

INVESTING TOGETHER FOR KIDS WORKS

The Benefits, Challenges and Impacts of Collaborative Funding



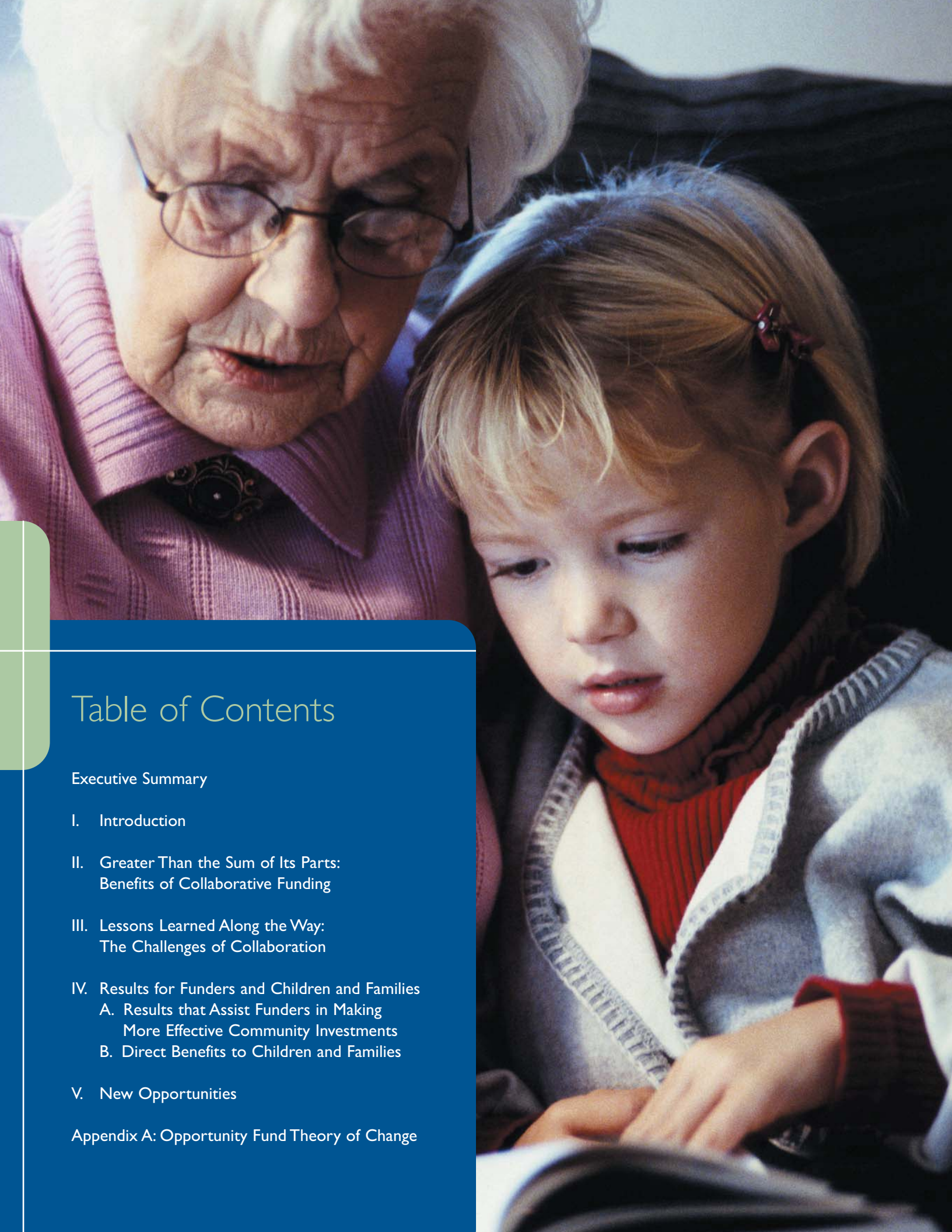


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Appendix A: Opportunity Fund Theory of Change

The SOAR Opportunity Fund (“Opportunity Fund”) is one of a few funder collaborations in the country that successfully involves both public and private funders. The driving force of our work has been our shared belief that we could tackle more complex problems and create more powerful results than any of us could do alone. After five years, we have substantiated that belief, producing groundbreaking changes for children and families, while collectively honing our skills to make effective community investments.

From 2001 to 2005, twenty-seven private and corporate funders participated in the collaborative, for varied lengths of time, along with the City of Seattle and King County. Our goal was to increase the quantity and quality of early learning and out-of-school activities for children and youth in King County. From 2001 to 2005, the Opportunity Fund made narrowly targeted Pooled Fund grants of over \$1,235,000 million to community-based organizations, and invested over \$1,165,000 through Public Matching Grants to community agencies providing a range of services for children, youth and families. During this same period, individual private members reported over \$16 million in Aligned Grants, which advanced the Fund’s overall goals of

high quality child care, after school care, youth development, and family support. (See Section V for financial data.)

Executive Summary

COLLABORATION WORKS

Looking back on the Opportunity Fund experience, we appreciate that many of our early assumptions about the powerful potential for collaborative funding were on target. For example, working collaboratively resulted in increased visibility, leverage, and clout with policymakers; an ongoing, solid network of better informed, collectively focused, and mutually supportive funders; identification of service gaps that came to our attention due to the big picture nature of collaboration; and service strategies that were better aligned and focused.

Lessons Learned About Collaboration

Our successes did not come without challenges. We have distilled much of what we learned into the following lessons:

1. Develop shared goals that address diverse beliefs about the purposes and processes of collaboration. Funders have different beliefs about how to start a collaboration, hold different viewpoints on whether a broader or more narrow topic is more appealing, and engage in different dynamics if they have joined together around a specific passion rather than the concept of collaboration itself.

2. Meet the needs of individual member representatives. Motivation for joining a collaboration differs among individual participants (e.g., corporate visibility, networking, leveraging resources). We learned that it is important to identify these diverse needs early on and to be clear about what individual, as well as collective, purposes the collaborative can and cannot address.

3. Devote ample time and creative energy to keeping members informed and engaged. Our experience suggests that unless members remain meaningfully connected to each other and to the work of the collaborative, they lose interest quickly. On the other hand, the people who were

strongly engaged built bonds of trust that enabled them to share resources and responsibility and take the risks inherent in this type of challenging work.

4. Effective collaboration takes significant time: clarify expectations early and be realistic about members' ability to invest time. Several Opportunity Fund members reported that, given their other obligations, they found that the time involved was excessive for the amount of their investment.

5. Cross-sector partnerships present distinct challenges: study the unique assets and needs of each sector and work to build trust. The private sector is able to provide flexibility, community connections, and innovation, while the public sector has the broad systemic knowledge and resources required to bring effective solutions to scale. Nonetheless, stereotypes, politics, legal restrictions on government support of private initiatives, and organizational cultural differences can get in the way.

6. Many external variables are outside of the group's control: plan optimistically, but be aware of contingencies and stay flexible and nimble. We recognize that there is no one right way to do collaborative work and found that we needed to learn to function amidst changing external as well as internal environments (e.g., economic downturns, reduced resources, a change in elected officials).

7. Don't leave expected tenure indefinite: at the start, develop a clear exit strategy for both individual members and the organization. It is not unusual for us as grantmakers to have a limited attention span on particular topics and the Opportunity Fund experience did not deviate from this pattern. Many members experienced turnover in their staff or leadership, as well as changes in funding priorities within their organization. We believe that having a set lifespan for this collaborative (individually and as a group) would have made it less awkward to "let go" of members or structures that were not viewed as having continued value.

8. Systemic change takes time: participants need to see success in meeting near-term goals and also understand that ultimate success may take years. The family, friend, and neighbor caregiving efforts undertaken by the Opportunity Fund have taken three years to show clear progress and possibility for major benefits to children. Compared to other system change efforts, these investments have paid off relatively quickly, yet the leaders and organizations involved are just now hitting their stride.

Results for Funders

Many of us accumulated valuable information, skills, and resources from our participation in the Opportunity Fund. From this experience, we are now better prepared to make effective community investments, either on our own, or by joining with others. Among these positive outcomes and benefits are:

1. Creation of a strong network of community leaders
2. Leveraging of significant financial and intellectual resources
3. Increased visibility of important issues
4. Creation of an innovative funding model
5. Application of sophisticated tools for grantmaking
6. Joint learning and evaluation opportunities
7. More grantmakers involved in public policy development

Direct Benefits to Children and Families

Our major joint investments were focused on providing information, resources, and support to the family members, friends, and neighbors who provide most of the childcare to at least 25,000 children, ages birth to five, in King County. Our goal has been to help these important caregivers provide high quality learning and development opportunities to the babies, toddlers, and pre-schoolers they care for, so those children can succeed in school and life.

Family, friend, and neighbor (FFN) caregiving has been largely overlooked in child development and school readiness efforts, although two-thirds of the caregivers say they would like some training or support. We made grants to community agencies to help them learn how to identify and engage FFN caregivers and provide helpful resources. We believe most of the resources needed by FFN caregivers can be provided by encouraging existing child and family programs and organizations to embrace FFN caregivers and the children in their care as important constituents. A new system does not need to be created. Our progress has been evaluated and is showing strong positive results.

During the last three years, the Opportunity Fund's pioneering outreach and direct service funding in this area have made a difference in the lives of hundreds of children and their caregivers in King County. The Fund's work on FFN childcare is also playing a critical role in state and national early care and learning policy discussions, potentially benefiting tens of thousands of children in Washington State and beyond. Our progress in bringing FFN caregiving into the spotlight, combined with the creation of effective service models and a cost-effective expansion and sustainability plan for a vital yet previously ignored segment of caregivers, would simply not have been possible without the assets and attributes of the Opportunity Fund.

Transition and New Opportunities

The important work that we started continues. The Opportunity Fund partners are now transitioning to a less formal method of working together. Some Fund members and other community leaders recently formed the *Family, Friend, and Neighbor Caregiving Leaders Group*, to implement the regional FFN strategic plan in a collaborative way that leverages all resources, preserves and builds on the investments made in FFN care, and provides ongoing opportunities for public-private collaboration.

Since the Opportunity Fund was formed, new collaborative efforts for children, youth, and families have evolved, and many of our members are now participating in those groups. The emergence of these groups and others has created a need for a forum in which to share learnings, identify unmet needs, and discern new opportunities for collaboration across those groups. Several Fund members plan to create an informal network to fulfill these functions.

We can now safely say that the results of our Opportunity Fund work clearly justify the energy expended. We are inspired to keep the collaborative spirit alive and to build on our remarkable work in the area of family, friend and neighbor caregiving, so that we can continue to create stronger communities, healthier families, and unlimited potential for *all* children.



The SOAR Opportunity Fund (“Opportunity Fund”) is one of a small but growing number of public and private funder collaboratives in the United States. From 2001 to 2005, twenty seven private and corporate funders participated for varied periods of time—along with the City of Seattle and King County—in joint efforts to increase the quantity and quality of early learning and out-of-school activities for children and youth in King County. The participants in this collaborative, all experienced funders who could have opted to continue a more solo strategy, instead made the choice to work together. We did this because of a collective desire to invest resources in a way that intuitively felt wiser, more efficient, and had greater potential for exponential impact. We galvanized around the idea of tackling complex needs and challenges, doing together what none of us could do alone.

With many successes during our five years, most notably our groundbreaking work on family, friend, and neighbor (FFN) childcare, Opportunity Fund members are now transitioning from a pooled fund model to a more informal and less expensive model of working together. We seek to continue and expand the

strong network we have built, so that public and private funders will be able to share learnings gained from the growing number of community-level partnerships focused on children and youth. We will also continue to seek new

opportunities for joint achievements in areas of common interest. Currently, there exist several compelling joint investment options, including a group that will carry on the promising FFN childcare initiatives.

The past five years have yielded a wealth of information and understanding. In this report, we are pleased to share highlights of what we’ve learned and gained from the collaborative process. At a time when more and more public and private funders are considering collaboration as a smart way to do business, we hope our members as well as other governments and foundations will profit from this overview of how we worked together, the benefits and challenges of collaboration, and the results we achieved for children, families, and funders.

History

The Opportunity Fund was created jointly by representatives of both sectors—public and private—and not by one inviting the other into an established framework. In 1999, initial discussions commenced between corporate and private philanthropists and the City of Seattle about formation of a funding collaborative. The first official meeting of the group was held in January 2001. The group named itself the Project Lift-Off Opportunity Fund, with the intent to enhance Project Lift-Off, a broad, community-based initiative that had developed a six-step Blueprint for Change, designed to improve early learning and out-of-school opportunities for children from birth to 18 in King County.

We considered ourselves a partner initiative of Project Lift-Off (now called SOAR) in promoting quality care and activities for children and youth, but maintained a separate governance structure with our own set of investments. Modeling ourselves after another funder collaborative, the San Francisco Quality Childcare Initiative, we adopted both its funding approach and emphasis on shared learning.

I. Introduction

Mission

The Opportunity Fund adopted as its mission: *to make investments that foster high quality, accessible, affordable, and parent-friendly early learning and out-of-school time opportunities for children and youth in King County, from birth to age 18 – so that all children and youth regardless of ethnic or cultural backgrounds, economic status, or where they live have equal opportunities to succeed in school and as adults.* Goals focused on creating high quality activities in the following areas:

- Early learning opportunities including pre-school and childcare
- After-school learning activities and care
- Youth development, recreation, and leadership opportunities
- Information and support for parents and families (added in 2004)

Our children need us to understand their lives, care about their success, and invest in things that work. They deserve the best academic and personal support we can provide. We owe them and ourselves no less. They are the parents, teachers, artists and leaders of tomorrow.

Opportunity Fund member

Funding approaches

The Opportunity Fund utilized a membership model with three funding approaches:

- The **Pooled Fund** consisted of member contributions of \$10,000 or more and was used to make grants in areas determined by the full membership and to pay a portion of the administrative costs of the partnership.
- **Private Aligned Fund** members committed to making grants of at least \$10,000 in the broad range of Opportunity Fund target areas, while also funding a part of the administrative costs.
- The **Public Matching Fund** engaged both the City of Seattle and King County in providing matching dollars for private grantmaking in the aligned areas.

Members chose a funding method and level that worked for them. Many private members chose to invest as both pooled and aligned funders and to participate in the public matching grant process. However, each member, regardless of investment level or category, had equal say in the Fund's overall strategy and direction. This choice of an inclusive, egalitarian model enabled funders who were unable or reticent about committing to a pooled fund to join with us. It also enabled public partners, with their unique constitutional and administrative limitations, to invest in ways that worked for them.



Members and structure

The full diversity of grantmakers—corporate, family and individual foundations, federated giving, individual donors, corporate giving offices, giving circles—have participated in the Opportunity Fund collaborative. Public funder participants were the City of Seattle and King County (through its Children and Families Commission). In 2004, the Governor's Head Start-State Collaboration Office was also a member.

The Fund was led by two co-chairs, each of whom served two years on a rotation that provided a year of overlap for continuity. Originally, the full Opportunity Fund group met monthly and major activities were carried out by six work groups, who also met monthly. One work group, the Leadership Work Group, carried out functions similar to those of an executive committee. Full group meetings were later reduced to a quarterly schedule, and the number of work groups was reduced to three and met on an as needed basis. In 2004, Project Lift-Off merged with the United Way Children's Initiative under the name of SOAR. The Fund changed its name to the SOAR Opportunity Fund and added a family support element to its mission.

Administrative support

Fiscal sponsor. The Seattle Foundation served as fiscal sponsor, providing a mechanism for pooled funding contributions and grants, and for contracting with consultants for evaluation and staffing services. It charged a modest fee for these services.

Staff support. Philanthropy Northwest, a regional association of grantmakers, provided initial staffing at about 20 hours a week. In addition, to keep things moving, some members of the Opportunity Fund provided significant time related to staff tasks. From 2002 through 2005, consultants Nancy Ashley and Christina Malecka of Heliotrope provided staff support. Staff time expended during that period averaged 12-15 hours a week.

Members continually affirmed the need for paid staff to provide a central point for coordination and communications, planning and budgeting support, grants management, and logistics. We agreed that staff support was essential to sustain this complex collaboration, even with the significant cost involved (see *Section V for financial data*).

Staff support also evolved to an active role in organizational development, grant oversight, FFN fund development, and strategic planning. In addition to paid staff time, people serving on the Leadership Work Group of the Opportunity Fund spent many hours on staff-level tasks, especially as the collaboration was being formed. Also, staff of the City of Seattle and the lead staff person for Project Lift-Off provided valuable research information and very generous amounts of time and expertise.

Looking back on the Opportunity Fund experience, we realize that many of our early assumptions about the powerful potential for collaborative funding were on target. For example, working collaboratively resulted in increased visibility, leverage, and clout with policymakers; an ongoing, solid network of better informed, collectively focused, and mutually supportive funders; identification of service gaps that came to our attention due to the big picture nature of collaboration (e.g., FFN childcare); and service strategies that were better aligned and focused.

II. Greater than the sum of its parts: BENEFITS OF COLLABORATIVE FUNDING

As gratifying as it is to have the anticipated benefits of collaboration come to fruition, we are also aware of the more challenging lessons we learned about collaboration among funders. Inventing better systems and models is an iterative process, and we have learned a good deal from what was hard and/or unexpected. We hope other groups gain insight from both our successes and our challenges and benefit from them in future collaborative funding models.

We believe that collaborative funding efforts (and public-private partnerships in particular) are essential for creating positive systemic change within our communities. It was not an easy process and it took an enormous amount of trust and commitment, but we can now safely say that our results clearly justify the energy expended. We are inspired to keep the collaborative spirit alive, for the benefit of children, families, communities, and funders.



During the development and ongoing operation of the Opportunity Fund, we experienced many of the challenges and struggles common to collaborative funder organizations. In the hopes that they will serve as a helpful guide for future collaboratives, we offer the following lessons learned throughout our experience:

IV. Lessons Learned

THE CHALLENGES OF COLLABORATION

I. Develop shared goals that address diverse beliefs about the purposes and processes of collaboration.

Funders have different beliefs about how to start a collaboration and how many issues to tackle at once. Individuals also have different motives for engaging in joint work that must be surfaced and addressed.

Getting focused. In general, we observed two distinct approaches to collaboration:

- *Commit to collaboration first, then find common interest.* Some funders are willing to form a collaboration around a general topic of mutual interest, and thereafter develop specific projects. These funders are more willing to engage in a group process to select areas of focus and then work to build enthusiasm for the selections.
- *Identify a common interest first and collaboration will follow.* Other funders believe that a collaboration should form around an expressed passion for common issues. These funders believe an effective collaboration structure and roles will emerge to support the group's enthusiasm for a specific issue.

Defining the problem. A related distinction is that while many funder collaborations form to implement promising solutions to already identified problems, some—including the Opportunity Fund—form to do the tough work of both defining and solving problems. Members of the Opportunity Fund initially defined the problem as the failure to act collectively to improve the lives of children and youth. The group was then faced with identifying a substantive issue of shared interest before it could identify concrete solutions. This complex and lengthy start-up process made it more difficult to state a compelling case to amass front-end capital. Regardless of which approach a collaborative pursues, it is vital to clarify the group's common mission sooner rather than later. Otherwise, participation and enthusiasm will wane, leaving the group with less capacity to carry out the mission once defined.

Getting started. Collaborators also face tough choices about the scope and pacing of their investment work. We learned that investing heavily on a single issue presents trade-offs that should be carefully evaluated. Early on, Opportunity Fund members made a strategic choice to direct joint resources primarily to one issue—family, friend, and neighbor caregiving. The selection of FFN was endorsed by all members and enabled us to launch an important yet rather narrow issue. Because we focused our energies and

resources, we were also able to see early, significant successes. However, this narrow focus also made it more difficult to engage, on a long-term basis, members with diverse personal and professional interests. Many of our members cared deeply about problems faced by school-aged children and youth, yet because membership and funding were not growing, we could not offer opportunities for joint work in this area. Consequently, we lost significant financial and intellectual resources from these partners.

2. Meet the needs of individual member representatives. The motivation for joining the Opportunity Fund differed among individual participants. Several of the corporate members sought more visibility for their corporate contributions. Individuals representing family foundations welcomed the opportunity to network with others in their field and share learning. Others were most compelled by the idea of leveraging their own resources, the chance to learn about how public or private funds could work together, or the chance to develop their own leadership skills. We learned that it is important to identify these diverse needs early on and to be clear about what individual, as well as collective, purposes the collaborative can and cannot address.

3. Devote ample time and creative energy to keeping members informed and engaged. Our experience suggests that unless members remain meaningfully connected to each other and to the work of the collaborative, they lose interest quickly. On the other hand, the people who were strongly engaged built bonds of trust that enabled them to share resources and responsibility and take the risks inherent in this type of challenging work. For the past five years, a core of committed members has guided the Fund's work. The group tried several methods to link less-involved members (e.g., work groups with short-term goals, tailored learning opportunities) but if we were to do it again, we would devote more time and creative thinking to this critical function.

4. Effective collaboration takes significant time: clarify expectations early and be realistic about members' ability to invest time. Several Opportunity Fund members reported that, given their other obligations, they could not spend the time to attend numerous Fund meetings. Some members valued highly the idea of funder collaboration, but could not accommodate the reality of the time required. Most participants made fairly modest financial contributions to the Opportunity Fund and found that the time involved was excessive for the amount of their investment. In an effort to utilize members' time efficiently, we experimented with several organizational structures and processes. As members built trust for each other, we could move from the more hierarchical models with which we were familiar to flatter models where small working groups had more authority to make important decisions.

5. Cross-sector partnerships present distinct challenges: study the unique assets and needs of each sector and work to build trust. If we hope to solve tough civic problems, we believe that public-private partnerships are critical. The private sector is able to provide flexibility, community connections, and innovation, while the public sector has the broad systemic knowledge and resources required to bring effective solutions to scale. Nonetheless, stereotypes, politics, legal restrictions on government support of private initiatives, and organizational cultural differences can get in the way. To counteract these barriers, we found it essential to invest time in building strong, trusting relationships. Our administrative-level public Opportunity Fund partners were heavily engaged in our work and particularly adept at listening and learning, which provided an enormous advantage. However, we faced challenges at the policymaking level, where it is also necessary to build strong relationships.

6. Many external variables are outside of the group’s control: plan optimistically, but be aware of contingencies and stay flexible and nimble.

The Opportunity Fund was created in the context of a robust regional economy. The high tech crash in the late 1990s, along with the post 9/11 plunge in the national economy, quickly changed things. Rather than the growth in members and investments that Opportunity Fund founders had hoped for, corporate members experienced staff reductions in their organizations, and private and public resources were less available. As a result, Opportunity Fund leaders spent a great deal of time on retaining existing members and recruiting new members, which reduced the time and energy available for strategic planning and substantive community change efforts. A change in local elected officials also called for adjustments in priorities (e.g., increased attention on school readiness issues). We recognize that there is no one right way to do collaborative work and found that we needed to learn to function amidst changing external as well as internal environments.

7. Don’t leave expected tenure indefinite: at the start, develop a clear exit strategy for both individual members and the organization.

It is not unusual for us as grantmakers to have a limited attention span on particular topics and the Opportunity Fund experience did not deviate from this pattern. Many members experienced turnover in their staff or leadership, as well as changes in funding priorities within their organization. We believe that having a set lifespan for this collaborative (individually and as a group) would have made it less awkward to “let go” of members who no longer perceived any value in their participation and more feasible to do advance sustainability planning.

8. Systemic change takes time: participants need to see success in meeting near-term goals and also understand that ultimate success may take years.

The FFN caregiving efforts undertaken by the Opportunity Fund have taken three years to show clear progress and possibility for major benefits to children. Compared to other system change efforts, these investments have paid off relatively quickly, yet the leaders and organizations involved are just now hitting their stride.

From the beginning, the Opportunity Fund aimed to make a significant improvement in a major problem facing children, youth and families, and to work together to identify gaps and opportunities for joint investment. With this approach, funders took a wait-and-see attitude, making modest investments annually. While this enhanced our accountability by requiring us to demonstrate that we could steadily make a meaningful difference, we found that relying on annual, unpredictable streams of funding made planning very difficult and the ability to tackle multiple initiatives impossible.

The long timeline to results also impacted recruitment. Early on, Opportunity Fund members acknowledged a serious incongruence in timing—recruiting new members would depend on the ability to convey compelling accomplishments to date, yet visible and concrete progress in FFN caregiving would realistically take five years. This foresight proved correct, despite strong efforts to overcome this challenge.



The Opportunity Fund has amassed a number of achievements that have already created positive changes for children, youth, and families in King County. Additionally, many of our accomplishments will have a lasting benefit for our members, other funders—locally, statewide, and nationally—and our community. While the

inevitable slow pace of systemic change results in considerable delay before seeing important ideas come to fruition, this retrospective assessment brings into focus the accumulated value of the Opportunity Fund's hard work.

IV. Results FOR FUNDERS AND CHILDREN AND FAMILIES

A. Results that Assist Funders in Making More Effective Community Investments

The following benefits for public and private funders have already translated into positive changes for children, youth and families in our community and will continue to do so. Working together resulted in:

1. A long-term public-private funder network with a total of twenty-nine funders participating over its lifespan. The Opportunity Fund encouraged a variety of funders to find common ground, develop positive working relationships, and create a professional network focused on common issues. Representatives of both public and private funders especially appreciated learning about how each organizational culture operated and how to reach across the differences. The trust developed among members made it possible for them to take risks together that might have seemed unreasonable

without collaboration. This network also helped to develop relationships for joint work outside the formal Opportunity Fund structure.

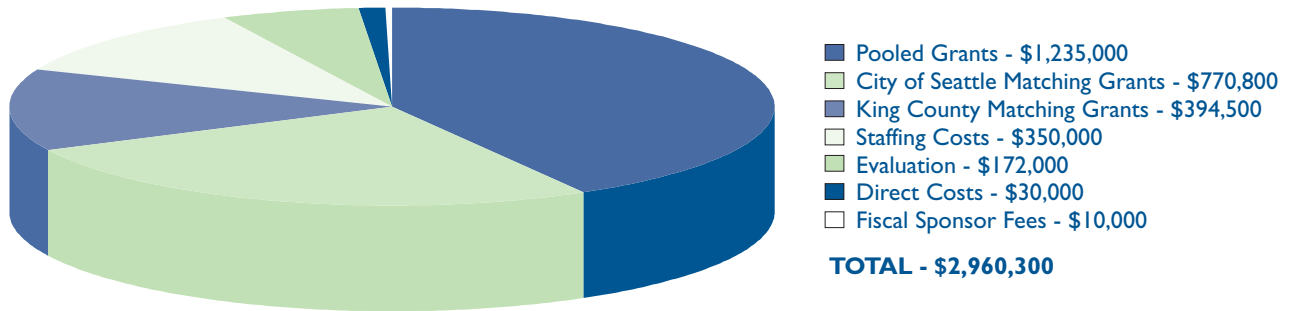
When we first started working together, we private funders were amazed at the amount of paperwork government required. As we worked together, we began to see our diverse proposal formats and grant deadlines as the real handicaps to joint grantmaking.

Opportunity Fund member

2. Leveraged public and private resources.

From 2001 to 2005, the Opportunity Fund made narrowly targeted Pooled Fund grants of over \$1,235,000 million to community-based organizations, and invested over \$1,165,000 through Public Matching Grants to community agencies providing a range of services for children, youth and families. During this same period, individual private members reported over \$16 million in Aligned Grants, which advanced the Fund's overall goals of high quality child care, after school care, youth development, and family support. These Aligned Grants became eligible for the public matching grants.

EXPENDITURES FOR POOLED AND MATCHING FUNDS



Pooled Fund. Of the Pooled Fund grants, about \$1,310,000 went to agencies working on FFN caregiving, and \$25,000 was awarded to an agency working with schools and communities on Kindergarten transition teams. A significant portion of the investments that Fund members made to the Pooled Fund was used for staff support, evaluation, direct expenses, and fiscal sponsor fees. Total staffing costs were approximately \$350,000; total evaluation costs were approximately \$172,000; total direct costs were approximately \$30,000; and total fiscal sponsor fees were approximately \$10,000.

I can tell my board that for a \$10,000 investment I can play a role in guiding where \$200,000 will go in the community.

Opportunity Fund member

Our grantees appreciate this extra boost to their programs, and we appreciate the value added to our investments in King County's kids.

Opportunity Fund member

Aligned and Matching Grants. The Opportunity Fund also developed a unique matching grants program, which became an effective and popular model for combining public and private resources in strategic focus areas. From 2001 to 2005, our public partners matched a portion of aligned grants with \$1,355,346 in public funding (\$895,833 from the City of Seattle and \$459,513 from King County). Both the City of Seattle and King

County asked private Opportunity Fund members to notify them of aligned grants made for quality programs and services for child care, after-school care, youth development and family support. Each public agency then recruited a review team, including representatives from both public and private funders, that used strategic criteria to select nonprofit recipients of public matching grants.

The matching program provided a vehicle for joint learning between the public and private sectors. For nonprofits, competitive matching grants from the City of Seattle or the King County Children and Families Commission brought visibility and credibility, as well as financial resources. For the community at large, matching grants became a symbol of how the private and public sectors can work hand in hand to help children succeed

Leveraging our knowledge. Combining our expertise and knowledge about the community has been just as important as combining our financial resources. Working together, private foundations and governments have been able to leverage their experience and expertise to tackle tough problems in strategic, cost-effective ways. We were able to identify real gaps and seize a ripe investment opportunity in ways we never could have done working alone.

3. Increased visibility of critical issues. We were able to use our collective clout and myriad individual connections to raise the visibility of issues we cared about. For example, Opportunity Fund members and staff used multiple opportunities to discuss the need for increased supports to informal child care providers – commonly called family, friend, and neighbor caregivers. At the same time, grantees of the Opportunity Fund were expected to raise the visibility of this issue and their work in their own communities. As a result, an issue that no one acknowledged four years ago is now becoming a priority issue on the public and policy agenda (see #7, below). Many people—including nonprofit leaders, other funders, business leaders, policymakers, and the public—are paying attention and helping to address the problem

When 20 funders talk about the same issue, people in the community really listen.

Opportunity Fund member

4. An innovative grantmaking model that accelerated learning and action and can serve as a best practice in philanthropy. The Opportunity Fund directed its FFN childcare grants in ways that can serve as a model for leading systemic change.

Creating a learning community. To ensure that grant recipients would work and learn together, the program model engaged Child Care Resources—the countywide resource and referral agency for childcare—to be a leader, coordinator and covener of direct service grantees. These monthly grantee meetings, which included representatives of the Opportunity Fund, have fostered a vibrant learning community.

Allowing for flexibility. Opportunity Fund members acknowledged that early steps by grantees would involve some trial and error and, therefore, created an atmosphere of trust in which everyone could candidly discuss what was working and what was not. Grantees report that this flexibility was much appreciated and enormously important to the success of their program. The meetings integrated data collection for evaluation into a natural system of shared learning and feedback between the evaluator and grantees. One result is that this learning community was able to move faster to positively impact this new service arena than if each agency had acted independently. The effect has been to accelerate learning, increase sustainability, and better align services.

We are encouraging grantees to try new things, to take risks, to work and learn together, and to build their evaluation capacity. I don't do that in my own funding.

Opportunity Fund member

In weighing investments in this new area, we looked for organizations serving different communities who were willing to try new ways to help the people we count on to take good care of our children. We were pleased that Child Care Resources stepped forward to take a systemic approach to addressing their needs by linking groups working in this area.

Opportunity Fund member



5. Sophisticated tools for grantmaking. As Opportunity Fund members began to recognize the amazingly complex cause and effect relationships involved in creating individual, family, organizational, or community change, they sought out more sophisticated analytical tools. Members decided to use two tools that are gaining popularity in strengthening private and public funding decisions: (1) articulating a *theory of change*, and (2) developing an *outcome map* that depicts the sequence of, and links among, the various outcomes needed to create a major system change.

Theory of change. By developing a theory of change for the Opportunity Fund, members recognized that they could and needed to leverage resources outside the

Fund and use their influence to achieve the type of policy changes they desired (see *attached* Opportunity Fund Theory of Change). Similarly, Fund participants decided to develop a theory of change for the FFN caregiving work, to show the sequence of short-term, intermediate, and long-term outcomes needed to substantially increase resources for this field.

School readiness outcome maps. In 2004 and 2005, the Opportunity Fund also produced outcome maps in response to another system-level gap members had identified. While a broad-based group of community members had developed a four-point Action Plan for getting more children ready for school, there was no clear plan for identifying and prioritizing specific opportunities for private and public investments in this area. We engaged multiple stakeholders in the production of school readiness outcome maps. These road maps help private and public funders select specific outcomes and wise strategies to help get us *there* from *here*, analyze how either small or large funding investments can best contribute to the desired change, discern how they could best achieve the desired results, and differentiate highly strategic investments from good grants. The maps help a funder carve out a tangible target, with awareness of how it fits into overall path to change.

6. Useful evaluation and joint learning. From the beginning of its operations, the Opportunity Fund engaged Organizational Research Services (ORS) to provide an outcome evaluation of the services provided by grantees and a process evaluation of our collaborative endeavor. ORS also provided valuable guidance in developing the theory of change for the Opportunity Fund itself, for the FFN investments, and for the school readiness maps.

Between 2001 and 2005, the Opportunity Fund presented twelve Learning Circles on topics of interest to funders and community members concerned with improving the lives of children and youth in King County. Topics included: Youth Tutoring Programs, Financing High Quality Childcare, Family Support, Cultural Relevancy and Cultural Competence, and School Readiness. These events allowed Opportunity Fund members to learn together about topics of mutual interest and to forge new community connections. They also provided a basis for the Opportunity Fund's joint decision-making and exploration of informal partnerships among members.

7. More grantmakers involved in public policy development. As Opportunity Fund members learned more about the high degree to which public funding drives change in the lives of vulnerable children and youth, they began to see clear opportunities where they could partner with government in developing sound public policy.

For example, a major policy goal of the FFN strategic plan is inclusion of FFN caregivers in state efforts to ensure that all children are ready to succeed in school and life. The Opportunity Fund reached an important intermediate step towards this goal on November 8, 2005, when the Early Learning Council (established by the Washington State Legislature) recommended to the Washington Learns Steering Committee (a comprehensive education task force convened by Governor Gregoire) that:

Early learning teachers, including family, friend and neighbor caregivers, receive adequate compensation, and have training and support to help children be school ready.

This is a major accomplishment, given that FFN childcare was not on the radar screen of policymakers until last year, and that the Early Learning Council's initial recommendations had no mention of FFN childcare. A great deal of additional work will be needed to continue to bring FFN childcare to the forefront of the ongoing efforts of the Early Learning Council, Washington Learns, and the state executive and legislative branches.

B. Direct Benefits to Children and Families

The work we have done through the Opportunity Fund is already having a positive impact on our intended focus population: children and families. While we are proud of this—there is no greater reward for the collaborative's hard work—we also recognize that the change has just begun. There is always more work to do, but we are pleased that we have created momentum and positive change around two vital issues, FFN childcare and school readiness. Working together, we:

1. Developed effective tools, materials, flexible service models, and a cost-efficient expansion and sustainability plan to support and improve FFN childcare. Early in our work together, we discovered that informal care provided by FFN caregivers was largely ignored by both grantmakers and policymakers, even though FFN care is the most common form of non-parental care for children ages birth to three. Also, new research by the University of Washington Human Services Policy Center confirmed that FFN caregivers felt isolated and desired a variety of supports.

Taking action. Since 2001, the Fund has invested \$1,210,000 into FFN outreach and direct service. During the last three years, the Opportunity Fund's pioneering outreach and direct service funding in this area has made a difference in the lives of hundreds of children and their caregivers in King County. The Fund's work on FFN childcare is also playing a critical role in state and national early care and learning policy discussions, potentially benefiting tens of thousands of children in Washington State and beyond (see *FFN Summary Insert*).

Evaluating results. Summarized below are the results of a recent independent evaluation report of our efforts to strengthen and improve FFN childcare. This study of six community-based organizations funded by the Opportunity Fund shows positive results on all of the primary outcomes which were the agencies' focus in 2004 and early 2005.

Strategically Providing Resources for Family, Friend and Neighbor Childcare SOAR Opportunity Fund and King County Family, Friend and Neighbor Resource Network

<p>Goal</p>	<p>Provide family, friend and neighbor caregivers with the tools and support to provide the quality of childcare and development opportunities children need to succeed in school and life.</p>
<p>Strategy</p>	<p>Infuse and enhance resources and support for family, friend and neighbor (FFN) caregivers and the children they care for into programs and activities of existing organizations (family support, children and family agencies, parks and recreation, etc.). Provide strong leadership and coordination to raise awareness of the need for these resources, and to develop and link them.</p>
<p>Problem addressed</p>	<ul style="list-style-type: none"> ● Family, friend and neighbor caregiving has been largely overlooked in child development and school readiness efforts. ● Families more likely to use family, friend and neighbor care include those with characteristics of low-to moderate income; Latino and African American; refugees and immigrants; or those who have a child with special needs. Their children are often on the low side of the achievement gap in urban schools. ● Family, friend and neighbor caregivers are more likely than staff of formal caregiving programs to lack current knowledge of early child development; to have safety equipment in their homes; to know what activities encourage secure attachment and brain development; and to provide a variety of books and educational materials.
<p>Need</p>	<ul style="list-style-type: none"> ● 65% of non-parental care hours for infants and 45% for toddlers and preschoolers in Washington are provided by FFN caregivers. ● Two-thirds of FFN caregivers said they would like some training or support. ● No one had previously taken action because little was known about how to identify and engage these caregivers or what type of resources should be offered to them. ● King County needs to create new FFN caregiving resources on a large scale and coordinate those resources in effective ways to meet school readiness goals for all children.
<p>Readiness</p>	<ul style="list-style-type: none"> ● King County is ready to move from the incubator stage to strategic implementation. ● Culturally sensitive tools, materials and service models have been developed. ● We have evaluated our progress, made adjustments, and are showing strong results. ● We are engaging the broader community in the development of a strategic plan. ● The King County FFN Resource Network is a national leader in this “new frontier” and regularly presents at national and regional early learning conferences.
<p>Leveraging resources and sustainability</p>	<ul style="list-style-type: none"> ● The SOAR Opportunity Fund (a group of private, corporate, and public funders) has invested over \$1M in the last three years for research and development on how to provide resources to FFN caregivers, and to determine the type of leadership and coordination needed. ● Our Network has received an additional \$250,000 for building FFN resources from seven foundations outside of the Opportunity Fund mechanism. ● We have engaged over 50 organizations interested in providing one or more resources to support FFN caregiving. ● It is economical and sustainable to integrate FFN caregiver resources into existing community organizations; it is also the most effective delivery method for this population. There is no need to develop a whole new system. ● We are having initial success in local, regional and state level early care and education planning efforts to seek inclusion of FFN care in policy and resource decisions. ● We are participating in the national Sparking Connections FFN initiative of more than a dozen communities around the country.

OUTCOMES OF INVESTMENTS IN QUALITY FAMILY, FRIEND AND NEIGHBOR CHILDCARE

Goal #1: Strengthening the capacity of family, friend and neighbor caregivers to provide quality care and learning

Outcomes achieved (services provided to 681 caregivers):

- Increased specific knowledge and skills for supporting children's early development.
- Increased availability of needed supports and resources for caregivers.
- Increased understanding of the value and importance of the caregiver's role in the child's development.

Caregivers described a variety of things they had learned:

I will encourage the kids to speak both Spanish and English.

I will spend more time reading to my grandchild and involving him with hands-on activities.

I have learned some basic ways of teaching/introducing English; how to tell stories and talk to the children about stories.

Kids can practice in everyday routines.

Goal #2: Increasing community awareness regarding the importance of family, friend and neighbor childcare

Outcomes achieved (more than 5,251 individuals – parents, caregivers, community resources, educators, business representatives, and others – reached):

- Increased awareness by community members of what FFN care is and why it is important to support FFN caregivers
- Increased knowledge by community members of resources/supports for FFN caregivers
- Increased use of resources/supports for FFN caregivers in community members' personal and professional lives.

Goal #3: Integrating FFN caregiver resources into existing community organizations that serve children and families.

Outcomes achieved:

- Increased collaboration with partners, including shared information and networking, and coordinated or extended joint activities
- Changes in practice, including FFN in services or activities in their own organizations, and sharing information about FFN caregiving at internal and external meetings

I like the idea of addressing an issue, not just helping an organization – that is how you make systemic change.

Opportunity Fund member



2. Contributed to a promising school readiness pilot project. In 2004, the Opportunity Fund awarded a \$25,000 18-month grant to the Getting School Ready Neighborhood/School Transition Teams Pilot Project in King County. The Opportunity Fund's grant supported formation of two

school/community kindergarten transition pilot teams, as well as the creation of a handbook to enable replication of the model throughout the county. Teams were located at Park Orchard Elementary school in the Kent School District and RainierView Elementary school in the Seattle Public Schools.

We have helped bring to the fore an issue that was an invisible sector of early learning. We put FFN childcare on the radar screens of policymakers and funders that it wasn't on before.

Opportunity Fund member

Teams membership consisted of adults who played key roles in the lives of pre-school age children: parents, childcare providers, kindergarten teachers, school staff, school principals, and representatives from community agencies. Each team worked to foster relationships between schools, parents, childcare providers and early

educators in order to: increase communication; align children's developmental experiences at home, childcare, and school; assess local needs for school readiness; and enhance neighborhood-specific strategies to prepare children for school. Team research and outreach focused on families and children at most risk for non-academic barriers to learning (e.g., English as a second language and/or poverty), and low literacy rates.

In the first year, Getting School Ready Neighborhood/School Transition Teams demonstrated significant success in key areas, including: increased outreach to parents, improved connections between schools and licensed childcare providers, better integration of childcare and kindergarten curricula, greater school and community understanding and focus on school readiness, and increased understanding of early-learning and school readiness by parents.



V. New Opportunities

The Opportunity Fund is proud of its accomplishments. We believe our children, youth, families, and communities gained—and will continue to gain—important benefits due to our willingness to work together on tough issues. As we transition to a more informal and less costly model of working together, we remain committed to the value of collaboration. Opportunity Fund members are already involved in or plan to join existing funder partnerships for children, youth, and families that have been started since the Fund was formed:

Early Care and Education Coalition – The purpose of this group is to raise public support and awareness for early care and education and to identify public policy outcomes that scientific evidence demonstrates can significantly improve the early care and education of our children. *Contact Bea Kelleigh, Early Care and Education Coalition, at Bea@CedarRiverGroup.com*

Social Emotional Learning Table – This group focuses attention on the critical importance of social emotional learning and on forging a link between knowledge of human development and application of that knowledge. *Contact Ron Rabin, Kirlin Foundation, at Ron@kirlinfoundation.org*

Some Fund members have already developed an informal Family, Friend and Neighbor Caregiving Leaders Group, which includes both funders and a range of community stakeholders:

Family, Friend and Neighbor Caregiving Leaders Group – The goals of this group are to implement the regional family, friend and neighbor strategic plan in a collaborative way that leverages all resources; preserve and build on the investments made in FFN care; and provide ongoing opportunities for public-private collaboration. *Contact Ron Rabin, Kirlin Foundation, at Ron@kirlinfoundation.org*

As we look at the current landscape, we recognize that the context for our work has changed dramatically since we began. Joint funding models are becoming more common in our community and there is a new gap emerging—the need for a forum in which people involved in various for children and youth initiatives can come together to share learnings, identify unmet needs, and coalesce around new opportunities. Several Fund members plan to take action to fill that gap, currently described as:

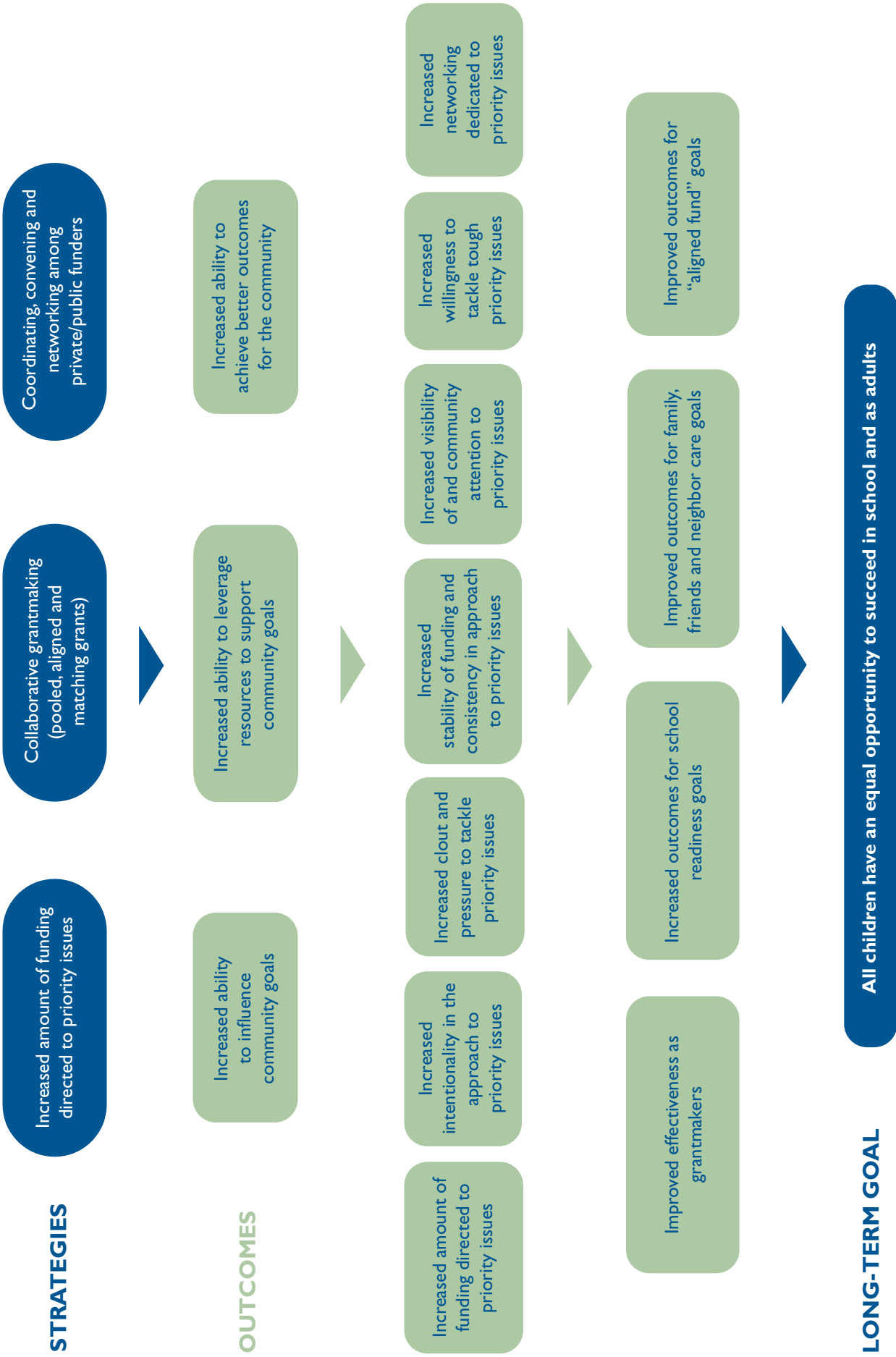
Children and Youth Funder Network – The proposed goals of this group are to encourage public-private collaborative work/funding in shared interest areas that would lead to greater school and life success for children and youth in King County, and to provide a forum for members of various funder partnerships to share learnings about the benefits, challenges, and results of their joint work. *Contact Kathleen Pierce, Kirkpatrick Family Foundation, kathpierce@comcast.net*

Conclusion

We believe in the collaborative funding process and, in particular, the value of public and private organizations coming together to tackle issues of mutual concern. The time, energy, and money invested in creating and sustaining our collaborative allowed us to learn and achieve things together that simply would not have been possible otherwise. Now that we have forged a network of aligned and informed funders, we hope all of us—and others—will learn from our experience and help foster efficient and effective collaborations. Working together, we can create stronger communities, healthier families, and unlimited potential for *all* children.



APPENDIX A: THEORY OF CHANGE OUTCOME MAP FOR PROJECT LIFT OFF OPPORTUNITY FUND



We would like to thank The Boeing Company for its generous donation of printing services for this report.

Current Opportunity Fund Members

Paul G. Allen Family Foundation
The Boeing Company
City of Seattle
Foundation for Early Learning
Bill & Melinda Gates Foundation
HumanLinks Foundation
King County Children and Family Commission
Kirkpatrick Family Foundation
Kirlin Foundation
Northwest Children's Fund
The Seattle Foundation
Social Venture Partners
Talaris Institute
United Way of King County

Infospace Foundation
The Laurel Foundation
The Russell Family Foundation
Satterberg Foundation
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Washington Mutual
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Kathleen Pierce, *Kirkpatrick Family Foundation*
(2001-2003)
Peter Berliner, *Paul G. Allen Family Foundation*
(2001-2002)
Caren Skube, *The Boeing Company* (2003-2004)
Ron Rabin, *Kirlin Foundation* (2004-2005)

Past Opportunity Fund Members

Apex Foundation
Bank of America
Comprehensive Health Education Foundation
(C.H.E.F.)
Drugstore.com Foundation
Family Leadership Fund
Governor's Head Start-State Collaboration Office

Opportunity Fund Pooled Fund Recipients

Family, Friend and Neighbor Care
Cascade People's Center/Lutheran Social Services
(2004-2005)
Center for Human Services (2003-2005)
Child Care Resources (2003-2005)
Children's Home Society (2003)
Children's Services of Snohomish Valley (2003-2005)
Chinese Information and Service Center (2003-2005)
Federal Way Youth and Family Services (2003)
Refugee Women's Alliance (2004-2005)

Getting School Ready Neighborhood/School Teams
Washington Alliance for Better Schools on behalf of
Park Orchard Elementary School, Kent School District
Rainier View Elementary School, Seattle Public Schools

For information on products and reports from the Opportunity Fund or its grantees, please contact Nancy Ashley at 206-526-5671 or nancyashley@heliotropeseattle.com.