

Headwaters

Strategic Framework

2018-2023

*Focusing Upstream to Improve the Health of
Western Montanans*

INSIDE

Who we are	2
Our Story	3
Our Mission, Vision and Values	4
Our Process	4
Our Commitment	5
What We Do	7
Our Strategic Focus	8
How We Work	10
Our Approach	11
Grant Making	11
Capacity Building	11
Community Organizing	12
Policy and Influence	12
Our Impact Measures	12
Our Budget	13

Who we are

OUR STORY

Headwaters was born from community. A community invested in a healthy, thriving western Montana. Montanans from across our 15-county region have told us they are honest, hard-working people who care about where they come from and the people who live here. They've told us they are trustworthy, fair and ethical. They've told us they are loyal and strong but they've also told us their communities are suffering.

In western Montana, there are more children in foster care than ever before. There are folks who can't find a job and even if they could they don't have a car to get them from their rural homes to work. There are young women who would like to attend school but can't find reliable, affordable childcare. There are families who live in cars. There are children who are more often than not hungry. There are those struggling to find warm houses to live in.

And there are those struggling with addiction. There are young men and women committing suicide at a staggering rate. There are children exposed to high levels of violence and trauma early in life. These children will likely carry these experiences with them for years and these events will affect how they grow and live.

Montanans told us that there are cracks in the foundation on which we've built our communities.

Imagine if we could change that.

Imagine a western Montana where children get enough to eat, where their parents have support to go to school or they don't have to worry about finding transportation to get to work. Imagine a western Montana where children and families can go to the doctor or the dentist or a therapist to help manage their health. Imagine a western Montana where we've fortified the cracks in the foundations that hold our communities together.

The hundreds of Montanans we talked to share this vision. They told us they come together to address the challenges their communities face and that they are committed to long-term solutions that will require rolling up their sleeves and getting the work done. They told us they care about their communities, the people in them and this place they call home. They told us they want to solve the health issues in their communities.

They're ready. So are we.

THE FACTS

Headwaters Health Foundation originated from the sale of Community Medical Center in 2015 and has a **\$100M endowment.**

A nine member board of trustees governs the organization which serves the **15 most western counties** in Montana.

Headwaters looks to change the system through **trust-based philanthropy.**

OUR MISSION, VISION AND VALUES

MISSION

To work side-by-side with western Montanans to improve the health of our communities.

VISION

A western Montana where all people, especially the most vulnerable among us, are healthy and thriving.

VALUES

To fulfill our mission, we believe in and commit to these guiding principles.

We are **humble, mindful** and **accountable** to the people of western Montana. We are **respectful** of our relationships. Before we act, we listen with **empathy** and learn with **openness**. We are locally-driven and **community-centered**.

We engage in our work with the **highest integrity**. We build fair processes and procedures, have **allegiance to facts** and **ethical decision-making**, and invest in **effective, evidence-based outcomes**. We are **honest, consistent** and **responsible** and operate with **transparency**. We develop **clear** and **explainable** processes. We set **clear expectations** to ensure we meet our fiduciary responsibilities and avoid conflicts of interest. We foster **justice** in our work. We **support leaders** and activities that work to create a more equitable society. We foster **inclusion** and **diversity** within our staff, on our board and in the distribution of our resources.

OUR PROCESS

In April 2017, Headwaters launched an extensive fact-finding mission to identify the health needs of western Montana. Through more than 400 stakeholder interviews, 17 community meetings and a mountain of research, Headwaters narrowed these health issues into the following seven categories:

- Adverse Childhood Experiences
- Behavioral Health
- American Indian
- Children
- Elderly
- Access
- Social Determinants of Health

Headwaters then conducted deeper research and presented the findings to the Board of Trustees. In December 2017, Headwaters chose to go to the root of the problem for western Montanans by focusing on the key factors that keep people from being healthy. Health starts in our homes, schools and communities. To be successful in our mission, Headwaters determined that we must address social, economic, and physical environmental factors in the communities we serve, particularly those affecting children and their families. At Headwaters, we define family broadly to include caregivers, parents, foster parents, family members and friends who are responsible for the wellbeing of children.

OUR COMMITMENT

We are committed to community-centered, trust-based philanthropy. We believe that working alongside local communities is central to our vision because we know that change happens best when community members come together to develop and implement their own solutions. It is through the hard work of our partners that we can realize a western Montana where Montanans are healthy and thriving, particularly the most vulnerable.

This means that establishing and maintaining authentic community partnerships is central to the design and implementation of our programmatic strategies. We see grantees as partners, who provide bold ideas and work hard to realize a healthy western Montana. Because of this, we designed our strategies and approaches on three foundational commitments: listening; building on community assets and strengths; and learning and adaptation.

LISTENING

At Headwaters, before we act, we listen with empathy and openness.

Headwaters embodies a spirit of humility, recognizing that our role is in service to the community. We pursue our mission and vision through the creativity, knowledge and programs of our community partners. By asking questions and listening with empathy and openness, we build lasting relationships that form a foundation for success.

LEVERAGING

At Headwaters, we are locally-driven and community-centered.

TRUST-BASED PHILANTHROPY

We approach our partner relationships from a place of trust, rather than suspicion. By practicing trust-based philanthropy we are able to break the traditional power dynamic between funder and grantee and create a collaborative environment that supports listening, learning and adaptation. We do our own work and due diligence so that our partners may focus on community needs.

We partner in a spirit of service by responding directly to the needs of our partners.

We put our partners at the center of the work by listening with humility, learning from their expertise, and adapting to meet changing needs.

We communicate openly and in an ongoing way with a focus on not burdening our partners.

We encourage transparency and honesty from our partners by creating programs that do not require absolute success and perfection.

We aim to simplify and streamline the grantmaking process.

We provide funding for capacity-building, operational support and leadership opportunities.

When possible, we provide unrestricted funds to our partners, recognizing that they can best determine their organizational and collaborative needs.

We believe in people – they are the greatest source for innovative ideas, wisdom and solutions to create real change for our communities. Our partners and their work will direct us toward our mission. We share and advance the work of our grantees, and we lift up cutting-edge programs and policies that serve as models.

LEARNING

At Headwaters, we are committed to learning along with our grantee partners.

We believe that through mutual learning, we can continually refine and improve our programs and ensure that those who are doing the work have the support they need to achieve meaningful change.

We see successes and failures as opportunities to share better information, both internally and externally, so that we can lift our collective work on behalf of children and families. We hold ourselves accountable; if we make a wrong turn, we correct course and learn from our experiences.

What we do

OUR STRATEGIC FOCUS:

CULTIVATING BETTER HEALTH FOR CHILDREN AND FAMILIES

As the largest health care foundation operating in western Montana, Headwaters is uniquely poised to successfully work with western Montanans to drive the systems-change needed to improve the health of children and their families. Our strategy for driving systems-change in health outcomes recognizes that we need to stop thinking of health as something that happens with a visit to the doctor's office. Research shows that a person's health is greatly influenced by powerful factors such as income, education, housing, employment, transportation and our physical neighborhoods. Indeed, the way we live has nearly a five times greater impact on our health outcomes than does our access to, and quality of, health care.

Communities in western Montana face higher rates of poverty and unemployment. This is especially true among Montana's rural communities and when compared to national averages. As a result, more families and individuals in our region struggle with food and housing insecurity, unsafe drinking water, increasing foster placements, social exclusion, inadequate wages, low education levels, weakened family structures, violence, adverse traumatic events, lack of childcare and youth engagement activities. These socioeconomic impacts threaten health not just within an individual's lifetime, but also inter-generationally. Children are particularly vulnerable.

There is mounting evidence that a child's first years are one of the most critical developmental times in a child's life and one that will significantly influence a child's long-term health. Many parents and other caregivers face a complex array of social obstacles that can easily compromise their child's health and wellbeing. Unpredictable housing, drug and alcohol abuse, mental illness, and family violence often negatively impacts a child's physical and emotional health, behavior, potential for academic success and social relationships. By working upstream at the headwaters of these problems, western Montana's next generation of citizens can become healthier today and better equipped for tomorrow. This strategic approach is consistent with the deeply resonating, unified community voice we heard throughout western Montana— that any long-term success in improving the health of our communities will, by definition, need to be based on building strength and resiliency for children.

HOW WE CHOSE OUR STRATEGY

We used the following criteria in weighing different strategic options for the foundation:

Responsive to community input and needs.

Investment will make a measurable impact.

Provides the breadth & opportunity to make an impact.

Opportunity to use a holistic approach.

Headwaters can play a significant role in this arena.

Existing momentum around the approach

Sense of urgency.

Opportunity to be innovative and risk-taking.

To help ensure future western Montanans have a healthy start in life, Headwaters will invest significant resources into building the strength and resiliency of families and children by directly addressing the social, economic and physical environmental conditions which prevent children from being healthy. We will do this by:

- Making grants to organizations working to improve the underlying factors that keep children and families from being healthy. Particular attention will be given to prevention, supportive services, early intervention, and strengthening the family unit.
- Prioritizing investments that target the needs of children ages 0-5 and American Indian children.
- Building the capacity of organizations and collaboratives working on these issues in our region.
- Convening those who are doing the work so they might learn from each other.
- Providing assistance in the policy sphere to affect change on a state and local level.

How we work

OUR APPROACH

Headwaters is committed to investing in a variety of strategies that result in lasting, systems-change in the lives of children and families in western Montana. These include: grantmaking, capacity building, community organizing and policy and influence. Taken individually, these strategies can have important, but limited, impact on the complex systems of health and community wellbeing. Taken together, these strategies position Headwaters to maximize its investment in the people, programs and policies benefiting children and families in western Montana.

GRANTMAKING

Headwaters has identified four funding components for our initial grantmaking activities.

Strategic Initiative Fund: *Cultivating Healthy and Thriving Children (ages 0-5):* Through this fund, Headwaters will provide multi-year funding to a select, limited number of locally-driven, innovative, multi-sector collaborative groups working to advance opportunities for children ages 0-5 in western Montana. Areas of priority for these investments will include supporting healthy pregnancies, supporting successful early parenting, school readiness to ensure continued success for future generations, and a focus on American Indian children.

GO! Grants Fund: *Building the Resiliency of Children in Western Montana's Most Rural Communities (ages 0-18):* Headwaters will invest in quick turnaround grantmaking to support organizations aimed at building the strength and resiliency of children, youth and their families. Through this fund, Headwaters will offer small, general operating grants to organizations working in western Montana's most rural communities to promote healthy lives for children and families, and whose efforts align with the mission of Headwaters.

Policy and Influence Fund: *Lifting the Voice of Children and Families:* Headwaters will use the power of convening, research, strategic communications, data collection and policy development to educate key stakeholders on policies and practices that threaten to undermine the future progress that build the resiliency of children and families in western Montana.

Sponsorship Fund: *Supporting Events that Build the Resiliency of Children and Families:* This fund will allow Headwaters to support the activities and events in western Montana that have a focus aligned with the mission of the Headwaters.

CAPACITY BUILDING

Recognizing that change is hard, and that lasting change is exponentially harder, Headwaters supports activities and opportunities to strengthen organizational capacities. Capacity building investments may include: building organizational effectiveness, planning, leadership development, technology implementation, human resources, administration, finance, communications, and data collection and

OUR UPSTREAM APPROACH

At Headwaters, we go upstream to the source of our good health – before an individual becomes a client or a patient – to tackle the external factors in our homes, schools, workplaces and neighborhoods that prevent people from having the opportunity to be healthy.

utilization. Headwaters also seeks opportunities to foster learning communities of practitioners who are eager to share effective strategies and to support one another as they address and move through obstacles in their pursuit of lasting change.

COMMUNITY ORGANIZING

Central to the vision of Headwaters is fostering and supporting vibrant communities. Headwaters wants to hear the voice of every resident, particularly the most vulnerable, because these voices are central to our work. Headwaters supports efforts by organizations, coalitions and initiatives to mobilize citizens to address critical community issues. This work can often involve creating and/or supporting efforts that engage citizens, the social sector, government and business organizations in developing a shared vision and plan of action.

POLICY AND INFLUENCE

Headwaters supports work that informs and shapes public policy solutions to critical issues. To that end, Headwaters invests in organizations and initiatives that strive to influence public policy. Headwater will use its influence and resources to engage directly with leaders, government agencies and elected officials around issues impacting children and families.

OUR IMPACT MEASURES

We will measure the impact of our multi-pronged, multi-year strategic approach using three primary outcome categories:

Organizational Effectiveness: Organizational effectiveness outcomes will be measured with pre-determined metrics to weigh internal processes and effectiveness. These outcomes will identify if Headwaters is achieving pre-established benchmarks to ensure progress toward organizational goals.

Programmatic Impact: Programmatic outcomes will be measured with pre-determined metrics to weigh the progress of funded organizations and their projects. These outcomes will examine the effectiveness of our external partners in meeting expected impacts, both at the organizational and project levels, of our philanthropic investments.

Leading Indicators: Leading Indicator outcomes will be measured with pre-determined metrics to weigh progress within the strategic focus of working upstream to cultivate better health for children and families. We will analyze both the changes and the benefits of our investments. We will measure immediate outcomes that occur within the first one to two years of successful implementation of the program strategy. Intermediate outcomes will be measured in subsequent years and long-term outcomes in later years. These outcomes will be leading indicators of success by documenting long-term changes within organizations, communities and systems.

In 2018, Headwaters will develop an evaluation plan and framework by using staff expertise and external evaluation experts to track outcomes, evaluate progress and continually learn from philanthropic investments. The evaluation plan will use a coordinated approach to reinforce the connection between strategy and evaluation and learning to increase positive impacts in local communities.

OUR BUDGET

Headwaters is committed to investing in a variety of strategies that will result in lasting, systems-change in the lives of children and families in western Montana. The budget to achieve implementation of our Strategic Framework is informed by the scope and complexity of our approaches and the policies governing philanthropic investments and our internal spending policies. In order to operationalize and implement a complex toolkit of approaches, Headwaters will need to deploy resources in a variety of ways including grantmaking, convening, capacity-building, policy, research, staffing, grantmaking systems and office infrastructure. In 2018, Headwaters will commit approximately \$3,500,000 to grantmaking and program related investments. Over the course of the six-year time horizon of this Strategic Framework, Headwaters anticipates that its total investments will be approximately \$28,830,000, subject to changes resulting from the evolution of the work, the future contextual environment and other unknown factors that could impact our overall spending approach.