



**Center for the  
Study of Social Policy**  
Ideas into Action

# Sustaining Board Engagement:

Building Healthy Communities,  
2010–2020

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**Prudence Brown and Tom David | November 2020**

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## About TCE

The California Endowment's (TCE) mission is to expand access to affordable, quality health care for underserved individuals and communities and to promote fundamental improvements in the health status of all Californians.

## About CSSP

The Center for the Study of Social Policy (CSSP) works to achieve a racially, economically, and socially just society in which all children and families thrive. We do this by advocating with and for children, youth, and families marginalized by public policies and institutional practices.

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# Executive Summary

## Foundation Role and Practice and Sustaining Board Engagement: Building Healthy Communities, 2010-2020

Building Healthy Communities (BHC) is a signature program of The California Endowment (TCE) that has combined 10 years of continuous funding in 14 historically disinvested communities with related state-level and regional policy campaigns and coalition building. It is a novel approach to health improvement that both encompasses the social determinants of health and has increasingly focused on power building to promote systems change and advance racial equity. BHC is characterized by a unique blend of “proximal” neighborhood-level engagement with sophisticated media strategies to shift the public narrative toward a deeper understanding of systemic inequities and the potential of people power to transform them.

The BHC experience has built on 30 years of effort by organized philanthropy to comprehensively address the needs of whole communities in a more integrated fashion. Traditionally, most foundation grantmaking has been “siloed” by subject matter, with funders specializing in education or economic development or the arts, but rarely joining forces to see how those efforts might best be combined and coordinated for maximal impact. BHC built on the efforts of a generation of “comprehensive community initiatives” in both its scope and scale, in the process helping to expand the boundaries of health philanthropy.

BHC employed the inclusive “umbrella” of community health to stimulate creative combinations of activities across systems boundaries to address the root causes of health and economic disparities. It consequently found itself working in areas like school discipline reform, youth organizing, voter engagement, and environmental justice that lay outside the conventional borders of health grantmaking.

Over that same period of time, philanthropy has also been evolving from a “command and control” paradigm that is driven by foundation-developed goals and theories of change to one that seeks to engage not only non-profits but also community residents

**“We set out to transform communities, but we were the ones who ended up being transformed.”**

**Dr. Robert K. Ross,  
President & CEO, The  
California Endowment**

as partners in the change process. BHC has been a transformative journey for TCE itself, as it has learned how to listen more deeply to voices that are not often heard by grantmakers. It has consciously set out to explore what it takes to be a changemaker rather than just a grantmaker. By committing itself to a 10-year timeline, TCE has also gained a longitudinal perspective on what it takes to effect and sustain change at the policy and community levels. BHC expands the traditional foundation definition of an “initiative” to a more grounded intergenerational approach that seeks to transform an entire policy and power ecosystem.<sup>1</sup>

As the conclusion of its initial investment in BHC approaches, TCE has commissioned several retrospective analyses of this extraordinarily complex undertaking. Our analysis focuses on the roles and practices that the Foundation brought to bear in designing, implementing, and learning from BHC. How did TCE conceive of its role and how did its role evolve over the past 10 years? What capacities and structures supported implementation? What did it take to keep its Board engaged and supportive over such a long period of time? Finally, what lessons about foundation practice might benefit other philanthropic organizations committed to long-term, place-based equity and power-building work?

To sample the perspectives of multiple BHC participants, we conducted more than 50 phone interviews with current and former TCE Board members, Foundation leaders, and program staff, as well as BHC partners and consultants. We also reviewed outside evaluations of BHC, Board materials from 2002–2020, and TCE internal reports. (See the Appendix for further details).

We have written two reports that aim to synthesize themes and lessons from our interviews about “what it takes” to do this work in a way that speaks not only to TCE and its partners but also to the interests of the broader philanthropic community. Both reports share an Executive Summary and Afterword. We have chosen this unusual format for several reasons. Because little has been written about boards overseeing foundations engaged in long-term social change work, we wanted to analyze and present the results of our board interviews in a form that could stand on its own. But we also knew that our own broad take-aways about how foundations plan, design, and implement this kind of work were informed by TCE staff and BHC partners as well as by the Board. So we present these thoughts in an Afterword for the reader of either document. The two documents represent two parts of the same philanthropic whole and together paint the fullest picture of a foundation that did indeed transform itself in a process that necessarily continues to be confounding, hopeful, and important.

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<sup>1</sup> This evolution from initiative to a movement-building stance is described in **“Ten Years of Building Community Power to Achieve Health Equity: A Retrospective,”** Prepared for TCE by THP Impact, April 2020, p. 13–15.

# Foundation Role and Practice

BHC set out to expand the past practice of place-based philanthropy by combining intensive investment in a limited number of neighborhoods with sophisticated strategies for influencing public policy at the state level. TCE called this approach “grassroots and treetops.” The implementation of this concept was guided by the Foundation’s ambition to no longer operate merely as a grantmaker, but to extend and deepen its influence as a changemaker. Over the ensuing 10 years, what began as an investigation of root causes of longstanding health disparities evolved into an effort that was increasingly centered on building grassroots power to promote health and racial equity.

To function as a changemaker, our interviews suggest that TCE played six roles that were particularly instrumental in shaping the trajectory of BHC: Patient Long-Term Investor; Proximal Ally; Narrative Driver; Principled Risk-Taker; Campaign Director; and Strategic Opportunist. Implementation of these roles both built new capacities within TCE and encountered challenges, particularly in the areas of partnership, collaboration, learning, and management.



## Patient Long-Term Investor

TCE’s 10-year commitment of significant funding was probably the most important role played by the Foundation from the viewpoint of grantees and external observers. It acknowledged just how complex the challenge of community transformation would be and allowed BHC partners to pursue a much longer-term policy agenda and stick with it despite inevitable setbacks.



## Proximal Ally

Program Managers were assigned to the 14 communities, where they spent a good deal of time developing an extensive network of local relationships, fostering collaborative planning and action, and helping turn local ideas into actionable strategies. They also built trust with local activists that had every reason to be skeptical of the motives of a big foundation. The proximal ally role was challenging to implement, requiring transparency, humility, political acuity, and an ability to forge a balance between accountability to TCE and to the community.



### **Narrative Driver**

A substantial body of work was dedicated to communications efforts by TCE and its partners to help shift the public narrative about what constitutes a healthy community. BHC helped to expand the boundaries of health philanthropy to encompass the social determinants of health, and eventually racial equity and justice. By calling out “people power,” BHC embraced organizing and advocacy as essential strategies for tackling the social determinants of health.



### **Principled Risk Taker**

In its public statements and direct actions, BHC consistently demonstrated its commitment to a set of core values that prioritize principles such as diversity, equity, and inclusion, and health and justice for all. Pressure from the community upped the ante on how far the Foundation was willing to go to live its principles... in some cases into territory outside most foundations’ comfort zone. TCE intentionally sought to change the dominant philanthropic narrative about “risk” by reframing these issues and organizations as mainstream public health concerns.



### **Campaign Director**

TCE itself took the lead in designing and implementing multiple state-level public policy issue campaigns that combined messaging with mobilization around issues such as Affordable Care Act (ACA) implementation, health care for the undocumented, and reform of school discipline policies. TCE got better over time at maximizing the authenticity of its messaging by seeking out and listening to the people who were living those issues rather than relying primarily on the advice of media professionals.



### **Strategic Opportunist**

Something that has vexed other foundation initiatives is the inability to pursue emerging opportunities due to “locked in” multi-year funding commitments. Even In the case of a major investment like BHC, TCE retained the budget flexibility to allocate significant additional dollars in short order to pursue timely opportunities that complemented BHC’s core purposes such as California ACA implementation and state-wide leadership development for young men of color.

## Implementation

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No matter how bold or creative its intent, the actual success of a foundation's initiatives comes down to the details of implementation. How does the foundation show up in communities? What does it do best, where does it struggle, and what does it learn along the way? Our interviewees voiced uniform support for BHC's vision and goals but were mixed on aspects of Foundation practices and operations that contributed to and constrained BHC's results. Among the most relevant both for TCE's work going forward and for other foundations considering similar work are the following four areas of capacity: **partnership**; **collaboration**; **learning**; and **management**.

### Partnership

BHC's commitment to 10 years of continuous funding, plus a "proximal ally" role, set the stage for a different way for a big foundation to partner with communities. Over time, TCE's growing emphasis on power building and equity helped it to build a deeper relationship with the BHC communities, but it was not a smooth journey. We share some of their challenges because they illustrate the kinds of knowledge, skills, and capacity foundations need to build effective partnerships of this nature.

- **Beginnings.** How a foundation enters a community is critically important; mistakes made in the initial stages of an engagement can take a long time to undo. A foundation can consider early missteps as "a necessary period of trial and error," but the cost to the participating communities in terms of trust and social capital can be incalculable.
- **Establishing clarity** in communications and shared definitions of success are key elements of a successful partnership. TCE was challenged to implement both. For at least part of BHC, communities were confused by getting different messages from staff in different departments within TCE. Internal clarity is necessary to achieve external clarity with partners.
- **Managing power dynamics** is particularly challenging when such a profound differential in power exists between the Foundation and its community partners. The degree of control that TCE initially exercised over the early implementation of BHC proved to be counterproductive, but over time TCE was able to listen better and grow into its role as a Proximal Ally.



## Collaboration

Effective changemaking requires a capacity to collaborate and a commitment to do so. Our interviewees suggested that TCE’s experience with collaboration was two-fold. By funding Hubs<sup>2</sup> and related local organizing activities, TCE prioritized collaborative governance structures and encouraged cross-sectional coalition-building in each of the 14 communities. On the other hand, TCE did not seriously consider inviting other funding partners to join them in BHC in a significant way until BHC’s later stages, when sites were focused on planning for their long-term sustainability. There’s no guarantee that a collaborative funding strategy (even if it were feasible) would have been of significant benefit to the enterprise, but any time a single funder visibly “brands” an activity, past experience shows that most other funders are not eager to be invited in at a later date.

## Learning

An extraordinary amount of learning clearly took place over the life of BHC, as evidenced by the increasing sophistication of program staff in engaging with local power ecosystems. But many felt an opportunity was missed to capture and share that learning across the BHC enterprise and with external audiences. For example, there was little to no systematic assessment of the impact of the state-wide issue campaigns or other narrative work. There was also minimal investment in creating the kind of cross-site learning communities that might have helped all parties to reflect regularly together and to capitalize on their hard-earned experience in a way that could have potentially improved the work in real time.

<sup>2</sup>The original BHC design provided funding for intermediaries known as “Hubs” in each of the communities to serve as mechanisms for communication, coordination, and program management.



## Management

TCE was sailing into relatively uncharted waters in its ambition to serve as a changemaker rather than just a grantmaker. But that type of venture called for continuous management attention to ensuring clarity in communications, anticipating and making necessary course corrections, and achieving and maintaining consensus on the institution's role. There was no single individual charged with “holding the whole” of BHC by making individual executives accountable for collaboration, alignment, and consistent application of policies and procedures in accordance with TCE's professed institutional values. Instead, different departments and executives within TCE demonstrated distinctly different understandings of how the Foundation should manifest its influence on the work of various BHC partners and their allies.

No foundation begins an enterprise the magnitude of BHC with all the necessary systems, staff competencies, and organizational practices in place. Accordingly, the success of the work depends on building broad learning capacity among diverse players so that they all contribute and reflect together and then adjust their roles and practices accordingly along the way. By listening and learning, the Foundation shifted its framework to power building and affirmed its commitment to deep organizing as a primary strategy that resonated strongly with its community partners. But when it came to overall implementation of BHC, TCE fell short in some significant ways.



## Community Perspectives

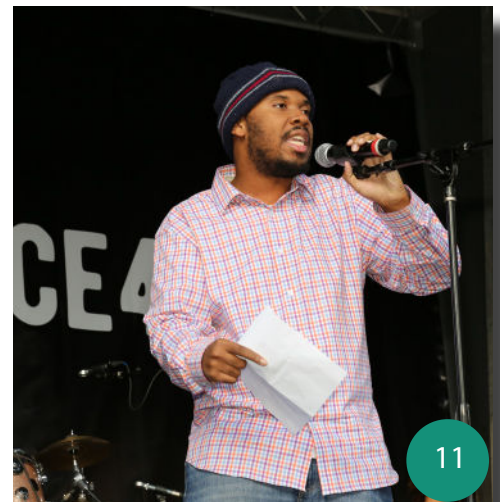
An extensive Community/Stakeholder Engagement Study was conducted in year seven to solicit feedback from a broad cross-section of BHC participants. It included interviews with key partners and external observers, as well as multiple focus groups with community participants.<sup>3</sup>

When the results urged TCE to listen more carefully to community perspectives and priorities, TCE's leadership issued a public statement about the need for internal changes to optimize BHC's potential:

**"...We need more humility from TCE, and less arrogance; we need more true partnership and less top-down; we need more input into decisions, and not merely communications about decisions that have been made; we need less of an emphasis from TCE on building our capacity to lead change, and less 'doing and directing' from TCE staff."**

These findings have become part of ongoing dialogue for transition planning going forward.

<sup>3</sup> Farrow, F. & Rogers, C. **Voices of Partners: Findings from the Community/Stakeholder Engagement Study.** Center for the Study of Social Policy (2017).



# Sustaining Board Engagement

Long-term community and systems change work is notoriously challenging for foundation boards. The work takes place at many levels with many partners; the pace is often slower and more circuitous than anticipated; measures of success are often “soft” and can raise questions about the value of the investment; and both local context and larger macro forces shape the work in unforeseen ways. Efforts to make systems and policies more equitable and to elevate the voices of communities that have been historically marginalized inevitably face push back.

TCE’s Board never wavered in its support for BHC. Examination of what it took to engage the Board and sustain its investment in BHC over 10 years identified eight strategies that have contributed to effective board guidance of BHC.

- 1. Establish Commitment to the 10-Year Timeline at the Outset.** Board member understanding of BHC’s timeline was secured early on, reinforced regularly by staff and outside speakers, and then passed along to new people joining the Board.
- 2. Maintain Some Resource Flexibility.** Building in enough funds outside of regular program budgets to be responsive and opportunistic while staying disciplined enough to avoid mission creep or diffusion of resources is a balance that boards need to review regularly.
- 3. Recruit Board Members Who Share Values but Bring Diverse Backgrounds and Experience.** Shared core values can facilitate effective governance, as can diversity in racial/ethnic background, expertise, and networks. However too little ideological diversity can constrain it.

**4. Build Board Culture of Respect, Engagement, and Self-Assessment.** The capacity of a board to reflect regularly on its own performance contributes to a strong board culture that reinforces productive engagement and a sense of accountability to one another.

**5. Encourage Active Learning and Exchange.** Boards need ways to understand and learn about the work in a way that is sufficiently deep and continuous to enable them to provide effective oversight and to become powerful champions for the foundation’s agenda.

**6. Ensure that Evaluation Serves an Accountability Function.** Boards have an important role in contributing to a foundation-wide culture that values the role of evaluative data in decision-making and invests in an evaluation and learning system that supports the goals of the work.

**7. Embrace an Activist Role within Established Limits.** Clear organizational guidelines can empower boards to exert the full weight of the foundation’s assets—money, knowledge, networks, credibility, and political capital—in the service of equity and systems change.

**8. Foster Transparent Relationships with Staff.** Depending on its own history and culture, each foundation has to find the organizational arrangements and communication pathways that best serve to incorporate dialogue across roles and perspectives in order to improve the work.

The ways these strategies were implemented, and their relative success and potential downsides, evolved as both the Board and BHC matured. No one who planned BHC is still on the Board in 2020, and many have joined the Board midstream or more recently as TCE is developing its post-BHC plans. TCE’s Board is now poised to think about the Foundation’s role as but one component of a complex ecosystem of power. With deeper understanding of this ecosystem, the Board is ready for the Foundation to put the community at the center of the agenda and make the necessary changes in philanthropic roles and practices to support that shift.



# Introduction

Long-term community and systems change work is notoriously challenging for foundation boards. The work takes place at many levels with many partners; the pace is often slower and more circuitous than anticipated; measures of success are often “soft” and can raise questions about the value of the investment; and both local context and larger macro forces shape the work in unforeseen ways even as foundation board and staff members community stakeholders, government officials, and other partners turn over. Efforts to make systems and policies more equitable and to elevate the voices of communities that have been historically marginalized inevitably face push back.

Boards overseeing long-term change work are therefore challenged to sustain the foundation’s investment and momentum while adapting to new players and new conditions and navigating complex political terrain. Some boards start off enthusiastically but find their interest flagging when measurable impacts are not (perhaps unrealistically) forthcoming, political dynamics get dicey, other compelling needs compete for their attention and resources, and/or original champions rotate off the board and new members lack ownership of the work.<sup>4</sup>

The California Endowment (TCE) Board never wavered in its support for Building Healthy Communities (BHC). So what did it take to engage the TCE Board and sustain its investment in BHC over 10 years? And what are the takeaways for other foundation boards considering long-term, equity-focused work?<sup>5</sup>

The strategies employed by TCE may be potentially useful for all foundation boards, but they have particular relevance for boards of foundations taking on long-term, place-based policy and systems change work. In addition, we offer some observations about what BHC’s focus on power building within a health and racial equity framework could mean for the Board going forward.

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<sup>4</sup> An example is FSG, **Gaining Perspective: Lessons Learned from One Foundation’s Exploratory Decade**, A Report Commissioned by the Northwest Area Foundation, 2011. While other foundations have experienced similar challenges, few have produced reports that are available publicly.

<sup>5</sup> TCE’s Board has 17 members who can serve up to three 3-year terms. They are paid a stipend and meet quarterly for 3-day meetings.

# Strategies and Takeaways

Interviews with current and former TCE Board members, as well as with executive leadership and staff and review of Board and Foundation materials, point to eight strategies that have contributed to effective Board governance of BHC. The ways these strategies were implemented, and their relative success and potential downsides, evolved as both the Board and BHC matured. The following discussion reflects what we learned in our inquiry and highlights both TCE’s specific strategies and the broad takeaways for other foundations.

## 1. Establish Commitment to the Ten-Year Timeline at the Outset

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The TCE Board approved the vision and broad outlines of BHC (*“Building Healthy Communities: A Vision for 2020”*) in 2007, three years before the Foundation’s 10-year, approximately \$1.75 billion commitment officially began. The year-long planning process leading up to this point built organically on TCE’s first 10 years but resulted in an approach that was both more ambitious and more strategic. The Foundation would target a finite number of communities (ultimately 14) of concentrated poverty and complement these place-based investments with support for *“civic engagement, advocacy, communications, and other strategies across the state to build momentum for healthy communities through prevention.”* The Vision for 2020 spelled out why the new strategic framework would help TCE achieve its mission, that is *“to expand access to affordable, quality health care for underserved individuals and communities and to promote fundamental improvements in the health status of all Californians.”* Three types of outcomes were anticipated: policy changes at the state and local level, systems changes at the state and local level, and population health improvements in the target communities.

As part of the process of providing input into the new approach, the Board reviewed the experience of other place-based initiatives, examined relevant data, and heard from speakers who talked about the complexity and long-term nature of the work. The Board also heard from staff about the significant operational implications of adopting BHC’s vision and managing a two and a half year transition to implementation. This meant addressing such issues as staff changes, payout planning, transition planning for

grantees that would no longer receive support, and communications. Besides soliciting Board guidance, this process was intended to equip Board members to champion BHC in their own settings and networks.

From the outset, it was clear that changing the health disparities that BHC aimed to address would take many years. The Board reviewed reports, listened to outside speakers, and talked with the Chief Executive Officer (CEO) about the time required to “go upstream,” as he described the dynamics of prevention. Once the Board approved the 10-year commitment, potential new Board members were recruited with this explicit understanding in mind. All our Board respondents confirmed that when they joined the Board, they were clear about BHC’s timeline and the rationale for it. This understanding meant that governance was focused on responsible spending while staying the course, implementation issues rather than entirely new program ideas, and positioning the work to have maximum impact in the shifting political and economic environment.

- “It was accepted as a given and I never saw any dialogue about it.”
- “You need to go all in. There’s a huge resentment of broken promises in so many communities. 10 years is a minimum.”
- “Philanthropic humility requires us to think about years of inequity...10 years is not a long time.”

**Take-away:** Besides enthusiasm and hope, foundations launching new, long-term change initiatives inevitably face some questions, if not resistance, from long-term grantees, partners, and other constituencies. Building ownership from these groups from the outset helps to reduce the pushback and protect the work down the road when the going gets tough or, for some, underwhelming. Of particular relevance for this examination of the TCE Board is the way in which its understanding of BHC’s timeline was secured early on, reinforced regularly by staff and outside speakers, and then passed along to new people joining the Board. These governance supports cushioned BHC against potential external and internal challenges had, for example, there been CEO turnover during BHC’s decade of implementation.



## 2. Maintain Some Resource Flexibility

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Another way of securing the TCE Board’s robust and enduring commitment to BHC, as well as balancing what is sometimes referred to as *“being nimble versus staying the course,”* was to build in some resource flexibility to respond to opportunities that fell outside of BHC’s approved budget but were consistent with the results it aimed to achieve. One, albeit modest, source of resource flexibility was the Foundation policy that enabled each member of the Board to recommend up to \$100,000 annually in small grants.<sup>6</sup> Subject to clear guidelines and conflict of interest rules, these grants averaged less than \$20,000, but allowed Board members to respond to compelling opportunities that struck them personally and were related to BHC’s overall goals.

More significant resource flexibilities were the purview of TCE’s leadership. Although the majority of TCE’s annual program budget was allocated to BHC’s place, statewide, and population-specific grantmaking, about 10 to 20 percent of the program budget remained in Reserve to allow for opportunities outside of or unanticipated by BHC’s original budget. In BHC’s first years, this allowed funding for some long-time partners in the transition to more focused, strategic grants.<sup>7</sup> As BHC evolved, it was typically used to add funding more quickly to new opportunities that would otherwise have had to await reduced funding in other areas.

Although the Board appreciated this flexibility, staff sometimes perceived the decision-making around Reserve funds as problematic. As one staff person put it, *“We created all these little back doors to the unrestricted budgets”* that were managed by the President and Senior Vice Presidents. In the worst case, these “little back doors” were perceived by staff as slush funds or pet projects that were not as transparent as other grants or created implementation challenges that had not been well considered. In reality, most of the Reserve funds were distributed to support BHC-related work although that work was not necessarily administered through standard program operating structures.

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<sup>6</sup> While the total budget for these grants was less than \$2 million, the many small grants that were generated each year did require a great deal of staff time to process.

<sup>7</sup> One Board member involved early on in TCE’s history noted a rationale for the Reserve funds was that BHC planning *“created tension for some Board members who could see their ‘favorite’ grantees losing resources despite being successful...We dealt with it by compromise, reserving a portion of resources for existing work and emerging priorities.”*

The adaptive benefits of this resource flexibility manifested in different ways. The first two examples below drew on reserve funds to supplement existing BHC budgets in order to prioritize emerging needs or new approaches. The third represents an unusual case in which the Board committed TCE's endowment funds for work that was viewed as central to TCE's mission and BHC's goals but beyond the scale of the normal program budget. All three constitute work that was among the most frequently cited by Board respondents as generating important results.

- Although it was not identified as an explicit focus in BHC's original strategic plan, the Foundation heard an impassioned presentation to the Board from young people in BHC communities about **harsh school discipline and suspension practices** that resulted in disproportionate numbers of youth of color being suspended or expelled from schools, which in turn contributed to lower levels of graduation and higher levels of involvement in the justice system. BHC responded in part by investing in a statewide campaign of organizing young people to come to Sacramento to advocate for new policies.
- The second example, **Sons & Brothers** (formerly known as Boys and Young Men of Color), was launched several years into BHC as a way to operationalize TCE's longstanding recognition of the negative health trends experienced by young men of color. TCE embedded its \$50 million, multi-year Sons & Brothers strategy in BHC, drawing upon both existing BHC and reserve resources, even though grants targeting a specific population were not a natural fit for either BHC's place-based or policy-focused programs or budgets. However, making the Sons & Brothers a cross-cutting priority rather than a separate initiative helped to leverage existing budgets and program efforts on behalf of Sons & Brothers and to engage external partners in incorporating a similar focus on young men of color in their work.<sup>8</sup>

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<sup>8</sup> **Sons & Brothers Building Healthy Communities Case Study**, Prepared by FSG for The California Endowment, January 2014.

- A final example of creating room within its institutional commitment to BHC occurred in response to the federal government’s passage of the **Affordable Care Act (ACA)**. The Board debated the critical nature of the opportunity this created in California, the resources that it would take to help shape inclusive and effective ACA implementation, and the likelihood that the Foundation would be able to navigate the political terrain to be successful. Ultimately, the Board approved more than \$300 million over four years from TCE’s corpus for what was viewed as an extraordinary one-time “overspend” that aligned perfectly with TCE’s mission. One Board member described it as a “*strategically brilliant move*” and years later all agree that the investment made a significant contribution to the successful implementation of ACA and the expansion of Medicaid in California.<sup>9</sup>

**Take-away:** Even boards that make enthusiastic commitments to work (like BHC) that occupies most of a foundation’s resources for long periods of time face the inevitable urge to test the limits of the constraints that such commitments entail. “*How could we not fund X, which is so critical to our long-term goal?... I think this is an innovation that is going to pass us by if we don’t respond now...*” 10 years is a long time to maintain a disciplined funding focus. And compelling alternatives like those cited above do arise. TCE appreciated this dynamic and enabled Board members to, as one put it, creatively “*nibble around the edges*” of BHC without being distracted in a damaging way by the “next big thing.” The more transparent and thoughtfully planned and managed, the better. Building in enough resource flexibility to be responsive and opportunistic while staying disciplined enough to avoid mission creep or diffusion of resources is a balance that boards need to consider upfront and revisit regularly.

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<sup>9</sup> See <https://www.calendow.org/press-release/survey-reports-more-than-two-thirds-of-previously-uninsured-adults-now-covered-in-ca/>.

### 3. Recruit Board Members Who Share Values but Bring Diverse Backgrounds and Experience

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With the help of an outside consultant, TCE undertakes a careful vetting process for potential Board members. Candidates must have working knowledge about and demonstrated commitment to addressing health disparities and unequal health care access in underserved communities. Some have come from such communities, others work in or study policies affecting them or otherwise engage in promoting health equity and community voice. The vetting process also screens candidates as part of the interview process on the values front by sharing TCE's list of core values designed to guide its funding decisions and promote its mission. Values like diversity, equity, and inclusion, health and justice for all, and learning through action and listening all serve to communicate to Board candidates the guiding ethos and beliefs that permeate the organization. These values are reinforced at each Board meeting as a standard of the Board Book.

- **"This is a very value-driven org. [Some of us] have strong faith-based connections and a strong sense of wanting the work to be caring and loving to everyone. TCE's vision is a California that thrives, that is rid of inequities, and that must include everyone."**
- **"Even though we sometimes disagree, we're all in this [BHC] together" and "really want it to work."**
- **"I am impressed by the intellectual capacity, and the heart of Board members...who are very committed to the mission."**

At the same time as looking for candidates with shared values, TCE also aims to have a Board with diverse racial/ethnic backgrounds, experience, and perspectives. Board members are physicians, civil rights lawyers, researchers, investment analysts, academics, and leaders from the non-profit, government, and faith communities. Each member brings expertise, networks, and deep knowledge about the dynamics and politics of different geographic regions and populations.

Illustratively, Board members' shared understanding of the public health consequences of tobacco, guns, and private prisons facilitated consensus decision-making within the Board's Investment Committee. No Board member with whom we talked felt that his or her voice was not heard for political or ideological reasons. *"TCE has a viewpoint but we are not an exclusive club. Everyone belongs including conservatives."* Nonetheless, some expressed concern about the relative absence of traditional business and conservative voices on the Board. They worried that the Board deliberated in a "bubble" that limited member's ability to formulate fundamentally challenging questions, consider the work in an entirely different light, or help grease the wheels for partnerships with "unlikely" allies. The role of outside perspectives, such as when they heard from the head of the California Republican Party or from a housing developer, is particularly important when Board members already share many common views with each other and with the TCE staff. As one Board member put it, *"...How do we stay open to new information that might change our views, not just go on in some party-line direction? The Board needs help to do it. It's important to have outsiders come to talk with us who are different, who bring different views. This could be done more."*

Other Board members were more concerned that focusing too much on recruiting conservative voices could dilute BHC's vision or slow down its implementation: *"we need political diversity but not so much as to change our goal."*

**Take-away:** Addressing inequities and injustice is at the heart of TCE's mission. Some describe it as a calling. There is, however, a fine line between shared core values, which can facilitate effective governance, and lack of ideological diversity, which can undermine effectiveness. Finding that sweet spot calls upon foundation boards to be intentional about recruiting diverse perspectives even if board discussions become more challenging from time to time.

## 4. Build Board Culture of Respect, Engagement, and Self-Assessment

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TCE Board meetings take place quarterly over three days following careful planning and preparation, including substantial material review by attendees. Board Committees are scheduled first, followed by the meeting of the full Board, and concluding with an executive session between only the Board and the CEO. Attendance is consistently high and conversations well-managed. Board members feel their views are heard and take their participation seriously. A stipend helps defray costs of their time and reinforces the importance of their role.

Interviews with Board members reveal strong relationships among them and a collegial, collaborative atmosphere due, in part, to the CEO's relational style and preference for making decisions by consensus when at all possible. Attributed in part to the many meals that are shared over the course of three days, members report getting to know each other on a personal level and learning how each other thinks. One member described a “huggy” Board in which members had bonded around a shared mission in which all were deeply invested.

- **“You could feel the fellowship amongst the members and want to be part of it.”**
- **“This is the best board experience I have ever had from the standpoint of learning and meeting people I would never meet.”**

As part of its commitment to *“maximizing the effectiveness of the Board as a governing body,”* TCE has developed a set of practices for evaluating and improving the Board's own performance. First, the Board assesses itself as a whole on a bi-annual cycle, with an internal review conducted by the Governance Committee one year, and a more in-depth process of self-reflection facilitated by a consultant, the next. Questions focus on the Board's organizational learning, productivity and effectiveness, and relationships with staff. They also cover Board preferences for receiving information and views on various budget and resource questions.

Secondly, the performance of individual Board members is assessed annually and at the end of each three-year term as part of the re-election process. Members' contributions

are reviewed separately by Committee Chairs and the Board Chair with particular attention to attendance, preparation, and engagement, which is defined as the “*degree to which the Director shares responsibility and accountability for the Foundation’s financial health, operational integrity, and programmatic impacts.*” The overall goal is to help each other be productively engaged in their shared oversight role.

Additional attention to its own performance is reflected in the Board’s recently revamped onboarding process for new members to assist their “getting up to speed” as quickly as possible. There is little room for sitting on the side or, alternatively, dominating the discussion as the first comment below suggests.

- **“The Board does pretty good job of self-correcting. If someone is not participating in the culture of the organization, it is called out in order to protect the quality of the conversation and opportunities for participation by everyone.”**
- **“There were enough people on the Board who were willing to be candid, so then others would follow.”**
- **“They really engage us substantively, we’re given a forum to express our reactions. Some quality of dog and pony show is unavoidable, but the difference for me is that we are encouraged to ask real and very probing questions.”**

After rotating off the Board, TCE Board members achieve Emeritus status and are invited to a bi-annual meeting at which TCE staff provide updates about the work and the returning Board members can ask questions and serve as resources about the past. Several Emeriti members talked about how this status was not just an honor but also a responsibility to be an ambassador for TCE in their own communities. Emeriti meetings are expensive and, as one Board member suggested, could be awkward “*like having two popes,*” so a clear purpose and structure add to its value.

**Take-away:** The capacity of a board to reflect regularly on its own performance contributes to a strong board culture that reinforces productive engagement and a sense of accountability to one another. As a foundation’s focus changes direction or adds the use of new philanthropic tools, as TCE did with BHC, the board can review its performance expectations individually and as a group to make sure they stay aligned with the nature of the work.

## 5. Encourage Active Learning and Exchange

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TCE recognized early on how important it was to help Board members understand the work on the ground and instituted two mechanisms through which to further Board contact with sites. First, it held periodic meetings at or near each of the 14 BHC sites. Secondly, each Board member “adopted” a site to visit at least annually. TCE developed guidelines for these relationships, which included learning questions to consider during the visit and then reflect upon in subsequent Board discussions. These practices operated for roughly five years and were then discontinued as the Board and TCE began strategic planning for the post-BHC period.

Board respondents who were on the Board during these years report positive experiences as well as downsides with these practices.

- **“Moving the meetings across the sites was helpful because it made the work real for us and useful for the community to see the face of the Board.”**
- **“We visited all 14 sites, which led to invaluable learning because the sites were so different...and it reinforced Board commitment to the 10 years.”**
- **“Going back to my assigned site over and over was very helpful because the visits became less of a dog and pony show, and I learned a lot.”**
- **“I really appreciated the unscripted conversations at sites when I went unchaperoned rather than hearing things filtered through the staff. I understood what the community was facing in a different way.”**



There were also some downsides.

- **“The Board meetings in sites took up a lot of time so there was no time for other business...they were also expensive and took a lot of planning.”**
- **“It was tempting for Board members to become advocates for ‘their’ sites, which established a complicated, sometimes unproductive, dynamic.”**

Besides learning about the work on the ground, Board members discussed external reports on aspects of BHC, listened to outside speakers, and debated the tensions inherent in the work. A big one was establishing boundaries for what’s in and what’s out of BHC, given TCE’s aim to be responsive to site priorities while being strategic in influencing the social determinants of health.

- **“We had lots of discussion about issues like housing and jobs that clearly affect health outcomes. But they seemed just a bridge too far to include in BHC in a big way.”**
- **“There was some discussion about what sites should be able to focus on and disagreements around housing...You can include everything using a social determinants framework... This debate ended in a respectful agreement within the Board to disagree.”**
- **“We had healthy disagreements and robust debates, especially at the Committee level.”**

**Take-away:** At the core, board members must understand and learn from a foundation's work in a way that is sufficiently deep and continuous to enable them both to provide effective oversight and accountability and to become powerful champions for the foundation's agenda. Seeing the work firsthand makes it real in a way that reports cannot. The challenge is: 1) how to do this in an authentic (i.e., not rehearsed or overly curated) manner that is not too time or resource intensive for either staff or grantees; and 2) how to maximize the learning board members take away to inform their governance role. This is a challenge worth struggling with even as each foundation has to find its own vehicles for doing so that are consistent with the nature of the work and the foundation's learning style and culture.



## 6. Ensure that Evaluation Serves an Accountability Function

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BHC’s animating document, *Vision for 2020*, described one of the significant changes from TCE’s previous funding direction as increased “*accountability for results: This strategic framework commits the Board and management to hold ourselves accountable for impact, results, and learning. We have identified policy and systems-change goals and community-level outcomes upon which to assess our performance as a foundation, in partnership with grantees and community leaders.*” Pledging this kind of accountability and actually implementing it with consistent evaluation data is a lot easier said than done. Like other foundations, TCE faced daunting conceptual and technical challenges to evaluating the ever-evolving multi-site, multi-level work of BHC.

There are many possible functions of evaluation but “accountability for results” is one of special concern for boards. Although they operated in an active learning mode as described earlier, TCE Board members reported feeling less confident about using evaluation findings to support their accountability role. Some framed this discomfort as a “figure/ground” tension—they received numerous reports on the dynamics and accomplishments of BHC over the years but these didn’t seem to add up to a fully “*credible impact story with legs.*” Many case studies, surveys, and other site evaluations were not widely shared or aggregated for tracking progress and learning. One Board member suggested that “*there were so many evaluations I grew weary of them...It stops being impactful. What rises to the top? You do need some hard data in the end.*”

Board members learned about specific policy and community “wins,” but they were unsure how to interpret these successes in the larger context: how could they tell whether these results represented significant impact or not so much given the large investment of BHC resources over time? After being exposed to shifting TCE frameworks and evaluation staff leadership over the years, they reported that settling on the North Star Goals provided useful grounding. But they still missed its operational connection to systematic and rigorous data collection and analysis.

- **“No one was ever very happy with the nature of evidence, but no one could come up with any alternatives.”**
- **“There were times when either the goal posts were being moved or there was too much cheerleading from the Board and staff.”**
- **“At a bluntest level, how do we know we’re getting our money’s worth? Or should we be using the resources differently toward the same aim? It’s not that we don’t trust the staff but we really want to make sure BHC is succeeding as quickly and as fully as possible.”**

Notwithstanding this uneasiness, Board members appreciated the long-term nature of the work and the challenges of measuring impact in sites very different from each other, impacts that are affected by so many factors besides BHC. None expressed the need to identify and claim credit for the unique contribution TCE’s resources made to any one outcome, a dynamic that is often troubling for foundation boards.

Looking forward, several Board members mentioned TCE’s increasing focus on power building and suggested that evaluation may be easier going forward because they know a lot more than they did at BHC’s outset.

- **“As we move toward a power building frame, it should be relatively easy to identify a limited number of benchmarks and track them over time.”**
- **“We need to design an evaluation system that is aligned with our strategy and then stick with it.”**
- **“This is not a board that needs credit so evaluation needs to be authentic.”**

Although increased clarity about goals like power building may or may not help focus the next phase of the work's evaluation, the dynamic nature of complex change will necessarily present conceptual, measurement, and data challenges to come.

**Take-away:** The evaluation field has evolved considerably since BHC was launched, resulting in a deeper understanding about the need in long-term, complex social change work for a dynamic evaluation and learning system. Included in that system are multiple components tailored to the different needs of its different users, as well as methods and mechanisms for making meaning of the whole. We focus here on a particular user, the board, and its felt need to carry out an oversight role regardless of how deeply committed it is to the work.

Board members understand, in work like BHC, why population health measures are not a realistic measure of BHC success, at least anytime soon. But a sophisticated board like TCE's also imagines that staff and partners who believe in the work might have a natural tendency toward confirmation bias, that is to collect and interpret (especially self-reported) data in a way that reinforces these beliefs. Because boards aim to fulfill their accountability function effectively, foundations supporting long-term value-driven work need to, first, place a high value on the role of evaluative data in decision-making and, secondly, design an evaluation and learning system that supports the goals of the work.

One of a number of components of such a system is a small number of realistic, but robust as possible, indicators (or “vital signs”) of progress toward North Star goals. Such measures are only as good as the larger evaluation and learning system in which they are embedded and should not be overvalued in relation to other sources of data and learning. Articulating such indicators increases the likelihood that all parties agree about what the work is concretely intended to achieve; if the work takes dramatic turns toward new goals, they can be changed. Nonetheless, some “simple,” if imperfect, indicators measured consistently over time can constitute a starting point, rather than the last and final word that serves to boost board confidence in its accountability role.

## 7. Embrace an Activist Role within Established Limits

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From the outset, BHC was structured to work in two parallel, ideally synergistic, arenas: 14 local communities and statewide policy and systems change. Designers knew that focusing only on “place” would not lead to the scale of change that was needed. In approving the policy and systems change work, the Board understood that TCE was taking on an inherently political role that would require TCE to become a strategic player itself as well as support the voice and capacity of others working in the public policy arena.

Several years into BHC, TCE recruited new Counsel and instituted a clearer set of guidelines and procedures for addressing issues, like lobbying and conflict of interest. Rigorous and regular compliance training for Board members is accompanied by ongoing staff monitoring. Board members report widespread trust in the procedures in place to protect TCE from “crossing the line” into activities deemed inappropriate or illegal for foundations. When asked what made them comfortable given how many foundation boards express worry about operating in this space, they all indicated that having “clear guard rails” and staff monitoring their decision-making allowed them to embrace the Foundation’s role as change agent. They report doing so thoughtfully though sometimes not as forcefully as the staff might prefer. But no Board member questioned the value of an activist stance as a necessary ingredient of TCE’s policy and systems change work.

- **“There is a natural tension between program and legal, movers who want to go fast and complain legal is holding it up. But this is why it’s good that there are clear rules.”**
- **“We are doing edgy work so we will always have the scrutiny of critics...TCE’s political leanings are not unknown. [Staff] really tries to keep people in their own lanes.”**

Over time the Board became increasingly gratified with TCE’s influence in Sacramento, CA, and comfortable with entering litigation in areas of immigration, food stamps, and other issues affecting the health and well-being of the underserved. Because the Board includes people who work on these issues professionally, some observed an

understandable temptation to actually have a hand in the outcome by doing the work themselves. No one is an activist without some passion for the cause. But staff point to the importance of strengthening the voice and capacity of others whenever possible, leaving to the Foundation only those actions that it is uniquely positioned to execute.

One such action is increased focus on racial equity. *“The Board is committed to a value proposition around race equity, it underlies all of BHC, but we are ready to be more deliberate about articulating it clearly.”* As one Board member notes, *“not all of us can call it out, but TCE has the clout and doing so is what leadership is all about. That’s what we should do.”* Along with the rest of TCE, the Board is engaging with each other about race, learning how structural racism operates and replicates itself, and reflecting on how TCE can be ever more serious about racial equity, both internally and in its change strategies across the incredible diversity of California’s different populations.

Board members acknowledge that this work will need to go deeper to examine what it takes to address the root causes of structural inequality and its role contributing to poor health outcomes. Thoughtful conversations about racial equity, for example, will be different in rural white areas, Latino farm worker communities, African American and Latino urban neighborhoods, and ethnic enclaves. One Board member articulated this struggle: *“How do we say what is hard but necessary but not alienate some audiences who won’t be able to hear it?”*

Like most large foundations, TCE has periodically investigated prospects for mission-related investing, but without significant alteration of its investment policies and portfolio. How its newly-articulated commitment to racial equity will influence those decisions and its public institutional stance in the coming years will potentially have important implications for the field.





**Take-away:** Foundations bring more than grant funds to the enterprise of social change. The shift to more ambitious and strategic roles requires a new use of money, knowledge, networks, credibility, and political capital in order to promote philanthropic goals. By learning about the use and limits of these different tools and practices, a foundation board can get comfortable exerting the full weight of the foundation's assets in the service of equity and systems change. Clear organizational guidelines empower board members to provide leadership in this arena when appropriate while also investing in building the capacity of the advocacy and policy change network more broadly.



## 8. Foster Transparent Relationships with Staff

TCE enjoyed the continuous leadership of Dr. Ross, who was an early architect of BHC's planning period and continues through its decade of implementation. BHC's trajectory is thus hard to separate from the ideas and deep investment that Dr. Ross brought to TCE. Board members attribute a very productive Board/CEO relationship to this stability and to his *"inspiring, authentic, and sometimes disarming style."* Many noted the importance of the time built in at the end of every Board meeting during which Dr. Ross meets solely with Board members to share concerns and invite exchange about management issues or other matters.

- **"Bob brings us his personal struggles, regrets, and difficult decisions facing BHC."**
- **"We deal with management issues more than average Board because Bob encourages our involvement...People follow his lead. It is not our role to decide, but just to give input. This also decreases back channel lobbying."**

The genuine affection and trust the Board reports exists alongside some concerns that staff tend to paint a rosier than necessary picture of BHC for the Board.



- **“The Executive Team has a tendency to close ranks, but I would hope that we’re treated as mature enough to see [BHC’s] messiness, and to give advice. The neat packages we receive reflect things that are not as clear cut as they sound.”**
- **“Although there is candid exchange, there’s also a suspicion that it is not quite candid enough, that more is claimed for the Foundation’s contribution than is warranted, that some of the tough challenges are swept under the rug.”**
- **“Our CEO encourages us to reach out to staff. Newer Board members get too much in the weeds and try to direct staff. The Board responds appropriately but still encourages Board access to staff in a transparent way. We are not sequestered from staff.”**

The Board may not be sequestered from staff, but there is sense among several Board members that there is quite a distance between the Board and TCE staff, especially below the Executive Team level: *“A lot of work is blind to the Board. We get reports, but only sign off on grants of more than \$1 million.”* There is a similar perception on the part of some staff:

- **“What the staff hear about the Board meetings is all secondhand. It’s as though Foundation leadership wants to control the staff messages to the Board and vice-versa.”**
- **“Right now, the leadership and Board conversations are independent from ours, not informing each other, but we need to reach conclusions together so they really stick at all levels of the organization.”**

These are not uncommon dynamics in large foundations, but they appear to have contributed to the staff frustration with the Foundation’s long-term inability to resolve the structural tension and strategic disconnect between the two major groups of staff working either on community transformation or statewide policy strategies, each of which had its own expectations, communications, and incentives. Whether the Board fully understood the power of this disconnect was unclear from our interviews. Looking forward, however, interviews with both staff and Board members suggest that the planning process for post-BHC has taken steps to remedy this division and points to the potential value of cross-functional teams within a redesigned organizational structure.

**Take-away:** A longstanding and productive working relationship between a foundation’s CEO and board is a huge asset for foundations supporting complex, long-term work. Boards that share a deeply-held commitment to the foundation’s mission can increasingly view their collective role as supporting the CEO and staff (“We’re all in this together”). In this scenario, as more generally, it’s important for the board to have ways to reach beyond executive leadership and invite perspectives from throughout the organization, however divergent. Differences between the often-controlled culture of the boardroom and the rest of the foundation can constrain candid conversations between board and staff even though these may be the very conversations that could expand understanding and promote collective learning. Depending on its own history and culture, each foundation has to find the organizational arrangements and communication pathways that best serve to incorporate dialogue across roles and perspectives in order to improve the work.



# Observations Looking Forward

The Board has been very involved in post-BHC planning. They have reviewed BHC's accomplishments and lessons, debated issues of scale and geography, and identified elements of BHC that do and do not make sense to continue. One theme that came through clearly in our interviews is the Board's sense that TCE needs in the next phase of work to lead but not direct. This theme echoes what the Foundation learned from both BHC-commissioned reports and from other place-based initiatives that are funder-designed but recognize that change has to reflect the goals and ownership of the community if it is to be sustainable.<sup>10</sup> Building power requires shifts in control but what does that mean in practice from the Board's perspective?

- “We shouldn’t be as directive as we are, if we are really owning the goal of community empowerment. We need a presence but we don’t have to be so much on the ground....It means taking more risk because it may not go the way you hope it will... We need to be playing a guiding consultative role instead of a doing role.”
- “We have to understand we are not the movement... but we need to support it with community at the center. Stop trying to do the work, use our platform and privilege to support the work that centers the community. They do the work.”
- “We need to trust organic efforts and alliances, work in ways that acknowledge that the work of social justice never ends, but it’s our job to leave behind a stronger infrastructure... We can’t change a place from outside but we can strengthen its capacity to drive its own change.”

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<sup>10</sup> Farrow, F. & Rogers, C. **Voices of Partners: Findings from the Community/Stakeholder Engagement Study.** Center for the Study of Social Policy (2017).



What trusting more in grantees looks like from the Board perspective is making more general support grants over longer periods of time. *“Grantees are seen less as contractors and more as key components of the infrastructure for sustainable change.”* This is a mindset evolution that is underway throughout TCE as well as other foundations.<sup>11</sup> Board members also suggest that it means working more in partnerships—with foundations or government—that by definition require more shared leadership and control. *“We don’t need to take credit but we haven’t partnered much except project-by-project, the fear is loss of control.”*

No one who planned BHC is still on the Board in 2020, and many have joined the Board midstream or more recently as TCE is developing its post-BHC plans. TCE’s Board matured along with BHC and is now poised to think about the Foundation’s role as but one component of a complex ecosystem of power. With deeper understanding of this ecosystem, the Board is ready for the Foundation to put the community at the center of the agenda and make the necessary changes in philanthropic roles and practices to support that shift.

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<sup>11</sup> See Jim Canales and Barbara Hostetter, **“Philanthropy’s Ultimate Power-Sharing Opportunity: Governance.”** Stanford Social Innovation Review, October 9, 2018; Cynthia Gibson, **Participatory Grantmaking: Has Its Time Come?** Report to the Ford Foundation, 2017; Hodgson and Pond, **How Community Philanthropy Shifts Power**, Foundation Center, 2018; NCRP, **Power Moves: Building Power, Sharing Power and Wielding Power**, 2018.



# Afterword

Just as no foundation initiative can anticipate and solve all the problems it encounters, no report on an enterprise this complex can do justice to the full array of potential questions that it raises. Our data source was largely retrospective interviews with direct participants in BHC, primarily TCE staff or close partners, complemented by the observations of a few well-positioned outsiders and our own personal observations. We anticipate that other products in TCE's planned suite of reports on BHC will engage different perspectives and explore important related questions that are not raised here.

TCE has already engaged in nearly two years of internal conversations about the lessons of BHC and how it plans to organize itself for the next generation of its programming. All the events described here also took place before COVID-19 emerged as a game-changing “wild card” phenomenon that is still playing out at this writing and is likely to substantially affect foundation practice for years to come.

Consequently, we envision our reports<sup>19</sup> being primarily of use to other funders, community organizations, and emerging leaders who have not been engaged in the BHC experience but are curious about how it might inform their own journey. We have not delved deeply into the details of personalities or structures within TCE but have tried to present our observations and conclusions in a way that will maximize their utility for a variety of audiences.

Private foundations have often been criticized for playing it safe and unnecessarily minimizing risks in their grantmaking and investments, particularly given their relatively unfettered potential to take independent action. With BHC, TCE has taken a bold step outside the comfort zone of much of organized philanthropy in both the scale and style of its programming. It has put its considerable resources in service to its values in a way that few others have. By promoting an expanded definition of health philanthropy that seeks to directly address the root causes of powerlessness and racial and economic inequality, it has also demonstrated real leadership for the field.

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<sup>12</sup> See companion report: David, T., Brown, P. (2020). **“Foundation Role and Practice”** Center for the Study of Social Policy (CSSP), 2020. Available at: <https://cssp.org/resource/bhc-foundation-role-practices-2020/>.

The past 10 years of BHC have not been a smooth or linear pathway to readily measured improvements in population health. But all who have been involved in that journey now have a clearer sense of just what it will take to achieve those kinds of results in communities that have long been disinvested and disenfranchised. Moreover, significant capacity has been built in those neighborhoods that had little recent history of organizing or power building at the beginning of BHC. Across the state of California, a growing cohort of energized grassroots leaders is emerging, who now own the work and are poised to take it forward.<sup>20</sup>

What can other funders potentially take away from the experience of Building Healthy Communities? Few have access to the level of resources required to attempt something of this magnitude. Moreover, not all would have the institutional courage to tackle potential “hot button” issues like power building and racial equity. But whether one’s mission is to support health improvement, civic participation, youth development, reform of public systems, or some combination of all the above, the BHC experience has much to offer.

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<sup>13</sup> USC Program for Environmental and Regional Equity. **California Health and Justice for All Power-Building Landscape: A Preliminary Assessment**, October 2018.



### **It takes thinking outside of an “initiative” box.**

Looking ahead, one can now more clearly observe the limitations that the frame of a time-limited foundation “initiative” places on not only on the conduct of the work itself but how the foundation sets about to learn from it. The label “initiative” implies novelty, and instead of building directly on existing community assets, it typically necessitates the creation of new structures (e.g., Hubs), jobs, and even organizations that will have to be sustained or discontinued once the foundation’s attention has moved on. Even with the relatively expansive frame developed for BHC, it was still TCE’s creation, and a very significant investment of its capital and reputation. When grantees are solely dependent on the foundation’s support, no matter how generous, it also sets the stage for a less-than-equitable partnership. It also lends itself to an over-emphasis on a foundation-driven, theory-heavy conceptualization of the work, with accompanying goals, objectives, and plans for implementation developed by foundation staff.

Much of the Foundation’s initial framing of BHC was later discarded in favor of a more community-centric approach, but not before a significant expenditure of time and resources in the initial years of BHC. As TCE expanded the initiative paradigm’s role of the funder, it opened itself up to a different kind of reciprocal learning relationship with its partners. The work of community power building clearly benefited from TCE’s dedicated funding and efforts to coordinate activities, but it was not enhanced by artificial constraints associated with a foundation-designed initiative.

### **It takes thinking hard about the nature of partnership.**

BHC has demonstrated the value of investing deeply in relationships. By choosing to operate as a “proximal” partner to its chosen communities, it manifested necessary patience and the kind of sustained face-to-face contact necessary to build trust. That approach was essential in neighborhoods with long histories of broken promises and unfulfilled commitments from outsiders seeking to effect change. It took years for trusting relationships to be established, forged in moments of difficulty as well as success.

A foundation’s proximal relationship with a community differs from one that is embedded, as when a foundation actually is part of the community, one that is established through an intermediary, or one in which a foundation plays a cultivation and support role. The pros and cons of these and other possible partnership arrangements should be



examined carefully upfront when a foundation decides to work with a community. Each one suggests a different role for staff and a different way to deploy foundation resources. The choice depends on such factors as the foundation’s mission and goals; the time and resources it needs to spend to “get ready” internally to be a competent partner; how much tolerance it has for sharing power and decision-making; and its long-term vision for the relationship in light of its institutional goals. There are inherent tensions in most arrangements—how much doing/operating versus supporting; how close to the action to be while not undermining productive community processes and leaders; determining which partner is accountable for which decisions and outcomes; and so forth.

BHC was a conscious effort to broaden the boundaries of a traditional funder-community relationship. TCE’s recent commitment to making racial equity a priority going forward provides the opportunity to recalibrate that relationship once again. What that will mean for the next generation of TCE’s work remains to be seen. But it suggests the possibility of shaping its role in a larger ecosystem to address the question that all foundations visit and revisit periodically: what role is the foundation particularly well positioned to play in light of its goals? And how can that role build on and enhance the roles of other players in that ecosystem to achieve maximum impact? Rather than support another foundation-designed, time-limited “initiative,” TCE can explore multiple partnerships of different kinds with different communities, organizations, and other funders that can align interests and resources to promote the shared goal of racial equity. Through its experience with BHC, TCE brings much to the table for such an enterprise.

### **It takes a management culture that values learning.**

Foundations often play a vital role in learning in multi-site and complex work. They can foster individual site learning, organize cross-site learning venues, and aggregate learning to identify broader patterns and takeaways. But what foundations frequently undervalue—and underinvest in—is their own capacity to learn and grow as an organization. This underinvestment hinders the ability of management to create an open and inclusive learning culture throughout the foundation and slows the pace of strategic pivots and innovation.

At best, TCE’s actual investment in Learning and Evaluation activities throughout the life of BHC has been less than two percent of the funding provided. Of that amount, most of the resources were devoted to local evaluations, capacity building, and developmental evaluations. That limited the amount of real time learning to inform staff development

as well as decision-making. TCE's bare bones administrative budget also allows limited funding for the kinds of cross-organizational efforts required to effect necessary cultural and structural changes.

As TCE struggled to combine its different lines of work into a cohesive whole, it became clear that the solution was as much cultural as it was structural. Each of the two major groups of staff had its own set of expectations, incentives, and informal learning systems. What was lacking was a strong message from leadership and the accompanying supports for developing a shared culture of learning. This would mean, for example, that the foundation's vision and values are widely understood and agreed upon throughout the organization; that rewards are built in for collaboration and sharing knowledge and resources; that staff regularly examine relevant data for the purposes of collective meaning making and shared strategy development; and that mechanisms exist for inviting critical peer review and benefiting from the diverse experiences and perspectives of all staff.

Scores of subtle, daily interactions within foundations reinforce some behaviors and values and discourage others. Staff recognize the messages sent in these interactions regardless of what leadership or the organization professes.<sup>21</sup> Candor, curiosity, and humility undergird a vital learning culture. Mutual accountability is key. These are the same values that make for effective foundation relationships with partners and grantees so it makes sense to invest in their development at "*home*." Management that accomplishes this aim positions the foundation to communicate clearly and consistently with its external partners and learn much more effectively with and from them.

### **It takes prioritizing change management.**

Changemaking is a heady and absorbing undertaking, and there is nothing else quite like it, particularly for those committed to dismantling entrenched patterns of systemic racism and economic injustice. It is energizing but also exhausting, as often the work must struggle to maintain forward progress against powerful prevailing headwinds of opposition. BHC has uncovered layers of historic trauma and damage in its communities and has helped its participants to identify and support the need for collective healing and appropriate self-care as an integral part of the work of power building.

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<sup>14</sup> Hamilton, R. et al. **Learning for Community Change: Core Components of Foundations that Learn.** Chapin Hall Center for Children, 2005.

The deep emotional complexities of the work, combined with the fact that it tends to be so much more than a job for its participants, call for an enhanced level of attention to the importance of sound management practices at all levels of the enterprise. While everyone is “in it together,” policies and procedures and daily management practices need to be in full alignment with the ultimate goals of changemaking, power building, and racial equity. Few organizations have consciously designed themselves to operate in that fashion. Staff and Board roles, decision-making processes, internal communication channels, performance standards and human resource policies, and grantmaking practices need to be clear, aligned with the foundation’s goals, and consistently executed.

The goal is not to put a rigid structure in place but rather to reduce the amount of energy staff must exert to get things done within the organization. Without this clarity and transparency, staff learn to keep their heads down and focus only on their own agendas, cutting their own deals with management for going forward. Under these conditions, even passionate and talented staff experience low morale or burn out and can disengage from the organization in ways that undermine its collective potential.



# Appendix

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## Interviewees

All interviews were conducted by phone between August 2019 and January 2020. Our inquiry focused primarily on the first nine years of BHC and did not explore details of TCE's internal transition planning process that will ultimately establish the design for the next generation of its work. Likewise, COVID-19 was not on anyone's radar at that point in time, so its implications for TCE and for philanthropy in general were not explored.

### Current and Emeriti Board Members

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 Shan Cretin  
 Jane Garcia  
 Dean Germano  
 Shawn Ginwright  
 Zac Guevara  
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 Tara Westman  
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 Jennifer Ybarra

### Key Informants

Gigi Barsoum  
 Michele Darling  
 Lee Draper  
 Frank Farrow  
 Gilda Haas  
 Jennifer Ito  
 Audrey Jordan  
 Tia Martinez  
 Shiree Teng