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Insights From Deploying a Collaborative Process for Funding Systems Change

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Key Points

- Many foundations are seeking to impact root causes of social issues through funding initiatives that are both technically and socially complicated and where past experience is no guarantee of success. These situations exhibit the growing need for more adaptive funding approaches, such as emergent philanthropy.
- This article looks at an application of emergent strategy at the Colorado Health Foundation. It shares tools used to design the funding approach for the foundation's Creating Healthy Schools initiative, including support for grantees in refining their grant-proposal budgets and activities, decreasing duplication, and leveraging resources more effectively.
- This article will look at lessons learned, including the need to continue to evolve emergent philanthropy and collaboration not only between funders and grantees, but between funders themselves. The authors hope the tools experimented with in this case will help other foundations design and implement system-change strategies in complex environments.

Introduction

More foundations are seeking to impact root causes of social issues through funding complex initiatives that are both technically and socially complicated, and where past experience is no guarantee of success (Mowles & Stacey, 2016; Spark Policy Institute, 2016; Glouberman & Zimmerman, 2002). We live in an increasingly connected world, where even challenges that appear straightforward are connected across sectors and stakeholder groups with diverse interests. These situations, where no predesigned recipe or protocol is likely to work, exhibit a growing need to shift to adaptive funding approaches.

For the past several years, the concept of emergent philanthropy has gained the attention of foundation staff and boards as an approach to addressing these complex issues. The concept was explored by Kania, Kramer, and Russell (2014), who argue that strategic philanthropy, while well-suited to address simple and complicated problems, is ill-equipped to address complex problems and their “dynamic, nonlinear, and counter-intuitive” nature (para. 4). They suggest adding an emergent component to strategic philanthropy, which allows evolution and adaptation to challenges that arise as the strategy unfolds.

Inherent in employing emergent philanthropy is the idea of collaboration between funder and grantee. An adaptive process naturally requires learning together in order to effectively respond to changes in the environment. Traditional funding processes are often bifurcated between the funder and grantee roles: funders put out requests for proposals, grantees respond, and then funders inform organizations about their

award. For a strategy to be truly emergent, foundations must seek input and feedback from grantees every step of the way. Listening to stakeholders and allowing for process, as well as content, to emerge as a funding strategy develops allows for a feedback loop that results in funding strategies better designed to address complex issues.

This article looks at an application of emergent strategy in practice, using a case study from the Colorado Health Foundation's Creating Healthy Schools funding strategy. We hope the tools experimented with in this case will help other foundations design and implement system-change strategies in complex environments. In addition, this article will look at lessons learned, including the need to continue to evolve emergent philanthropy and collaboration not just between funder and grantees, but between funders themselves, moving into a new iteration: a concept we call "collective emergent philanthropy."

The Case Context: Creating the Healthy Schools Funding Strategy

The Colorado Health Foundation has a vision to make Colorado the healthiest state in the nation. To reach this goal, foundation staff engage in grantmaking, advocacy, engagement, communications, and evaluation. The foundation established a focus on health and wellness in schools and, in the early stages of developing a statewide approach, recognized the complexity of the issue — including the interplay between a number of different actors, funding sources, needs, and goals. Staff also recognized that the structure of past funding opportunities sometimes unwittingly encouraged grantees to be competitive rather than cooperative, resulting in duplicated and misaligned efforts.

As the previous funding cycle was coming to a close, the foundation seized the opportunity to try a new approach. Wanting to harness long-standing collaborative efforts and the emerging enthusiasm at the foundation for systems-change funding and working together in fundamentally new ways, the program officer saw an opportunity for collaboratively

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developing the funding strategy. In line with the foundation's evolving commitment to deeper community engagement, and with leadership support, the program officer developed the Creating Healthy Schools funding strategy in the winter of 2015 by leveraging existing collaborative efforts and a commitment to meaningful community engagement.

The goal of the strategy was to "connect system- and local-level efforts to create a sustainable network that fosters health and wellness and provides a thriving environment for kids throughout Colorado" (Colorado Health Foundation, 2016). Ultimately, the foundation and stakeholders envisioned changes at three levels:

- how stakeholders in the school health system worked together to improve the system;
- how that system functions at the state level, including nonprofits in critical supporting roles and the government institutions that mandate and oversee the system; and
- how the school health system functions at the school and school district level, where there is direct impact on students.

The foundation worked with an evaluation team to design and implement a three-tiered evaluation framework tied to these levels. A driving factor behind this kind of evaluation was the recognition that this new approach constituted

a risk for the foundation, and data regarding both process and progress would be important for foundation leadership to consider as the first funding cycle would run its course. (See Appendix A.)¹

The foundation employed a number of tools to achieve the strategy goals. Some tools are tested ones that are frequently employed by funders, such as using a neutral facilitator and leveraging existing leadership. The foundation, however, combined these tools with the guiding principles of emergent philanthropy and additional principles that emerged from the process, yielding a collaborative and emergent funding model designed to support meaningful and long-lasting change.

Tools and Guiding Principles for Effective Collaboration

As adapted from those articulated by Kania et al., (2014), emergent philanthropy has three guiding principles:

- **System fitness:** improving system fitness by strengthening the relationships between the system-level actors, including the ability to collectively respond to shocks in the system or large shifts in the field.
- **Co-creating strategy:** creating a strategic framework and approach through collaboration with the grantees, the foundation, and other potentially critical actors, such as those who could be most impacted by the work.
- **Systems thinking:** using a systems-level strategic framework to identify key leverage points or attractors that can systemically improve outcomes and ensure accountability to both the long-term outcomes and those who are potentially most impacted by the work.

Drawing on the adaptive elements associated with emergent grantmaking, as well as observations from developing a collaborative process for

funding systems change, the authors have developed three next-level guiding principles:

- **Adaptability:** ensuring the process incorporates flexibility throughout, including within grant agreements and the strategic framework, supported by learning and self-reflection, critical thinking, and experimentation.
- **Equity:** prioritizing equitable grant processes that enable populations, organizations, and topic areas in most need of solutions or that will see the greatest impact to inform the process and successfully apply for grants.
- **High-quality process:** committing to processes proven to lead to improved community outcomes, such as through inclusion, treating stakeholders as equals, focusing on the root problem, and being authentic (Hicks, Larson, Nelson, Olds, & Johnson, 2008).

These six principles guided the selection and use of specific tools. (See Table 1.) During every phase of the funding strategy — from design through post-award — the foundation applied the guiding principles in concert with tools when collaborating with the stakeholders, funding applicants and, ultimately, grantees. Philanthropic practice already routinely uses some of these tools (e.g., neutral facilitators). However, it was the foundation's intentional application of these tools in concert with the six guiding principles that fully supported an emergent process and yielded new outcomes.

The remainder of this article describes how the foundation implemented these principles and tools to support fundamentally changing the relationships between stakeholders and establishing a more inclusive process for addressing the root causes of a complex issue (i.e., statewide healthy schools). Each section, organized by funding-strategy development stages, describes the decision to be made, tools and processes used, outcomes, and lessons learned.

¹Appendix is in the online article at <http://scholarworks.gvsu.edu/tfr/vol9/iss2/9>

TABLE 1 Tools for Collaboration

Tools	Description	Guiding Principles	Phases	Intended Outcomes
Leveraging and elevating existing leadership	There is no need to start from scratch. If there are existing spaces where good work is happening and the funder has established relationships, use them!	<ul style="list-style-type: none"> • Co-creating strategy • Systems thinking • System fitness 	<ul style="list-style-type: none"> • Design process • Post-award 	To support sustainable systems change with strengthened collaboration and partnerships
Equity-focused research	A collection of best and promising practices for infusing equity into a funding process	<ul style="list-style-type: none"> • Equity • System fitness 	<ul style="list-style-type: none"> • Design process 	To ensure a more equitable distribution of funding, contributing to a more equitable system
Use of a neutral facilitator	Leveraging an outside party to convene stakeholders and facilitate discussions and decision-making	<ul style="list-style-type: none"> • High-quality process 	<ul style="list-style-type: none"> • All 	To protect and strengthen relationships among stakeholders; to bring neutrality and accountability into the process
Application review	A two-pronged approach to strengthen applications: <ul style="list-style-type: none"> • Application analysis • Community consultants 	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • Due diligence process • Review process 	To strengthen system grantees' ability to address local district needs, thereby strengthening the healthy-schools system
Collaborative meetings	A series of joint meetings with the funder, applicants/ grantees, and neutral facilitator that leverage: <ul style="list-style-type: none"> • Systems acting • Changing the game • "Scarf" model • Prisoners' dilemma • Collective budget revision • Promotion of future ownership and collaboration 	<ul style="list-style-type: none"> • Systems thinking • Co-creating strategy • High-quality process • Adaptability • System fitness 	<ul style="list-style-type: none"> • Application process • Due diligence and review process • Post-award 	To collectively build a stronger system to address health and wellness in schools while supporting collaboration and communication, as well as addressing anxieties related to a new funding process

Tools

The Design Process

Traditionally, funders design, revise, and implement funding opportunities with relatively little external input outside of expert consultants. The guiding principles, however, suggest a different approach, by which the organizations and communities most affected can help support stronger, more relevant grantmaking from the beginning. The foundation articulated a clear focus of the strategy and then elicited ideas from stakeholders to operationalize both the focus and an adaptive approach. It then partnered with existing and potential grantees to answer key questions to help determine the funding parameters: How is funding prioritized? What is the model by which funding is allocated?

Following the principle of co-creating strategy, the foundation leveraged and elevated existing leadership by identifying an existing leadership body made up of current grantees, other funders, and state agencies working in the healthy-schools space to inform the funding-strategy design process. With guidance from a neutral facilitator, who had existing relationships with stakeholders and helped plan and execute the work, this leadership body heavily informed the design of the funding model. The foundation leveraged this group's existing theory of change, which outlined the necessary functions of a successful healthy-schools system, including professional development; data systems, research, and evaluation; policy; and communications, marketing, and engagement.

Following the principles of equity and system fitness, the evaluation team documented equity-focused approaches for funders and developed an "equity-focused request for proposal (RFP) best practices" document. (See Appendix B.)² The leadership group used this throughout the design process, particularly when reaching decision points where multiple paths could help achieve the broader focus of the funding, but some paths were more likely to lead to an equitable distribution of funds.

The foundation, leadership group, and neutral facilitator solicited input via a series of webinars. Based on feedback from districts and systems partners, the foundation decided to offer both systems-level funding (to nonprofits working with schools, for example) and direct district-level funding for a coordinated approach. Stakeholders engaged via the webinar also came up with the idea of holding one collaborative meeting of all systems-level organizations interested in applying for funding. This statewide, systems-level process will be the focus of this article in the remaining sections.

Lessons Learned

- Work with diverse stakeholders to design the funding strategy long before the release of the RFP.
- When input is solicited, document, review, and integrate feedback as much as possible into the model and the funding-opportunity process.
- With stakeholder input, identify the key functions of a healthy system as a way to focus systems-change funding.
- Work to engage other funders with existing or developing funding opportunities in the same topic area or system. In retrospect, this was a particular challenge for the foundation, and upfront planning and engagement of other funders would have been beneficial. Many challenges foundations are working to address are too large for one funding source to solve; designing a funding opportunity that minimizes duplication and fills gaps in other existing funding could enhance the likelihood of transformative systems change.

Post-award, the foundation worked with the evaluation team to review documentation of the process and conduct interviews with various stakeholders. The evaluation team surfaced the following: If there is significant overlap in membership between existing leadership groups

²Appendix is in the online article at <http://scholarworks.gvsu.edu/tfr/vol9/iss2/9>

FIGURE 1 Playing the Game Versus Changing the Game

Playing the Game	Changing the Game
Everyone is out for themselves.	Grantees and the funder are all in it together.
Grantees work toward a funder-driven vision of specific outcomes.	Grantees and the funder have a shared vision of important outcomes.
Grantees translate a funder’s vision into grantee organizations’ existing agendas.	
A funder holds unrealistic expectations and grantees offer empty promises to deliver on those expectations.	Grantees share a commitment to mutual learning and accountability.
Grantees operate in silos, competing with one another.	Grantees and the funder acknowledge that outcomes may be uncertain, but a make a sincere promise to define and reach them collectively.

Tools

and potential grantees, there may be real or perceived conflicts of interest. Having a diverse set of interests represented in designing the funding opportunity can further advance the principles of equity, co-creating strategy, and a high-quality process. It would also likely contribute to strengthening the system and developing a better systems framework.

The Application Process

Beyond the overall goal of improving health and wellness in schools, the foundation also wanted the funding strategy to be responsive to on-the-ground realities and needs and to minimize the amount of duplicative or otherwise misaligned work, especially at the systems level. While these additional goals were clear, the question of how to achieve them was not.

Shifting from funding programs to funding systems change, which requires addressing the two points above, is an adjustment for both funders and grantees. Navigating the shift and informing the direction of systems change together can help solve the “how” and encourage a new kind of grantee-funder relationship that highlights partnership over hierarchy. Following the principles of co-creating strategy and adaptability, the foundation used stakeholder ideas from the design process and invited all stakeholders interested in applying for systems funding to attend a collaborative meeting. Meeting participants engaged in shaping the day via a survey during registration.

Neutral facilitators, along with the foundation, applied this input and designed the meeting.

The first collaborative meeting aimed to clarify the new approach to funding and set the stage for both systems thinking and acting. The meeting also used the components of a strong system to support healthy schools (organized by the existing leadership’s group theory of change’s functions of a successful system) to frame the conversation. The first portion of the meeting focused on highlighting the funding strategy as a shift from “playing the game” to “changing the game.” (See Figure 1.) These elements set a norm and expectation of authentic collaboration, supporting long-term partnerships.

As part of the framing activity, the neutral facilitators used a combination of videos and personal anecdotes to illustrate systems thinking. Armed with a shared understanding, facilitators then guided participants to go from systems thinking to systems acting. Facilitators asked participants to self-select, according to their expertise, into groups representing the functions of a successful healthy-schools system. Participants then worked on defining how their function groups, both alone and with other function groups, could best improve the system serving schools.

The meeting echoed the application, which asked applicants to focus on the functions of a healthy-schools system rather than programmatic, topic-based work. It also asked applicants

The application process drew on all of the guiding principles to develop tools and processes that supported collaboration and ultimately, systems change.

to demonstrate how they would align tools, data, resources, and programs in and connected to schools, as well as how they would build inclusive engagement and partnerships. Applicants demonstrated their ability to embrace both these requests and the concepts presented during the first collaborative meeting. For example, several participants submitted joint applications, structuring their proposed work as a collaborative initiative. (See Appendix C.)³

Lessons Learned

- Lead stakeholders to a shared understanding of systems thinking and how it translates to systems acting. Using analogies like natural ecosystems and the human body can create an approachable path into the complex world of systems change.
- Leverage a neutral facilitator to reinforce the idea of funder as partner; program officers can participate in the meeting as a partner without all the answers, engaging stakeholders in the process of coming to an answer together.
- Engage on-the-ground perspectives on how to best improve the system serving them. Consider ways to involve those who will be most impacted by the change in all phases of the process.
- Support increased communication regarding how systems applicants may respond to on-the-ground needs and what resources may be available to on-the-ground groups from their systems-level partners. In the

foundation's case, both the local- and the state-level RFPs came out at the same time, which created challenges. Systems-funding applicants were proposing their aims and project goals without much of an understanding, until later in the process, of what the local stakeholders had proposed to do.

- Develop clear function-group goals and priorities and criteria for membership within each group.

The Due Diligence and Review Process

Throughout the funding process, the foundation relied on authenticity and openness to demonstrate its commitment and to support strong, trusting relationships with its partners. This approach helped enable the conditions necessary to engage in challenging conversations as part of the due diligence and review process, including conversations about the budget.

In total, applicants requested approximately \$18 million over two years. The available budget, however, was only \$12 million. The foundation demonstrated its commitment to honoring and building the collaborative work to date by engaging applicants in key decisions, such as:

- how and where to reduce the overall budget,
- how to prioritize and phase work,
- identifying opportunities for alignment and reducing duplication, and
- reducing individual budgets.

The application process drew on all of the guiding principles to develop tools and processes that supported collaboration and ultimately, systems change. Traditional grantmaking processes determine an application's merit and level of funding internally and behind closed doors. Funding systems change and championing collaborative initiatives provides an opportunity for more transparency and collective decision-making.

³Appendix is in the online article at <http://scholarworks.gvsu.edu/tfr/vol9/iss2/9>

The foundation leveraged two external partnerships during application review: an evaluation team and community consultants. An evaluation team analyzed all applications to surface duplicative work between system applicants and the degree to which systems-level applicants were proposing activities that met needs the needs of local schools/districts (as identified through a separate funding opportunity for local schools/districts released at the same time). Additionally, a group of community consultants composed of practitioners with close ties to youth, teachers, and parents reviewed all system-level applications to offer feedback on how applicants could better plan to engage district and school stakeholders. The consultants also urged applicants to consider how the systems-level work could support school districts' ability to increase health equity in their schools.

The foundation chose to host a second collaborative meeting to build on the momentum created by the first one, normalize and address applicant anxieties surrounding the new funding model, focus on refining the applications submitted by the participants in the first collaborative meeting, and decrease proposed budgets to the strategy's allocated \$12 million. Understandably, a new funding process — especially one including transparency around proposed budgets — may surface anxiety in applicants. Before digging in to this important but difficult step, it was important to normalize and address anxieties. During the second collaborative meeting, the facilitators used two frameworks to tackle this task.

- First, the “Scarf” model (Rock, 2009) borrows from neuroscience to understand our brain's threat and reward responses and applies that field's learning to supporting people through large-scale change. Scarf stands for the five cues our brains scan the environment for to keep us safe: status, certainty, autonomy, relatedness, and fairness. Each of these cues can trigger a threat or reward response. For example, being seated at the head table floods our brains with rewarding endorphins, while arriving late to a meeting and being called out for disrupting it is perceived as deep threat to our

Ultimately, some applicants shifted their proposals to reflect their organizations' strengths and relegated activities better suited to other organizations.

status in the group. This framework can be useful to both normalize anxiety as a neurobiological response and offer concrete ways to address it.

- Second, facilitators led a simulation of the prisoners' dilemma to illustrate the power of cooperation in a context where the default setting tends toward competition, leading toward a less than optimal outcome for all participants (Axelrod, 1984). An activity that framed the parallels of the prisoners' dilemma to the perceived scarcity of funding, access, and acknowledgment helped applicants recognize that when they work together and think of systemic solutions, they maximize their collective efforts and satisfy self-interest at the same time.

Once facilitators had set the stage, participants split into their function groups to discuss their proposal narratives, which were shared prior to the meeting. Participants worked to eliminate duplicative work from their proposals and engaged in honest, if challenging, conversations about organizational strengths and capacity. Highlighted by the application analysis conducted, duplicative activities included reviews of best practices, multiple local-needs assessments, and plans to establish service-delivery processes. Ultimately, some applicants shifted their proposals to reflect their organizations' strengths and relegated activities better suited to other organizations. Though not all duplicative activities were initially found or addressed, application analysis allowed for greater alignment opportunities. For example, two organizations proposed leading a group of professional-development providers to align their work. After negotiations,

To strengthen the system and increase the likelihood of long-term partnerships and systems-level impact, foundations can set expectations and establish ongoing support of collaborative initiatives beyond grant announcements.

aided by a neutral facilitator, one organization relinquished to the other and both groups focused on how they would work to address balancing organizational interests.

Though by no means simple or straightforward, these are the types of challenging, give-and-take exercises with which organization were tasked. Throughout this process, the foundation reminded applicants that such compromises are typically forced by funders instead of discussed among partners. The foundation also reminded applicants that it recognized and appreciated efforts to collaborate for the good of local districts, even in challenging situations. In the end, participants decreased the total proposed budget by about \$2.5 million. To address the remaining overage of \$3.5 million, the program officer identified criteria for the foundation to apply consistently across applicants, which served to support a long-term system-building strategy while reducing the budget. In the end, all applicants were funded, if at lower amounts than what they had originally proposed.

To facilitate the process of updating proposals, the foundation employed the guiding principle of adaptability and asked applicants to submit a simple form documenting changes in proposal narrative, anticipated grant milestones, and proposed budget. (See Appendix D.)⁴

The application review and collaborative meeting yielded three improvements to applications. First, community consultants provided key feedback to improve each applicant's submission specifically related to levels of engagement of local students, school personnel, and community members. Second, both the analysis and collaborative-meeting conversations allowed applicants to surface commonalities in proposals, resulting in reduced duplication among proposals. Finally, collective budget reduction reinforced the concept of "changing the game" from the first meeting by infusing transparency in the allocation process.

Lessons Learned

- Consider combining traditional grantmaking processes with innovative ones; transitioning to emergent philanthropy does not necessarily require an "all or none" approach.
- Reengage a neutral facilitator to bring applicants back together before grant awards.
- Engage an external party to review applications as a way to counter the lack of transparency in traditional grantmaking processes, where funders determine applications' merit, and therefore levels of funding, internally and behind closed doors.
- Expect the process to surface tensions among similarly focused organizations. Emergent philanthropy and funding systems change, while mitigating the problem of multiple organizations receiving funding for duplicative efforts, may also raise delicate questions: What is the right combination of services to reach our goal? Which programs get results? Who is best positioned to provide leadership for the group?
- Consider additional training, time, and support for program officers as they support applicants through a new process. The program officers are not only doing something new themselves, but are also helping others do something new and challenging.

⁴Appendix is in the online article at <http://scholarworks.gvsu.edu/tfr/vol9/iss2/9>

Grantee Alignment Post-Award

Encouraging and supporting collaboration during the funding process is only a first step. To strengthen the system and increase the likelihood of long-term partnerships and systems-level impact, foundations can set expectations and establish ongoing support of collaborative initiatives beyond grant announcements.

In keeping with all of the principles of effective collaboration, the foundation hosted a final, third collaborative meeting. This meeting convened grantees to ensure a clear understanding of the funded work, nurture ongoing collaborative action, and explore system grantees' role within the larger healthy-schools realm. This stage also presented an opportunity for the foundation to support systems change by engaging systems players beyond grantees. The foundation invited state agencies and other funders, many of whom were part of the existing leadership body, to the meeting.

The neutral facilitators played a key role in the third collaborative meeting's framing and activities, but they created ample space for grantees and longstanding or emerging leaders in the field to lead the function group conversations. Prior to the meeting, they identified possible leaders for each function group who could facilitate the collaborative conversation. In these small groups, grantees shared their funded approach, made connections with other function areas around opportunities for collaboration, and began to establish a structure for the work ahead. The neutral facilitators encouraged them to identify next steps toward nurturing their work, and the foundation program officer reinforced that message.

Grantees demonstrated a significant shift away from individual positioning to maintain their own funding levels and towards systems acting. By the end of the third meeting, grantees began to establish how they would coordinate their future efforts and ensure communication, demonstrating a sense of ownership and an ability to see the whole and not just their individual

Grantees demonstrated a significant shift away from individual positioning to maintain their own funding levels and towards systems acting.

part. They agreed to try out a structure to facilitate continued collaboration, not just among function groups but also across them: holding regular meetings among representatives from each group, members of the existing leadership body, neutral facilitators, and an evaluation team. They also agreed to bring nongrantees, such as the state agencies noted above, into this structure. Foundations may find value in suggesting this process and structure to support ongoing collaboration, thereby strengthening the likelihood of transformative systems change.

In addition, grantees voted to align with and become work groups of the existing leadership group in the healthy-schools space. The foundation facilitated, but did not mandate, this vote, again demonstrating the shift in grantees participating in systems change. This final outcome highlights the benefit of foundations leveraging and elevating existing leadership. (See Appendix E.)⁵

Lessons Learned

- Look for specific opportunities to support grantees to take ownership of the work, including processes by which the work moves forward.
- Think about simple ways to capture and communicate the work grants will fund. Under traditional circumstances, there is no real need for grantees to understand one another's work; in collaborative systems change, however, it is critical.

⁵Appendix is in the online article at <http://scholarworks.gvsu.edu/tfr/vol9/iss2/9>

FIGURE 2 Guiding Principles of Emergent Philanthropy

Guiding Principles of Emergent Philanthropy		
Adapted Original Principles of Emergent Philanthropy	System fitness	Improving system fitness by strengthening the relationships between the system-level actors, including the ability to collectively respond to shocks in the system or large shifts in the field.
	Co-creating strategy	Co-creating a strategic framework and approach through collaboration with the grantees, the foundation, and other potentially critical actors, such as those who could be most impacted by the work.
	Systems thinking	Using a systems-level strategic framework to identify key leverage points or attractors that can systemically improve outcomes and ensure accountability to both the long-term outcomes and to those who are potentially most impacted by the work.
Additional Principles of Emergent Philanthropy	Adaptability	Ensuring that the process incorporates flexibility throughout – including within grant agreements and the strategic framework – supported by learning and self-reflection, critical thinking, and experimentation.
	Equity	Prioritizing equitable grant processes that enable populations, organizations, and topic areas that have the greatest need of solutions or that will see the greatest impact to inform the process and successfully apply for grants.
	High-quality processes	Committing to processes proven to lead to improved community outcomes, such as through inclusion, treating stakeholders as equals, focusing on the root problem, and being authentic (Hicks, Larson, Nelson, Olds, & Johnson, 2008).

Tools

- Consider a nomination or group decision process to select the grantees that take on a leadership role with their peers and facilitate portions of a collaborative meeting. If this is not possible, clearly communicated criteria or reasoning for why certain grantees were asked to lead dialogues can suffice. The foundation faced challenges with surprised grantees by not using a group decision process, and following these steps will provide additional transparency and broader engagement while promoting grantee ownership and supporting collaboration.

Conclusion: Moving Emergent Philanthropy Forward

For foundations operating in the context of complex change, addressing root causes of issues, seeking to cause systemic change, or operating in uncertain environments, there is a need to move beyond business-as-usual methods of grantmaking. Emergent philanthropy is one method by which funders can support systemic change, particularly in a collaborative environment. Lessons from the Colorado Health

Foundation’s implementation of an emergent philanthropy philosophy to the Creating Healthy Schools funding strategy provides a framework for foundations looking to co-create a way to strengthen relationships between system-level actors by using a systems-thinking framework.

When operationalizing the principle of co-creating strategy, the foundation found the need to practice adaptability, infusing stakeholders’ input into the funding strategy. Stakeholder engagement and the foundation’s flexibility helped create a new kind of relationship between funder and grantee, supported by employing high-quality processes. Though the three original principles of emergent philanthropy as articulated by Kania et al., (2014) are a useful tool for systems change, they do not explicitly support change towards greater equity. The foundation’s work suggests three additional necessary principles of emergent philanthropy: adaptability, high-quality processes, and equity. (See Figure 2.)

While this process was not without tensions, it provided grantees with deeper ownership, as

well as a stronger commitment to collaboration across the system and the ability to adapt together to changing conditions. In arrangements where only the funder bears the burden of thinking about the system as a whole, partners are not typically aware of what others are doing or how key interventions must interface to be effective. By inviting stakeholders to co-construct a systems approach to solving a problem together, the foundation created a process by which partners became more aware of the skills and tools needed to function as a strong, healthy system.

In addition to the challenges and tensions above, two other challenges arose during the process:

- One foundation is not likely to be able to fund systems change in isolation.
- The set of stakeholders moving the work forward should be broader than just the grantees.

Complex and shifting issues are often too big for one funder or organization — no matter how targeted or well-resourced — to solve alone. At the same time, many funders and non-profit fundraising efforts are aimed at the same or overlapping issues. When one funder shifts its funding approach to be more emergent, it can put a burden on grantees who are still responding to the more traditional expectations of most of their funders. A better approach may be to engage in what we are terming “collective emergent philanthropy” — a process where funding from multiple sources (e.g., multiple foundations or a combination of types of funding, such as from foundations and governments) combines to help solve a complex problem through an emergent approach guided by a systems-level collaborative.

This concept of grantees co-creating with multiple funders allows for broader funding opportunities and the potential, therefore, for broader and more systemic impact. Specifically, this requires foundations to design grant opportunities not only with their grantees’ input, but in alignment with how other funders are

developing their opportunities, ideally tied to existing collaboratives focused on the issue at hand. Collaborative membership should include potential grantees as well as others who have a stake in the success of the work, but who do not have a vested interest in receiving grant funds. Ideally, such collaboratives would include those who could be most impacted by the work.

We hypothesize collective emergent philanthropy will:

1. Better focus a complex field through the pooling and leveraging of resources to most effectively meet society’s most complex problems with systemic solutions.
2. Disperse power and mitigate vested interests so that the efforts are primarily accountable to those who are impacted most by the work and meaningful outcomes.
3. Further strengthen and build partnerships to be able to adapt to new challenges and continuously improve efforts.

When faced with complex issues, collective emergent philanthropy has the potential to increase the power of grantmaking. The tools and guiding principles described in this article will help foundations build their own approach as they work to increase systems-level collaboration to support systemic interventions through strengthened and adaptive relationships and processes.

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APPENDIX A Overview of Healthy Schools Evaluation – Concept, Questions Addressed

This document provides a high-level overview of the Healthy Schools Collective Impact Evaluation. It is oriented by three interconnected levels that will holistically address progress toward establishing an environment and culture that integrates health and wellness equitably for students and staff. The evaluation will:

- Address equity.
- Support accountability to local/on-the-ground perspectives.
- Consider student health services, comprehensive physical activity, nutrition, behavioral health, and school cultures and climates.
- Consider the whole child.
- Prevent and prepare for shocks to the system.
- Support bold, innovative long-term strategies with actionable short-term strategies.
- Support use of data and best practices.

Below is a list of questions addressed within each level. These questions will be refined over time as new strategies and activities are pursued.

Collaboration/Partnership

- To what extent do stakeholders align and engage in the work? Where are the gaps?
- To what extent are key partnerships growing or new partnerships forming?
- How are partner behaviors and practices changing that support [the system effort's sustainability]?
- To what extent have statewide partners improved coordination and reduced duplication of services and supports?

Systems/Statewide

- What economic, political, or other contextual factors (e.g., economic conditions, community history and culture, political environment) support or deter transformation?
- How has [the system effort] prepared for “shocks to the system”?
- What are the early signals or shifts in healthy-school transformation?
- How has the system changed, including policies, funding, information flow, structure, etc.?

Local Schools/Districts¹

- To what extent do schools/districts integrate healthy-school activities (student health services, comprehensive physical activity, nutrition, behavioral health, school cultures and climates)?
- What progress have schools/districts made toward meeting their school and student health-outcomes goals?
- How do the school and student outcomes of those with a healthy-school focus compare to those without?
- To what extent have grantees improved coordination and developed a stronger system of supports for healthy schools?

¹Currently includes the schools funded by the Colorado Health Foundation.

APPENDIX B² Implementing Equity – Grantmaking Tips to Avoid “Fakequity”

Whom to Fund

- Support community-led organizations, even if the organizations leading these efforts don't have a track record, since it is inequitable to expect them to build a track record if no one will invest in them.
- Invest significantly in marginalized communities to lead the efforts to address problems.
- Avoid the “capacity paradox” – funding capacity-building or planning grants only for organizations that have the capacity to apply, or for organizations that meet a minimum capacity or budget level.

RFP Process Design

- Avoid invitation-only applications. Spread the net widely and repeatedly.
- Don't adhere to a strict percentage of an organization's budget you will fund, or commit to funding only organizations whose budgets fall strictly within a certain range.
- Change the definitions of capacity, leadership, and other concepts and criteria in your RFP to be more inclusive. It isn't equitable to force everyone to conform to status quo/mainstream definitions.
- Avoid very long grant applications and/or applications that take many hours to complete. If it takes 10 to 15 hours to apply, that's a sign that you may be perpetuating inequity.
- Avoid applications with more than five attachments. Consider requiring most attachments after you've decided to fund an organization, and then ask only for attachments you really need enough to warrant the effort it will take for a small organization to provide them.
- Avoid requiring organizations to translate their budgets into your format. Smaller organizations often lack a chief financial officer or other dedicated financial staff and therefore will be disproportionately affected by such requirements.
- Create a simple renewal process.

Explicit RFP Requirements and Questions

- Ask how applicants will include their target audiences in planning and executing the proposed work.
- Ask applicants to document the diversity of the populations they serve and of their own staffs and boards.
- Require grantees to sign a pledge of nondiscrimination and/or share their inclusivity statements.

Application Process Once RFP Is Released

- Offer more application support and resources for marginalized communities to compete for funding, since it is not equitable to expect them to compete on the same level with more powerful communities.
- Differentiate the application processes for organizations at different budget levels, so big organizations compete with one another and small organizations compete with one another.
- Designate one person or a small team for applicants – especially smaller ones – to reach out to for questions during the application process.

²This information was compiled from various open-access sources by the Spark Policy Institute evaluation team as an informal reference for the foundation and existing leadership body. Though not all items listed are evidence-based, they were largely corroborated by applicants as helping to make the funding strategy more accessible and equitable.

APPENDIX B (continued)*Application Review*

Avoid a purely numerical rating scale. There are critical elements of an organization's work that cannot be quantified: its value to its clients, historical traumas the communities it serves have faced, cultural elements of leadership, etc. Use the score card as a tool for discussion, not as the primary tool for funding decisions. Equity requires us to take the harder path and deal with the messy stuff.

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APPENDIX C Collaborative Meeting No. 1 – Materials

Agenda: Creating Healthy Schools Statewide Funding Collaborative Meeting No. 1

Meeting Outcomes

Prospective applicants:

- Build a shared understanding of systems building work around the state.
- Build a foundation for future collaboration (continued engagement that is yet to be defined).
- Reduce redundancy among services to ensure the greatest impact of funds.
- Build a strong application.

Meeting Agenda Items

- Introductions & Welcome
- Overview of the Grant Process
- Systems Thinking: The Big Idea
- Systems Acting in a Healthy-Schools Context
- Building a Better System: Small-Group Work by Function Area
- Refining Our Work: Gallery Walk/Small-Group Protocols
- Next Steps for Follow-Up
- Meeting Reflection

Meeting Material: A Systems Approach to Building Healthy Schools³

We're already working well together – why do we need this “systems” approach?

Though bringing together stakeholders is an important step and can lead to new programming in schools and even some policy changes, it will not lead to statewide, comprehensive school health. Collaboration alone is simply not sufficient. Too often, people convene, talk, share best practices, and even plan new strategies together without looking at how the current practices, policies, funding, and other infrastructure are preventing them from building sustainably healthy schools. This happens in part because reflecting on these types of changes is often putting up a mirror to how participants are currently operating in their own organizations, and changing core practices of an organization is much more difficult than adding a new program.

We're not talking about systems change at just the local level. Collaboration that leads to new programs, but not systemic change, can also be a challenge among organizations working statewide to support schools. When grantmakers are releasing new funding opportunities, technical-assistance providers are hosting new summits and trainings, or state agencies are issuing new policies, they are all operating as separate parts of a larger system. A systems approach looks at how all of these types of partners are independently supporting healthy schools using their existing capacity, influence, and decision-making authority.

What does it mean to take a “systems” approach?

A systems approach comes from the idea of “systems thinking.” When you use a systems-thinking lens to look at a problem, improving the performance of the whole system is recognized as dependent on the relationships among the different parts. Instead of creating a new program or passing a new policy, a systems lens looks at how the range of current policies, funding, and organizations are interdependent and seeks to find leverage points where change can shift multiple parts of the system in a sustained, coordinated way over time.

³This handout explains the thinking behind this systemic approach to healthy schools, including how it relates to the overall vision being advanced by [the existing leadership body and neutral facilitators] and supported by the healthy-schools funding opportunity released in 2015 by the Colorado Health Foundation.

APPENDIX C (continued)

[The existing leadership body and neutral facilitators] believe some of these key leverage points include:

- building will to expand and sustain healthy schools, including among administrators, local teams, state and local policymakers, and funders;
- changing key systems components, including aligning the array of tools, data, resources and programs; ensuring adequate staffing; integrating health into school accountability systems; and changing state and local policies; and
- using a collective-impact approach, which creates an environment where diverse partners can work together to align systems and resources, use data and evaluation to guide decisions, and diversify funding.

Where do students, families, teachers, and other people fit into this systems approach?

Systems are not composed of just organizations and policies. They also include many different types of people. For example, families, students, and school staff are often the backbone of any system that is trying to help students to be healthy. Yet, many of these critical stakeholders are not engaged effectively in either the current system or in efforts to change the system. The values, attitudes, and relationships of these individuals are especially important – they can be strengths to draw upon or barriers to resolve. We recognize that achieving healthy schools throughout the state is not just about the formal organizations and infrastructure, it's also about the people who touch students' lives every day.

What can we achieve together if we use a systems approach?

[The existing leadership body and neutral facilitators] believe Colorado is poised to see systemic transformations happen at the local and statewide level. These transformations can increase access to locally appropriate, differentiated, youth-friendly and equitable:

- student health services,
- Comprehensive Physical Activity programs,
- health education,
- supportive nutrition environments and healthy food and beverages,
- approaches that address student behavioral-health needs, and
- cultures and climates in schools are supportive of student and staff health and wellness.

What can my organization do to take a systems approach to building healthy schools?

Every organization that is part of the healthy-schools systems can be a leader in systems change. One of the first things you can do is look internally at your organization and ask some of these questions:

- How do we, as an organization, inadvertently contribute to the problems that lead to unhealthy schools?
- How are we spending our resources and in what ways might this contribute to fragmentation in services and supports to schools, school staff, or students?
- How can I motivate others in and outside my organization to align strategies and implement their existing work differently, even if doing so is against their self-interest?

Recognizing your own organization's contributions to the barriers in the system creates an opportunity for your work to become one of those critical leverage points where your changes can influence other parts of the system, driving change toward healthier schools in Colorado.

APPENDIX C (continued)

You can also participate in [the existing leadership body], strengthening the statewide work with your organization's commitment to systems change and willingness to change internally.

Meeting Material: Meeting Reflection

1. Please rate how strongly you agree with the following statements (on a scale of "strongly agree" to "strongly disagree"):
 - I understand the RFP and how to prepare a strong proposal.
 - I understand [the existing leadership body]'s theory of change.
 - I can see how my organization's work fits into the theory of change.
 - I plan to reach out to one or more organizations here today that are existing partners to coordinate my proposal.
 - I plan to reach out to one or more organizations here today that are not existing partners to coordinate my proposal.
 - I am going to adapt how my organization approaches the proposal based on today's meeting.
 - I understand the basic concepts involved in systems thinking and how systems thinking applies to the work of building healthy schools.
 - I am interested in participating in ongoing discussions working toward collaborative systems change to build healthy schools.
2. What are your immediate next steps coming out of today's meeting?
3. What help do you need to move forward on these next steps, if any?
4. What questions or concerns do you have about the funding opportunity, if any?
5. What else would it be helpful for us to know? Can you offer any other feedback on today's meeting?

APPENDIX D Collaborative Meeting No. 2 – Materials**Agenda: Creating Healthy Schools Statewide Funding Collaborative Meeting No. 2***Meeting Outcomes*

- Help shape collaborative grant agreements that meet the needs of developing a healthy-schools system as expressed by the local grant applicants, [existing leadership body] work group strategies, and the first collaborative-funding meeting's strategies.
- Reduce total grant requests from nearly \$18 million to \$12 million with cost-cutting strategies, such as by maximizing individual strengths and minimizing duplicative work.

Meeting Agenda Items

- Opening and Welcome & Charge of the Day
- Aligning Work by Function Areas
- Whole-Group Presentation: Seeing the System as a Whole
- Refining the Function Areas and Finalizing Funding Agreements
- Final Whole-Group Discussion & Next Steps
- Meeting Evaluation

Meeting Material: Creating Healthy Schools Funding Agreement Worksheet

This worksheet acts as a preliminary funding agreement. Please note: Funding agreement (amount and activities) subject to final [foundation] board approval.

Function Area:

- Work-plan modifications: What is the difference between your original proposal narrative and what you've arrived to today? What has changed?
- Budget modifications: What is the difference between your original proposed budget and what you've arrived [at] today? What has changed?

Meeting Material: Meeting Reflection

We understand today's conversation covered some important and potentially difficult topics. This brief survey is designed to understand your perspective on key issues related to the dialogue today and next steps.

1. Regarding this new collaborative approach to funding statewide/systems work on healthy schools (select one):
 - I think this approach to the funding opportunity is a positive step forward and is going well.
 - I think this approach to the funding opportunity is a positive step forward, and it has been a bit tricky.
 - I have concerns about this approach to the funding opportunity, but it is going OK.
 - I have concerns about this approach to the funding opportunity, and it has been difficult.
2. Please rate how strongly you agree with the following statements after today's meeting (on a scale of "strongly agree" to "strongly disagree"):
 - I have a better understanding of the strategies proposed by other applicants and how they relate to my organization's proposal.

APPENDIX D (continued)

- I am going to adapt how my organization approaches the proposal based on today's meeting.
 - I feel pressured to agree to changes to our proposal that are not in the best interests of my organization.
 - I feel pressured to agree to changes to our proposal that are not in the best interests of schools/ students.
 - I understand next steps related to funding decisions and the grant process.
 - I think this effort to promote more collaboration among grantees will have a positive impact on school health.
3. Please rate how strongly you agree with the following statements about what needs to happen next (on a scale of "strongly agree" to "strongly disagree"):
- There is a need for a way to participate in ongoing collaboration to catalyze systems change leading to healthier schools and students.
 - I am interested in participating in this ongoing collaboration.
 - Joining [the existing leadership body's system effort] is an appropriate way to participate in ongoing collaboration.
4. Right now, what are some of your biggest concerns about efforts to coordinate and align state-wide work to support healthy schools?
5. Right now, what are you most excited about related to efforts to coordinate and align statewide work to support healthy schools?
6. In the coming months, the foundation will be considering opportunities for supporting and convening grantees of this funding opportunity. If available, which of the following would be helpful to your organization? (Select all that apply):
- Quarterly or twice-yearly convenings of all statewide/systems grantees
 - Ongoing meetings of grantees working on similar areas (e.g., today's breakout groups)
 - Technical assistance or other trainings and informational opportunities
 - Other (please describe):
7. My role in my organization is:
- Executive director/CEO
 - Vice president or other C-level (chief financial officer, chief operating officer, etc.)
 - Program or project manager
 - Staff/program or project implementer
8. What else would it be helpful for us to know? Can you offer any other feedback on today's meeting?

APPENDIX E Collaborative Meeting No. 3 – Materials**Agenda: Creating Healthy Schools Statewide Funding Collaborative Meeting No. 3***Meeting Outcomes*

- Clarify roles and goals of overall function areas.
- Provide time for function-area members to advance their collaborative work.
- Clarify the best configuration for the overall body of healthy-schools work.
- Clarify next steps for individual organizations, function areas, and the network as a whole.

Meeting Agenda Items

- Opening and Welcome
- Charge of the Day
- Review of Progress & Updates
- Aligning Work by Function Areas
- Function-Area Work Time
- Whole-Group Check-In
- Whole-Group Discussion: Seeing the System as a Whole
- Function-Area Next Steps
- Final Whole-Group Decisions
- Overall Next Steps & Meeting Reflection

Meeting Material: Meeting Reflection

Today's conversation covered some important topics and may have stretched us as we change the way we do business. This brief survey is designed to understand your perspective on key issues related to the dialogue today and next steps.

1. Regarding this new collaborative approach to funding statewide/systems work on healthy schools (select one):
 - I think this approach to the funding opportunity is a positive step forward and is going well.
 - I think this approach to the funding opportunity is a positive step forward, and it has been a bit tricky.
 - I have concerns about this approach to the funding opportunity, but it is going OK.
 - I have concerns about this approach to the funding opportunity, and it has been difficult.
2. Please rate how strongly you agree with the following statements after today's meeting (on a scale of "strongly agree" to "strongly disagree"):
 - I understand the work other organizations have been funded to complete and how it relates to my work.
 - As a result of today's meeting, I have at least one action I want to take to implement our work collaboratively.
 - I understand how my organization's work will be evaluated.
 - I understand what the evaluation team will be evaluating in the healthy-schools realm and how it relates to my work.
 - I think this effort to promote more collaboration among grantees will have a positive impact on school health.
 - I am confident in the decision we made today regarding how we will interact with [the existing leadership body] moving forward.

APPENDIX E (continued)

3. Right now, what are some of your biggest concerns about efforts to coordinate and align state-wide work to support healthy schools?
4. Right now, what are you most excited about related to efforts to coordinate and align statewide work to support healthy schools?
5. My role in my organization is:
 - Executive director/CEO
 - Vice president or other C-level (chief financial officer, chief operating officer, etc.)
 - Program or project manager
 - Staff/program or project implementer
6. What else would it be helpful for us to know? Can you offer any other feedback on today's meeting?