

blue  of california
foundation

capacity for all

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Confident Giving • Dramatic Return

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The mission of Blue Shield of California Foundation is to improve the lives of all Californians, particularly the underserved, by making health care accessible, effective, and affordable, and by ending domestic violence. Since 2002, the Foundation has awarded more than \$300 million in grants throughout the state.

capacity: one piece of the puzzle

While strengthening field capacity is critical, more is needed to create long-term change. The Foundation's 2013-16 strategic plan includes an organizational logic model that incorporates four interconnected strategies:

- Adaptive leadership
- Capacity building
- Innovation
- Policy

capacity for all

Blue Shield of California Foundation (BSCF) is driven by its mission to ensure access to affordable and effective health care to vulnerable populations and end domestic violence. BSCF's success in achieving that mission depends on the capacity of a host of nonprofit community health centers and domestic violence service organizations throughout the state.

Like countless other foundations, BSCF realized that it must invest in nonprofit capacity building. However, the approach BSCF employed pushed the traditional boundaries of capacity-building investment beyond individual organizations — and dove deeply into the workings of the community health center and domestic violence fields.

employing a field-level lens

BSCF's strategic plan for achieving its mission includes two long-term outcomes:

- Greater access to health and domestic violence services within the safety net, and
- Improved systems of care within both fields.

Achieving these outcomes means creating stronger, sustainable provider organizations in both fields, led by skilled leaders. It also means helping both fields innovate, provide more collaborative and integrated services and engage in continuous improvement. To realize these outcomes, organizations within each field must have the capacity not only to improve their own operations but to work with and learn from other organizations to elevate the capacity of each field as a whole.

This is the approach that Blue Shield of California Foundation applied to its grantmaking for California's community health center and domestic violence fields from 2007 to 2014. Although the paths to capacity building developed at different speeds and in different ways in each field, the outcomes and impact have been similar. This case study documents the evolution of BSCF's grantmaking to build field-wide capacity, as well as outcomes, lessons learned and reflections on the experience.

the need for field-level capacity building

Both the domestic violence and community health center fields have faced significant challenges over the past decade. Although part of a national movement to end violence against women, domestic violence service providers in California were working in relative isolation and relied heavily on state funding that was threatened with elimination through budget cuts. While community health centers may have been more secure in their funding, the pressure brought to bear in implementing the Affordable Care Act was considerable. And in both fields, an impending leadership crisis loomed as veteran executive directors and CEOs began to consider retirement. Potential up-and-coming leaders had limited opportunities to prepare themselves for future roles. Changes in financial realities, in leadership and in policies and practices shifted the ground under both fields significantly. In order for the fields to survive these changes — and thrive in the future — the organizations within them needed the capacity to think innovatively and adapt quickly.

different paths to the same goal

The Foundation's path to capacity building was considerably different for each field. Though both grantmaking portfolios were built with intentional flexibility from the start, unique constraints and circumstances led one to develop more organically than the other.

BSCF's capacity-building work in the community health center field grew from initial investments in general operating support, through which the Foundation made regular grants to almost every community health center in the state. From there, BSCF staff began an ongoing process of inquiry: What challenges are health centers facing? What do they need to successfully weather a changing field? As it learned more, BSCF began to layer new levels of support to help grantees meet common challenges, such as leadership growth and development, financial acumen and data capacity. When the possibility of the Affordable Care Act became reality, BSCF recognized that the field would face new challenges in preparation and implementation and saw an opportunity to further ramp up its support for innovation, design thinking, change management and patient-focused services.

For the domestic violence field, BSCF drew on lessons it was learning from its community health center capacity work to create a comprehensive approach from the outset. The Strong Field Project, launched in 2010, included the same kinds of opportunities that had developed (or were still being developed) for community health centers — general operating support, leadership, technical assistance, networking — but all created to reflect the unique situations facing domestic violence service organizations.

“Our initial work in field-level capacity building was evolutionary. We didn't have a master capacity-building plan going into it. But we saw the need for transformation in the safety net and an opportunity to help the fields we serve thrive in a new environment.”

Brenda Solórzano, Chief Program Director, BSCF

evolution of field-wide capacity building



BSCF's approach to field-level capacity building

BSCF's investments in capacity building cover a spectrum of grants but can generally be applied to four main categories: operating capital, leadership development, technical assistance, and network support. Grantees can participate in each of these grantmaking areas depending on the challenges they face and their levels of expertise and readiness.

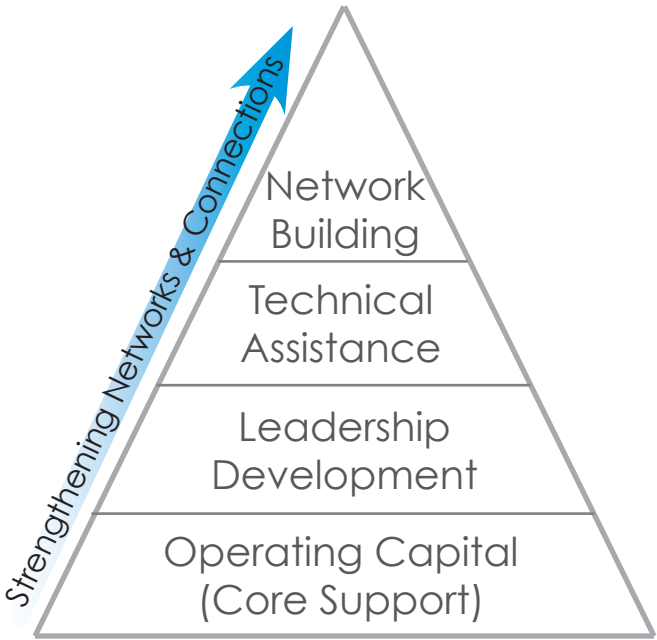
operating capital

BSCF has provided more than \$16 million in unrestricted operating capital (also called "core support") to more than 100 domestic violence service providers since 2002, and more than \$66 million to more than 200 community health centers since 2003. This flexible form of funding has allowed grantees to apply grant dollars as they see fit. From paying for rent and repairs to providing professional development for staff to exploring new ideas, core support empowers grantees to use their funding where and how it is needed most.

By providing core support, BSCF demonstrated its commitment to the field and its belief that even organizations strapped for cash were providing a valuable service to their communities. As a result, the Foundation laid the initial groundwork of trust that was essential to the success of other capacity-building efforts.

"Core support allowed us to think outside the box and implement ideas — things we wouldn't otherwise be able to do. It got us thinking about integrated behavioral health and how to take what was working and build on it. Now we have a model to expand across all our clinics."

Briana Cardoza, Senior Director, North County Health Services



BSCF's capacity-building approach allows all organizations in a field to engage in ways that meet their needs and levels of readiness for change.

Providing operating capital may be a questionable strategy for some capacity-building efforts, but for BSCF it made sense because the work of both fields align directly with its mission and intended outcomes. Core support gives both the Foundation and its grantees the flexibility to overcome challenges and allows grantees to better position themselves to take advantage of the other types of capacity building BSCF supports.

Leadership development

Every field needs strong leaders to help guide organizations through change and to think about the future. It's also important to have a pipeline of rising leaders prepared to take the helm in times of staff transition. Recognizing this, BSCF created the Clinic Leadership Institute (CLI) Emerging Leaders program in 2007 and the Strong Field Project Leadership Development Program for domestic violence service providers in 2010. CLI expanded its offerings in 2012, adding additional leadership programming for health center executive teams and new community health center CEOs.

Outcomes from BSCF's leadership development programs are encouraging. In program evaluations, participants report increased confidence, greater leadership ability and skills and a renewed commitment to their fields. They also report participation in networks of other leaders across their respective fields and stronger connections to those leaders — a key component in increasing field-level capacity.

Technical assistance

The Foundation's technical assistance grants for capacity building serve to enhance the technological, financial and business acumen of community health centers and domestic violence service providers, as well as to facilitate collaborations and restructuring.

As the requirements for accessing public funding sources and patient service provision have become more complex under the Affordable Care Act, BSCF wants to ensure that community health centers understand not only how to manage their finances but also when to recognize that their business models are becoming outdated. New approaches to internal operations, organizational restructuring and partnership development are increasingly important. Recognizing this, the Foundation has worked with the Catalyst Fund through the Nonprofit Finance Fund to help health centers transform their operations to become more sustainable and extend their capacity and ability to provide care for those most in need.

The majority of technical assistance funding for domestic violence service organizations came in the form of Organizational Support Grants (OSGs), managed through the Women's Foundation of California as part of the Strong Field Project. In addition to enhancing financial and technological skills among staff and facilitating new partnerships, these grants also helped expand organizations' capacity to engage in fundraising, marketing and advocacy.

"Our technical assistance took us through an 18-month merger negotiation process. It was the right time, but we really needed some help to make that process work well. Both agencies felt they had been respected by the other and were clear about what we were collectively taking on."

Gloria Sandoval, CEO,
STAND! For Families
Free of Violence

BSCF worked with the Nonprofit Finance Fund to help shelter employees and other leaders across the domestic violence field learn about new business models, spending scenarios, budgeting tools and future-planning strategies to help their organizations remain viable and sustainable in the future. A BSCF partnership with TechSoup Global helped to enhance data collection and reporting capacity, and La Piana Consulting partnered with BSCF to provide assistance for collaboration and restructuring.

network support

In every aspect of its capacity-building work, BSCF looks for ways to bring individuals, tools and resources together to more effectively meet the needs of California's most vulnerable. By forming new ties, sharing ideas, implementing new tools and learning from one another, organizations across the domestic violence and health care fields are able to achieve more, together.

In addition to connecting to other funders and networks working on similar issues, the Foundation also continues to invest in ongoing opportunities for its own leadership program participants to grow their networks. Through ongoing alumni gatherings, BSCF-hosted convenings and other relationship-building activities, the Foundation aims to build a critical mass of trained, empowered and connected leaders able to drive the domestic violence and healthcare safety net fields into the future.

The promise of stronger networks was perhaps most evident through the Foundation's funding for the Strong Field Project (SFP). In addition to creating the space for relationship building to take root in an ongoing way, another key goal of the project was to host regional and statewide convenings as well as a biannual SFP Institute event to connect leaders across the entire field. Reinforcing the power and potential of this meeting, grantees described the SFP Institute as "indicative of transformation in the field" and said that it enabled domestic violence service providers to engage in "tough conversations about where the field is headed and how it will get there." Creating the space, time and avenues for these frank discussions is an important first step in successful field-level capacity building.

Of course, networks absolutely do (and should) exist beyond initial funding and programs. Throughout this process, BSCF kept an eye out for other organizations or partners positioned to play an ongoing role in this effort. For example, the California Primary Care Association and the California Partnership to End Domestic Violence both played key roles as partners and advisors to BSCF's capacity-building efforts, and the Foundation also provided grants to each to help enhance their ability to create stronger networks within their respective fields.

"Programs like the Clinic Leadership Institute are good for the field because, as people move around, they can bring a common framework to other places and propagate new ideas. It's helped us all get on the same page in terms of how we talk about the field, what's happening in it and how to change."

Leslie Conner, Executive Director, Santa Cruz Women's Health Center

stories from the field

seizing new opportunity

"We became a federally qualified community health center in 2012 under the Affordable Care Act. It was a great new opportunity and a dramatically changing landscape," remembers Leslie Conner, CEO of Santa Cruz Women's Health Center. The center worked with the Catalyst Fund, also supported by BSCF, to seize the moment and expand its operations. "We had been talking with a local hospital about transferring their outpatient pediatric clinic to us. Catalyst provided the outside expertise we hadn't budgeted for but really needed. It wasn't just about how to do the work but really linked to change and improvement. They helped us conduct a facilities analysis and a plan, provided a consultant to negotiate with the hospital, and helped us create funding agreements and financial forecasts for the new center. We succeeded in bringing over all of the clinicians and almost all of the patients to our new family health center, which opened in May 2014."

turning core support into new ideas

North County Health Services is a seasoned organization with operations well in hand. But like every other community health clinic, the resources for pursuing new ideas are few and far between. North County overcame this hurdle with core support funds from BSCF. "It was hard at first to prioritize how we wanted to use our core support grant, but then we realized that using it to help integrate behavioral health into our clinics was essential," explains Briana Cardoza, senior director of program planning and grants. It got us thinking about what was working and how we could expand on it. Had we not had the capacity to do that, we wouldn't have known how to move this work forward. Now, we have a great model for integrated behavioral health to expand across our all clinics — and we know what it will take, what it will do and how to get there."

capacity building at a glance

field	community health centers	domestic violence
challenges	<ul style="list-style-type: none"> • Changing technological environment • Implementation of affordable care act • Impending leadership transitions field-wide 	<ul style="list-style-type: none"> • Financial sustainability • Organizations working in relative isolation • Impending leadership transitions field-wide
operating capital	Core support grants	Core support grants
leadership development	Clinic Leadership Institute for: <ul style="list-style-type: none"> • Emerging leaders • Executive teams • New chief executive officers 	Strong Field Project Leadership Development Program
technical assistance	Catalyst Fund provides training for financial acumen, business operation models and mergers. Center for Care Innovations provides assistance for innovation and an improved patient experience.	Organizational Strength Grants are a key part of the Strong Field Project: <ul style="list-style-type: none"> • Nonprofit Finance Fund provides financial management skills • La Piana helps organizations explore new business models and collaborations • TechSoup provides technology training
strengthening networks	<ul style="list-style-type: none"> • CLI alumni groups • Center for Care Innovations Safety Net Innovation Network • Support for California Primary Care Association 	<ul style="list-style-type: none"> • Strong Field Project networks • Support for California Partnership to End Domestic Violence

two key qualities

BSCF's capacity-building efforts in both fields share two important qualities:

First, they are **comprehensive**, designed to meet a full suite of needs for a wide range of organizations in each field. BSCF employs capacity building as an overarching strategy that includes opportunities to meet the needs of both struggling organizations and high-achieving ones. Funding aims to increase the capacity of individuals, organizations and entire systems working to benefit the underserved. By finding inroads to support capacity building at so many different levels, the Foundation is helping raise capacity throughout each field.

Second, they are **tailored** specifically to the needs, characteristics and cultures of the fields they serve and the changing environments in which they operate. Community health centers and domestic violence service providers work in different environments and face different challenges and pressures, so the strategies for addressing them should be different as well. In each field, BSCF did its homework before beginning its grantmaking and continued to learn and be open to adaptation along the way. Rather than applying ready-made solutions, Foundation staff worked with leaders and practitioners across both fields, even developing advisory boards and steering committees to help design the most meaningful and impactful grant opportunities possible.

nuances of field-wide capacity building

How is field-level capacity building different from building the capacity of individual organizations? In BSCF's approach:

- Opportunities exist for all grantees within a field rather than a predefined subset.
- Grants range from basic operating support to more advanced, targeted technical assistance, depending on a grantee's level of readiness and sophistication.
- Grant focus is determined by needs identified by grantees instead of "off the shelf" funding opportunities.
- Grant opportunities evolve along with grantees.
- Efforts include overarching ways for organizations to connect and learn from one another, thereby infusing a sense of common purpose and collective thought into both fields.

stories from the field

expanding services with greater efficiency

For decades, STAND! Against Domestic Violence and the Family Stress Center both operated in Contra Costa County. STAND! addressed issues of domestic violence while the Family Stress Center concentrated on preventing child abuse. Then, when the executive director of the Family Stress Center left, a conversation began about the possibility of collaboration and a potential merger, since domestic violence is a family issue and many of the clients served by either organization needed the services of both. With help from La Piana Consulting (funded by BSCF), the two organizations began an 18-month process of exploring and planning for a new, merged organization. "We met almost every other week in an intense due-diligence process," says STAND! CEO Gloria Sandoval. "We looked at each other's finances, contracts, grants, governance, contact databases and more. We really needed the consulting to help make that process work well. Each agency felt it had been respected by the other and was clear about what we were collectively taking on." Today the new organization, STAND! For Families Free of Violence, is the sole provider of comprehensive family violence programs in the county, offering a full range of prevention, intervention and treatment.

developing data-driven decision making

Sophisticated use of data can help a domestic violence service provider understand where it is achieving strategic outcomes and where it needs to focus its resources. But data use has not been a common practice in the field. Matt Huckabay, executive director of the Center for Violence-Free Relationships, is helping to change that, with an Organization Strength Grant from BSCF's Strong Field Project. "We wanted to create a project that really had an impact. For us, that had to do with performance management. We worked with Techsoup Global to create a shared database and network to track the effectiveness of our service delivery. We identified the software we wanted to use and customized it for the domestic violence field. Now it's being adopted in 15 other organizations across the field. This is the first time our field has ever had conversations about shared systems. It's a great example of how one project can really have an impact on the entire field."

outcomes and results

Although BSCF has not completed a full-scale evaluation of all of its capacity-building work, it does have preliminary data based on early efforts and grantee interviews. This feedback alone provides the Foundation with clear evidence and options for other funders to take on capacity building using similar tactics at the field level. Key takeaways include:

organizational networks are forming

Perhaps the greatest benefit to field-level capacity building is the networking that reinforces the connections created. Instead of competing for limited resources, grantees are now brought together by the same funder, and under the same roof, to share their experiences around a common cause. Key to creating this type of field-level impact is first creating the space for these foundational relationships to take place.

leaders are stepping up

Evaluation data from BSCF's leadership development programs show that participants feel better prepared to assume high-level roles after their training, and existing senior leaders recognize a growing cadre of qualified up-and-comers with the confidence and ability to enter field-level leadership roles, even at regional and statewide levels.

operational savvy is growing

Technical assistance outcomes, while perhaps relatively easy to measure at the organizational level, are harder to quantify at the field level. However, conversations within both fields have shifted to reflect greater capacity and understanding in finance, management, data, technology and collaboration. For example, mergers were once thought of only as negative last-ditch options for safety net providers and domestic violence organizations. Thanks to BSCF-funded technical assistance, this opinion has changed and we continue to see more and more successful mergers among BSCF grantees and across the entire field.

field leaders are more connected

Leaders throughout the domestic violence field (and to some extent the community health center field as well) say that they feel more connected to their peers and have more opportunities to discuss ideas and work in collaboration. In particular, participants in the Strong Field Project report more knowledge sharing and more common language and frameworks used when discussing issues important to the field and its future.

"Everywhere I go I hear more stories about new approaches and work going on. I also see parallel things we're doing — such as bringing two counties together to develop a consensus on the issue of the remaining uninsured. There is lots of cross-fertilization, and BSCF has really contributed to that."

Eleanor Littman, Executive Director, Health Improvement Partnership of Santa Cruz County

trust is built

Although BSCF's approach to capacity building was different in each field it serves, the Foundation's intentional research and information gathering, willingness to adapt and respond, and focus on bringing grantee voices into the conversation every step of the way have made this body of work an incredible success for the Foundation and for the fields it serves. In addition, as part of the Foundation's dedication to creating trust and transparency, it has made a number of clear and long-term commitments to support most of its capacity-building endeavors. As a result of this openness, grantees see BSCF as a trusted ally and partner instead of just a funder. The strong relationships between BSCF and grantee organizations have resulted in more honest conversations, more meaningful improvements and more willingness to try new things on the part of both parties.

"For the first time, our field has seen leaders step forward, into their own power, and have opportunities to shine. Space is created for new leader voices. Cross-collaboration has increased at every level, and there is a greater amount of communication across the field."

Matt Huckabay, Executive Director, Center for Violence-Free Relationships

lessons learned

- **A multifaceted approach is key.** Field-based capacity building requires an overlapping approach — one that balances baseline capacity improvements while elevating those with potential to do more. Every BSCF community health center and domestic violence shelter grantee received core support and had access to leadership programs, but not all were ready to take advantage of technical assistance. However, by providing those opportunities for organizations that were ready, BSCF helped further those organizations and position them as successful examples for the field at large.
- **Field-focused capacity building fosters collaboration.** By intentionally pushing the idea of elevating an entire field, and all members within it, funders can naturally encourage organizations within that field to work more closely together and feel supported in doing so. When the sense of competition for funder attention is diminished and each grantee sees a possibility for enhancing their operation, innovative ideas such as resource sharing or mergers can become less threatening.
- **This is a long-term engagement.** Moving a field forward doesn't happen overnight. It takes years. However, stating a long-term commitment to grantees from the outset and reinforcing that commitment throughout demonstrates a funder's belief in the field's future and ability to improve.
- **Field-level capacity building is broad by definition.** Narrowly focused definitions of "capacity building" have their place. Building capacity for an entire field, on the other hand, requires a comprehensive approach and willingness to accept new ideas and yet-to-be-defined rules. How capacity building is defined for any organization merits deep consideration and partnership from the outside.
- **Foundations are well-suited for this work.** Foundations are particularly well-positioned to support field-wide transformation and to help spread lessons learned beyond individuals or discreet organizations. In doing so, foundations can influence broader shifts in conversation and thinking around capacity building.
- **Time demands on organizations are significant.** Even for organizations that are eager to increase capacity, finding the time required to do so in the face of other daily operational demands is often a huge challenge. However, funders should be careful not to interpret waning engagement as a loss of interest. While some grantees have become less engaged in alumni and other ongoing networking opportunities, it is clear that these individuals are still using their time to apply capacity-building lessons within their own organizations and other networks in the field.

"I like the broad definition of capacity that BSCF uses. The fact that they are very nimble in a changing environment of health reform is critical, and not necessarily normal among foundations. I like that they spend a lot of time out in the field, which makes a massive difference in terms of building capacity. They know face to face the people and organizations they are talking about. I would love for other funders to get to know us like that."

Louise McCarthy, President & CEO, Community Clinic Association of Los Angeles County

- **Let the field inform the approach.** Flexibility and willingness to respond as the work progresses provide more added value than attempting to stick with a formal structure or predetermined plan.
- **Choose a defined field.** Often, funders want to build capacity but have many, varied and complicated portfolios. By narrowing its focus to just two fields and outlining a flexible, multiyear and multitiered commitment, BSCF's capacity-building efforts have been deeper and more impactful across fields.
- **Multiple connections may increase outcomes.** Several grantees that were engaged with more than one capacity-building resource reported a sense of improvement across multiple levels. This was particularly true among those with staff who participated in leadership development programs offered through the Foundation. By intentionally linking those overlapping ties to the Foundation under the umbrella of capacity building, BSCF helped grantees better understand and leverage these dual support systems to create the most significant outcomes.
- **Leadership development is a crowd favorite.** Leadership development is cited by grantees in both fields as one of — if not the — most valuable form of assistance provided by BSCF. In fact, in the evaluation of the Strong Field Project, respondents indicated that having a staff member participate in the 18-month Leadership Development Program was more beneficial to the organization overall than were broader, longer and more in-depth Organizational Strength Grants that took place across the span of the project.

what's next?

After its intensive focus on field-wide capacity building, BSCF is now focusing on helping its grantees in both the community health clinic and domestic violence fields embrace innovation and its potential to advance their mission and day-to-day work. A core element of the Foundation's strategy, funding innovation is both a challenge and an opportunity. Whereas capacity building was a necessary and valuable first step, becoming truly innovative requires a different set of skills, unique partners and resources and a willingness to transform existing paradigms that may have been in place for years. BSCF looks forward to learning through this work and invites other funders to share their capacity-building lessons and visions for innovation as we move our fields forward, together.

"Our ultimate goal for both of the fields we serve is to help foster and support innovation. That's the only way to meet the needs and challenges that community health centers and domestic violence service providers face now and in the future. We believe the work we've done to help build capacity has set the stage for all kinds of innovations going forward, and we're delighted and honored to play a role."

Brenda Solórzano, Chief
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