communities are uncomfortable with pooled funds, but do agree to intentionally support a specific strategy by making grants directly to organizations whose work advances that strategy. When this occurs, usually there is a learning network group

meeting regularly to help develop ideas and strategies that individual organizations fund. Two non-Baltimore cooperatives in this study, based in Georgia and Rochester, use this model.

Pooled Funding Collaborative

The literature on cooperation suggests that pooled funding collaboratives usually develop as the result of a crisis or opportunity, although some local groups emerge from an existing learning network, or a set of relationships that has been built among funders over time. Pooled funding collaborative members often spend significant time functioning at first as a learning network, with the intent of ultimately addressing an important issue through joint funding. After agreement on specific needs to be addressed and mission, each member contributes to a fund and gives decision-making authority to the group. These collaboratives often include an education or technical assistance component. The BNC, MSFC, and five of the seven non-Baltimore groups examined for this study are pooled funding collaboratives.

A Comprehensive Example

No one pattern of cooperation works “best.” Rather, that which feels most comfortable to the local funders and is most appropriate for tackling the issue at hand is often recommended. For example, a comprehensive neighborhood revitalization project typically requires a level of resources that can be achieved only through a formal alignment of grants or a pooled fund. Sometimes, the best approach is not to select just one form of cooperation; instead an array of options enables funders to work with one another at a level and in a manner in which works for them or their organization.

For example, an interesting organization in Seattle, Project Lift-Off Opportunity (PLOOF), has identified various ways for funders to participate within one collaborative group. The group’s purpose is to ensure that children and youth have opportunities to succeed in school, including early learning, after-school learning, and youth development. It explicitly encourages cooperation in four areas:

1. Learning – community members share information about research trends, programs that are working, and evaluation efforts.
2. Formal/aligned funds – private funders create a shared portfolio of individual grants that advance PLOOF goals.
3. Public matching fund – the City of Seattle and King County match qualified private grants made by aligned funders.
4. Pooled fund – private and public funders also pool resources, knowledge, and experience to make joint, strategic investments.

PROFILES OF FOUR BALTIMORE FUNDER GROUPS

Baltimore Neighborhood Collaborative

The Baltimore Neighborhood Collaborative is the earliest and most advanced of the four groups profiled for this study. It was organized in 1995 as a way for funders to increase their impact and leverage additional private and public community development resources. To date, BNC has pooled more than \$3 million from local foundations and corporate giving programs to provide financial and technical support for community development encompassing 50 Baltimore neighborhoods. The collaborative currently has 25 members and full-time staff of two.

Getting Started

In the mid-1990s, community-based development initiatives were receiving relatively little funding in Baltimore. Gail Sanders, then an ABAG board member and head of public affairs at a major bank, became intrigued by the possibilities of local foundations and corporations working *collectively* to support neighborhood revitalization and stabilization. "It was a good transitional time for adding specific initiatives to ABAG's agenda," she recalls, "and to look more closely at issues in the community. I wanted to put a strategy and mechanism in place, so that individual neighborhoods could apply for significant funds."

ABAG executive director Betsy Nelson, also familiar with the experiences of other regional groups in forming housing collaboratives, shared Sanders' interest in adapting the concept for Baltimore. It was one of those projects that "got its start with notes on a napkin," Nelson recounts. The two advocates began to talk to others, explaining, as Sanders says, "that major and smaller foundations could make a difference with a big pool of money, designed and coordinated to benefit the community in a larger way."

Sanders was fortunate that the president of her bank grasped the need for and the importance of taking a leadership role in local neighborhood redevelopment. Sanders' counterpart at another bank in turn interested her CEO in the approach. The two bank presidents hosted a breakfast in January 1994 to discuss the existing models and the needs in Baltimore.

After the breakfast, attended by ABAG members and others, a core group of eight people was charged to come back with a plan of action, "to take things from talking to the implementation stage," says Sanders. Support was far from overwhelming, but there was enough enthusiasm for her, Nelson, and Anne Dugan, then a program officer at the Goldseker Foundation, to spend time further researching and selling the idea. Sanders remembers "endless meetings, trips to various foundations, gathering people to talk on more than a one-to-one basis."

The core group also began to sort out the collaborative's focus. Betsy Ringel of the Blaustein Philanthropic Group notes, "Baltimore took a very different approach from DC and other places, where the focus was on community-based development corporations and units of housing. We didn't have a wealth of high-performing community

development groups – but we did have strength in neighborhood organizing. That was the building block.”

In early 1995, Fannie Mae and several local funders provided ABAG with the money for a feasibility study on creating a neighborhood development collaborative. This was a pivotal move, as was the choice of Joe McNeely of the Development Training Institute as the consultant to lead the effort. A well-regarded veteran in the community development field, McNeely had been involved in similar initiatives throughout the country. “Bringing Joe on board helped jump the project to the next level,” says Sanders.

The six-month study brought more people together to learn about what was needed in the community. McNeely guided participants in thinking about options and possibilities, identifying what others were doing in the neighborhoods, and reaching a general agreement on direction and priorities. “Joe got us to a certain point of agreement on the fundamental goals, the approach, and operations,” relates Nelson. “Then we realized we could make the collaborative a reality on our own.”

McNeely also helped the group understand what staff and financial support would be needed for success. Recognizing that staffing would be critical to their work, they hired Ann Sherrill on 20-hour-a-week basis in the summer of 1996 to lead the BNC initiative. Sherrill, who continues as full-time director today, was experienced in community development needs and strategies, and was able to “immediately provide strong support and facilitation,” according to Sanders.

In October 1996, Sherrill and BNC members held a retreat that focused on governance issues and values, allowing key leaders and staff to carefully work these issues through before beginning grantmaking. “When I began to work for the group,” says Sherrill, “I noticed some differing conceptions on the part of funders about the community and BNC’s role. This was an opportunity to validate and reaffirm the work of the earlier planning, and to clarify some leadership issues.”

Sanders looks back at the long startup phase and its intense work: “We were very excited about the concept of what we could do for the community. We kept going because we were having fun, and believed in each other and the collaborative. Also, we were actually seeing things *happen* – initial work with a community organization, the CEO of a bank so excited, presentations that moved and interested people, folks receiving their first funding.” Sally Scott of the Goldseker Foundation adds that it has been gratifying as well to witness “BNC bringing people together in Baltimore’s somewhat non-cohesive community development system and to have national funders support the collaborative’s efforts.”

Approach and Accomplishments

Since 1995, 30 organizations have contributed to BNC’s pooled fund. The group’s current mission is to build thriving neighborhoods by increasing investment to improve economic and physical conditions, strengthen resident involvement, and connect communities to the region. To accomplish its mission, BNC:

- Raises and pools funds from local and national sources to provide multi-year operating and capacity-building assistance to nonprofit community development organizations that are leading revitalization efforts in their neighborhoods.
- Sponsors learning opportunities to encourage and expand the participation of funders in neighborhood revitalization.
- Provides leadership to bring diverse groups together for mutual learning and to advance public policies and practices that increase community development investment and impact.

In two phases and three rounds of funding, the collaborative has provided more than \$2 million in financial and technical support for 12 initiatives encompassing 50 Baltimore neighborhoods. In Phase I, 1997 to 1999, BNC awarded multi-year grants of \$150,000 (\$50,000 per year) to six local organizations. Their programs focused on a host of needs, from anti-crime and anti-drug efforts to community organizing, and strategic planning for housing, economic development, and special needs. Grant funds were used to hire staff and consultants and to support general operating costs.

Prior to Phase II, which is now concluding, BNC completed another strategic plan and refocused on becoming more deliberate in helping grantees strengthen their overall effectiveness and long-term viability to serve the neighborhoods in which they work. Sally Scott says, "The collaborative now has a clear understanding of its role and constraints. BNC does not overreach. It concentrates on a limited number of communities where it is feasible to make and observe progress." In addition to Sherrill and another full-time staff member, the group engaged consultants to work with neighborhood groups. Phase II funding included six new multi-year awards, transition grants to three Phase I groups, additional awards to grantees for organizational capacity building, and supporting grants to intermediary organizations providing technical assistance and public advocacy.

Emphasizing citizen empowerment, the collaborative supports organizations that are resident-led and working on a range of issues and targeted strategies to retain current residents and businesses; attract new investment; and strengthen neighborhood social ties. BNC also helps groups build their internal capacity in such areas as board development and strategic planning by offering additional funding opportunities, training, peer networking, and other technical assistance. The collaborative works with other organizations to offer training and also has provided limited funds for relevant research.

BNC's support has been designed to enable neighborhoods to address problems proactively, achieve tangible community improvements, increase residential and institutional participation, develop new leadership, and leverage additional funds and resources. Good relationships with grantees are a hallmark. One BNC member notes, "Staff and consultants are very skilled at working with neighborhood groups in a way that is quite clear about what they want to get done, but is not heavy handed."

Staff members also are aware that individuals in the collaborative have different interests and levels of experience, and may want to participate in different ways. Initially, for

example, the group's philosophy was that all funders should actively serve on a BNC committee. Participation is now voluntary. According to Ann Sherrill, "We have worked to listen and understand members' differences and reflect them in how the group works as well as in programming."

This outlook relates directly to an important aspect of BNC's work: helping funders understand and respond to issues related to neighborhood revitalization and community development. Over the years, BNC has hosted or cosponsored more than 25 forums and educational programs for funders as well as neighborhood groups. The resultant mutual learning, collective action, and joint grantmaking have offered donors a way to increase their impact as individual grantmakers, and has attracted new players to community development. As Ringel sums it up: "BNC has really changed the landscape. It has engaged the city and its funding streams, and made philanthropy a player in neighborhood change."

BNC is just completing a new strategic planning process to guide its work for the next three to five years. It focuses the group's efforts on: building on and marketing the physical and social assets of neighborhoods to encourage new capital investment, retaining current residents and attracting new residents; stimulating private market forces in housing investment, commercial corridors, and economic reinvestment; making connections between neighborhoods to build a cohesive social fabric; and connecting neighborhoods to the region.

Structure and Current Operations

BNC has been deliberately inclusive, reaching out to funders of all sizes and kinds. The Collaborative started with 12 members and eventually grew to 30. It currently has 25 members—20 local foundations, and five funders operating nationwide (Annie E. Casey Foundation, Enterprise Foundation, Fannie Mae Foundation, Ford Foundation, and Open Society Institute—Baltimore). Individual representatives have changed, but there has been only one resignation from the group; corporate moves out of Baltimore and mergers account for the other reduction in members.

Membership is open to all funders that contribute a minimum of \$15,000 over a three-year period. If a multi-year commitment is not possible, a member may make a minimum annual contribution of \$5,000. Some funders have donated as much as \$60,000 a year.

Members are encouraged to make an unrestricted grant to the collaborative. Once an organization makes a grant, the funder delegates control of the funds and decision making to members of BNC as a collective body. Additional funding opportunities are available to member organizations wishing to support a specific BNC program.

The members, one of whom is elected chair, serve as the governing body to approve strategic documents, annual plans, and the annual budget; affirm critical committee recommendations; and elect BNC's leadership. There are three standing committees: Fundraising and Communication; Grants and Capacity Assistance; and Strategy and Public Policy.

The members make the collaborative's decisions. Whenever possible, this is done by consensus and by delegating authority to committees to make recommendations to the full membership. If a vote is necessary, each funding institution has one vote. BNC has included, by invitation, community organization representatives in the grant review process and to plan and execute community forums.

Initially, the collaborative was staffed at 20 hours per week. Staffing has evolved over time as BNC has grown and now includes a full-time director and full-time technical assistance coordinator. They are housed at the offices of ABAG, which serves as the group's fiscal agent.

Observations and Lessons Learned

BNC and its members have benefited from:

- The early feasibility study that enabled people to learn together and reach clear agreement on fundamentals and focus.
- A consistent willingness on the part of BNC members to invest resources in professional talents, and the good fortune to find and keep strong staff.
- An early retreat that focused on governance issues and values.
- Consistent and committed organizational funders, even though some member representatives have changed.
- Results that evidently have convinced funders that their resources are being used wisely.
- Openness to involving a wide range of funders, but clarity about the dollar commitment needed to become a member and participate in grantmaking.
- Good relationships with grantees.
- An atmosphere of learning for funders, and opportunities to engage with groups directly.
- An ongoing commitment to organizational growth and evolution, which is guided by ongoing evaluation and regular strategic planning and priority setting.

BNC has been and/or is challenged by:

- An initial belief that everyone should participate equally, which was gradually replaced with the recognition that members may want to participate in different ways and at different levels.
- Members with different interests and levels of experience.

- Changes in organizational representatives, so that new delegates have not shared the same history and need extensive orientation.

Maryland Service Funding Collaborative

The Maryland Service Funding Collaborative is a group of funders concerned with encouraging the broad civic engagement of Baltimore youth. The collaborative began in 1996 as a successful response to a national solicitation for proposals. It has awarded grants totaling more than \$785,000 to 15 organizations providing after-school programs for middle school students, and four grants for youth advocacy, totaling \$155,000. MSFC currently has eight members and is staffed by a part-time coordinator.

Getting Started

The Maryland Service Funding Collaborative grew out of a luncheon gathering of ABAG funders interested in youth issues and one member's discovery of a request for proposals (RFP) from the Partnership for National Service.

The partnership was seeking applicants to develop initiatives for increasing private philanthropic support for service. An informational notice for the RFP found its way to the desk of Lynn Bopp in the Governor's Office of Service and Volunteerism. "I was so excited when I saw that flyer," Bopp recounts. "I called a member of our commission, Jan Rivitz at the Straus Foundation, to see if she thought a Baltimore proposal might be developed – especially since our youth program funders lunch group had just been talking about the need for after-school programming. That need synced well with the intention of the funding, which was to promote service as an initiative and strategy, and to encourage funders at the local level to recognize the value of service to accomplish the missions of various nonprofit organizations."

Rivitz shared Bopp's enthusiasm, and the two discovered more of the same when they approached ABAG executive director Betsy Nelson about the RFP. Together they developed a proposal and submitted it to the partnership. It focused, Bopp explains, on "service in a particular area of high need: after-school activities for middle school students."

The proposal's authors waited until they were certain their plan would receive funding from the partnership, then "shopped the proposal around to a small list of potential additional funders," Nelson recounts. She and Rivitz conducted one-on-one solicitations, and before long, another half dozen funders were on board. "All of us spent a lot of time educating ourselves about youth development, successful after-school programs, and volunteerism," says Nelson.

ABAG was one of only 13 organizations in the country to be awarded a grant through the highly competitive Partnership for National Service funding process. With funding assured, ABAG formed the Maryland Service Funding Collaborative in the summer of 1996. MSFC successfully applied for an additional grant from the partnership, for a total of \$275,000. MSFC raised an additional \$756,000 locally from 17 member organizations.

Observers concur that it is unlikely that the collaborative would have emerged without the Partnership for National Service RFP and funds. As one participant says, “It was, first and foremost, an opportunity to bring national money to Baltimore. The appeal of having something to match galvanized the members into a group.”

Approach and Accomplishments

Assisted by a consultant from the Center for Youth Development and Policy Research, Academy for Educational Development, MSFC began its work by learning more about the challenges of engaging and serving at-risk middle school youth, and identifying the elements of effective after-school programming. They concluded that programs for their target group should: include an array of activities geared to develop skills and competencies (social, academic, and personal); provide support to young people; and be staffed with trained, qualified youth development professionals. Underscoring this last consideration, MSFC concentrated on programs using parents, community volunteers and AmeriCorps members, since such individuals could bring additional skills to the programs and also serve as role models for the youth.

The collaborative created the Service and After-School Activities (SASA) initiative, designed to distribute grants to existing organizations to provide programs. It became one of the first resources for creating after-school programs in the Baltimore area, and brought grantees and funders together for education and technical assistance on relevant issues, in addition to providing funding for programming.

In two rounds of funding, from 1996 to 2000, MSFC awarded SASA grants to 15 organizations totaling \$785,600, including two-year grants to 11 groups. Recipients were located in the city of Baltimore, and urban and rural areas in western Maryland, Frederick County, and the lower Eastern Shore. Their programs served children from various ethnic backgrounds, including Latino, American Indian, African-American, and Caucasian. The vast majority came from low-income homes.

Lynn Bopp recalls, “Every MSFC member had his or her own idea about what this effort was supposed to do. The spirit of the original grant was to promote service nationally. At the local level, in Baltimore, it ended up promoting after-school youth programming, because that’s what resonated with most funders. That changed the mission somewhat.” The tensions concerning the primary focus of the collaborative’s resources would continue over time. Another member states: “Some people worked on the original program because they were interested in the volunteer or service part – though more were active because it created after-school programs. When the after-school initiative ended, their money had been put in the pot, but they didn’t stay involved.”

After evaluating SASA’s considerable effectiveness, the collaborative reexamined its role and its prospects. By then, after-school programming was receiving substantial state and national funding. In addition, differing primary interests had emerged among members – some favored after-school programs, others gravitated to youth advocacy, still others wanted to support broader youth programming and issues. “This was a time of exploration, and a lot of excitement about several approaches,” says Cathy Brill, a former MSFC grantee who serves as part-time staff.

However, it also was a time when the funder cooperative group had great difficulty reaching grantmaking decisions. The suggestion was made to disband. Brill recalls, "I expected one meeting in late 2000 to be the collaborative's closure session. But they still wanted to stay together as a group, and to work on finding ways to engage youth in their communities." Also, the Harry and Jeanette Weinberg Foundation had offered to contribute an additional \$150,000 for the collaborative to continue its work.

In some ways, MSFC experienced a second startup after the original grant requirements were met and funded. Agreement was easy in the early years, since the specificity of the partnership's initiative created clear boundaries. Decision making proved more difficult in Phase II, in part because the participants had not struggled with creating consensus earlier, but simply "bought into" a worthwhile proposal that would bring Baltimore funding in a needed area. In addition, according to one observer, "there have been some very strong personalities involved. Occasionally, they have had issues with each other and with the group."

After looking at needs and approaches, the remaining ten collaborative members decided to embark on Phase II, and contributed additional funds to the collaborative. The focus would be on somewhat older youth, ages 14 to 20, and on advocacy models. Youth advocacy/activism is a youth development and social justice strategy that trains young people in organizing and advocacy, and assists them in employing these skills to alter power relations and create meaningful institutional change in their communities. Using activities such as community research, issue development, political analysis, and direct action, youth advocacy can increase civic participation and build the individual and collective leadership of young people.

For Phase II, MSFC set out to: educate the grantmaking and nonprofit communities about models for engaging youth in advocacy; fund model pilot programs for youth ages 14 to 20; evaluate and report on program results; and develop a network of local programs working in youth advocacy/activism for support, idea exchange, and joint projects.

In July 2001, the collaborative awarded a two-year \$100,000 grant to Community Law in Action (CLIA) to continue youth advocacy programming and create the Center for Young Leadership and Social Change within the University of Maryland School of Law. CLIA works with young people, in both school and after-school settings, to build skills and put them into practice by engaging youth in advocacy around issues from their own communities. MSFC has provided CLIA with an additional smaller grant to assist it in becoming an independent nonprofit organization.

More recently, MSFC has made a \$30,000 grant to the Baltimore Algebra Project to support the Math Literacy Workers Initiative. This program engages high school youth as tutors in math for their peers and middle school students, with the goal of increasing achievement in math and improving math instruction in the city schools. As part of their regular activities, the young people meet with school administrators and lobby for more math funding, and work to organize students and parents to advocate for better math education. The excitement over this program led to a smaller MSFC grant to Wide Angle Community Media, which trains and hires young people to "work with community groups

to get their messages out,” Brill explains. Wide Angle is developing a promotional videotape on the Algebra Project’s activities.

Beyond bringing in and expending funds for youth after-school and advocacy programs, other benefits have grown out of the MSFC experience. “The collaborative has been a means to get funders to think through issues,” says Diana Morris of the Open Society Institute in Baltimore, who was chairperson of ABAG’s board when MSFC got started. “It gave people enough knowledge, a way to have a structured dialogue and to enter a new area – as well as a way to leverage money.”

Lara Hall of the Blaustein Philanthropic Group adds: “There are a half dozen or so modest foundations that just couldn’t make the size grants the collaborative can. MSFC has given us more influence, as well as the opportunity to learn what colleagues are doing and how they view youth development.” Another member notes that the group has “enabled funders to develop a working relationship with the state,” while Lynn Bopp adds, “It also provided the Governor’s Office leverage to talk to funders. “

In May 2003, the MSFC met to discuss its future course. Members reflected on the potential for moving forward with youth organizing for education reform, in the context of emerging activities and interests in the advocacy model within and beyond the collaborative. They developed a plan for spending the remaining \$236,355 over three years in four areas: school-based advocacy, strengthening promising models, coalition building, and youth-led activism. After the funds are expended, the collaborative expects to continue existence as a “youth civic engagement affinity group.”

Structure and Current Operations

MSFC has involved a total of 20 organizations over time. In addition to local foundations and funds, members have included five funders operating nationwide (Partnership for National Service, Annie E. Casey Foundation, Enterprise Foundation, Open Society Institute–Baltimore, and Weinberg Foundation), plus the Maryland State Department of Education and the Governor’s Office on Crime Control and Prevention.

As the SASA initiative concluded and Phase II began, the collaborative’s membership realigned. Since 2001, one organization has dropped out, another has shifted its funding from programming to evaluation, and two members have joined. Currently, MSFC includes seven local funders of varying sizes and Open Society Institute—Baltimore.

Seventeen member organizations, along with the partnership, contributed between \$10,000 and \$100,000 to the pooled total of \$756,000 for Phase I. Members determined their contribution amounts, with no preset minimums. In addition to the \$150,000 Weinberg Foundation grant in 2001, members contributed amounts ranging from \$10,000 to \$50,000. The total new money raised for Phase II was \$370,000. The group does not presently intend to raise more money.

MSFC members serve as the governing and decision-making body, and initially operated on a consensus model. Except for during the early part of Phase I, the group chose to not have a chairperson. This changed in the fall of 2002, when Lara Hall agreed to chair the collaborative.

More recently, MSFC has switched from the consensus model to a majority vote for decision making, with each member having one vote. Brill relates: “When it became increasingly difficult to reach agreement on funding decisions, the collaborative decided to allow members to earmark their contributions for specific projects. There’s a set agenda, with four priority areas for grants. If a member is not comfortable with money going to a particular area or project, the member simply doesn’t vote for that area. This has worked beautifully.”

MSFC has always managed with minimal staffing. According to one member, “Originally, the collaborative was expected to be staffed by the Governor’s Office. Their goal was to find funding for AmeriCorps. But most funders did not want to limit the project, so ABAG was the natural alternative.” MSFC pays for Brill’s services as coordinator, for approximately 10 to 15 hours per month. ABAG serves as fiscal agent.

The group’s work in the youth advocacy area continues, though its long-term future is not completely clear. The collaborative now has a chairperson providing ongoing leadership, about \$180,000 remaining to distribute, and community interest building in the advocacy model. Time, and the success of and enthusiasm for the advocacy approach, will determine the future of the MSFC as a group.

Observations and Lessons Learned

MSFC and its members have benefited from:

- The Partnership for National Service funds, and a significant grant from a local funder who supports the work of the group.
- A solid record of distributing more than \$785,000 in grants, as one of the area’s first funding resources for after-school programs for middle school youth.
- Successful use of AmeriCorps, with funders gaining understanding of and experience with those resources.
- Significant learning about after-school programming, needs, and resources.

MSFC has been and/or is challenged by:

- Operating under a national program aimed at promoting service among local funders, which became a focal point for funding after-school programs that included service – with many members more interested in youth programming than service.
- A change in focus and differing primary agendas of members as the need for after-school programming diminished and Phase II began.
- Consensus-building in Phase II, which was difficult in part because MSFC had not dealt with creating consensus in its first phase.

- Absence of group leadership, due to deciding to not have a chair whose role would include helping frame issues and develop consensus.
- Very minimal staffing, which may slow sharing of information and the decision-making process.
- Lack of clarity about the collaborative's future.

Environmental Funders Affinity Group

The Environmental Funders Affinity Group, begun in 1999, is the most loosely structured of the groups profiled in this study. Its purpose is to explore ways for funders to work together to advance the goal of supporting the natural environment for present and future generations. This is an example of a small but very active learning network that sponsors informational meetings several times a year and also has incubated a shared project outside the network. Environmental Funders currently has 30 members and receives assistance from ABAG staff.

Getting Started

Environmental Funders initially was an informal collection of ABAG members who attended programs on the natural environment. "It was a very loose group: members met informally, with no set agenda or issue," says Mary Wyatt of the TKF Foundation in Annapolis. In late 1998, ABAG Executive Director Betsy Nelson encouraged Wyatt to make the group a more focused and intentional affinity network. "I sat down with Betsy," Wyatt recounts, "and we talked about structure, process, responsibilities, and setting up a more formalized collaboration." It sounded doable, and Wyatt agreed to chair the new Environmental Funders Affinity Group.

The next step, Wyatt recalls, was to "go through the ABAG membership directory with a highlighter in hand, reading the descriptive paragraph of each organization. If the write-up was even remotely related to things environmental, the funder received an invitation to join." With a list of a couple dozen prospective members of the new Environmental Funders Affinity Group, she began meeting with people, who turned out to be interested in the environment from very different perspectives. "I'd characterize some members as 'good stewards of the earth,' and others as heavily into 'advocacy for environmental change,'" says Wyatt.

Notwithstanding the divergent passions, Wyatt was able to come up with some topics that were of broad concern. She sent notices to everyone indicating an interest, and in February 1999, the Environmental Funders convened for the first time, beginning its luncheon meetings around a specific subject.

Approach and Accomplishments

The Environmental Funders Affinity Group has hosted 20 educational programs. For the most part, the gatherings have been lunchtime presentations by outside speakers or

panelists on issue-related topics – community green spaces, for example, or conditions in the Chesapeake Bay Watershed. Last year, Baltimore film-maker Shelley Morhaim previewed her new documentary about eco-efficiency, *The Next Industrial Revolution*, for the group before its airing on PBS. The group has met twice with the director of Baltimore City Parks and Recreation.

At its meetings, the group shares information on proposals to expand members' horizons on the scope of what is happening in the environmental arena and explores partnering opportunities, with the goal of increasing the effectiveness of environmental initiatives.

Joint funding to "Partnership for Parks Program" first occurred as the result of an Environmental Funders' session featuring presentations by the city of Baltimore's Department of Parks. Two members, Mary Wyatt and Pete Powell of the Lockhart Vaughan Foundation, saw an opportunity to encourage more citizen involvement in and support of local parks. In conjunction with a local nonprofit organization, they conceptualized this project and worked with the city to develop a plan that the city and others could fund. They helped craft the proposal for submission to additional supporters and arranged a presentation about the project to Environmental Funders.

Other programs have helped individual organizations leverage their grantmaking, share information on what is going on, assist in identifying other funding sources, or learn about environmental issues not currently funded. The group is described as "all very passionate about the environment, eager to get together and learn what other funders are doing."

Wyatt, who has continued to chair the network, works with ABAG's program manager to jointly develop the ideas for programs – based on their own knowledge and suggestions from Environmental Funders – and to publicize the events. Members are solicited once a quarter for new areas of interest. Meeting topics are kept "broad and diverse, unless there's some critical reason to focus narrowly," according to Wyatt, "to attract as many participants as possible."

Wyatt actively works to expand the network and involve others. Betsy Nelson helps her cultivate new members by letting Wyatt know about funders joining ABAG who may have an interest. Wyatt typically phones the new member to explain the group, and then sends an email inviting the newcomer to the next program.

"An important aspect is that it's not a closed group," Nelson notes. "People are partnered from outside, including organizations like The Chesapeake Bay Trust." Adds Wyatt, "Leaving the membership and structure as open as possible is important to the vitality and growth of the group. There can be unique points of intersecting interests that might not be readily apparent." Recently, the Baltimore Neighborhood Collaborative was invited to attend a presentation on "urban greening," or the revitalization of vacant lots in depressed areas. The panel discussion by three nonprofit groups drew 25 attendees from the two groups.

"Because there is only modest staff support," Nelson notes, "the chair's role has been significant in creating the kind of learning network that allows opportunities to take place." Wyatt has set the tone for an active and involved group of participants. Nelson

sees Environmental Funders as “a true beginning of what an effective affinity group can be. Two or three individuals will gravitate to some particular issue that members of all types find interesting, and then create ways to investigate. Ideas get bubbled up. The members learn from each other and from their activities as a group.” She credits Wyatt with the “colleague-to-colleague” interaction necessary to solidify the network: “It takes the active involvement of somebody willing to be the cheerleader,” Nelson says.

Structure and Current Operations

The Environmental Funders sponsors four meetings a year, usually one per quarter. There are 30 current members, including a corporate foundation, 3 national foundations, and 26 local and family foundations. Over the years, programs have involved 30 members; attendance at events has ranged from 6 to 25 people.

The group operates informally, with no set structure for governance or decision-making procedures.

The Environmental Funders uses the program manager’s services about five hours a month and has not seen the need to hire its own staff. Wyatt says this ABAG support is key: “Staff books the room, confirms the presenter, emails reminders to everyone, writes thank-you notes. On the day of the program, staff makes sure presenters get lunch, that the room is set up, handouts are available. I just get in my car and drive there.” She estimates it takes her about eight hours to put together a program – “less than a week a year. There’s no question the opportunities created are worth this modest effort.”

Observations and Lessons Learned

Environmental Funders and its members have benefitted from:

- A small but passionate group of funders interested in local environmental issues.
- A chair who provides clear leadership and reaches out deliberately to others who might be interested.
- A fluid membership structure that welcomes all funders who share an interest in the environment and enables them to participate in the group at varying levels of intensity.
- Program support from ABAG for planning, logistics, and communication.
- An understanding that the diverse interests among members require broad programming.
- Projects, partnerships, and informal shared funding that were not sponsored by the group but occurred because members knew each other and/or attended a program and found common interests.

Environmental Funders has been and/or is challenged by:

- The need to continue to reach out to new people and to keep topics both interesting and broad – challenges that are fairly generic to learning networks.

Education Funders Affinity Group

The Education Funders Affinity Group helps grantmakers interested in supporting education to learn more about worthy initiatives, educational research findings, and best practices. In many ways, it is a fairly traditional learning collaborative, much like the Environmental Funders. Begun in 2000, Education Funders is a very large and active learning network, some of whose members have helped raise \$20 million for a major initiative to improve education in Baltimore high schools. The group currently has 36 member organizations and is staffed by a part-time coordinator.

Getting Started

Looking back on the creation of Education Funders, ABAG Executive Director Betsy Nelson says, “The time was ripe for an education networking group because the Baltimore city government and public school administration were more receptive than before to relationships with private donors. The Abell Foundation and Open Society Institute–Baltimore in particular were forthcoming about support and wanted to interest other grantmakers.”

The drawing together of Education Funders was timely for another reason: just as the network was beginning, the Baltimore school system was in discussion with the Bill and Melinda Gates Foundation about the possibility of a major high school reform initiative.

The founding members set out to develop a network for learning more about worthwhile education initiatives and school reform efforts, nationally as well as in Baltimore. In November 2000, representatives of various interested funds and foundations gathered to discuss key education issues in the region and future programming possibilities. There were about 20 attendees. Later that month, the group hosted a presentation by the state superintendent of schools, followed in December by a session on early childhood programs.

By early 2001, the Education Funders Affinity Group had identified a chairperson, Jane Sundius of Open Society Institute–Baltimore, and decided to focus on three specific areas: high school reform, teacher training, and early education. They also queried members of other affinity networks in Baltimore and elsewhere, to understand the characteristics and activities of successful networks.

Says Nelson, “It was clear from this reconnaissance that a part-time, dedicated staff person would be a key element in a group’s efficacy.” Thus, just a half year into operations, one member approached ABAG with the idea that staffing could help the network learn and accomplish more. Seven members agreed to share the expense of a staff person for ten hours per week. They were fortunate to locate and hire Frances Van Voorhis. With a doctorate in education, she began in October 2001, serving as a content specialist and spokesperson as well as coordinator of the group and programs.

The founders focused on planning their “learning agenda,” and developed a five-point description of purpose, to: develop and support a network of Baltimore-area funders working to improve educational outcomes; investigate promising programs in areas of education reform identified as high priority; provide a forum and information network for members to distill lessons from ongoing education reform and grantmaking activities; facilitate interaction of private funders with the Baltimore public school system; and keep members abreast of national educational funding initiatives.

Approach and Accomplishments

Education Funders has held monthly gatherings since 2001, hosting more than three dozen informational programs through 2003. Most of these sessions have been luncheon meetings that feature an outside guest speaker – a prominent educator, a book author, a policy maker – though sometimes panelists and presenters are drawn from the group’s own ranks. Occasionally, instead of meetings, there are site visits, such as to early childhood education centers.

In addition to their information sharing and networking, some Education Funders’ members joined together to help implement what became the Baltimore City High School Reform Initiative, contributing both money and organizing. The group sponsored several programs on high school reform to help people become better informed on the issues. One member who had worked with the Gates Foundation before provided leadership. Eight million dollars was secured from nine local partners, as matching dollars for Gates’ \$12 million. The process took approximately a year, with all the funding secured by February 2002.

The initiative is managed and staffed by the Fund for Educational Excellence (FEE) in Baltimore. The focus is on creating small schools of 600 or fewer students, as models of effective learning communities. The Baltimore City High School Reform Initiative is overseen by a steering committee that includes membership from the local and national funding community, the Baltimore City Public School System, the Board of School Commissioners, the Maryland State Department of Education, and the Baltimore Teachers’ Union. Several members of the committee are also active in Education Funders and regularly update it on the initiative’s activities.

The possibility of significant Gates Foundation funds for high school reform was a powerful incentive for bringing people together to jointly support this area. Such a large-scale initiative can pose a challenge for local networking, observes Betsy Ringel of the Blaustein Philanthropic Group: “When there’s big money at the table and lots of politics, and some foundations have prominent short-term objectives, it makes it hard to have one voice. I believe an affinity group works well only if it can have one voice.” Another challenge, according to Frances Van Voorhis, is “working with a school system that is failing. In spite of the shortcomings, there needs to be awareness of the demands on these folks, and mutual respect. The funders had early discussions about that and never lost sight of the fact that they were working, ultimately, for the benefit of Baltimore’s students.”

Notwithstanding the challenges of the Baltimore City High School Reform Initiative and other initiatives, Education Funders continues as a “very active organization, with a real interest in investing in important and effective education reforms in the Baltimore City Public School System,” says Kerry Whitacre, who replaced Van Voorhis in January 2003. “Education is easier than most issues to organize an affinity group around, because so many foundations are at least generally interested in the field. Education Funders Affinity Group provides a forum for a variety of people and institutions to learn together, share funding interests, and work to shape education policy in Baltimore.”

Structure and Current Operations

The Education Funders Affinity Group involves 57 people, representing 10 corporate foundations, 2 national foundations, and 24 local and family foundations. They sponsor as many as 15 informational programs a year, with meetings taking place about once a month. Participation is open to all ABAG members. Attendance typically ranges from a dozen to 20 members, but occasionally – such as was the case at a recent meeting on charter schools – 50 or so attend.

The group operates informally, with no set structure for governance or decision-making procedures. Once a year, there is a planning meeting open to the entire membership, at which priorities for the next year’s programming are discussed. The chairperson and coordinator meet monthly, and the two of them meet with Betsy Nelson quarterly.

Working approximately eight to ten hours per week, Kerry Whitacre researches topics, identifies speakers, develops programs, pulls together materials, and writes program summaries. She posts details on past and upcoming sessions on the Educational Funders section of the ABAG website, along with relevant education articles. The coordinator also helps identify key member interests, investigates promising programs in Baltimore and nationally, and facilitates member interaction. Her position is funded now by eight of the group’s members.

Observations and Lessons Learned

Education Funders and its members have benefitted from:

- A large number of funders interested in education, many of whom are actively involved in ABAG’s programming as well as the Baltimore City High School Reform Initiative.
- A fluid membership structure that welcomes all funders who share an interest in education and enables them to participate in the group at varying levels of intensity.
- A group of grantmakers who recognized that staff support can help them learn more efficiently and are willing to fund that support.
- An experienced, effective chair from a major funding institution.

Education Funders has been and/or is challenged by:

- Very diverse interests of member organizations, which need to be included in the regular programming.
- Building understanding and respect between funders and the school district when many are skeptical about funding a large, public institution that has a mixed record of performance.^a
- Coordinator turnover once since inception, limiting long-term staff awareness of history and member interests.

HOW FUNDER COLLABORATIVES GET STARTED

Baltimore's Groups

There are three familiar factors that tend to be responsible for propelling funder groups into existence: a climate, a champion, and a critical issue. These are apparent, in varying degrees, in the four ABAG groups.

A Climate: Each of the ABAG cooperatives started somewhat differently. What they had in common was a supportive environment and their active participation in ABAG, which resulted in strong interpersonal relationships, a local network of funders, and a congenial basis for meeting together. Moreover, while some regional associations have resisted playing an active leadership role in catalyzing collaboratives, ABAG is enthusiastic about collaborative groups and looks for opportunities to initiate and support them. ABAG's executive director and board president were part of the team doing the initial thinking as each of the Baltimore collaboratives developed.

A Champion: There seems to be general agreement, in Baltimore and in other cities, that a credible champion is a critical ingredient in the beginning stages of a funder group. That person (or sometimes persons) often brings coherence to the idea; engages colleagues; and provides initial energy, time, and sometimes dollars. The individual needs to have a vision of the possibilities, the capacity to transmit that vision to others, and the political savvy to know how to include those who need to be at the table. The champion must be willing to involve others in a substantive way and share the credit. And as one observer said, as a leader you need to "believe in yourself, have chutzpah, and not be afraid of people telling you no."

The Right Time for a Critical Issue: One of two factors typically acts as an incentive to cooperation. Either there is a crisis, a need, or a void of some kind that coincides with the grantmaking interests of the "credible champion," and/or a special opportunity arises,

^a In December 2003, the Baltimore City Public School system, which in 1997 was placed under state control due to falling reading and math test scores, experienced a \$52 million budget deficit that resulted in the layoff of more than 1,000 school system employees by the end of the calendar year.

often to leverage other dollars, such as national or governmental funding. (For more about the role of national funders in local cooperatives see Appendix III.) This is usually complemented by a perceived value to learning or working together – something that can't be done as easily (or at all) on one's own. The issue itself needs to be "ripe." Many successful funding collaboratives identify an emerging need or interest in a community, rather than one that has been funded by many for a long time. This allows everyone to learn together and find common ground for funding.

Beginnings in Other Cities

Leveraging funds that would not otherwise be available for an issue in the local community is obviously a compelling rationale for collaboration. Indeed, it is the most common factor in most of the collaboratives examined outside Baltimore. Six of the groups included national or government funding. Attracting other dollars allows a funder to have more impact on the issues and strategies the funder believes are important. Consider these collaborations:

- The Washington AIDS Partnership was part of the Ford Foundation AIDS Partnership. Ford identified conveners in DC to establish local grantmaking collaboratives and provided seed and match funds for the collaborative.
- The Washington Community Development Support collaborative, which works to revitalize and stabilize distressed DC neighborhoods, was initially encouraged by leaders who knew about Ford Foundation grants in community economic development in other cities and sought them for Washington.
- The Fund for Immigrants and Refugees in Chicago was encouraged by funds from the Emma Lazarus Fund (an Open Society Institute Fund) plus the opportunity to include funding from a locally based national foundation.
- Seattle's Project Lift-Off Opportunity Fund has access to matching state dollars. It began with a funder who was interested in finding a way for philanthropy and government to work together. She had a great deal of experience in collaboration and continued promoting the idea with the help of the local regional association director.
- The Philanthropic Collaborative for a Healthy Georgia is based in Atlanta but leverages matching state funds. It grew out of a conference at which the governor challenged the business and philanthropic sectors to work with state government to address health care problems.
- The Rochester Early Childhood Development Initiative was helped originally by funds provided to the community foundation as part of the Ford Foundation Community Foundation Project. However, its beginning was in the business community and the Chamber of Commerce, focusing on the issue of child care. It was also moved along by a community philanthropist and activist who helped raise funds to support improvements in child care. This collaborative consists

predominantly of government and nonprofit organizations, but has had active funder involvement.

- In Northern California, collaboratives to provide summer youth programs, emergency loans, and financial management for technical assistance grants were started in the 1970s and 1980s, without any major outside funding (that anyone remembers!).

Many collaborative participants emphasized the early leadership and work that was critical to the beginning stages. Usually, one or two people from established organizations saw an opportunity and worked to involve others and raise interest in the issue. In Georgia, a well-liked and influential trustee played a significant role. In Rochester, a retired professional has been a champion and also volunteers 30 hours a week to manage the collaborative. Usually, the “champion” was in a position to gather others together, put resources on the table, and have the initial credibility that was attractive to national or government funders.

Because several of these collaboratives began in communities with little previous history of collaboration, a credible sponsoring organization was important. Like Baltimore, in Northern California, Washington, DC, and Chicago a local regional association was available. (Chicago’s collaborative –like the Baltimore Neighborhood Collaborative – developed an RFP and asked three organizations for proposals before choosing the regional association. One of the DC pooled funds was initially housed in a local foundation.) The Community Foundation in Seattle has provided a home for PLOOF, though the early startup phases were given strong support by the head of the regional association. Rochester’s initiative has been hosted by a community foundation, even though the collaborative itself is not funded. Although Georgia doesn’t have a formal history of collaboration, “everybody pretty much knows everybody;” a donor, and later a pool of donors, provided funds for the Health Policy Center to provide information and start up coordination support for the collaborative.

WHAT KEEPS FUNDER COLLABORATIVES GOING

Key words to the survival and effectiveness of a collaborative group are *flexibility* and *evolution*. These are apparent throughout profiles of the four Baltimore groups.

Similarly, the leaders of collaboratives in other cities talked about changes that had happened over time.

- The earliest collaboratives, in San Francisco, have continued to sharpen their focus and respond to changes in the funding climate.
- One of the DC collaborative directors said, “We have to keep it fresh with a strategic plan and evaluation.”

- The Seattle group has completely changed its organizational structure to allow teams to have more direct responsibility and to involve people in more significant ways.
- Georgia's group didn't want a formal membership, but wants to stay fluid, flexible and informal with shared leadership. It has a steering committee with a convener.
- After six years, the Chicago Fund for Immigrants and Refugees felt that significant changes had occurred, it had accomplished a great deal, and the funding climate had changed. The group worked with its grantees to end the fund.

All the non-Baltimore collaboratives had ongoing staffing of some kind, but with many different patterns.

- The Georgia initiative raised \$5,000 to \$10,000 each from about a dozen organizations to support coordination by the Georgia Health Policy Center.
- Rochester's group is fortunate to have a volunteer convener, a retired professional who works 30 hours a week.
- The Chicago Fund for Immigrants and Refugees was housed at the local regional association, but had its own very competent staff of two.
- Collaborative staff in both of the DC groups are an integral part of the way the AIDS partnership and community development collaboratives have been developed. An essential part of the work is technical assistance. In addition, Ford-supported collaboratives usually provide opportunities for staff from various sites to meet and learn together.
- The Seattle collaborative uses an independent consultant who focuses on facilitating the group's involvement. One member says, "She nudges us, reminds us, lays out options, gives us as much as we can take, and fills in the gaps."
- The Northern California efforts use regional association staff and charge the individual collaboratives a percentage of salaries, overhead and direct costs.

THE BENEFITS OF COLLABORATION

Members of funder groups participate for many different reasons, both personal and organizational. Participants cite a long list of benefits to themselves and their institutions in being part of the group. Benefits are cited extensively in *Patterns of Cooperation Among Grantmakers*, and in recent papers by Ralph Hamilton, Janet Heroux, and Elwood Hopkins.

From the literature, several seem particularly important at the local level.

1. The ability to accomplish as a group that which cannot be done easily independently.

Emerging issues are often complex and most funders cannot hope to solve them alone. While beneficial to all participants, funder learning networks and collaboratives are particularly helpful to smaller funders who gain access to information, planning, staff, and other resources they cannot easily get otherwise. This is especially important for larger community-wide projects, with system change that involves many stakeholders, because they usually need more than one voice, as well as the level of resources that results from shared funding. And, most importantly to attract outside dollars, there usually needs to be a funder group working to provide credibility, local connections, and context, as well as matching funds.

2. The ability to learn and grow professionally and maximize grantmaking efficiencies.

Members of funder networks and collaboratives cited learning many things as a result of their participation. The most obvious is knowledge about the particular issue of focus. As one interviewee said, "You can go deep about an issue quickly." However, funders also learn more about the community in which they work and individual grantee organizations that align with their interests, which maximizes their grantmaking efficiency. One funder said, "The collaborative can provide the resource work that is needed to identify and evaluate potential grantees, freeing me up to focus on other areas of my program." Learning networks also bring efficient ways to explore work in other cities, and to learn more about regional issues.

Funders also gain knowledge about the planning and grantmaking processes their colleagues use, how to think about a site visit, organizations connected with but outside their major field of interest, defining problems, reaching agreement, and even taking risks. This experience is extraordinarily valuable as funders often work in an isolated, protected world; funder networks and collaboratives open the lens a bit. One funder said, "The collaborative has helped us become community leaders and helped us grow professionally."

3. The capacity to democratize local philanthropy.

Hopkins suggests that funder collaboratives have the potential to improve philanthropic governance across foundations in terms of the way democratic decision making takes place wherever shared assets or funding coordination is involved. In particular, he notes that aside from the obvious benefits of pooling financial investments and combining knowledge, the collaborative represents a constructive balance of power, ideas, and strategies. This, in effect, has the power to democratize local philanthropy where "big" players often out-shadow smaller ones. Collaboratives enable small funders to be part of something much larger and more significant yet have an equal voice in the process. This is particularly important at the local level where the power and influence of a large funder, which may also operate nationally, can drive the philanthropic agenda and unwittingly discourage active engagement among smaller funders. Further, some larger

funders see the collaborative as an opportunity to be “good citizens” – to contribute to an area that is not usually part of the foundation’s agenda, without major staff time. Their contributions help reinforce a supportive local environment for philanthropy.

4. Access to a rich network of colleagues.

The process of learning together can build strong networks. Individuals can share their knowledge and discover who in the group can help when they have questions. Collaborative members usually support each other and enjoy working together (at least most of the time). It is often a pathway to resource people or building a personal network of key colleagues in an area. As an interviewee noted, “You learn who to call.” One staff person said he works to make sure the collaborative group has “enjoyable experiences and *fun!*” New funders to an issue or area, or the newly hired, therefore, find participation in a cooperative particularly helpful.

5. The freedom to make grantmaking decisions and/or stretch the foundation’s areas of interest.

The issue of power as it relates to the grant decision process is not often talked about directly by funders, but is reflected in their conversations about the benefits of being a member of a collaborative. Foundation professionals – and even family members who may serve as staff for their foundations – are usually responsible for *recommending* grant approvals but not making them; those decisions typically occur at the trustee level. A pooled fund gives an individual staff person a direct say in how resources are allocated and the flexibility to support programs or organizations that might fall outside of the foundation’s funding area(s). Hopkins argues that this independent decision-making power also distributes philanthropic risk, enabling funders to act more entrepreneurially than when authorizing grants within their own foundations.

Further, participating in the decision-making process for the collaborative gives staff a window into board-level decisions, which can help a funder better understand the role and needs of the board he or she works with. Some funders have also suggested that their experiences working together have helped them to better understand the nature and difficulty of collaboration, which they often encourage among grantees.

PRINCIPLES AND PRACTICES OF EFFECTIVE FUNDER COOPERATIVES AND COLLABORATIVES

One interviewee aptly noted, “A small group of people can get a lot done if there is good chemistry and a lot of passion, and if the plan they set out to do is doable and also inspiring enough to surmount the natural obstacles.” Conversely, it can be very difficult for a group of people – who are often representing institutions – to come together in a productive, mutually rewarding philanthropic experience. Effective funder collaboratives share some or all of the following principles and practices:

They add value.

Funder learning networks, shared funding, and pooled funds must provide a value that exceeds their cost in time and dollars. Each participant must review the potential value and assess whether one of these approaches will add value for that issue and for their organization at this time. It obviously takes much less time and fewer dollars to participate in a learning community than a pooled fund, and therefore the value added will be different. As noted in *Patterns of Cooperation Among Grantmakers*, “At [a collaboration’s] best, it is a tremendously exciting and creative venture. At its worst, it is tedious, time consuming and without concrete results.”

They consider the community context.

Funder communities probably have a practical limit on the number of collaboratives they can support at any one time. Because these groups have to be of a critical size with a number of members involved in order to be credible and effective, funders need to think strategically about community priorities before setting up a new collaborative. As one observer said, “Funders can get real weary.”

Timing on the issue in that particular community is also critical: for instance, a new school superintendent made change more likely in Baltimore. Many funders also believe that new or emerging issues in the community are more viable for collaborative work, rather than an issue on which everyone already has a position.

They develop a clear agreement on mission and results.

Funders know this is the starting point for good grantmaking. It is also the starting point for working together effectively. It can take time and learning to reach agreement but is a critically important step. The most effective collaboratives seem to have started with a shared interest in a particular issue or problem, but openness to considering various approaches to dealing with that issue. The careful discussion and agreement on mission and expected results support the development of a group that can effectively make decisions to realize those results.

They match expectations to resources, both volunteer and staff.

Everybody says that funder groups take a lot of time – especially during the start-up phase. Having the right staff and volunteer resources is critical for effective operations. If the group wants and expects an expert to help frame issues and identify resources, it requires staff unless an individual group member is in a position to spend significant time leading it. More loosely configured learning networks can be effective with a minimal amount of staff support and committed volunteer leadership, but pooled funding groups generally require staffing.

The level of staffing depends primarily on the group’s expectations. However, most pooled funding collaboratives are dealing with complex issues that individual funders do not have clear answers for or they would be most likely funding individually. Staff knowledgeable in the subject and in group process is important. Some funders understand that this is a good use of staff time and provide significant support to staff to assist learning networks; the shared staff maximizes efficiency.

They reach agreement on how the group will work together.

The group needs to be clear about what the expectations are for participants, including issues such as marketing to your own organization, contributing funds, attending meetings, serving on committees, and making grant decisions. Communication needs to be clear. Disclosure and conflicts of interest need to be considered. Usually funding collaboratives give one vote to each member, regardless of size, and consider only the votes of those present at the time a decision is being made.

They balance the work between process and results.

As one person said, “Pick some low-hanging fruit and move out. We could have designed the perfect collaborative, but early successes were very important; we celebrated them.” Others felt they were not clear enough about expected results at the beginning and that led to later problems. One of the skills of good collaborative leadership seems to be knowing how to move the process along at the right pace.

They balance the role of funder and grantee and concomitant reporting requirements.

Collaboratives that seek funding of any kind from members – for staff support or as a contribution to a pooled fund – essentially become grantees to their own member funders. That is, when members make grants to the host organization in support of the collaborative, they create a funder-grantee relationship with the collaborative itself, which typically requires some level of reporting back to the funder (even though the funder is the member!). Some funders have different processes for these kinds of grantmaking activities, but others require the collaborative to follow the same procedures as other grantees. This can sometimes lead to confusion and/or significant reporting burdens for the collaborative’s staff.

Fundraising is usually considered a role for the collaborative’s members rather than staff. However, as with most nonprofits, whatever the board role, the staff needs to provide organization and leadership for the effort. When collaboratives are housed in regional associations, there is the potential for confusion about the association’s role in raising money for its own activities versus those of the collaborative. This may also be problematic for program officers who must distinguish – or explain – to their trustees multiple grants to the same organization.

A third relationship level is between the collaborative and its grantee organizations. This needs to be structured carefully, so that it isn’t or doesn’t seem to be another layer of bureaucracy or another group absorbing all the dollars on that particular issue.

They provide flexibility for funder participation.

Early collaborative groups tended to begin with firm rules and expectations regarding participation. Over time, circumstances have required many to become more flexible.

There has usually been understanding that everyone could not fund at the same level, but some of the newer collaboratives are also offering flexibility in the ways funders give their money: pooled funds, aligned grants, one-year versus multi-year, or the opportunity to earmark grants. Collaboratives today are also welcoming members who want to participate at different levels: money only, occasional meetings, or serious learning and leadership.

They set a tone of personal attention and intentional inclusiveness.

Unless the project is very short-term, time brings changes to funder groups. People change jobs, so the same organization may have a different representative; new funders may join the group, others may move on to different issues. Most ongoing groups have a key volunteer or staff person who helps to keep members connected and helps to resolve issues when there are disagreements or disappointments. These liaisons also reach out to new funders who might be interested in joining the group and make sure that newcomers are welcomed.

Funder groups need to work for real inclusion of everyone, not only those with the most power or dollars. The group needs to believe that everyone's voice deserves to be heard and can add value. This approach balances the difference in power that can get in the way of true collaboration.

They are nimble over time.

To quote from *The Nimble Collaborative: Fine-Tuning Your Collaboration for Lasting Success*, "The word nimble implies responsiveness, an ability to change as circumstances change. Collaborations use complex ideas to resolve complex problems. The challenges are complicated and the conditions often fluctuate. Resiliency implies that the partners move and shift to accommodate circumstances they cannot control. At the same time, partners retain the core of the collaboration's mission. This requires a structure that can flex without breaking."

REGIONAL ASSOCIATIONS AND FUNDER COOPERATION

Elwood Hopkins argues that if philanthropy is to become more effective it will need to develop an infrastructure that will catalyze and support collaboration. He suggests that while regional associations have a vested interest in improving the effectiveness of philanthropy, they are an underutilized resource for growing collaboration. Over the past 15 years, regional associations of grantmakers have continued to evolve and have become involved in a variety of activities. However, they differ in their organizational patterns and in their sponsorship of funder cooperation; many choose to focus strictly on member services.

City-based associations, or those that focus on a small region of grantmakers (e.g., Baltimore and its immediate suburbs), are the most likely – and perhaps best-positioned – to encourage and/or sponsor local funder groups. Such city-based associations typically have strong local connections and staff frequently has personal relationships

with the funders they serve. Further, the funders are more likely to know one another already and may be more receptive to the idea of forming a learning network and/or working together. Last, collaboration at this geographic level may be more manageable than a statewide focus, which can quickly become unwieldy.

Value Added for the Regional Association

It is unclear precisely why regional associations remain an underutilized supporting infrastructure when it comes to funder cooperatives. Hopkins notes that factors may include resource and infrastructure constraints, the challenge of balancing the master/servant role, a lack of leadership, or perceived issues of favoritism that may arise if the association supports one group of members to the disadvantage of others. Further, to pursue strategic funder collaboration, regional associations need to become larger financial intermediaries capable of pooling, aggregating, segregating, tracking, managing, auditing, and reporting on a multitude of funds.

Despite the challenges, there are a number of benefits to a regional association to sponsoring a funding group. As noted in *Catalysts for Cooperation: The Role of Regional Associations of Grantmakers in Collaborative Grantmaking*, they include:

- *Provide visibility for the regional association.* Regional association leaders say that collaborations give them an important level of visibility: the association itself is seen as a player in key community issues. Members realize that the regional association setting allows them to accomplish things more effectively than they could on their own. They see a direct value to their association membership.
- *Provide members with a sense of accomplishment/pride.* Members are often pleased with the research or ideas developed in the collaboration. They value the outside funds brought to the community. They are pleased to be part of an initiative that looks at communities holistically.
- *Provide members with more focused networking opportunities.* This is usually a key reason for belonging to a regional association.
- *Offer members an opportunity for professional development.* More experienced members find collaboration groups a new challenge and more targeted learning experience. Newer members can experience a quick learning curve.
- *Provide regional association staff with new opportunities.* Collaborative activities are more hands-on, allowing regional association staff to better understand grantmaking processes and procedures. Collaboration allows staff to operate more directly in the community, becoming aware of new resources and strengthening their roles in networking.

With all these benefits – many of which were reaffirmed by participants in this study – it is not clear why this role isn't key for every local regional association. It is certainly true, as the four ABAG profiles show, that there are challenges, dilemmas, and time and resource issues that need to be considered. However, it seems that the learning and

experiences in funder cooperative groups adds significantly to the value for both regional association members and for staff, and therefore are likely to be of substantial benefit to the regional association.

APPENDIX I.
ABAG’S APPROACH AND POLICY GUIDELINES ON
COLLABORATIVE PROCESSES

In March 1997, ABAG adopted a policy supporting grantmaking collaboratives, stating that such groups “can help . . . members increase their understanding of complex social issues, enhance the impact of their grants, and promote philanthropy in targeted fields.”

ABAG has a full-time program manager available to provide basic support to “learning networks.” The manager works with interested grantmakers to plan three or four educational programs a year, and to ensure that funders who share an interest are invited to meetings and provided timely information. ABAG also works to make it easy for members to communicate with each other.

This support is part of what ABAG members receive for their dues, and all members are welcome to participate in the programs. In addition, ABAG is supportive of organizations that might not be eligible for membership and encourages nonmembers to become part of the process if they are interested.

If a learning network wants to function as a collaborative fund, there are specific guidelines for presenting a proposal to the ABAG board to request that ABAG act as a fiscal agent for a collaborative group. These guidelines include delegating the authority to make grant decisions to the collaborative, with the board ratifying actions before grantees are notified. A collaborative awards grants in its own name. ABAG segregates the group’s funds and accounts for them separately.

Association of Baltimore Area Grantmakers
Policy Guidelines for Grantmaking Collaboratives

The Association of Baltimore Area Grantmakers (ABAG) believes that grantmaking collaboratives can help its members increase their understanding of complex social issues, enhance the impact of their grants, and promote philanthropy in targeted fields. The organization is therefore committed to facilitating collaborative grantmaking by its members.

ABAG supports the collaborative process by: surveying and distributing information regarding members’ areas of interest and expertise; convening educational programs and member roundtable discussions on issues of common interest; publicizing local needs and opportunities that could benefit from a collective response from the donor community; and, monitoring national initiatives that offer funding for grantmaking collaboratives. In addition, ABAG administers and serves as the fiscal agent for collaborative grantmaking efforts initiated by its members, provided the collaboratives are established and operated as ABAG projects in accordance with the process and guidelines set forth below.

Adopted by the Board of Directors 3/97

PROCESS TO ESTABLISH A GRANTMAKING COLLABORATIVE

Step One:

ABAG members interested in establishing a grantmaking collaborative under ABAG's auspices will prepare a proposal for consideration by the ABAG Board of Directors. The three to five page proposal should include:

- a rationale explaining why ABAG is the most appropriate organizational umbrella for the collaborative;
- an explanation of the value added by conducting the grantmaking program through a collaborative and the extent to which A3AG members have already indicated an interest in participating in the collaborative;
- the purpose and programmatic goals of the funding collaborative;
- the collaborative's decision making structure and grantmaking process;
- the collaborative's fundraising goal and plan, including a budget and plan for covering its administrative costs;
- the collaborative's administrative structure, including proposed staff and/or consultant support;
- the program's timetable, not to exceed three years;
- evidence of support for or interest in the collaborative by prospective grantees;
- a description and rationale for the proposed geographic scope of the collaborative's grantmaking; and
- a plan for evaluating the effectiveness of the collaborative structure and the grantmaking program.

Step Two:

ABAG staff will provide the general membership with a brief summary of the proposal and the date of the meeting at which the ABAG Board of Directors will consider the proposal. ABAG members will have a period of at least two weeks to comment on the proposal.

Step Three:

After the general membership has had the opportunity to comment on the proposed funding collaborative, the Board of Directors will evaluate the proposal to determine

whether the proposed grantmaking collaborative meets the following criteria:

- the original impetus and ongoing leadership for the collaborative comes from the membership of ABAG;
- the purpose and programmatic goals of the collaborative fit within the mission of ABAG;
- there is significant interest in the proposed program among the membership of ABAG;
- ABAG staff and/or proposed collaborative staff or consultants have sufficient capacity and expertise to carry out the program;
- the proposal outlines a clear, participatory governance structure;
- ABAG is the most appropriate local organizational umbrella for the project;
- there is value added by conducting the program through a grantmaking collaborative rather than through individual donor programs;
- the proposed collaborative budget includes sufficient funds to cover costs that ABAG will incur in administering and overseeing the program and the collaborative's fundraising plan appears to be reasonable; and
- the establishment of the collaborative, viewed in conjunction with existing ABAG commitments, will not overextend ABAG's human, physical or financial resources.

Step Four:

If the proposal is approved, the Board of Directors delegates to the collaborative the authority to:

- develop the membership of the collaborative, provided that the majority are ABAG members;
- select a representative of an ABAG member to serve as chair of the collaborative (or, if desirable, two representatives of ABAG members to serve as co-chairs);
- raise and disburse funds to further the purpose of the collaborative, provided that the collaborative does not award grants in excess of the amount of funds it has received in firm pledges' from its members; and
- operate and manage the project in accordance with the proposal approved by the ABAG Board of Directors and with ABAG Operating Policies for Grantmaking

Collaboratives.

OPERATING POLICIES FOR GRANTMAKING COLLABORATIVES

1. The majority of collaborative members and the chair(s) must represent ABAG members. The executive director of ABAG is a member of the collaborative.
2. The Board of Directors will periodically invite the chair(s) of the collaborative (or a designee) to its quarterly meetings to report on the collaborative's membership, fundraising, programmatic activities, accomplishments and challenges.
3. The collaborative will provide the Board of Directors with a semi-annual update and a written annual report, including a financial statement. The Board of Directors will share the annual report with the general membership of ABAG.
4. Upon the completion of the project, the collaborative will evaluate the results of its work and prepare a final report for the ABAG Board of Directors that analyzes the extent to which the collaborative has achieved its goals.
5. The collaborative may not commit to a public policy position without the prior approval of the ABAG Board of Directors. Once the ABAG Board of Directors has provided the requested approval, the collaborative may take a position on its behalf only and not on behalf of ABAG.
6. The collaborative must seek the approval of the ABAG Board of Directors in the event it seeks to change its purpose, governance structure, or programmatic or financial goals.

Fundraising

Members of the collaborative or their designated staff/consultant shall conduct fundraising to support the activities of the collaborative. ABAG staff not employed by the collaborative may provide administrative support but may not participate in the direct solicitation of funds for the collaborative.

Grantmaking

1. Once a funder makes a grant to the collaborative, the funder delegates control of the funds and authority to make grant decisions to the collaborative in accordance with its governance procedures and policies.
2. ABAG strongly encourages funders to make general rather than restricted grants to support the work of collaboratives.
3. The collaborative will award grants in its own name and print award letters on stationery bearing its name. The collaborative chair and, if desired, a collaborative

staff member, shall sign award letters. Only the ABAG executive director shall sign checks.

4. While the ABAG Board of Directors delegates the authority to make grant decisions to the collaborative, it must ratify those decisions. Therefore, the collaborative will prepare a list of grant decisions it has made since its inception or, if ongoing, since the previous ABAG Board meeting. The list shall contain a description of the purpose, size, and term of each grant as well as any conditions attached to each grant. The collaborative may not notify grantees of its decisions until the ABAG Board of Directors ratifies each action. It is the expectation of the ABAG Board of Directors that the extensive work of the collaborative leading to its grant decisions will serve as a reliable basis for ratifying those decisions.

Administration

1. The ABAG Board of Directors may authorize a grantmaking collaborative for up to three years. At the end of the approved period, the collaborative may seek re-authorization.
2. Donors shall contribute funds for the collaborative directly to ABAG. ABAG shall segregate collaborative funds and account separately for collaborative funds on its books.
3. ABAG shall invest all collaborative funds in accounts at financial institutions that are generally eligible for ABAG investments (see ABAG Investment Policy, 3/98).
4. The collaborative shall cover all expenses related to its administration and programs, including an annual administrative fee to cover ABAG staff time and related overhead expenses.
5. The ABAG executive director and the collaborative shall jointly hire collaborative staff and consultants. Collaborative staff and consultants shall report to the ABAG executive director or to his/her designee.
6. At the termination of the collaborative, any unexpended funds will, at the discretion of each funder, be returned to the funder, on a pro-rated basis, or be distributed to qualified entities per the directive of the collaborative. The collaborative will distribute unexpended funds to qualified entities only after receiving the approval to do so from the ABAG Board.

**APPENDIX II.
LIST OF STUDY PARTICIPANTS**

The author thanks all those who agreed to be interviewed. Their good ideas are the basis of this paper.

Baltimore Interviewees:

Lynn Bopp, MSFC founding member (then with the Governor's Office of Service and Volunteerism)

Cathy Brill, MSFC coordinator

Amy Colhoun, ABAG program manager and support staff for affinity groups

Lara Hall, MSFC chair, Blaustein Philanthropic Group

Diana Morris, former ABAG board chair, Open Society Institute–Baltimore

Betsy Nelson, ABAG executive director

Betsy Ringel, member of BNC, Education Funders, and Environmental Funders, Blaustein Philanthropic Group

Gail Sanders, BNC founding member (then at Signet Bank)

Sally Scott, chair of BNC Technical Assistance Committee, Goldseker Foundation

Ann Sherrill, BNC director

Frances Van Voorhis, former Education Funders Affinity Group Coordinator

Kerry Whitacre, Education Funders Affinity Group coordinator

Mary Wyatt, Environmental Funders Affinity Group chair, TKF Foundation

Baltimore Focus Group: Penny Anderson (United Way of Central Maryland), Jane Brown (Robert W. Deutsch Foundation), K.C. Burton (Annie E. Casey Foundation), Carol Gilbert (Goldseker Foundation), Pamela King (Open Society Institute–Baltimore), Patricia Rhodes (SunTrust Bank), Sally Scott (Goldseker Foundation), Suzanne Wolff (formerly with Mercantile Bank)

Baltimore Staff Focus Group: Amy Colhoun (program manager), Ann Sherrill (BNC director), Nia Thornton (BNC technical assistance coordinator), Tracey Rutnik (evaluation director), Kim English (philanthropy fellow)

Contacts in Other Cities

Chicago, Fund for Immigrants and Refugees: Alice Cottingham, former executive director

Georgia, Philanthropic Collaborative for a Healthy Georgia: Bobbi Cleveland, Tull Foundation

Northern California, summer programs for kids, Emergency Loan Funds, Financial Management Technical Assistance grants: Judy Berger, Northern California Grantmakers

Rochester, Early Childhood Development Initiative: Lori Van Auken, Rochester Area Community Foundation

Seattle, Project Lift-Off Opportunity Fund: Kathleen Pierce, Kirkpatrick Family Foundation, and Alice Shobe, Philanthropy Northwest

Washington, DC, Washington Aids Partnership: Channing Wickham, staff

Washington, DC, Community Development Support Collaborative: Marty Mellet, staff

APPENDIX III.

The Role and Influence of National Funders

While conducting the research for this report, the Annie E. Casey Foundation requested that ABAG also explore the role and influence of national funders in local philanthropy. While that research question was outside the original scope of this project—and involved separate interviews with select program officers from national foundations, regional association executives, and consultants—it was also worth exploring in the context of this report on funder collaboratives. The findings from Alice Buhl’s inquiry are provided here. A full report on the role and influence of national funders on local philanthropy is available upon request from ABAG.

The Importance of National Funders

Funding from outside the “usual suspects” – often from national foundations, but sometimes from government sources as well – is a highly attractive incentive and, as one person said, “very welcome.” Some of the benefits:

- National funders have access to expertise, resources, colleagues, and a national perspective.
- National funders can support a controversial issue in ways that help funders move ahead. The Ford Foundation’s AIDS initiative support is an example of this.
- National funders can provide a framework or starting place. The Gates Foundation’s work in high school reform and particularly with the smaller school concept provided a specific beginning point for the Baltimore high school reform project.
- At their best, national funders focus on shared goals or outcomes and are flexible about the ways to get there.

The benefits for national funders in a local collaborative are:

- It is often hard for national funders to connect to work on the ground. Local collaboratives offer a local learning laboratory, with partners in grassroots neighborhoods.
- The learning in local groups can be shared and can strengthen the national foundation’s work in other cities and states.
- The collaborative can offer an opportunity to influence local grant dollars through matching funds.
- The collaborative may be a way to distribute major funds with local oversight and less national staff time.

National funding has several major patterns:

- There is a specific RFP. This is often a pattern of government collaborative projects but also has been key in the work of national foundations such as Robert Wood Johnson. The national funder is explicit about what it wants to fund, invites proposals, and funds those that seem most promising to accomplish the goals it is furthering.
- A national funder may want to accomplish a goal that needs to be implemented at the local level, and determines in which cities it will fund activities to accomplish this goal. This is usually a less formal process, but it can be extensive. The Annie E. Casey Foundation has done this with its Partnering and Place initiative, and the Ford Foundation has done it with, for example, community economic development and community foundations. The national funder then often provides opportunities for chosen cities to link and learn from each other. Sometimes, as in the Gates grant for high school reform, the national funder is actively solicited. Most national funders require a local match of some kind.
- National funders also provide funds for existing collaboratives that accomplish goals the foundation thinks are important. In this case, a proposal for funding is developed by the collaborative group.

It seems as if the most complex set of relationships exists in the middle category. Some national funders come to a community with relatively broad agendas; they listen and respect the conditions in the local community. Other funders have been known to come to the table as experts, dominating the conversation with either knowledge (possibly theoretical) or an inflexible point of view on how the problem can be solved. One local funder said, "We want a dialogue, not an edict."

What are the most important suggestions for national funders from local funders?

- Be clear about why you want to work through a funder collaborative, what you hope to get out of it, and what success will look like for you.
- Be specific, honest, and up-front about any agendas you have.
- Be clear about what resources – time, dollars, talent – you will bring to the table.
- Understand and believe that every community will have its own local solution.
- Push to make sure the local group is mission driven and not just chasing dollars.
- Look for a local partner or funding group you can trust, and then trust this partner.

- Make clear the role you want to play in the ongoing work of the collaborative and clearly assign staff so ongoing relationships can develop.

Finally, there is the issue of the role of national funders in collaborative work in the community where they are located. Most national funders do have a funding presence in their home communities, and this is often different from its national funding goals. It is helpful if the national funder is deliberate about its local presence and about the ways it will participate locally in funder groups. National funders have a great deal to offer locally, but need to balance their roles carefully.

APPENDIX IV.

ANNOTATED LIST OF PUBLICATIONS AND REPORTS CITED

Buhl, Alice, *Catalysts for Cooperation: The Role of Regional Associations of Grantmakers in Collaborative Grantmaking*, Council on Foundations, 1993

This guide for RAG boards and other decision-makers is designed as a companion piece to “Patterns of Cooperation Among Grantmakers.” This resource focuses on the special roles regional associations can and do play in making those cooperative relationships happen.

Buhl, Alice, *Patterns of Cooperation Among Grantmakers*, Council on Foundations, 1991

This was the first in-depth study of cooperation among grantmakers. It included information from interviews of more than 50 people in the field and covered four key areas: types and examples of cooperation, advantages of cooperation, characteristics of effective cooperation, and cautions and dilemmas of cooperation. The study’s major findings were: 1) Cooperation among grantmakers is increasing because of its many advantages in a complex grantmaking environment; 2) There are four types of cooperation among grantmakers: information exchanges, funding partnerships, study groups, and pooled funds; 3) Successful cooperative activities have a number of common characteristics, including paying attention not only to the substantive issues but to the process, participants having an understanding of their organization’s goals, leadership that understands community norms and has the capacity to develop an idea to an appropriate stage, and attention to the composition of the group and its strategy; 4) Grantmakers in the study argue that the disadvantages of cooperation should be understood and weighed, including loss of independence, setting an agenda for others, inappropriate expectations, and the time collaboration takes.

Hamilton, Ralph, *Moving Ideas and Money: Issues in Funder Collaboration*, Chapin Hall Center for Children, University of Chicago, 2002

Ralph Hamilton’s paper was commissioned by The Funders’ Network for Smart Growth and Livable Communities to deal with issues in and approaches to funding collaboration among funders. The paper presents a first-level analysis of funding collaboration drawn from across the field of philanthropy, but with a great deal of attention to the patterns in national funding collaboratives. It develops a typology of funder collaboration, reports general findings from a diverse sample of experienced collaborators, and frames tensions funders face when choosing and implementing a collaborative approach. The final section suggests cautions about collaboration, as well as opportunities that funder collaboration offers to philanthropy.

Heroux, Jane, *Greater Than the Sum of Our Parts?: A Local Funder’s Guide to Collaborating with Peers*, Council of New Jersey Grantmakers, October 2003

Janet Heroux draws from the experiences of national leaders and also describes four New Jersey funding collaboratives in depth. The paper outlines the benefits of collaboration, the risks, and their structure. Although the focus is local in the four collaboratives included, local in New Jersey also can mean statewide and in one case crossing state boundaries. The ten common characteristics of successful collaborations that the paper outlines are: 1) leadership skillful in group process to create genuine ownership among partners, 2) clear collaborative purposes and goals, 3) common group values and good accountability, 4) a balance of power among partners and autonomy of all partners, 5) authority at the table and partners able to speak for their organizations, 6) careful idea development and planning, 7) clarity and agreement on structure and governance options, 8) adequate organizational support, 9) equal recognition and credit to all partners, and 10) a defined time frame and a plan for the future.

Hopkins, Elwood, *Collaborative Philanthropies: What Groups of Foundations Can Do That Individual Foundations Cannot, Forthcoming.*

Hopkins, Director of the Los Angeles Urban Funders Collaborative, examines the growing trend of funder collaboration and gleans lessons from more than three dozen collaboratives across the country. The research suggests that funder collaboration can increase philanthropic efficiency, serve as a way of framing comprehensive solutions, act as a mechanism for better philanthropic governance, provide systems for better communications and knowledge management, and help set the direction for the philanthropic field.

Ray, Karen, *The Nimble Collaborative: Fine-Tuning Your Collaboration for Lasting Success*, Amherst H. Wilder Foundation, July 2002

The Nimble Collaborative is the most recent in a series of excellent books and workbooks on collaboration put out by the Wilder Foundation. Although they are written for collaborations generally and don't specifically address donor collaboration, there is much helpful information for funders. Funders who encourage collaboration by their grantees would find them particularly useful.

