

TRACKING GROW II METRICS

Report to the
Kansas Health Foundation

September 15, 2011

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INTRODUCTION

As part of the launch of GROW II in 2009, the Kansas Health Foundation established a series of metrics that it would use to track the progress of the GROW II programs. This report summarizes the status of these metrics as of June 2011.

To implement the metrics program, Neithercut Philanthropy Advisors (NPA) conducted a survey of all Kansas community foundations in 2009, in cooperation with the Kansas Association of Community Foundations (KACF). This 2009 survey allowed us to establish benchmarks for the metrics that we could then use to measure progress going forward. In June 2011, NPA repeated the survey of Kansas community foundations. The 2011 survey was similar to the 2009 survey, but we added several additional questions to clarify some issues that arose during the first survey.

The 2011 survey shows a growing and stronger community foundation field compared with two years ago. Some of this is due, of course, to the significant improvements in the investment markets during this period. Nevertheless, we see strong growth in the total endowed assets of Kansas community foundations and in the staffing of the field. Further, we are pleased to report that 54 community foundations responded to the 2011 survey, a significant increase from the 40 that responded in 2009.

<u>Survey of Kansas Community Foundations</u>		
	<u>2011</u>	<u>Change</u> (From 2009)
Respondents	54	+35%
Endowment (millions)	\$202	+28%
Staff (FTE)	54	+17%

Turning to the GROW II metrics, we see significant progress on nearly all of these measures. Some of the metrics show huge progress, while others show smaller but promising movement. As a result, we see no need for any significant mid-course corrections of the GROW II programming.

PURPOSE OF METRICS

The primary purpose of the GROW II metrics is to help the Kansas Health Foundation (KHF) staff and trustees 1) track the progress of the program, and 2) recognize and celebrate success at the program's end. KHF has established a clear set of goals and objectives for GROW II (see Appendix A), and it has launched a set of programs to achieve these goals and objectives. KHF staff and board members can use the metrics to track the results of GROW II programs and to determine if the programs are on track to achieve the goals and objectives of GROW II. If the progress seems unsatisfactory, KHF staff can make the appropriate mid-course adjustments to ensure success.

A secondary purpose of the GROW II metrics could be their use in a communications strategy. That is, KHF and/or KACF could publish the metrics to 1) demonstrate the ongoing success of the program, 2) encourage more participation, and 3) publicize the GROW II goals and objectives. A communications program could also serve as a helpful tool to build awareness of the good work being conducted by KHF.

To that end, in addition to the narrative explanation of the status of the metrics, we are providing 1) a "data summary report" that summarizes the survey data from 2009 and 2011, and 2) "dashboard" graphics that depict the progress on each metric. The data summary report is important because it provides a look at the important indicators for the field when GROW II began in 2009 and shows progress made toward achieving those goals.

The graphics depicting progress are in a simple "dashboard" format that will allow the reader to get a sense of the success of the program with a quick look. These graphics are designed like a gasoline gauge on an automobile. The needle starts at zero, representing the start of GROW II, and it moves forward toward "full" as the program achieves its goals. These graphics are just rough sketches, as we expect that the KHF communications department would want to redesign

any final versions of these graphics for publication. These graphics are contained in a PowerPoint presentation and are submitted as a separate document.

We propose that KHF repeat the survey of Kansas community foundations every two years, so the next survey would be in the spring of 2013. We have formatted the data summary report so that new data can be easily added. In addition, we suggest that the dashboard graphics be updated after each survey to show the success of the program.

In 2009, we worked with KHF staff to establish the two “primary metrics” and six “secondary metrics” that would be used to track the progress of GROW II. Each of these metrics was assigned a numerical goal.

Metric	Goal by 2019
<u>Primary</u>	
<u>A.</u> Total new public health and administrative endowment	\$30 million
<u>B.</u> Total number of CFs participating in cost-saving alliances	50
<u>Secondary</u>	
<u>C.</u> Total amount of new endowment raised	\$90 million
<u>D.</u> Total amount of new unrestricted grantmaking endowment raised	\$3.5 million
<u>E.</u> Number of CFs trained in civic leadership	40
<u>F.</u> Number of CFs trained in budgeting and tracking program costs	40
<u>G.</u> Number of CFs participating in KHF health initiatives	30
<u>H.</u> Percent of CFs that are members of KACF	90%

PROGRESS

We are pleased to report that GROW II and the Kansas community foundation field has made significant progress in the last two years, as measured by the program's metrics. Below, we first review the two primary metrics of the program and then the six secondary metrics. For each metric, we rank its progress on a five-point scale of Excellent, Very Good, Good, Poor, and No Progress.

PRIMARY METRICS

A. Total new public health and administrative endowment

Goal:	\$30 million
2011 Status:	\$6.7 million ¹
Progress:	Good

The community foundation field has shown good progress toward this important metric, having achieved 22 percent of its goal in the last two years. Some of this progress is likely due to the strong investment markets since the last survey, and some of it is due to the early gifts that the GROW II grantees have received. However, the \$6.7 million does not include any of the matching funds from the Kansas Health Foundation, which are designated for these two types of endowment. These payments began in March of this year. Thus, we would expect significant progress on this metric in the years ahead, as the GROW matching funds are paid out.

B. Total number of CFs participating in cost-saving alliances

Goal:	50 alliances
2011 Status:	56 alliances
Progress:	Excellent (Exceeded Goal!)

¹ Despite the increase in the number of respondents to the survey this year, a few foundations that responded in 2009 did not respond this year. Of those that did not respond, only one, the Greater Northwest Foundation (formerly the Northwest Kansas Community Foundation), reported any endowment in 2009. In this case, we repeated Greater Northwest's 2009 endowment figures for 2011. If we had omitted them, it would have presented a significantly less accurate picture.

The survey shows a stunning leap forward in the number of alliances since 2009. We counted 26 alliances of various types in 2009 and the figure has more than doubled, to 56, in 2011. This leap already exceeds the goal we set for this metric two years ago.

One goal of the GROW II program was to encourage consolidation of existing community foundations, and to discourage the emergence of new, stand-alone foundations. Regarding the consolidation of existing foundations, we can identify at least seven stand-alone community foundations from 2009 that are now affiliates of another:

<u>From Stand-Alone (2009) to Affiliates (2011)</u>
Butler County
Central Kansas
Derby
Hodgeman
Pains
South Central
Wichita County

In addition, the Parsons Area Community Foundation is now a support organization of the Greater Kansas City Community Foundation, and the Wichita Community Foundation also reports a new support organization.

We have also seen a significant increase in the number of new foundations that were created as affiliates. Approximately 20 new affiliates emerged over the last two years.

On the other hand, we have seen very few examples of other types of alliances, such as mergers and back-office sharing. KACF has provided a number of very good training programs that have allowed many foundations to investigate these options. Despite KACF's efforts, few foundations have chosen these other types of alliances.

In summary, the financial incentives of GROW II, as well as its training programs, appear to have had the desired effect. We see excellent progress in curtailing the emergence of new stand-alone foundations, and some consolidation of the field among those foundations that were small stand-alone foundations in 2009.

Type of Alliance	2009	2011
Merger	1	1
Affiliation	22	50
Back-office arrangements	2	2
Support organization	1	3
Total:	26	56
<i>(Note: Please see Appendix B for a discussion of these calculations and a comparison of 2009 alliances and 2011 alliances.)</i>		

SECONDARY METRICS

C. Total amount of new endowment raised

Goal: \$90 million
 2011 Status: \$44.6 million
 Progress: Very good

In 2011, Kansas community foundations reported a total of \$202.2 million in total endowment, which represents an increase of \$44.6 million. Thus, this metric has already achieved nearly 50 percent of its goal.

D. Total amount of new unrestricted grantmaking endowment raised

Goal: \$3.5 million
Progress: N/A

This metric was added after the 2009 survey was completed, so this is the first year we asked a specific question regarding unrestricted grantmaking endowment. In 2011, Kansas community foundations reported a total of \$28.3 million in unrestricted grantmaking endowment. This number sets the baseline amount against which the goal of \$3.5 million will be measured.

E. Number of CFs trained in civic leadership

Goal: 40 foundations trained
2011 Status: 35 foundations trained
Progress: Excellent

The Kansas Leadership Center (KLC), in partnership with KACF, provided a training program specifically for KACF members in April of 2010. Twenty-six community foundations participated in the program. As a follow-up to this program, KACF offered an additional training program on leadership in June of 2010. Thirty community foundations attended this training. Several foundations attended both training programs, so by eliminating any duplication, we can report that 35 foundations were trained in leadership over the past two years, nearly meeting the goal for this metric.

F. Number of CFs trained in budgeting and tracking program costs

Goal: 40 foundations trained
2011 Status: 31 foundations trained
Progress: Very good

This metric also shows considerable success. In September 2010, KACF provided three regional training programs on financial planning for community foundations in Kansas. Thirty-one community foundations participated in these three sessions. One criterion of the GROW II endowment program was whether the applicant foundation was engaged in cooperative

arrangements to reduce costs. This criterion provided a significant incentive for Kansas community foundations to attend the training sessions on budgeting and program costs.

G. Number of CFs participating in KHF health initiatives

Goal: 30 foundations

2011 Status: 8 foundations

Progress: No progress

In 2009, KHF reported that eight community foundations were participating in the Physical Activity and Nutrition initiative. Since that time, no additional health initiatives that target community foundations have been launched by the foundation.

H. Percent of CFs that are members of KACF

Goal: 90% of foundations are members

2011 Status: 67.5% of foundation are members

Progress: Good

KACF reports that 67.5 percent of Kansas community foundations are KACF members as of June 2011 (54 of 80). This is a 6.5 percentage point increase, or 22 percent of the 10-year goal. In 2009, KACF reported that 47 of the 77 community foundations in Kansas were KACF members, for a membership rate of 61 percent.

CONCLUSION

All of the metrics for GROW II show good or excellent progress, except for the count of community foundations participating in Kansas Health Foundation initiatives. There has been no change in this measure over the last two years. However, KHF reports that within the next six months it will award a number of grants to community foundations as part of a major health initiative, so we expect this metric to show progress very soon.

Overall, GROW II seems to be moving forward quite well. The incentives in the program are achieving their desired impact, the endowment application numbers have been strong for the first two rounds, and the metrics give us confidence that the programs are achieving the program's objectives. Thus, we recommend no adjustments to the GROW II programs at this time.

Looking forward, KHF may wish to consider implementing an external evaluation for GROW II, although this may hinge on the project being conducted by the TCC Group. In addition, KHF may wish to launch a statewide communications project to support the three rounds of GROW II grantees. This effort would be very helpful to the local community foundations and would help the public learn more about the good work of KHF. Neithercut Philanthropy Advisors has some experience with these types of communications programs that support local fundraising efforts and can help with this project as needed.

An additional piece of work that might be appropriate is a careful review of the many programs being conducted by KACF. These training and technical assistance programs are crucial to the success of GROW II, and it might be useful to engage in a careful review of their work after the two years that end this fall.

To sum up the progress to date, GROW II has been under way now for just two years, and we will not know its full success for another 8 or 10 years. The early indications, however, are that GROW II will be a major success.

APPENDIX

A. Summary of GROW II Strategic Framework

(Approved by KHF Board April 2008)
(Revised by KHF Staff May 2009)

GOALS:

1. To help more Kansas community foundations build permanent resources that will measurably improve the health of local residents.
2. To support collaboration and alliances among community foundations to ensure a well-managed and self-sufficient community foundation field in Kansas.

OBJECTIVES:

- I. To help more Kansas community foundations build endowed funds that are used to underwrite solutions to local health issues.
- II. To help more Kansas community foundations reduce costs, improve service quality, and become self-sustaining through collaboration and alliances.
- III. To help more Kansas community foundations acquire the capacity to provide leadership on health issues in their communities.
- IV. To help more Kansas community foundations become ready and able to collaborate with the Kansas Health Foundation on health initiatives.

STRATEGIES:

Objective I

1. Continue and expand to more community foundations the GROW I endowment matching programs that help build permanent (endowed) funds restricted to public health issues.

Objective II

2. Train staffs and boards of all Kansas community foundations in all areas of need, including budget planning, the cost of lines-of-business, and the benefits of affiliation, mergers, shared back-room operations, etc.
3. Provide matching grants to help build operating endowments at more Kansas community foundations.
4. Use the entrance requirements of GROW II programs to encourage good management.

5. Provide incentives to the smallest community foundations for them to consider affiliation, mergers and other types of alliances that will help them provide better service and become self-sufficient.
6. Build the capacity of the Kansas Association of Community Foundations.

Objective III

7. Conduct leadership training for boards & staffs of all community foundations.
8. Provide “pass-through” grant funds for use on health issues to those community foundations that have the capacity to play a community leadership role.

Objective IV

9. Continue and expand KHF health initiatives that involve community foundations as partners.
10. Continue and expand to more community foundations the GROW I endowment matching programs that help build permanent (endowed) funds restricted to public health issues.

APPENDIX

B. Summary of Alliance Calculations on 2011 Survey

In the 2011 survey of Kansas community foundations, we included the same questions about alliances (e.g. mergers, affiliations, etc.) that we included in the 2009 survey. As in 2009, the 2011 data on alliances was incomplete and had some inconsistencies. As a result, we have worked with KACF staff to revise and update the survey data on alliances. The adjustments to the survey data are described below, along with an explanation of which alliances are new in 2011.

Mergers: 1

On the 2009 and the 2011 surveys, the Central Kansas Community Foundation reported that it had resulted from a merger. In 2011, three other foundations — Belle Plaine Community Foundation, the Community Foundation for Cloud County, and Florence Community Foundation — reported mergers. However, these three foundations also reported that they are affiliates and are claimed as affiliates by a “hub” foundation as follows: Belle Plaine is an affiliate of Legacy; the Community Foundation for Cloud County is an affiliate of Greater Salina; and Florence Community Foundation is an affiliate of Central Kansas. Therefore, by our survey’s definitions, they are counted as affiliates and not mergers.

Support Organizations: 3

In 2009, the Greater Northwest Kansas Community Foundation, formerly the Bird City Century II Development Foundation, reported that they were a support organization of Greater Kansas City. Greater Northwest Kansas did not respond to the 2011 survey, but KACF staff confirms that they are still a support organization of Greater Kansas City.

In addition, the Parsons Area Community Foundation reported on the 2011 survey that they are a support organization for the Greater Kansas City Community Foundation. We know that Parsons is a 501(c)(3) organization separate from Greater Kansas City, and KACF staff confirms that Parsons is a support organization by our survey's definition. In addition, the Wichita Community Foundation Support Organization was reported by the Wichita Community Foundation. We spoke with the Wichita Community Foundation staff and they confirmed that the alliance should be counted as a support organization.

Back-Office Service Arrangements: 2

In 2009, we counted two arrangements in which a foundation was getting back-office services from another foundation: Parsons Area Community Foundation and Southeast Kansas. Neither is counted as a back-office arrangement in 2011. Rather, Parsons is now a support organization of Greater Kansas City and Southeast Kansas is an affiliate of Greater Kansas City, so they are not counted as back-office service purchasers.

In 2011, the Central Kansas Community Foundation and South Central Community Foundation responded as purchasing back-office services. Neither have any other alliance, so they are counted as back-office arrangements.

Affiliates: 50

In 2011, 12 respondents claimed 42 affiliates. In addition, two foundations outside of Kansas claimed eight additional affiliates. This results in a total of 50 affiliate foundations.

In the table on the next page, the foundations that are new affiliates for 2011 are italicized. The new "hub" foundations are also italicized.

2011 Kansas Community Foundation Affiliates (Additions Since 2009 in Italics)	
<u>Hubs</u>	<u>Affiliates</u>
Central Kansas Community Foundation	Peabody Community Foundation, Hillsboro Community Foundation, Hesston Schools Foundation (now the Hesston Community Foundation), <i>Central Kansas Community Foundation – Butler County, Florence Community Foundation, Halstead Community Foundation, Goessel Community Foundation, Trinity Heights United Methodist Church Foundation, Park City Community Foundation</i>
Community Foundation of Dickinson County	Chapman Community Foundation
<i>Community Foundation of Southeast Kansas</i>	<i>Fort Scott Area Community Foundation and Girard Area Community Foundation</i>
<i>Community Foundation of Southwest Kansas</i>	<i>Meade Community Foundation, Plains Community Foundation, Bucklin Better Life Foundation, Kathy Feist Family Foundation for Spearville, Fowler Community Foundation, Jerry Slaton Foundation for Hanston, Hodgeman Community Foundation</i>
<i>Emporia Community Foundation</i>	<i>Chase County Community Fund and the Growing Greenwood Fund</i>
Greater Salina Community Foundation	Smoky Hills Community Foundation, Russell County Area Community Foundation, Community Foundation for Cloud County, Smoky Valley Community Foundation, Smith County Community Foundation, Republic County Community Foundation, Heartland Community Foundation, The Catholic Community Foundation of the Diocese of Salina, <i>Ottawa County Community Foundation, Post Rock Community Foundation, Washington County Community Foundation</i>
Greater Manhattan Community Foundation	Frankfort Community Trust and Dover Community Foundation
<i>Hutchinson Community Foundation</i>	<i>Buhler Community Endowment</i>

Legacy, A Regional Community Foundation	Belle Plaine Community Foundation
<i>McPherson County Community Foundation</i>	<i>Moundridge Community Foundation</i>
Rice County Community Foundation	<i>Little River Community Foundation</i> and Friends of Animals of Rice County
<i>Western Kansas Community Foundation</i>	<i>Grant County Community Foundation</i> and <i>Wichita County Community Foundation</i>
<u>(Out of State)</u>	
Kearney Area Community Foundation (Nebraska)	Norton Community Foundation
Greater Kansas City Community Foundation (Missouri)	Community Foundation of Johnson County, Community Foundation of Wyandotte County, <i>Community Foundation of Southeast Kansas</i> , <i>Derby Community Foundation</i> , <i>Franklin Community Foundation</i> , <i>the Community Foundation of Northeast Kansas</i> , and <i>South Central Community Foundation</i> .

KANSAS HEALTH FOUNDATION
2011 Survey of Kansas Community Foundations

Summary Data Report

	<u>2009</u>	<u>2011</u>	<u>% Change</u>	<u>Change</u>
Number of CFs that responded to the survey.*	40	54	35.0%	14
ENDOWMENT**				
CFs with endowment				
Number	31	46		
Amount (\$ millions)	\$157.7	202.3	28.3%	\$44.6
Percent of all CFs with endowment	77.5 %	85.2 %		
CFs with public health endowment				
Number	17	30		
Amount (\$ millions)	\$13.1	\$17.5	33.6%	\$4.4
% of all CFS with public health endowment	42.5 %	55.6 %		
CFs with administrative endowment				
Number	19	31		
Amount (\$ millions)	\$11.3	\$13.6	20.4%	\$2.3
% of all CFs with administrative endowment	47.5 %	57.4 %		
COLLABORATION AND ALLIANCES***				
	<u>Number of CFs</u>			
CFs that have merged	1	1		
Thinking about merging	2	0		
CFs that are affiliates	22	50		
Thinking about becoming an affiliate	2	2		
CFs with affiliates	6	11		
Thinking about taking on affiliates	12	13		

	<u>2009</u>	<u>2011</u>	<u>% Change</u>	<u>Change</u>
COLLABORATION AND ALLIANCES (Cont'd)	<u>Number of CFs</u>			
CFs receiving processing services from another CF	2	2		
Thinking about providing processing services to others	7	6		
Thinking about receiving services from another CF	3	6		
STAFFING				
No staff	18	29		
0.5 staff persons (FTE)	1	3		
One or two staff persons (FTE)	13	11		
More than 2.0 staff persons (FTE)	<u>8</u>	<u>11</u>		
	40	54		
Total Staff	46.4	54.3	17.0%	7.9

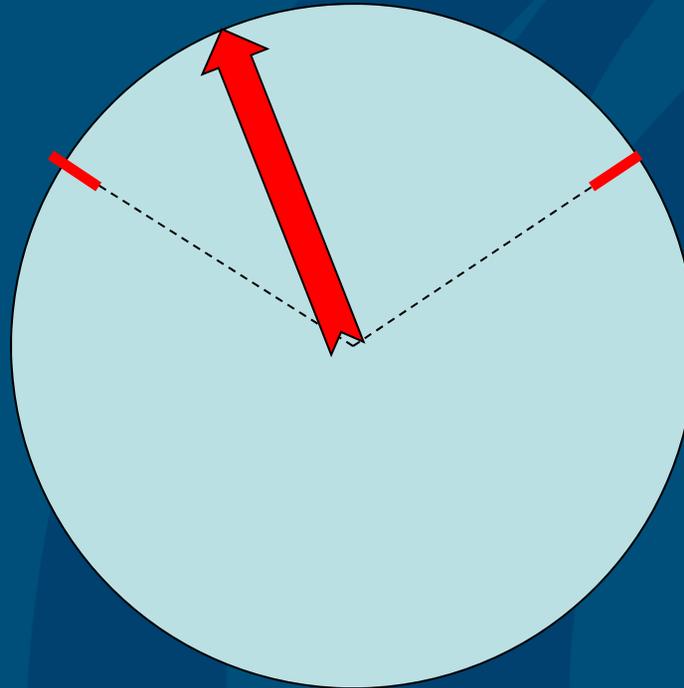
* The respondent totals include affiliates.

** The amount of endowment has been adjusted to remove any double counting between "hub" CFs and their affiliates. Also, the 2009 endowment numbers have been revised based on corrections submitted by a few community foundations. In addition, the Greater Northwest Foundation (formerly the Northwest Kansas Community Foundation) did not respond to the 2011 survey, so we used its 2009 endowment in the 2011 calculations.

*** The 2009 and 2011 alliance numbers have been adjusted based on additional information from KACF. See further discussion in the Metrics Report and its appendix.

Public Health & Admin. Endowment

2011 status: \$6.7 million

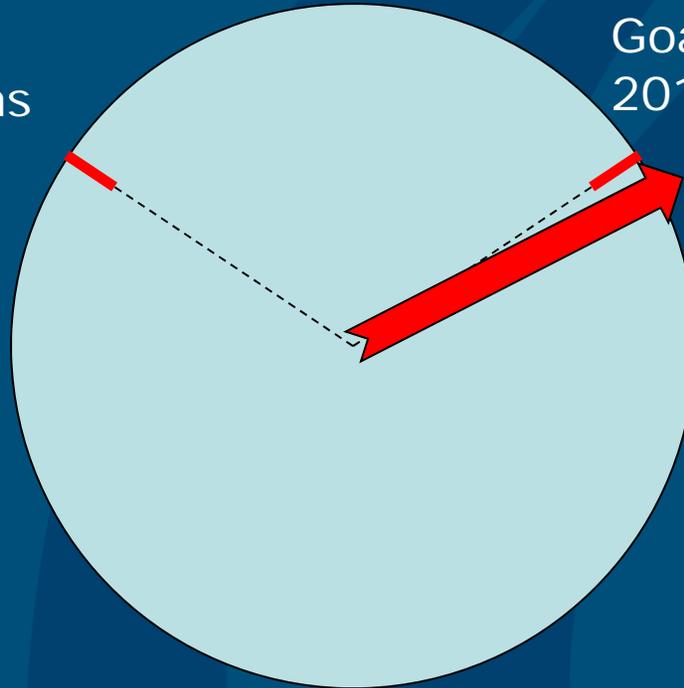


Goal
2019: \$30 million

Goal: Create \$30 million in new public health and administrative endowment in Kansas CFs by 2019.

Community Foundations in Alliances

2009: 26 foundations



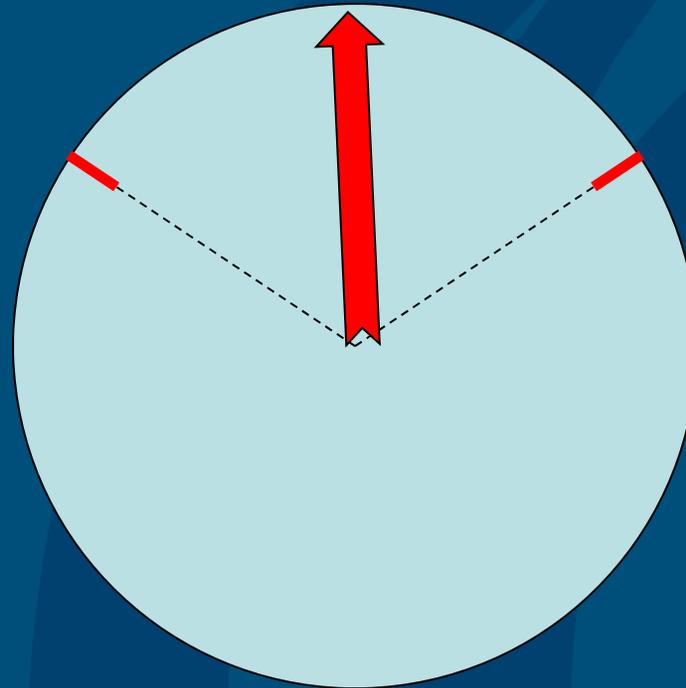
Goal
2019: 50 foundations

2011 Status:
56 foundations

Goal: Fifty cost-saving alliances among community foundations by 2019

Total Endowment Raised

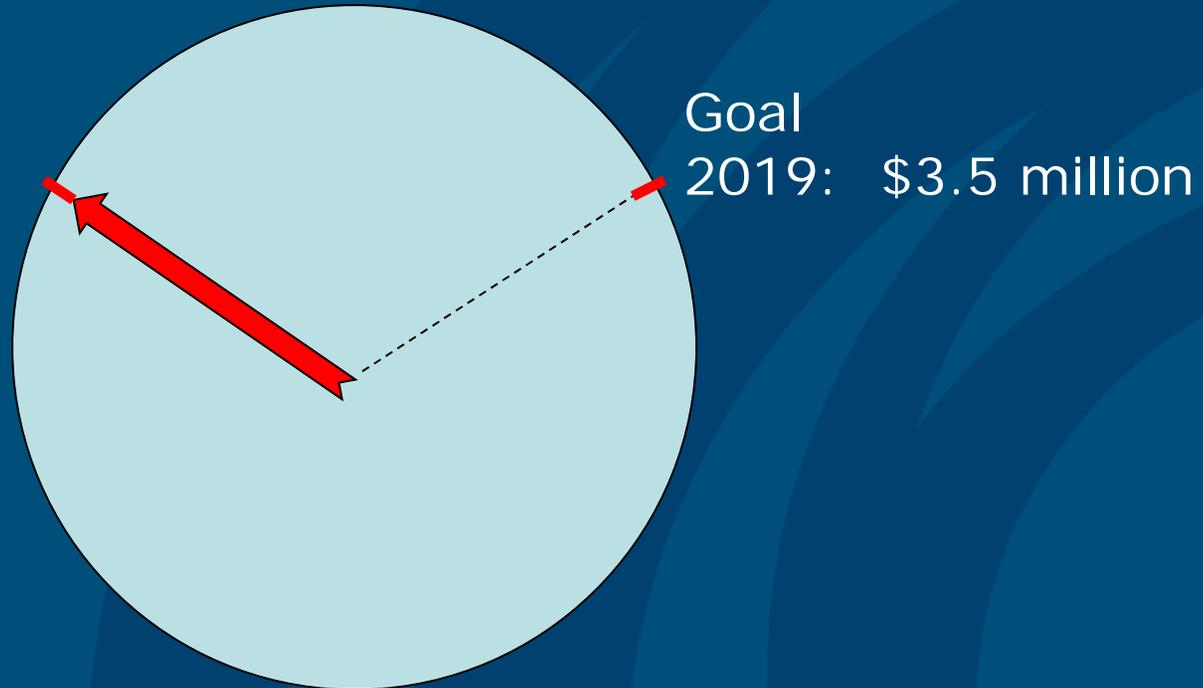
2011 Status: \$44.6 million



Goal
2019: \$90 million

Goal: \$90 million in total endowment is raised by 2019.

Total Unrestricted Grant Endowment Raised



Goal: \$3.5 million in new unrestricted grantmaking endowment is raised by 2019.

CFs Trained in Civic Leadership



Goal: Forty community foundations are trained in civic leadership by 2019.

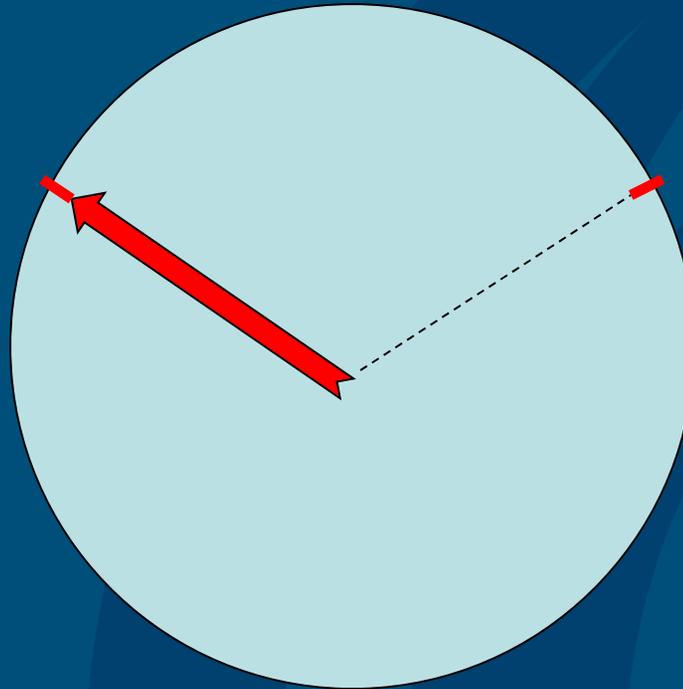
CFs Trained in Budgeting and Tracking Program Costs



Goal: Forty community foundations are trained in budgeting and cost tracking by 2019.

CFs in KHF Health Initiatives

2011 Status:
8 foundations



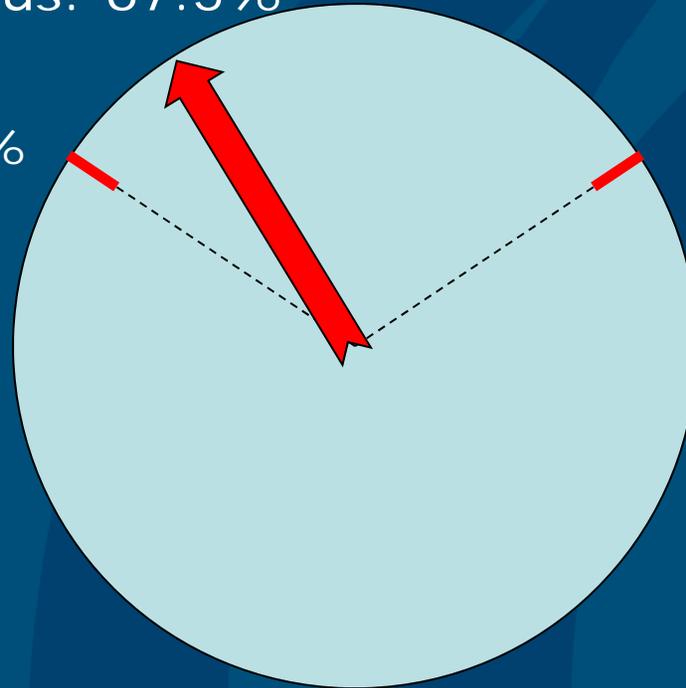
Goal:
2019: 30 foundations

Goal: A total of thirty community foundations will have participated in KHF health initiatives by 2019.

KACF Membership Rate

2011 Status: 67.5%

2009: 61%



Goal
2019: 90%

Goal: Ninety percent of Kansas community foundations will be members of KACF by 2019.