
TEN YEAR STRATEGIC PLAN 2009-2019

S. H. COWELL FOUNDATION

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S.H.Cowell Foundation

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In 2000, the Board of Directors of the S. H. Cowell Foundation renewed its vision for how the Foundation could achieve the greatest community return on its grants for local public education, family support, youth development and affordable housing. The Foundation adopted a strategy of place-based grantmaking through which it concentrated its grants in communities where government officials, community leaders, educators, parents, and employers were ready to work together to improve the quality of life for poor children and their families. Seven years later, the Board reviewed the results of the Foundation's place-based work and committed itself anew to place-based grantmaking as a flexible, powerful strategy for helping communities become better places to live and raise children. This strategic plan describes Cowell's experience with place-based grants and envisions the future of the Foundation's place-based work. It also reflects Cowell's commitment to direct communication, listening and learning, and to an involved, hands-on style of grantmaking that values enduring relationships along with long-term financial support.

Because this plan explains the Board's strategic vision, it describes the work and values of the Cowell Foundation. But that focus should not obscure our reliance on our grantees, the extraordinary people and programs, without whom we could achieve nothing. A Cowell-funded community is more than exceptional organizations and remarkable public and private leaders. It is families and their children who define community and it is their future in which we are privileged to invest.



Ann Alpers
President

The S. H. Cowell Foundation
10 Year Strategic Plan 2009-2019

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S. H. COWELL FOUNDATION
TEN YEAR STRATEGIC PLAN
2009-2019

I. INTRODUCTION

The vision, mission, values and guiding principles of the S. H. Cowell Foundation have remained constant for many years. Yet through experience, the Foundation has grown in its understanding of *how* to achieve its mission. From 2000 through 2007 the Foundation experienced a burst of creative strategic thinking. It developed a new strategy, implemented that strategy over time, tested new approaches to grantmaking, gathered information and reflected on its progress.

The S. H. Cowell Strategic Plan 2009-2019 both documents and refines the past eight years' strategic thinking. It builds upon past experience while charting a course for the future. The purposes of this strategic plan are to:

- Affirm the Directors' commitment to the Foundation's mission, vision, values and principles.
 - Create one document that summarizes the Foundation's history, mission, place-based strategy and program areas.
 - Allow the Directors to discuss, decide and communicate to the staff their policies regarding evaluation and dissemination and exiting grantee organizations, among others.
 - Create a common reference tool and template describing the Foundation's grantmaking for Board, staff and friends of the Foundation.
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II. HISTORY

The S. H. Cowell Foundation was established in 1956 through a bequest from Samuel Henry Cowell (1861-1955). His father, Henry Cowell, migrated to California during the Gold Rush and made a sizeable fortune in the building materials, drayage and storage industries. S. H. continued and expanded the family business to include a significant real estate portfolio throughout Northern California – more than 80,000 acres of land in all.

Throughout his life, S. H. Cowell lived in San Francisco and Santa Cruz. The family's charitable interests and activities were significant in the region. Their philanthropic interests were widespread: underwriting the construction of the Ernest V. Cowell Student Health Center at the University of California, Berkeley, providing a scholarship fund for students from Santa Cruz to attend the University of California, helping to establish the San Francisco Earthquake Relief Fund in 1906 and building the Lighthouse for the Blind. The Cowell sisters, Isabella and Helen, contributed to the arts in San Francisco and were lead donors to a home for the aged. The family gave significantly to the Visiting Nurses Association, the Congregational Church of Santa Cruz and the City of Santa Cruz. S. H. Cowell worked extensively over his life to conserve California's coastal areas and donated land for the Henry Cowell Redwoods State Park in Santa Cruz.

Upon S. H. Cowell's death in 1955, the bequest to the Foundation was primarily in real estate. The assets transferred from the estate to the Foundation were valued at more than \$12.5 million dollars.

Making grants, managing the Foundation's investments, supporting grantees and their communities and partnering with other funders and non-profits are the Foundation's major responsibilities. As of October 2008, the Foundation's assets are valued at approximately \$136 million. Since 1956, the S. H. Cowell Foundation has awarded over \$232 million in grants. The family's legacy of significant giving and philanthropic interests continues to be reflected in the Foundation's grantmaking.

III. MISSION, VISION, VALUES AND GUIDING PRINCIPLES

MISSION

The Foundation's mission is to improve the quality of life of children living in poverty in Northern and Central California. The mission articulates the purpose of the Foundation: to improve the lives of poor children. It proposes to do so by strengthening families and communities. This comprehensive purpose carries forward into the future the wide-ranging charitable concerns of its founder, S. H. Cowell.

VISION

The S. H. Cowell Foundation envisions towns and neighborhoods across Northern and Central California where people across all sectors - residents, public and non-profit service providers, educators and civic leaders - strive together to build and sustain strong communities that support low-income children and their families and expand their life opportunities.

VALUES

Six values infuse the Foundation's vision and mission. They announce to all interested parties that the Foundation's Board and staff fulfill their mission and work towards their vision in a particular way. The S. H. Cowell Foundation Board and staff's efforts are:

- *Grounded in rigor* – having high expectations for themselves and their grantees, holding everyone accountable in an atmosphere of inquiry and discipline.
- *Direct* – being explicit about the Foundation's intentions and results and expecting the same from grantees.
- *Inclusive* – seeking appropriate solutions and shared responsibility among a broad group of community leaders.
- *Built on connections* – developing strong and lasting relationships with partners, and encouraging strong partnerships among community stakeholders, including residents.
- *Supportive of grantee leadership* – encouraging personal and professional growth by offering on-going leadership development opportunities.
- *Founded on knowledge* – exploring and understanding the communities they serve as well as developing expertise in program areas.

These values express the heart of the Foundation. They convey the message: "It is not just what we do; it is how we do it that matters."

PRINCIPLES

The Foundation's principles express its values in the decisions and actions of the Board and staff:

- *Respect.* Board and staff have a profound respect for the commitment and experience of local organizations and for the unique needs and interests of communities.
- *Time.* Board and staff take time to visit, listen to and speak with community representatives including potential grantees, public officials, local leaders and residents including youth in order to develop relationships that deepen mutual learning, understanding and trust.
- *Community ownership and building on existing strengths.* The Foundation is committed to approaches that are owned by the community and that build on the existing strengths of families and communities.
- *Openness.* When possible, the Foundation remains open to extraordinary and unanticipated funding opportunities.
- *Diversity.* The Foundation Board and staff value diversity and are themselves diverse in race, culture, experience, interests and skills.
- *Partnerships.* The Foundation seeks partnerships with other foundations, non-profit organizations and government officials.
- *Specific organizational and community goals.* The Foundation prefers to make grants toward the achievement of specific organizational and community goals rather than to provide on-going general operating support.

The S. H. Cowell Strategic Plan 2009-2019 reflects the Foundation's vision, mission, values and principles. Any refinements in the strategic direction of the Cowell Foundation are made to better and more fully represent this core of the Foundation's work.

IV. GOALS OF THE FOUNDATION

Ten overarching goals drive the Cowell Foundation's grantmaking. Four goals state outcomes for children and their families:

- Strong nurturing families
- Safe and engaged youth
- Children learning and achieving in school
- Good places to live

The remaining six goals are interim outcomes for organizations and communities that facilitate the accomplishment of the above four goals:

- High quality, accessible services
 - Strong community organizations
 - Effective partnerships
 - Skilled providers and leaders
 - Involved residents
 - Affordable homes and appropriate places to do the work of helping children, families and communities
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V. THE FOUNDATION'S OVERALL STRATEGY

In 2000, the S. H. Cowell Foundation Board and staff wrestled with the challenge of how to more effectively make a significant difference in improving the lives of poor children and families. They understood that complex conditions contribute to poverty for children, families and communities. Complex and interrelated causes require complex and interrelated solutions. Until 2000, the Foundation responded to requests for grants in traditional program silos. Board and staff came to believe they could make a stronger impact on the lives of poor children by aligning funds in specific communities.

PRIMARY STRATEGY:
PLACE-BASED, COMPLEMENTARY GRANTMAKING

The Foundation's primary grantmaking is rooted in a strategy that is both *place-based and complementary*. The program areas are designed to complement one another within each community they serve, providing support on a number of levels for low-income children and families.

In *place-based* grantmaking, Cowell seeks out low-income communities across Northern and Central California where there is a readiness and commitment to improve conditions and opportunities for children. Some communities are neighborhoods; some are towns and others are regions. Both individuals and institutions within a community must possess a clear desire to make a lasting difference for children and families where they live, learn, work and play. The Cowell Foundation believes that long term success is most likely in communities where residents, service providers, educators and civic leaders work together to improve the quality of life for children and families living in poverty.

Cowell's approach is *complementary*. Within each community, the Foundation seeks to make clusters of grants to support family resource centers, schools, youth development organizations, affordable housing and other critical community needs. It strives to fund projects, programs and initiatives that touch the lives of children and their families members at home, school, work, and play in order to increase the likelihood of lasting, positive community change.

Cowell targets its place-based grants at strengthening individual, organizational and community capabilities. To this end, the Foundation makes grants to 501(c)3 non-profit organizations and school districts to:

- enhance the delivery of essential social and educational services
- increase civic participation and collaboration
- strengthen organizations
- develop local leadership
- build affordable homes, facilities and other physical spaces that enhance the community.

Selection Criteria for Communities

The Board and staff have established a set of criteria for selecting communities that would enhance the Foundation's ability to achieve the most significant impact:

- The Foundation neither defines a community nor draws its boundaries. The community, grounded in its own perceptions, defines itself. Geography is not the sole criterion. Some communities are neighborhoods; others are towns or regions. The definition of the community also may change over time. For example, Cowell first made investments in the town of Kings Beach but as the poorest families began to move to Truckee, Cowell's understanding of the community grew to include the Tahoe-Truckee region.
- Poverty in the affected community is acute and widespread as evidenced, for example, by the number of students who qualify for the free and reduced lunch rate at the local schools.
- The community has a strong "sense of place" arising from such factors as location, history, shared goals and deep-rooted relationships among its residents.
- Public and non-profit service providers have productive working relationships with one another and engage community residents with a spirit of inclusion and interdependence.
- Local leaders champion issues and efforts beyond the scope of their particular roles and agencies, demonstrating commitment to the community as a whole.

The Foundation gives priority to communities that have limited access to private and philanthropic resources. However, it avoids very small towns with declining populations, a lack of economic opportunity and absent or weak government support. Such communities find it difficult to sustain the work over time after Cowell is no longer funding.

English Learners as a Focus for Grantmaking

The place-based, complementary strategy which rests on the building blocks of the five program areas allows the Foundation to adapt its strategy to suit emerging needs. Given California's demographics and staff grantmaking experience, the Foundation's Board decided that as a part of its strategy the Foundation will focus where appropriate on English Learners.

In California, English Learners (EL) represent about 26% of all public school students. Cowell staff estimate that 50% of students in communities where the Foundation is currently making place-based grants are English Learners. This population is diverse in terms of age, home language and prior education. However, ELs do share two major challenges. One is to learn everyday functional English, the English of the playground and the dinner table. The second is to master the specialized forms and vocabulary of *academic* English; that is, the English that is used in school and academic fields such as science and history. Students must learn these two forms of English *at the same time* they are learning school subjects. Likewise, their parents must learn English *at the same time* they are seeking and keeping a job, performing the tasks of daily living and negotiating the public support systems. Learning the English language is a necessity for student

achievement in school, for parent communication with their child's school and support for learning at home, for family economic success and participation in U.S. civil society.

While Cowell is making a distinctive contribution to English learning, particularly in its Education program, more can be done in and across all program areas to increase the focus on English learning as a path to student school success, family economic success and family civic engagement. There are many more opportunities to support EL students in Education and to complement that support in the Family Resource Center and Youth Development program areas. Examples follow under the program areas.

The Five Program Areas

Cowell's program areas reflect the Foundation's history, Board and staff interest and expertise, and the Foundation's belief that these program areas can impact the effects of poverty.

FAMILY RESOURCE CENTERS

The S. H. Cowell Foundation makes grants to establish and strengthen Family Resource Centers (FRCs) because they play a unique and pivotal role in bringing together services, resources and opportunities that improve the well-being of low-income children, their families and communities.

FRCs may be in a variety of settings such as a neighborhood home, school site or shopping center, but all are centrally located and easily accessible to the families most in need of support. They are comfortable, welcoming places for families with children of all ages across diverse family structures and different cultural, linguistic and racial backgrounds. FRCs are a common meeting ground where families can break through social isolation and develop mutually supportive relationships with their neighbors and peers.

The Foundation supports FRCs that establish themselves as hubs in a community-wide system of services designed to best serve families. They provide a platform for public, non-profit and other community organizations to collaboratively offer a range of supports that respond specifically and comprehensively to the needs and hopes of local families. Partner agencies work closely together to align and integrate services, often developing a common case management system, to ensure that families are easily able to get what they need to achieve their goals. Services cross a broad spectrum. These services include prevention efforts aimed at helping families avoid problems, early intervention and safety net services to help families reverse or overcome existing challenges and enrichment activities to sustain and further improve family well-being.

Core Services provided by Family Resource Centers typically include:

- Parent education.
- Child development activities.
- Referrals linking families to community resources and services.
- Drop-in space – a comfortable place for confidential conversations and neighbor-to-neighbor meetings.
- Peer-to-peer support groups and mentoring.
- Life skills classes in areas such as anger management, communication, money management, healthy lifestyle and cooking.

Most FRCs enhance their core services with a variety of other services, supports and opportunities. Some examples of common offerings include:

- Case management using an integrated multidisciplinary team approach.
- Family health and wellness services such as an on-site clinic providing health and dental care, mental health programs and access to Healthy Families and MediCal.
- Family economics and self-sufficiency services such as CaWORKS, work preparation and job search, access to free tax preparation and the Earned Income Tax Credit, and financial education.
- Family literacy and education support such as English as a Second Language classes, tutoring, GED preparation and a technology center.
- Substance abuse treatment such as counseling and self-help groups.
- Youth development activities such as mentoring, after-school activities and community service.
- Community development activities such as advocacy, access to housing and employment, capacity building, community celebrations and family fun events.

Cowell FRC grants frequently support English learning (EL) families by investing in FRC-based activities such as:

- Programming designed to support non-English speakers including Adult ESL classes.
- Bi-lingual/bi-cultural services that directly support the ability of EL families to raise children who succeed in school.
- Programs that directly target EL school-age students.
- Targeted support of EL parents with children 0 to 5 years old aimed at helping the children make a successful transition to school and offering English language and cultural instruction for parents and children.
- Training and advocacy support in native languages to help EL parents understand and navigate the U.S. school system and inspire changes in local schools to make them more responsive to the needs of EL families.

The Foundation supports FRCs that belong to the communities they serve. Within this model, families recognize and build on their own strengths and then use those strengths in service to others. Community residents actively participate in FRC activities and services, and take on leadership roles organizing events, becoming staff and board members, and shaping the FRC's vision and direction. At their best, FRCs foster civic engagement, encouraging local residents to take on leadership roles and become catalysts for positive change in the neighborhoods where they live.

K-12 PUBLIC EDUCATION

The S. H. Cowell Foundation makes grants to support public elementary and secondary schools (K-12) because it believes that education is one of the most fundamental ways to improve quality of life and create opportunities for children living in poverty. The Foundation focuses on neighborhood public schools because they are the schools on which most families rely.

Public schools are under tremendous pressure in an era of standards-based reform and high stakes accountability. Schools are being held accountable for student achievement as measured by standardized tests, and it comes as no surprise that most under-performing schools are located in high poverty communities.

Certainly, the projects Cowell supports are aligned with the standards and accountability goals set by state and federal authorities. However, the Foundation does not fund "quick fixes" that may lift test scores but leave schools fundamentally unchanged. Unfortunately strategies that quickly raise test scores from "poor" to "fair" may not give students the education they need to fully achieve the standards. For example, an intense focus on basic, discrete reading skills may not help students understand and apply ideas from what they read. Similarly, in math, a narrow focus on computational skills may not lead to students who can think mathematically and solve complex problems. Rather, Cowell invests in the development of master teachers and high-functioning, purposeful schools where students will not only test well, but also learn well.

Cowell makes a distinctive contribution to English learning in its Education program. Examples include:

- Grants to strengthen teacher development, the management of change at the school and district levels and specialized instruction that benefit English Learners.
- Grants that simultaneously invest in place-based and field building projects at the district and regional level. The placed-based work informs the field and research informs practice.
- Grants supporting connections to emerging knowledge and technical assistance that would otherwise be beyond the access or means of the smaller districts.
- Grants that move the field of EL from research to practice.

YOUTH DEVELOPMENT

The Foundation makes grants to build and support youth development programs because they provide a springboard for youth to develop the life skills that will carry them successfully to adulthood.

The Foundation supports and fosters programs that offer enrichment, exploration and skill-building activities. Rather than focusing on activities to occupy young people “at risk,” this approach encourages the possibility and potential inherent in all youth.

The Foundation is especially interested in projects that involve youth in program design and leadership, and encourage the development of creative and practical skills not generally captured in school achievement tests. Youth are challenged to conduct in-depth inquiry, put on complex performances, or create products for actual use that achieve the same standards of quality expected of adults.

Within this framework, the Foundation supports programs that have a reciprocal relationship with their community. This means that young people engage with the local environment and community for learning and volunteer opportunities. It also means that the program connects youth with the local people, places and support they need to thrive. The Foundation also supports programs that offer an inclusive and inviting environment, one suited for all the young people in a given community.

The Youth Development program has opportunities to support English learning after school and, where possible, align after-school programs with classroom supports for English Learners including:

- Providing project-based activities that encourage talking, oral expression, reading and writing that support English and native language proficiency.
- Connecting youth workers with EL teachers to monitor student progress and design activities that support school-day learning.
- Conducting staff trainings on EL in after-school and other youth development settings.

AFFORDABLE HOUSING

The S. H. Cowell Foundation makes grants to support affordable housing because the Board and staff believe one of the cornerstones for supporting children where they live, study, and play is to provide a safe, stable and comfortable home where families can eat, sleep, study and spend time together.

In both urban and rural communities, California’s high housing costs pose a constant, seemingly insurmountable challenge to many low-income families. Cowell works to address this widespread problem by supporting non-profit housing developers, community organizations and other efforts to preserve and increase the number of affordable homes in a given community.

To have the deepest impact in a particular place, Cowell usually prioritizes housing support to the communities where it is already engaged in its other program areas. This ensures that the affordable housing funding is complementary and has the greatest long-term impact.

RESPONSIVE GRANTMAKING

Recognizing that no two communities are alike, and no community's needs can be fully anticipated, the Cowell Foundation makes responsive grants to supplement its place-based work.

Responsive grants are typically available to communities that already receive support from the Foundation and have a critical need or unique circumstances which fall beyond the parameters of the Foundation's program priorities. Responsive grants are often capital projects that help build infrastructure, for example, a pediatric dental clinic, a health clinic in a school or a community dining room. Responsive grants also help build the capacity of other important organizations such as the endowments of community foundations to better serve their local non-profit organizations.

Leadership Development

The Foundation has long funded leadership development activities for its grantees because sustained change for communities rests on the shoulders of the people who live and work in them. Every community needs leaders who know how to build their own and others' knowledge and skills. To be successful, community stakeholders must develop leadership and management skills and learn how to resist burn-out and become resilient. This is especially true in poor communities where problems compound and resources, including leaders, are scarce.

For these reasons, the Foundation sees leadership development as essential to the success of its grantees. Leadership development includes building programmatic expertise and skills of individual leaders in administration and management as well as inspiring and organizing others. It also means building the skills and capacities of organizations in areas such as personnel policies and procedures, financial systems and board governance.

Leaders include executive directors, staff and board members of non-profits as well as school superintendents, principals and teachers. Within the community at large, potential leaders include parents, youth, other residents and community stakeholders. Through formal leadership development activities the skills of existing non-profit and school leaders are strengthened and, over time, many community residents evolve to become leaders.

Leadership grants typically complement and/or supplement existing larger grants in Cowell's program areas and enable a grantee to participate in a variety of skill building activities including:

CHARACTERISTICS THAT CONTRIBUTE TO GRANTMAKING SUCCESS

Five characteristics of Cowell's grantmaking flow directly from the Foundation's values and principles and support its success.

High Staff Engagement with Grantees.

Cowell's decision to prioritize under-resourced communities requires staff to work intensively with potential and grantees. Cowell believes this support can help strengthen grantee organizations. As one grantee reported, staff supports grantees before, during and after formal grant approval and payout.

"Cowell has very high expectation for grantees, and pushes them to deliver high-quality, thoughtful work. The Foundation believes that a rigorous grant development process is critical to ensuring that grantees have clarity about their goals and outcomes, ultimately leading to more effective programs."¹

Components of this approach include:

- Identification of and relationship building with host organizations which have respect in the community and sufficient strength to motivate others to become more involved in community improvement.
- Site visits involving staff as a group and occasionally Board members to learn about the strengths and challenges of a community and determine if the community meets the Foundation's selection criteria and how Cowell support can help the community improve.
- Early and intensive engagement with community leaders and multiple organizations, building and testing relationships, developing projects/proposals, monitoring project progress and helping grantees think about ways to refine projects moving forward.

Encouragement of Collaboration

Cowell believes that long term success occurs in communities where residents, service providers, educators, and civic leaders create a common vision and work together to improve the quality of life for children and families living in poverty. The Foundation looks for the opportunity for collaboration and nurtures it, recognizing that collaboration is an organic process which strengthens and improves over time.

"Cowell does not mandate collaboration. Instead, Cowell attempts to foster a collaborative spirit by creating conditions that promote better understanding and cooperation among key community stakeholders. Cowell convenes grantees in various forums during which grantees are able to look beyond their individual priorities and discuss community-wide concerns."²

¹ *An Assessment of The S. H. Cowell Foundation's Grantmaking Approach*, tcc Group, September 30, 2007, pg. 34

² *An Assessment of the S. H. Cowell Foundation's Grantmaking Approach*, pg. 36

Creative Synergy

Synergy occurs when the whole is greater than the sum of its parts. The Cowell Foundation seeks creative synergy in three ways.

First, the Foundation chooses a developmental approach. Community assets, which may be few at the beginning of the Cowell funding cycle, grow over time and interact together to move communities forward. Elements such as anchor institutions (an elementary school, a youth organization or family resource center), leaders, both existing and new, and associations and networks of individuals and organizations combine. Collaboration builds networks among those with less power to increase their power and draws in the powerful, leading to dramatic improvements.

Second, the Foundation seeks a tipping point in which multiple grants on several key fronts, working together, will achieve success, whereas individual grants that do not mutually reinforce each other might not. The Foundation's Board and staff believe that complementary grants that combine to impact overlapping populations at home, school, work and play will more likely result in lasting change for families and communities.

Finally, the Foundation fosters relationships among community members within and across public and private sectors, as well as relationships between community members and Cowell staff. Cowell staff model their belief in the power of personal and positive relationships. They offer specific program expertise to grantees as well as link them with their own funder networks. These relationships are purposeful, creating a chemistry of creativity.

Long-Term Investment

The Foundation is committed to lasting community change and it recognizes that this requires long-term investment in capacity building. To this end, many organizations in these communities receive two to three consecutive, multi-year grants.

The Foundation also expects and looks for return on its long-term investments. Because its resources are finite and the needs of communities great, the Foundation staff closely monitors grants so it can have confidence that the money invested in its grantees will make a difference in the lives of children and families. The Foundation staff collects and analyzes data from every grantee and listens carefully to grantee feedback. See the section on Accountability for more detail.

The Foundation invests for the long term but begins assessing its return early on to maximize opportunities for mid-course correction and increased success. In this way, the Cowell staff improves its grantmaking and grantees improve their effectiveness early on even in a multi-year grant.

Grantees that show little return, demonstrate a lack of effort and/or do not meet their interim deliverables despite clear direction and multiple supports from Cowell staff typically have their grants tapered off or terminated.

Leverage for Sustainability

While Cowell staff does not actively raise funds for its grantees, the Foundation encourages grantees to build relationships and collaborate with other funders. For example, the Foundation often requires matching funds to ensure that grantees diversify their funding base. Staff encourages grantees to seek and maintain relationships with local foundations, businesses and government in their change efforts. Staff also model building relationships with other funders to pursue learning and to develop funding collaborations.

A key deliverable for many Cowell grants is development of a sustainability plan that weaves together funding from a diverse set of funding sources including foundations, corporations, individuals and governments. In addition, Cowell funds organizations that provide tools to grantees that support sustainability. One example is a grant to the Taproot Foundation that leveraged over \$90,000 worth of high-quality, pro-bono communications and human resources services for grantees. The tools gained by grantees, such as naming, branding, and brochure, annual report, website, and donor database development, directly support their goal of sustainability.

The Foundation's commitment to a community over time becomes a 'seal of approval' that communities use to leverage grants from other funders. In addition, Foundation staff members use their professional networks to introduce other funders to these communities, increasing the chances of financial sustainability. For example, between 2000-2006, Cowell's \$17.4 million in grants leveraged \$67 million in other funds for grantees in the five most intensively supported communities.

VI. AN EXIT STRATEGY

It has long been Cowell's practice to award multiple year grants and support organizations until the Foundation and the grantee agreed that the sponsored work was sustainable without Cowell funding. This process of developmental grantmaking has succeeded in sustaining the goals of a grantee organization where absolute exit timelines may have failed. This approach toward exiting organizations provides a responsive and flexible template for exiting communities as well.

Cowell's approach to grantmaking has been to award two and sometimes three multi-year grants as needed to help a grantee improve service delivery, achieve better results, increase services and develop stronger management and governance infrastructures. At the same time these grants focused on helping the grantee understand the importance of developing a long-term sustainability plan that included reducing dependency on Cowell. As a result, the grantee was weaned from Cowell funding according to the organization's unique circumstances and stage of development.

The place-based complementary grantmaking strategy, in which Cowell typically funds several organizations within a community on different grant cycles, caused the Cowell Board to direct staff to consider alternative ways to exit communities. Ideas that surfaced included limiting grants within a community to a maximum of 7 to 10 years, limiting total funding within a community to \$3 to \$4 million and developing a unique strategy for each community.

After some experimentation, the Foundation decided that the most effective strategy is to taper off support for each organization within a Cowell-funded community based on the organization's needs, progress and sustainability goals. The Foundation will focus on reducing grantees' dependency over time by requiring an increase in matching funds, when appropriate, to help organizations diversify their funding base. The Foundation will also continue to consider bridge funding to help an organization move from one source of funding to another. The funding period for an organization within the place-based, complementary grantmaking strategy is often multi-year and has lasted last up to 12 years.

VII. OTHER STRATEGIC DECISIONS

As part of its overall grantmaking strategy, the Foundation will pursue the following:

OPTIMAL BALANCE BETWEEN PLACE-BASED, COMPLEMENTARY GRANTMAKING & RESPONSIVE GRANTMAKING

While Cowell's primary funding strategy is place-based, complementary grantmaking, it does not want to miss other promising opportunities that advance its program area goals. The Foundation is open to innovative efforts that offer promising or best practices related to its program areas whether or not they are embedded within a Cowell-funded community. The Foundation is also open to opportunities to improve the lives of children and families within a Cowell-funded community even if they fall outside Cowell's program areas. Finally, the Foundation is alert to funding opportunities in its own "backyard," San Francisco and the greater Bay Area, which have the potential to make an impact in the quality of life of low-income children and their families. In addition, the Foundation is also open to helping with natural disasters, both at home and abroad, where funding can make a difference. To this end, the Foundation strives to maintain an optimal balance between place-based grantmaking and other grantmaking at approximately 66% and 33% respectively.

PUBLIC POLICY

Changes in public policy, at city, county and state levels can help grantees sustain the successes Cowell support has enabled them to achieve. Residents and other community stakeholders can play a major role in achieving policy change, but may need training and encouragement to be effective. This is especially true for poor and immigrant families, who have scarce resources, have not been raised in a culture of civic engagement and who, for various reasons, lack confidence in their own leadership.

In Cowell-funded communities the Foundation makes grants across all program areas to build the capacity of residents and community stakeholders to advocate on behalf of their own communities and organize for public policy change. Through its grants Cowell also helps residents and other community stakeholders lay the groundwork for policy change. These grantees educate policymakers by analyzing data, presenting facts and offering expertise to inform, frame problems and offer solutions. Grantees also organize youth and residents to advocate for solutions.

While the Foundation appreciates the importance of public policy in directing resources for families and children, the Board sets priorities within the grants budget. In difficult economic times, the Foundation's priority is to support programs and services rather than policy change. The Foundation does not support lobbying or public education campaigns.

DISSEMINATION OF LESSONS LEARNED TO PROMOTE GRANTEE SUCCESS

The primary targets for Cowell's dissemination efforts continue to be past, current and prospective grantees and the diverse group of public and private stakeholders in communities of interest to the Foundation. The purpose of dissemination to these audiences is to promote the success of their work and share what has been learned. Other important audiences for dissemination are other practitioners, policy makers, funders and decision makers working in Cowell program areas and engaged or interested in place-based grantmaking. The purpose of dissemination activities to this constituency is to promote learning and best practices for the field-at-large. To this end, the Foundation uses the Cowell website (www.shcowell.org) as a primary dissemination vehicle for publishing information about the Foundation's programs and lessons learned. It will explore even further expansion of its use.

The Foundation encourages and supports staff to attend events where they can share their expertise and learn from others. Staff will also continue to communicate directly with grantees and potential grantees and participate in presentations at conferences and other symposiums to share what they are learning. In addition, staff will remain open to special dissemination opportunities, especially those that advance Cowell's grantmaking goals. For example, Cowell has and will continue to make grants to intermediaries to produce publications that inform best practice for program administrators and policymakers.

PAYOUT

The Foundation targets a flexible and robust annual payout. The Federal government requires a 5% payout. The Board may consider a higher payout when such a budget is appropriate for the Foundation's grantmaking goals and investment objectives. However, the Foundation recognizes that its goals of quality grantmaking and long-term commitments to communities require flexibility in the grants budget. A higher payout is not an internal mandate.

INVESTMENT APPROACH

The Investment Committee seeks to manage the Foundation's assets consistent with the Foundation's objectives which include making multi-year grants to organizations and being a committed partner with our grantee organizations in various economic cycles. In keeping with this purpose, the Committee's investment strategy is to emphasize capital preservation and minimize volatility. The assets will be allocated to asset classes, sectors and managers based on return and volatility targets for the aggregate portfolio that will be agreed upon by the Committee and reviewed on an ongoing basis.

Furthermore, external managers will be selected for their ability to generate superior investment results with investment strategies and business practices that are consistent with the Foundations' values and principles. The Committee intends to use outside managers to manage most if not all of the Foundation's assets.

GRANTS ACCOUNTABILITY

Results and outcomes are important to the Cowell Foundation Board. Evaluation activities are designed to help the Foundation assess the success of its grantmaking and learn from its experience. Over the years the Cowell Board and staff have asked and answered a number of evaluation questions:

1. Is each grantee doing what it proposed to do?
2. Is each grantee accomplishing expected results?
3. Is each grant project contributing to improved outcomes for participants?

On an on-going basis, staff monitors grants through reports and site visits to determine whether funds are being used appropriately, projects are on track and grantees have, or are in the process of, achieving their goals.

4. What is the Foundation learning from its grants?

At the conclusion of a grant, the responsible program officer conducts an assessment to document if the grantee has achieved the grant objectives, to inform decisions about future grantmaking and to capture lessons learned. The Board receives brief reports on recently closed grants at each of its meetings.

5. Are the grants Cowell is making consistent with the goals and guidelines of each program area?

Staff conduct periodic, cumulative "portfolio reviews" in each program area and report the results to the Board.

6. Is Cowell implementing the place-based, complementary strategy consistent with the Board's directions?

Staff develops data that provides feedback to the Board regarding the implementation of Board strategic directions.

7. What impact does Cowell's grantmaking have within a community and across communities?

In 2007, staff aggregated data on the results of grants in the five communities where the Foundation has made the greatest investments since 2000 and shared an analysis of these results with the Board. The Foundation will now hire a data and evaluation expert to develop a more robust data base of grant results to continue to answer the above question.

In addition, staff analyzes Academic Performance Index (API) scores, tracking schools in communities where Cowell is making place-based grants, and has reported these results to the Board annually since 2005.

VIII. CONCLUSION

Since its founding in 1956, the S. H. Cowell Foundation has made grants totaling over \$232 million. These grants have helped reduce the effects of poverty on children and families in communities throughout Northern and Central California. With this strategic plan, the Foundation charts its direction into the future, confident that with many partners it can contribute to making a difference for poor children and their families where they live, work and play.