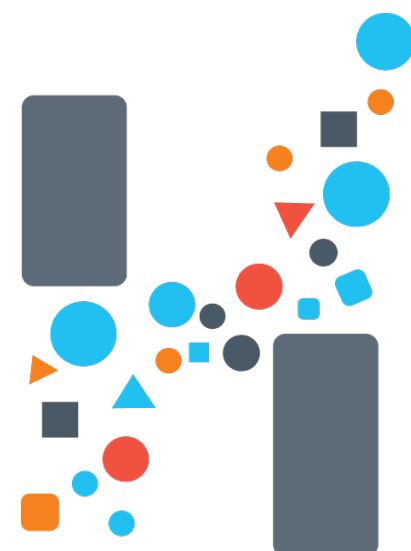


Evaluation and Learning Data Book 2022



Data Last Updated: May 2023



**Headwaters
Foundation**
BE THE SOURCE OF CHANGE

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In traditional philanthropy, the foundation sets the metrics of success and requires the grantees to demonstrate that their work is meeting them. This is typically done by grantees spending countless hours on reports, and evaluating their work against fixed goals even though the context has changed. The grantee turns in a report and hopes that it is read. It's a one-way street where the grantee is accountable to the funder. Headwaters takes a different approach to evaluation.

We aim to ensure that the outcomes the Foundation is driving toward are dictated by our partners, not us; we created a reporting process centering learning together, positioning grantees and the foundation as true partners in the work to improve health equity in Western Montana. We developed metrics to help us be accountable to the communities we serve. For Headwaters, we evaluate for three purposes.

- 1) **Accountability.** These are the measures used to hold Headwaters accountable to the communities we serve.
- 2) **Learning.** This captures data about what we are learning about progress toward the outcomes in our Theory of Change (as defined by our partners).
- 3) **Tracking.** We track long-term population health metrics over time to see if the strategies that Headwaters is investing in are contributing to positive trends.

Evaluation Purposes

How we Measure Impact

EVALUATION PURPOSES

Learning

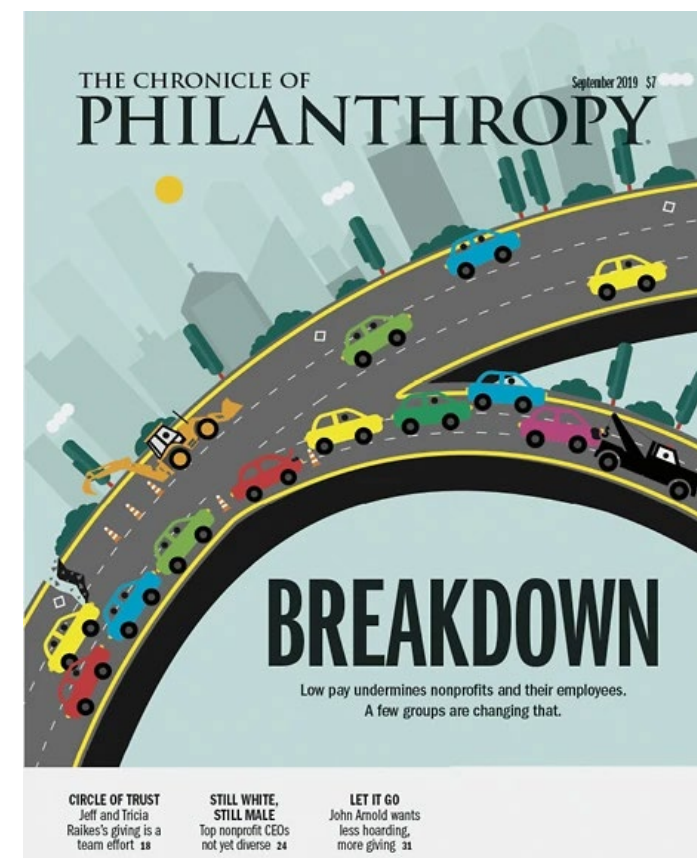
Looking through the prism of learning offers a different view of evaluation. Rather than an accountability exercise, it becomes a powerful tool for improvement. Rather than a function “outside” an organization, evaluation is a part of every staff and board member’s job. It enhances the capacity of grantmakers and their grantees – as well as governments and communities – to understand and solve problems more effectively.

Accountability

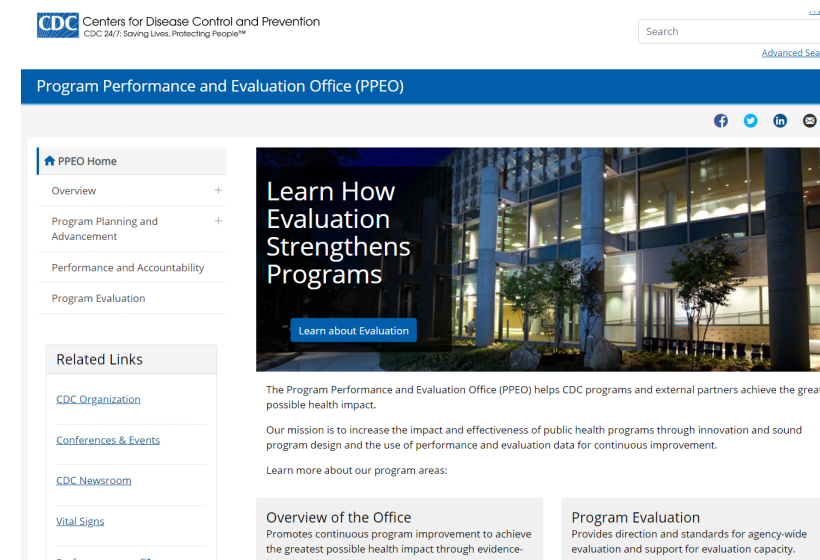
When someone has a mission-based job, it is often harder to measure and hold them accountable. Evaluation standards should be based on specific goals, something measurable, attainable, and easily understood by both the employee and the manager.

Long-Term Outcome Indicators measure whether the program is achieving the expected effects/changes in the long term. Some programs refer to their longest-term/most distal outcome indicators as impact indicators. Because outcome indicators measure the changes that occur over time, indicators should be measured at least at baseline (before the program/project begins) and at the end of the project. Long-term outcomes are often difficult to measure and attribute to a single program. However, that does not mean a program should not try to determine how they are contributing to the health impact of interest (e.g., decrease in morbidity related to particular health issue).

“Evaluation in Philanthropy”; Grantmakers for Effective Organizations, 2010



“Performance Evaluations Can Help Workers Improve and Reach Their Goals”; The Chronicle of Philanthropy, April 22, 2004



From the CDC Program Performance and Evaluation Office

EVALUATION FOR ACCOUNTABILITY

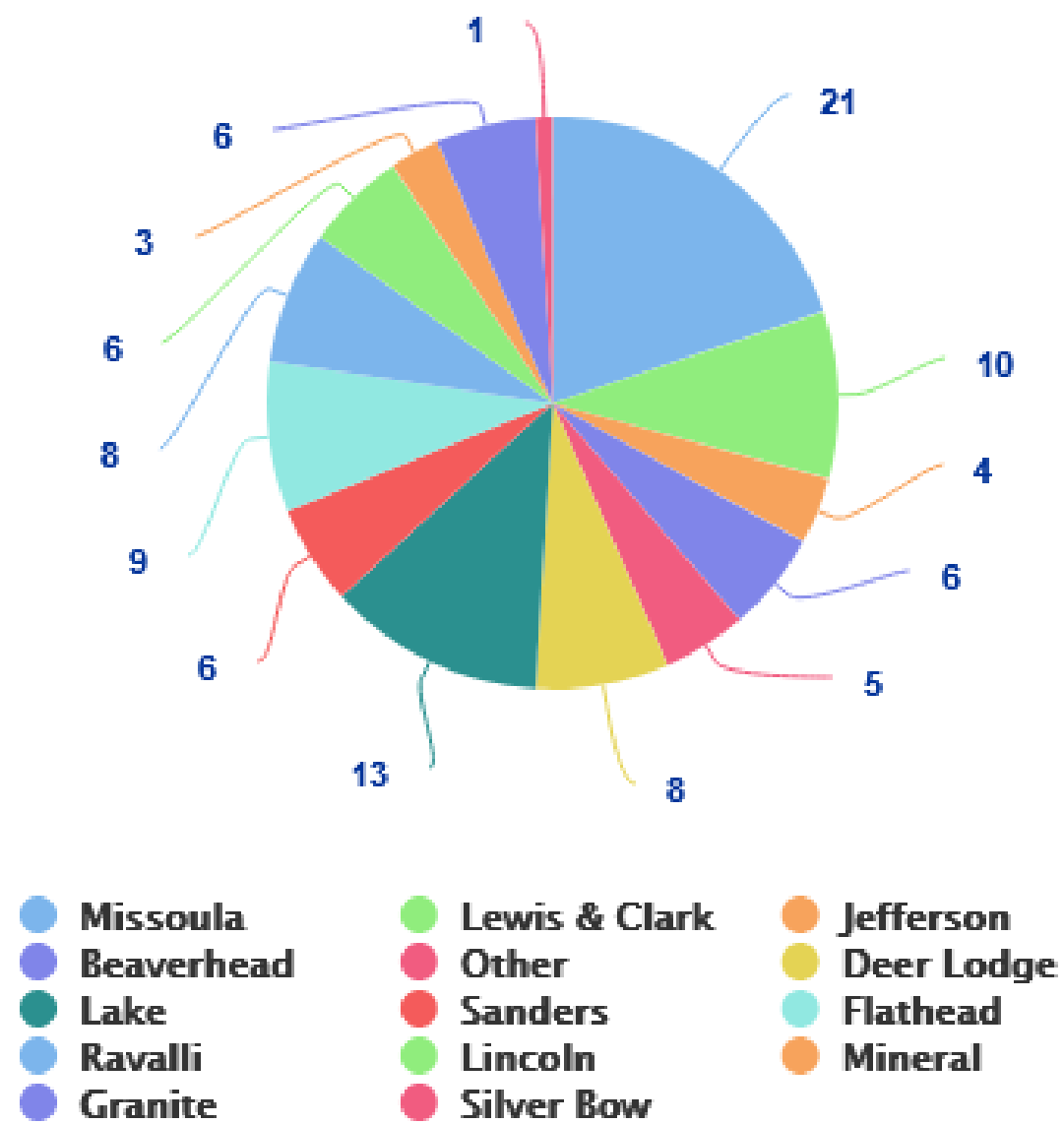
This section captures data about our work and accountability measures.

LIVING INTO OUR VALUES

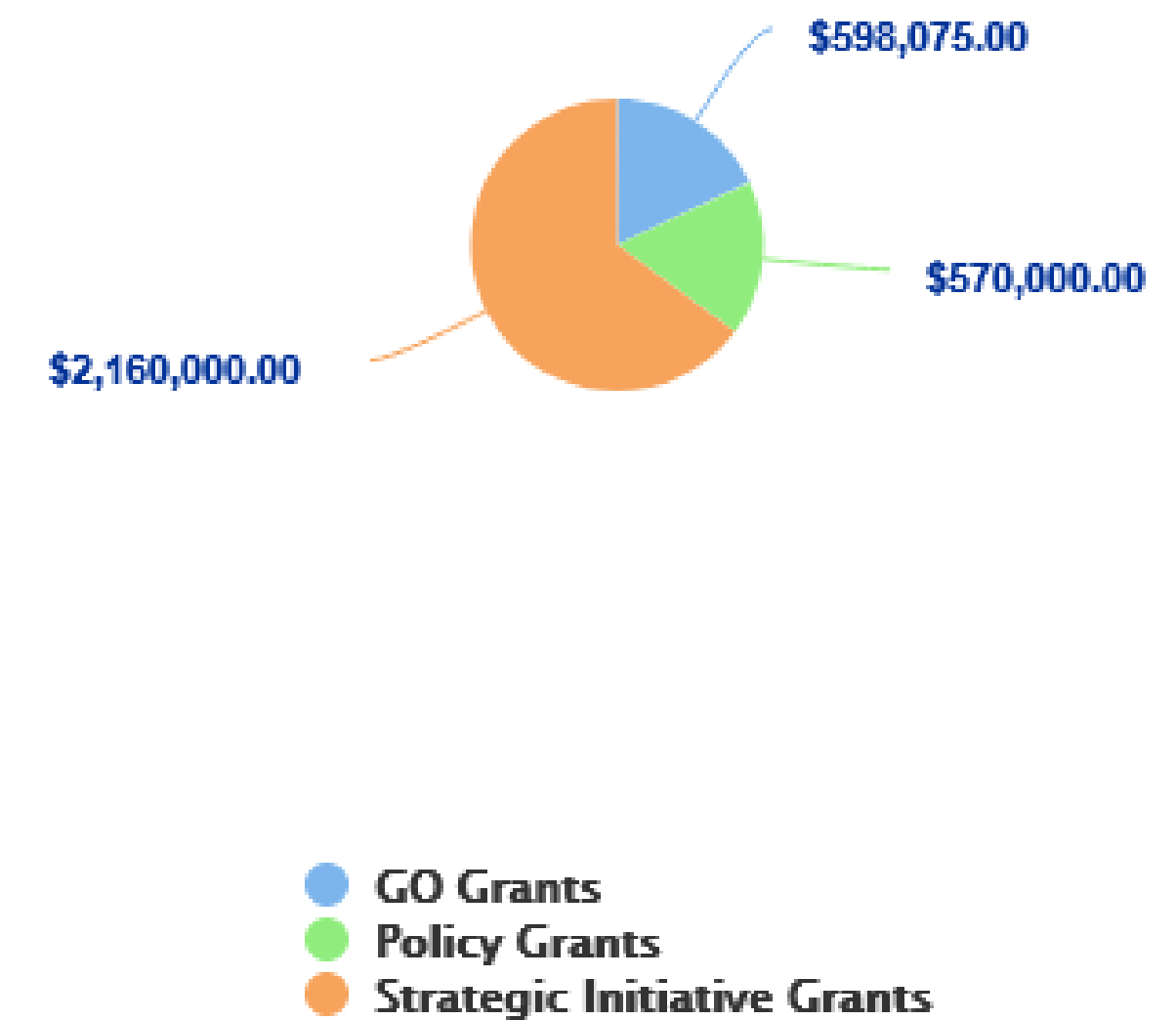
This section captures data and learnings about the extent to which we are living into our values as a Foundation.



COUNTIES SERVED BY GRANTS
2022



AMOUNT APPROVED BY GRANT TYPE
2022



LIVING INTO OUR VALUES

This section captures data and learnings about the extent to which we are living into our values as a Foundation.

2022 Grantee Survey Responses

“The application process was simple and clear. The rapidity of the response was greatly appreciated, as was the positive outcome for the Food Pantry.”

-Libby Food Pantry, March 2022

“Such a great approach to philanthropy-truly focused on the nonprofit. Thanks.”

-Safe Harbour, February 2022

“This grant is the best we've ever received! It gives us flexibility, quick funding, and the ability to keep running as a nonprofit organization. It will help teachers from so many schools.”

-Western Montana Professional Learning Collaborative (WMPLC), February 2022

“The process was very easy and the only thing that I had issues with was locating my school because we were not in the search. The help person was amazing and she always got back to me quickly and was so kind. Thank you all for all you do!”

-Cardwell School, February 2022

“We are so thankful for the GO! Grants that we have received at Plains School. Without the grants we would not be able to offer the summer programming for our K-8 students. The process is easy, direct and the staff members are quick to respond to any questions or feedback.”

-Plains Elementary School, May 2022

“The support provided by the Headwaters Foundation is making a difference in the lives of children and families across Western Montana. Thank you for your generosity and support.”

-Childwise Institute, June 2022

“I am so impressed with the logic of the grant dashboard, and the ease of the application and reporting. (I was able to apply this year just after having COVID and the brain fog.) I think Headwaters is committed to philanthropy. Get support in the hands of the groups doing the work and then let them do the work. Thank you so much.”

-Sanders County Community Housing Organization, August 2022

“I am new to applying for grants, and this was one of the first I tried. I found it confusing at first, but with Stephanie's help, I was able to complete the grant in about 8 hours (gathering research, etc.) Next time I should be able to do it myself (I hope). I must say that the help Stephanie provided for me was invaluable and keep me encouraged to finish the task. I do want to thank Headwaters for their generous gifts, especially to rural food banks that often go unnoticed. The caring people at Headwaters truly are a gift from God, and their willingness to help the needy a blessing to us, perhaps more than you will ever know.”

-Community Harvest, August 2022

“We so appreciate the time and effort that Headwaters spends to impact so many here in the Bitterroot Valley! One advantage with Headwaters is having the ability to share our year with you in a conversation and share stories in a dynamic way, rather than writing a report. The application process is streamlined and we love working with your staff!”

-Bitterroot RC&D- For the Benefit of Cultivating Connections, October 2022

“I have worked as a grant writer for artists and nonprofits, and for my own project, Reframing Rural and am thoroughly impressed with Headwaters Foundation. This is how the grant making process should be. I am so grateful for your trust in grantees' ability to make decisions about where their funds are best allocated, and that you have made the application process simple so we can spend more of our time doing the work of our missions. I'm a huge fan of your process and hope other foundations adopt your approach.”

-Reframing Rural, November 2022

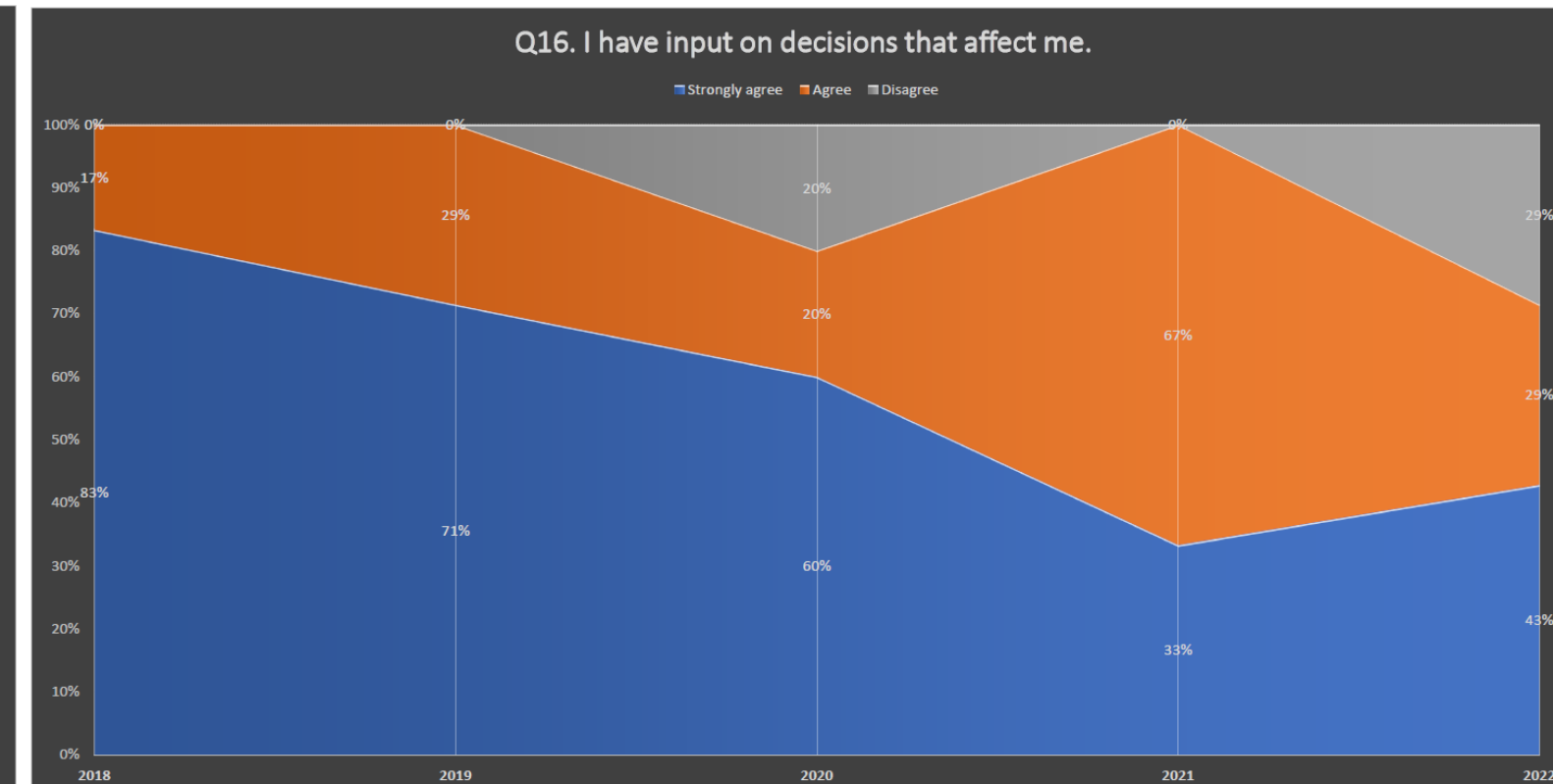
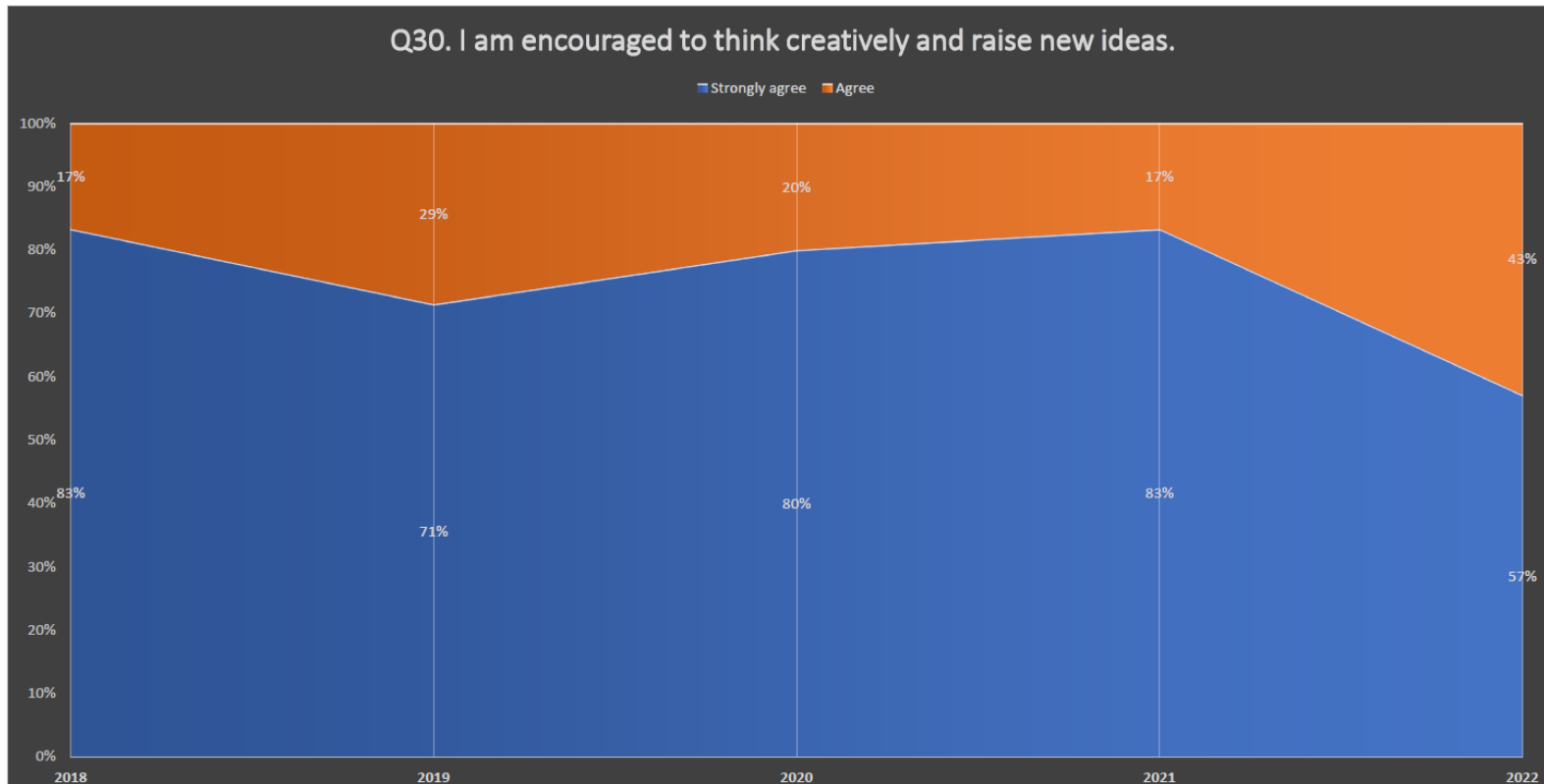
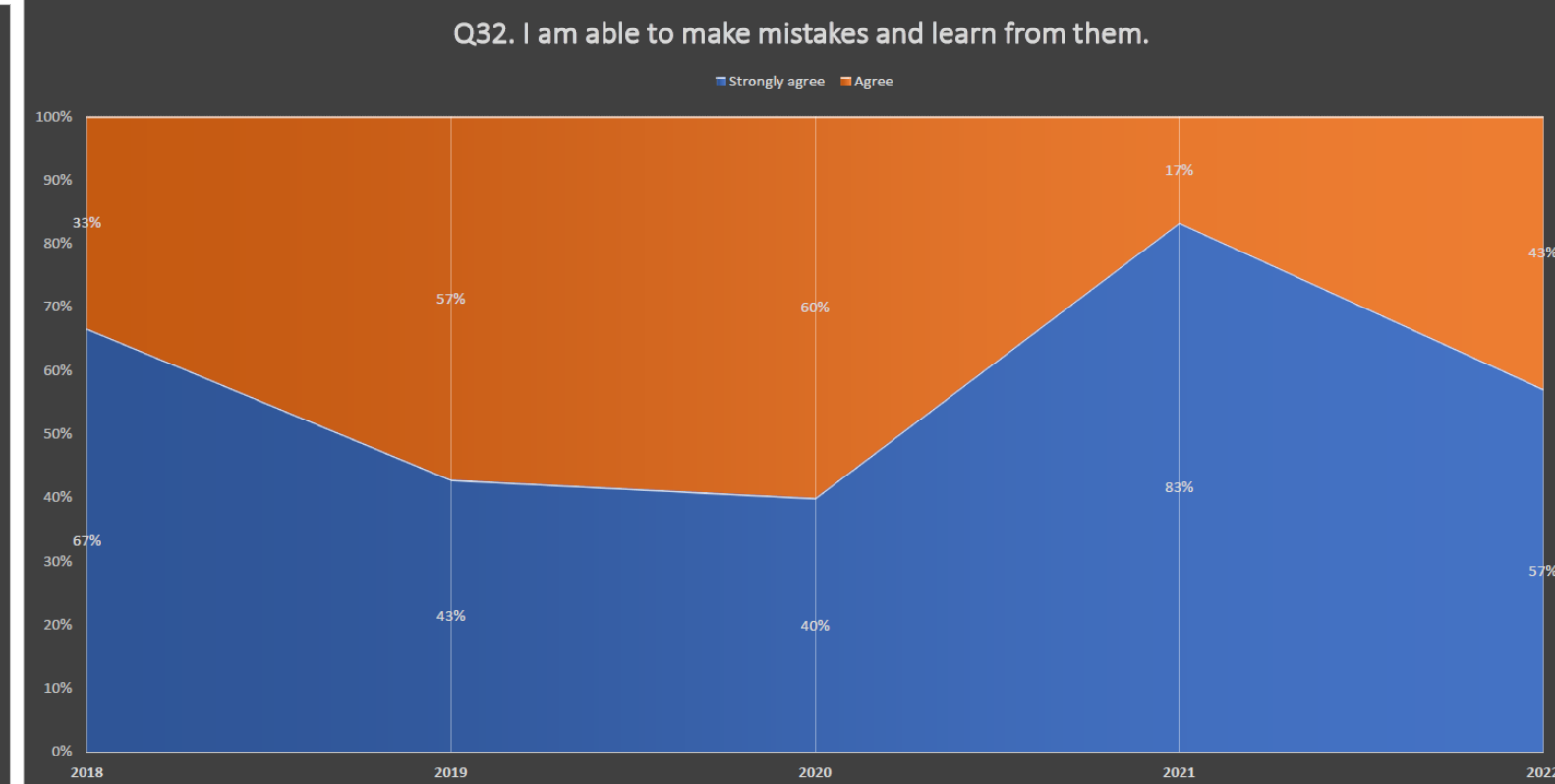
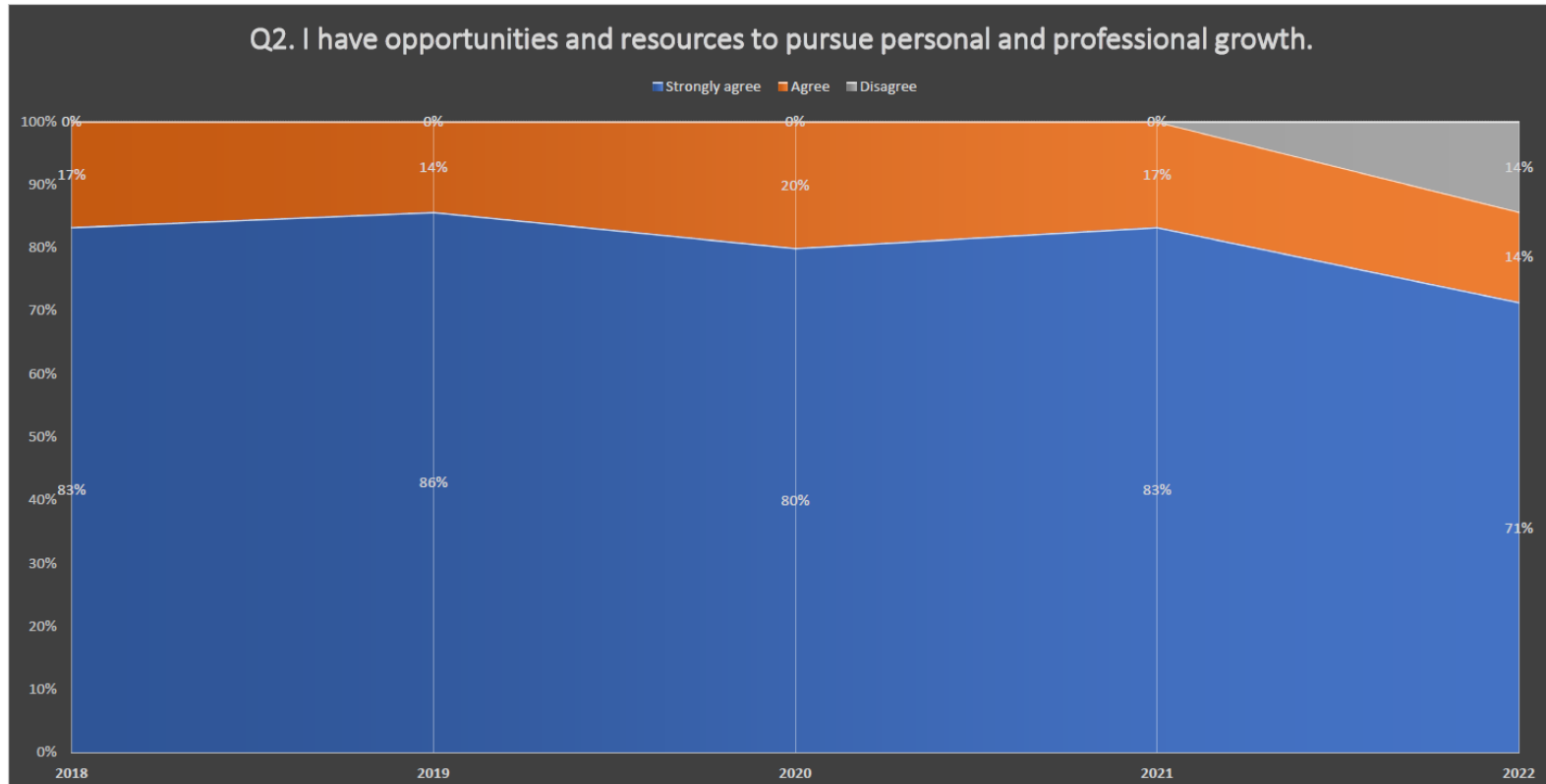
“Headwaters is terrific. The application is easy to understand, and you have been highly flexible as we have encountered challenges. You communicate well (tell and listen) and want to make us successful. Besides, you are enjoyable people. Thank you!”

-Southwest Montana Youth Partners, December 2022

LIVING INTO OUR VALUES

This section captures data and learnings about the extent to which we are living into our values as a Foundation.

STAFF SURVEY RESPONSES - 2018-2022 COMPARISON



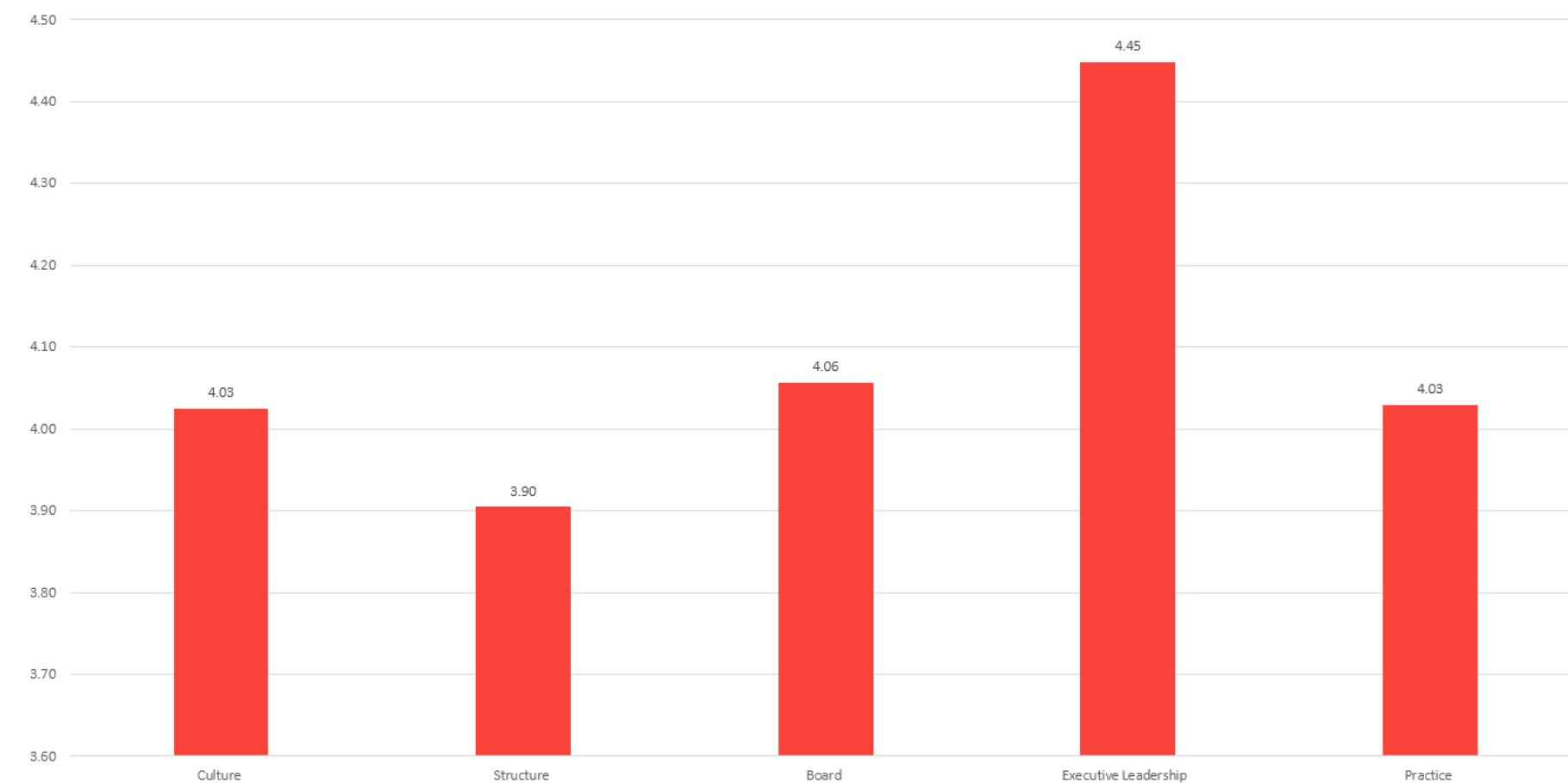
TRANSPARENCY



Our new website has improved the ease of sharing information with the community. [With Glass Pockets sunseting in late 2022](#), we have updated [our Candid profile](#) and will continue to work to gather more data and share it out, both in Candid and [on our website](#).

2022 BOARD AND STAFF TRUST-BASED PHILANTHROPY SELF-REFLECTION SURVEY

2022 Trust-Based Philanthropy Self Assessment Tool Results
(scale of 1-5, with 5 being the most aligned with TBP practices)
Combined Staff and Board Average



A few learnings about staff and board culture:

- You must pay attention to culture and talk about it,
- It takes time to create a space safe; we all have work-related 'baggage' that we bring to an organization,
- There is no 'getting there'; culture work is constant work,
- Your experience within an organization comes from your role; different roles will bring different insights.









LIVING INTO OUR VALUES

This section captures data and learnings about the extent to which we are living into our values as a Foundation.

How did 2022's Beyond the Check contribute to the outcomes in our Theory of Change?

2022
Support Beyond the Check
Provided by Headwaters

- 37 convenings/meetings
- 16 webinars/conferences
- 88 tools provided
- 112 thought partnership hours
- 9 Blogs/Articles/Podcasts

	Trust-Based Philanthropy 	Increased Capacity 	Service Availability 	Multi-Sector Collab 	Narrative Shift 	Under-represented Voices 	Better Policy Environment 	Funding for SDOH 
Blogs, Articles, Podcasts	5	0	0	1	1	0	0	0
Convening/ Meetings	14	2	1	6	2	3	10	14
Webinars/ Conferences	15	1	0	1	0	1	1	2
Thought Partnership Hours	63	13	5	9	4	3	15	25
Tools Provided	85	3	0	0	0	0	0	1
Total	182	19	6	17	7	7	26	42

ACHIEVING OUR GOALS

This section captures progress toward our 2022 yearly goals.

2022 WORK PLAN PROGRESS REPORT AND DASHBOARD

Overall work plan level of delivery confidence: ●

Delivery Confidence Key:

- = No significant risk to delivery
- = Some risk to
- = Significant risk to delivery
- = Updated deadline
- 🚩 = Goal behind schedule
- 📅 = Leaving work
- ➡ = New to work plan

Theory of Change Outcomes

- 👤 Community exercises influence
- 👤 Prioritizing Community health and wellbeing
- 👤 Stronger relationships, coordination, and collaboration
- 👤 Better policy environment
- 👤 Service availability and utilization
- 👤 Funding for reducing social and economic barriers to health
- 👤 Increased capacity and leadership

Long-Term Goals	Related Theory of Change Outcomes	Annual Goals	Delivery Confidence	Update	Q1 2022 Jan - Mar	Q2 2022 Apr - Jun	Q3 2022 Jul - Sep	Q4 2022 Oct - Dec	Q1 2023 Jan - Mar
Uplift the SDOH challenges facing everyday Montanans and highlight the solutions and work of our grantees in addressing these challenges.		By Q4, develop and implement a SDOH education plan for Headwaters around the work that our grantees are doing.	●						
Build the capacity of organizations addressing SDOH in rural Western Montana.		By Q4, Have developed a plan to better support ruraly-located grantees with tailored technical assistance.	●						
Support Native-led and run organizations working to ensure healthy, thriving American Indians in Western Montana.		By end of Q4, have co-developed a technical assistance support plan for 2 American Indian Health & Wellbeing Initiative partners.	●	📅					
		By end of Q4, support 1 new cultural preservation effort that goes beyond the Flathead Reservation.	●						
Build a robust infrastructure to improve the early childhood systems in Western Montana.		By Q3, work with the partners to develop a financial sustainability/fundraising strategy for 6 local collaboratives.	●	🚩					
		By Q4, have provided technical assistance and support to Zero to Five Montana.	●						
Leverage the resources of Headwaters Foundation to inform and support policy work related to SDOH.		By Q4, strengthen at least 2 key coalitions focused on early childhood, food insecurity and public assistance.	●						
Continuously meet the ethical and legal obligations for a private foundation.		By end of 2022, staff will track and manage all actual expenditures, ensuring we do not exceed 5% of the approved budget.	●						
		By end of 2022, demonstrate that we are in legal and ethical compliance with all foundation requirements.	●						
Achieve operational excellence at Headwaters.		By end of Q2, Headwaters will open and establish a new permanent Headquarters and community facility.	●						
		At Q4, staff satisfaction with office management, operations and event planning will be at least 90% in great place to work survey.	●						
Ensure strong organizational governance by supporting board of trustees to effectively fulfill their responsibilities and uphold the organization's values.		By end of 2022, staff 4 board meetings and quarterly meetings of all board committees.	●						
		By 2022, develop a survey to determine board satisfaction with board meeting operations.	●						
Model equitable and democratic processes for Headwaters and in the field of philanthropy.		Achieve at least a 4 across all categories in the Trust Based Philanthropy self-assessment.	●						
		By end of year, grantees rate us in the top 25th percentile in the Grantee Perception Report related to trust measures.	●	🚩					
Ensure Headwaters listens to community partners, learns from our work, and adapts our approaches to best serve our communities.		By end of 2022, staff and board will be using data to inform program strategies and approach.	●						
		By end of Q3, Headwaters will externally share the learning book with stakeholders including grantees and influencers.	●						

EVALUATION FOR LEARNING

This section captures data and what we are learning about progress toward the seven outcomes in our theory of change. This data should inform future programmatic and strategic decisions by Headwaters board, staff and grantees.

The basis of our learning and evaluation framework is our Theory of Change (see next page). The Theory of Change was developed using an external consultant to interview dozens of grantee partners across all program areas at the Foundation. Rather than define success and ask for feedback, they asked grantee partners what indicators they used to assess the progress of their work and what mattered to them when defining success.

What we heard was that organizations are working to change long-held mindsets in their communities around health and the factors that influence it. They are working to get community members who face the most barriers to health engaged in the decisions that have real implications for them, whether that's a parent who is struggling to afford childcare and put food on the table, or a community member who has lost access to housing. They are working to bring information to policymakers that will allow them to be better informed about decisions they make that affect people's health, sometimes in the form of research and sometimes in the form of real-life stories. Organizations shared that building strong, meaningful relationships with other organizations doing work outside of their own sector is critical to the long-term changes they seek, so they measure impact by the depth of these partnerships. Many organizations spoke about the need for more people to know that their services exist, especially preventative programs. Everyone spoke about the need for more funding overall in Montana for preventative programs focused on reducing social and economic barriers to health. Universally, organizations said that they could achieve more of these desired outcomes if funders invested in the leadership and capacity of their organizations.

Community-Designed Theory of Change

How we Measure Impact

Headwaters Foundation Theory of Change

Our purpose

Why we do our work:

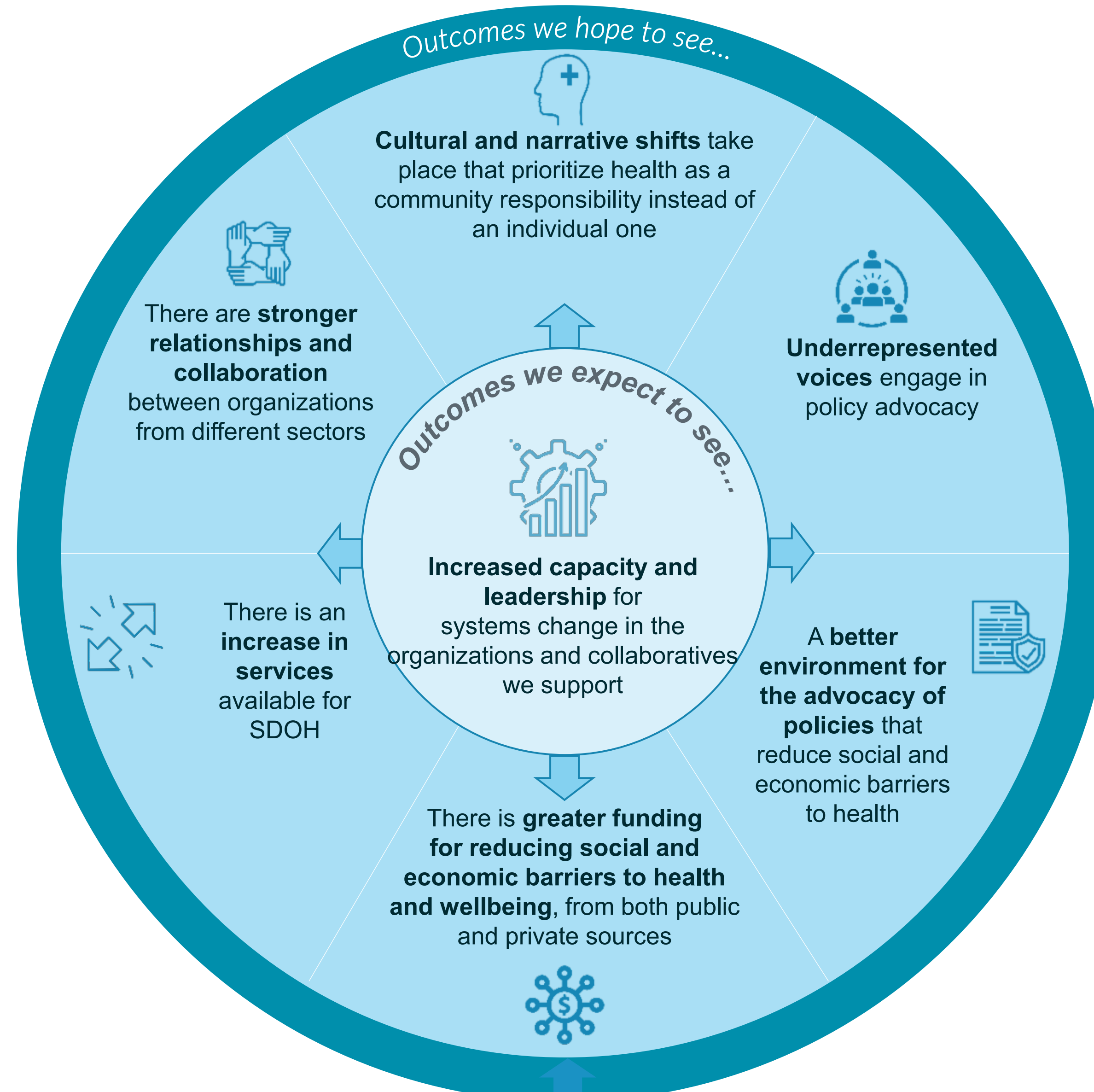
Western Montanans face high social and economic barriers to health and wellbeing, particularly families living in poverty and American Indians.

How we do our work:

Headwaters Foundation was born from community and believes in democratizing philanthropy. We strive to be humble, mindful, and accountable to the people of Western Montana. We believe community-driven efforts will create positive changes upstream in the lives of Western Montanans, reducing the social and economic barriers to their health and wellbeing.

Our strategies

Strategic Initiatives
Policy and Influence
GO! Grants
Sponsorship
Strategic Communications
Capacity Building
Philanthropic Engagement



Impacts to which we contribute

Reduced social and economic barriers to Western Montanans' health and wellbeing, particularly for families living in poverty and American Indians

An increase in health equity in Western Montana where all, especially communities who face high barriers to health and wellbeing, are healthy and thriving

Our work is built on a bedrock of trust-based philanthropy and partnerships

INCREASED CAPACITY & LEADERSHIP FOR SYSTEMS CHANGE



Increased capacity and leadership for systems change in the organizations and collaboratives we support.

- ❖ To what extent and in what ways is the capacity and leadership of organizations and collaboratives with whom we partner changing?
- ❖ How is our support contributing to changes in capacity and leadership and what types of support do they still need?

26 grants closed in 2022 demonstrated this outcome in their work.

In 2022, Headwaters focused on several technical assistance support strategies for our grantee partners, based on the needs identified in our 2021 grantee needs assessment survey.

Organizational Support: Communications Capacity: Grantee partners consistently note that they need help with the basics of communications such as building and maintaining websites, developing newsletters and outreach materials for events, and managing a strong social media presence for their causes. In addition, many need support in honing their key messages, elevator speech, and branding. To increase the communications capacity of grantee partners, Headwaters identified and hired SetPoint Communications, a Montana-based firm to provide technical assistance. We learned several lessons through the process about what grantee partners needed and desired from this process.

The initial program we co-designed with SetPoint focused on developing a communications cohort made up of seven grantee partners who make up the local early childhood collaboratives in their communities in Western Montana. The process began with each collaborative undergoing a communications audit to determine their strengths, gaps, and specific needs for communications support; those needs would be the basis of an individualized plan for each organization.

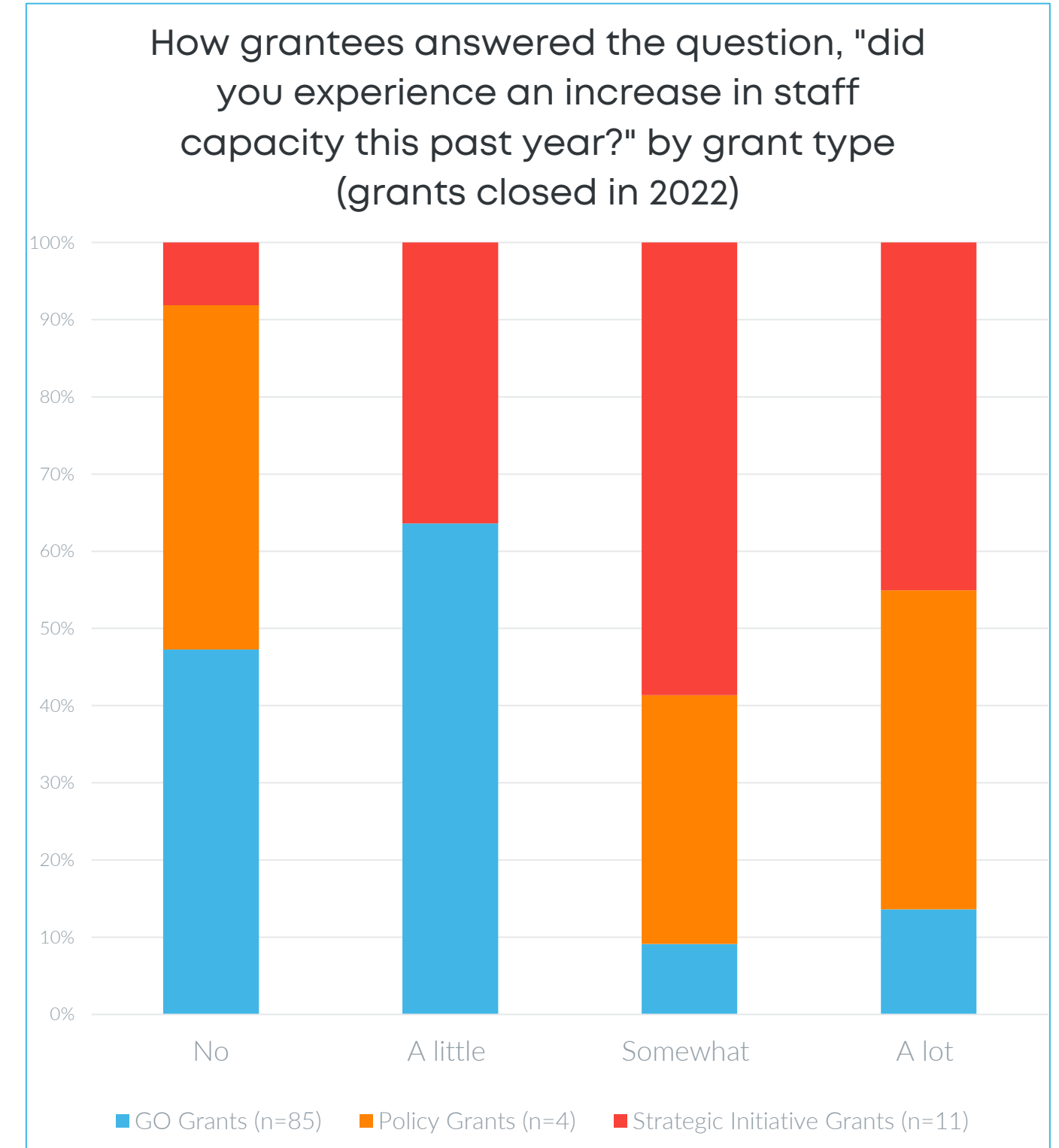
The first lesson we learned was that just because it was offered, the support was not utilized by everyone. While all but one collaborative chose to participate in the process, they did so at varying levels. The reasons for engagement varied based on the point of development in their own organization's work. For example, long-established collaboratives with anchor organizations that have deeply developed communications strategies and support staff to help did not need or desire the support from SetPoint. Conversely, newer collaboratives embedded in anchor organizations that lacked communications capacity and staffing support were generally too busy with running their collaboratives and programs to find time to effectively engage. Collaboratives in-between on this spectrum tended to utilize the support the most. To address this reality, SetPoint shifted from teaching communications skills to taking on communications tasks for organizations. For most organizations, no matter where they were in their development, the key need was to have someone on their team that could carve out time to focus on communications.

Another key lesson learned was that these grantees were not interested in participating in a cohort model around communications. This is likely because this group already connects and engages regularly through monthly calls and meetings, as well as the fact that they were all in very different places in terms of their communications needs. Rather than forcing the cohort, SetPoint pivoted to creating more one-on-one time with collaboratives.

Moving forward, Headwaters should consider how much bandwidth a collaborative has to engage in technical assistance and better understand if the type of support they are offering matches the needs of the collaborative at that time. SetPoint also recommended that collaboratives might see more value in the process if they contribute some of their budgets to the work, instead of Headwaters contracting directly with the consultant.

Headwaters also implemented a communications support grant program this year, available to existing grantee partners. This program allowed partners with specific communications needs to utilize a grant to improve their communications work, or to develop a specific communications product. For example, the Montana Coalition to End Homelessness created a shared, uniform branding for their social media and one-pagers to share information and data they collected about homelessness in Montana.

Additionally, GO! Grantee partners often identify communications supports as a top need within their organizations to help with organizational awareness, community education and promotion of services. Headwaters has not yet found effective ways to support GO! Grantees robustly in this area.





Increased capacity and leadership for systems change in the organizations and collaboratives we support.

- ❖ To what extent and in what ways is the capacity and leadership of organizations and collaboratives with whom we partner changing?
- ❖ How is our support contributing to changes in capacity and leadership and what types of support do they still need?

According to the Executive Director of Montana Nonprofit Association, 35% of nonprofits lost executive leadership in 2022.

Organizational Support:

Headwaters continues to partner with the UM Center for Children, Families, and Workforce Development (UM Center) to provide organizational support to Zero to Five collaboratives. This past year, UM Center better outlined the specific services they can offer to Zero to Five partners. Headwaters asked them to focus more intentionally on their work to help local collaboratives identify additional funding streams and develop robust long-term funding plans for their programs. They began this work in late 2022 so we will begin to see the impact of this approach in 2023.

In addition to supporting local collaboratives, UM Center piloted a program focusing on supporting a handful of Headwaters-identified GO! Grantees with individual tailored technical assistance. This resulted in work to support board development, assist in strategic planning, support human resources by developing job descriptions, and support the policy development process by taking grantee partners to meet with key stakeholders at state agencies in Helena. While the initial uptake was positive, there has not been an ongoing desire by grantee partners to engage in a formal way. It seems that GO! Grantees have highly variable capacity to receive supports. They are able to participate occasionally, but formal cohorts or ongoing programs are not a good fit.

Headwaters continues to partner with Montana Nonprofit Association (MNA) to provide a variety of programming that fosters the organizational development of nonprofits working to advance social determinants of health in our state. MNA has seen a huge increase in demand for their services over the past couple of years, indicating the need and desire of nonprofits to create strong, lasting organizations. This year, MNA launched a community ambassador program to better reach and support organizations in rural areas. They hired community ambassadors in Beaverhead and Lincoln counties - trusted connectors, movers and shakers in the community. The idea is that having this local connection will increase turnout for services and help MNA tailor their approach to the needs of rural communities. Additionally, MNA launched a shared services program to support nonprofits with backend services so that each organization does not need to do its own HR, bookkeeping, etc. They hoped for 10-12 organizations and already have 25 that want to sign up. As MNA has noted, there has been significant turnover in executive leadership over the past few years. Headwaters should consider approaches for strengthening the nonprofit leadership pipeline to ensure organizations maintain stability as they go through leadership transitions.

Considerations for Headwaters

Fiscal Sponsorship: Headwaters supports numerous fiscally-sponsored organizations; each receives a vastly different level of support from their sponsor organization. The support ranges from simply using a nonprofit's tax ID number to using their backend operations such as human resources and accounting. As we look at projects that Headwaters has seed-funded who are fiscally-sponsored, we need to consider the duty we have to ensure they are housed in a location that best supports them, or whether a move to become their own nonprofit makes sense (and if so, how we support that transition). Additionally, we have noticed that in more rural communities, it is difficult to find an agency that has the infrastructure needed to fiscally sponsor an organization. Headwaters should consider what, if any, role we have in supporting the development of a nonprofit incubator (preferably through existing organizations).

Leadership, Staffing and Burnout: We continue to hear of immense challenges hiring in the nonprofit sector. Wages continue to be too low to attract and retain staff and the work is incredibly challenging right now. How can Headwaters support nonprofit leaders and their resilience?

Inflation: A sharp increase in inflation (8%) this year is adding even more strain to nonprofit organizations as they struggle to offer competitive wages and health benefits. Headwaters should consider the impact this has on the spending power of grant dollars.

Montana Needs More Social Impact Leaders

Of the 850,123 residents in the state over the age of 18 (eligibility for positional leadership) we find that **1 in every 139 people in Montana need to serve as a government leader.**

The nonprofit sector in Montana is thriving, and in 2020 there were a total of 9,591 registered nonprofits across the state. These social organizations also require positional leaders. **In the most urban areas of Montana, 1 in every 15 people need to serve as a nonprofit leader; the ratio is 1 in 11 in most rural Montana counties.**

Montana ranks first in the country with the highest demand for nonprofit positional leaders.

<https://conservancy.umn.edu/bitstream/handle/11299/250212/Positional%20Leadership%20in%20Montana.pdf>

SERVICE AVAILABILITY



There is an increase in services available for social determinants of health.

- ❖ To what extent and in what ways are organizations offering new or different services to benefit their communities?
- ❖ To what extent are these services reaching those who most need them?

55 grants closed in 2022 demonstrated this outcome in their work.

Zero to Five Collaborative Efforts Result in New Programs and Services

Headwaters' investments in community-led collaborations are resulting in new and different services in their communities. In the early childhood space, examples include the Kindergarten Entry Assessment in Missoula, the implementation of the Dolly Parton Imagination Library in several counties, the foster closet program in Butte (a program that offers free clothes and supplies to new foster parents), a new play space/parent education center in Dillon, Circle of Security parenting groups in several communities, and even a new mobile family resource van/traveling library in Lincoln County.

Native American Health & Wellbeing Investments

The Salish Kootenai College's (SKC) Encampment program expanded services in 2022. Their historic cultural camp from went from once-a-year to four times a year to align with the seasons. The camps bring in elders and cultural leaders from the community to teach and reconnect community members to historic traditions such as fishing, hunting, beading, Native games, and ceremonies. They offer an incredible opportunity to connect with identity and culture in a strong community, building lasting resilience for the attendees.

Emerging services include the development of a mobile crisis intervention program for the Flathead Nation and Lake County through the Journey to Wellness project and increased access to healthy and Indigenous food through the CSKT Food Sovereignty Program.

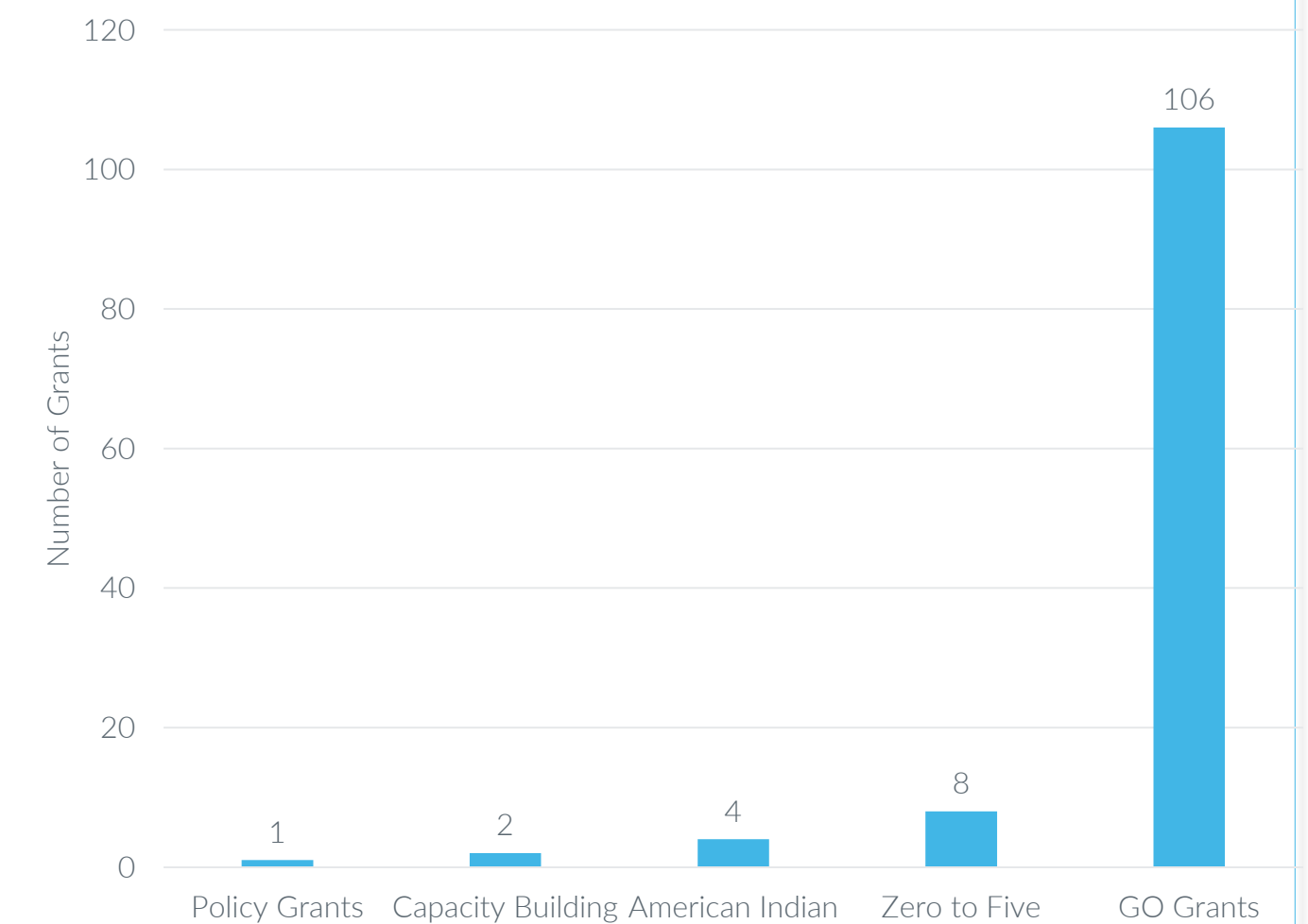
GO! Grants

General operating support offered through our GO! Grants program is often used to expand current programming or support the addition of new programs and services. Several GO! Grant recipients used funding to pay for an Americorps VISTA term of service. A VISTA can add an incredible amount of capacity for a small organization and have supported efforts such as implementing new programs (like DoubleSNAP dollars being accepted at national and local grocery stores) and identifying new funding streams.

Considerations for Headwaters

The need for accessible childcare and housing throughout Montana has escalated in the past couple of years, compounded by the COVID-19 pandemic. As Headwaters assesses the needs and landscape of organizations working to solve these complex issues, we are faced with key questions about how much we should invest in direct service solutions versus long-term systems-change work that won't immediately impact people's lives. As a systems-change funder, our efforts focus on strengthening organizations so that they can in turn develop programs, carry out services, or advocate for policies that will increase access to services for people who need them. As such, we need to think about what role, if any, we have in supporting the services that our grantees develop. Such roles may include direct funding support, connecting with other funders and supporting grant proposals.

As of May 18, 2023, 121 Closed Grants have demonstrated the Service Availability Outcome in their work. Here they are by grant type.



MULTI-SECTOR COLLABORATION



There is stronger collaboration between organizations from different sectors.

- ❖ How are communities coming together to address social and economic barriers to health and wellbeing?
- ❖ To what extent are communities aligned on the problem they are working to address and the strategies to address the challenge? What facilitated their development? Where are there still tensions?

9 grants closed in 2022 demonstrated this outcome in their work.

Supporting local capacity to convene, connect and collaborate is a core tenet of Headwaters' strategic initiative funding.

Early Childhood: We currently support seven local collaborations focused on improving the health of their communities' youngest kids, ages 0-5. These collaboratives include a broad cross-section of organizations including childcare resource agencies, public schools, faith-based and civic organizations, healthcare partners, and local businesses. This is a shift from past early childhood coalition work that was comprised primarily of partners within the early childhood field. The membership make-up of each collaborative varies depending on their specific goals, which have been collectively determined by the collaborative, generally after undertaking a community research process to develop them. This work to develop a shared agenda for advancing health outcomes for kids in their community is central to each collaborative; they have each developed a governance structure and decision-making process. Additionally, many collaboratives aim to ensure the voice and perspective of parents most impacted by barriers to health are involved in the development of programs. This work has mixed results, with many collaboratives finding it difficult to maintain parent voice at their tables or provide enough meaningful ways to continuously engage parents in the work. Finally, local collaboratives work independently but value connecting across communities. One challenge in local work is finding the right mechanism to continuously connect and to see how the local work is contributing to a bigger systems change for kids across the state. Headwaters is currently working with the local collaboratives and the Zero to Five statewide office to determine formal ways to connect, with the goal of creating a strong and sustainable local to state feedback loop that leads to shared impact.

Native American Health & Wellbeing: Cross-sector collaboration amongst mental health providers, emergency services, law enforcement, and healthcare agencies is critical to the success of the mobile crisis intervention and prevention work. Layered onto this is working across Tribal and non-Tribal entities who operate under different jurisdictions. As this project continues to develop, they face a question of how they want to grow to ensure they can make their services both sustainable and accessible to all residents of Lake County and the Flathead Nation. A recent decision by Lake County to pull out of a state agreement to work with CSKT to provide law enforcement services in the area if they don't get state funding to support it may further impact this project. The legislature is undertaking the issue in 2023, which will determine whether the state will provide funding for law enforcement to ensure this partnership continues.

For the other projects in the portfolio, cross-sector collaboration is in development, and it remains to be seen how useful or important collaboration across sectors will be. For example, at the Montana Consortium for Urban Indian Health, collaboration is primarily focused on aligning the five urban Indian health clinics in the state to collaborate on systems to increase healthcare access. It is not clear whether any sectors outside of healthcare services are part of the project and whether this would be useful in reaching their goals. The food sovereignty work is still nascent, but a large focus has been on aligning the program's goals and vision across Tribal agencies.

Headwaters funded 9 collaborative efforts across grant programs and actively participated in 3 multi-sector collaborative efforts in 2022.

Headwaters' Engagement in Collaborations: Headwaters Foundation also supports collaboration on the issues we care about by actively participating in collaborative efforts. Here are some multi-sector efforts Headwaters staff participated in throughout 2022:

- Missoula JEDI (Justice, Equity, Diversity, Inclusion) Team, to discuss ways to make Missoula more inclusive to racially diverse populations.
- Early Care and Education Business Collaboratory, an effort involving DPHHS, DOLI, Business owners and early childhood professionals to identify and advance strategies to improve the childcare system in Montana.
- The State Health Assessment Design Team, to oversee development of the updated State Health Assessment for Montana.

NARRATIVE SHIFT



Cultural and narrative shifts take place that prioritize health as a community responsibility instead of an individual one.

- ❖ How are mindsets changing about how social and economic factors contribute to health and wellbeing?
- ❖ How are our strategic communications and complementary activities contributing to this change?

For our partners, success looks like changing long-held mindsets in their communities around health and the factors that influence it.

Health Reporting: Headwaters has expanded its health reporting and narrative shift portfolio over the last year. We continue to support KFF Health News (KFF) to ensure important social determinants of health issues receive news coverage. According to KFF, there is a "real appetite for health news coverage" in Montana, with lots of organizations interested in publishing KFF stories, and "filling a need that wasn't being fulfilled before." As part of this year's grant, KFF partnered with the UM Journalism School to hire a reporting fellow that will be housed with their reporters and the Montana Free Press in a newsroom at the State Capitol during the legislative session, expanding the capacity to track and report on key health issues during the session. Additionally, Headwaters supported Montana Free Press in hiring a Native American intern focused on reporting on issues affecting Indian Country during the session. This person will also be part of the news teams at the Capitol. Some items that are expected to come up during the session include: the Montana State Hospital, provider rate increases, affordable housing, child tax credits, an early childhood trust fund, and a farm-to-food bank effort, among many other things.

Communications capacity grants: Headwaters implemented a new small grants program this year focused on increasing communications capacity. This program allowed partners with specific communications needs to utilize a grant to improve their communications work, or to develop a specific communications product. Partners have used it to develop messaging and style guides, produce fact sheets and one-pagers ahead of the legislative session, and produce videos that showcase their work and uplift the voices and stories of people in Montana around social determinants of health.

Mini-documentaries: Headwaters supported the production of several videos showcasing grantee partners. These include highlighting the Lincoln County Zero to Five collaborative and Montana Food Bank Network and supporting a video project between grant partners MAPS Media Institute and Montana Women Vote. Organizations now have professional videos to promote their work. We also learned valuable lessons that will guide us moving forward:

- It's important to ensure that Headwaters and grantee partners are on the same page about the goals for a video from the beginning. In one instance, we facilitated a conversation between a grantee and a producer with the assumption that it would be the same format as past videos, later learning that the grantee wanted something different. This could have been remedied with more communication in the lead up to the production conversation.
- It may be better to allow grantees who need video production to self-elect and then fund them to work directly with one of our partner filmmakers vs. Headwaters staff choosing grantees for videos and acting as a coordinator. This makes it especially important for us to find and partner with producers with experience in making mission/issue-focused videos for nonprofits.
- Adding a professional development opportunity for grantees to learn how to produce simple videos themselves could be more impactful long-term than a one-off professionally produced video.

Moving forward, Headwaters should consider expanding communications capacity grants for grantee partners, both by increasing the pool of available funding and by considering supporting organizations that aren't current grantee partners. Strategic communications is essential to changing harmful narratives that end up shaping policies and impacting people's lives.

According to our grantee partner, KFF Health News, there are "still a lot of issues around misinformation" and a lack of trust in public health and government post-pandemic. They observed that "good journalism helps rebuild trust, elevate things that are working, and point out what people need to know about government's role in the issues."

17 grants closed in 2022 demonstrated this outcome in their work.

In 2022, we partnered with 3 organizations to assist grantees with strategic communications, totaling \$85,500.

Headwaters supported the creation of 3 grantee videos in 2022.

UNDERREPRESENTED VOICES ENGAGE IN POLICY ADVOCACY



Underrepresented voices engage in policy advocacy.

- ❖ To what extent and in what ways do our efforts and those of our partners **involve the people we want to serve** (i.e., families living in poverty, parents, American Indians)?
- ❖ How is the leadership landscape changing in Montana as a result of these efforts?
- ❖ How are these efforts contributing to shifts in policy or narrative change at the local, state, or national levels?

Headwaters continues to expand the number of organizations we support that are organizing and engaging impacted populations in policy and advocacy work.

Local organizing: We are currently supporting local organizing groups in Missoula focused on housing access who are targeting communities that face the most barriers to access, including Indigenous people who face more barriers due to discrimination.

Statewide organizing: At the statewide level, we are supporting Montana Women Vote who work to engage low-income women and families in policies that impact their health, and Western Native Voice, who work to engage Indigenous people in policies that impact their health. We also support the work of Amplify Montana, a project that engages those impacted by food insecurity to participate in efforts to improve policy.

Notable emergent efforts: As part of a pilot “policy navigator” program this year, the UM Center for Children, Families, and Workforce Development worked with Never Alone Recovery Services to bring powerful first-hand experience and knowledge of treatment centers to state agencies.

Parent organizing is emerging at the local and statewide levels as well. Zero to Five Missoula has operated a Parent Leadership Training Institute for the last year and the Zero to Five Montana statewide office recently launched a parent action network. These efforts are bringing parents into civic action in new ways in the state and is an area that Headwaters should explore supporting further to affect real policy change around early childhood.

“Last time we met with legislators we didn’t have lived experts in the room and that change has been really powerful.” – Amplify Montana

Montana Food Bank Network (MFBN) was invited by the Coalition on Human Needs to a meeting with Senator Daines on the child tax credit. MFBN told them “yes, but we have two moms who can share far more powerfully than we can” and brought the lived experts with them. Initially, MFBN was given only 2-3 minutes to talk, but the Coalition negotiated with the other attendees to give more time to the lived experts. MFBN reported that “it changed the whole feeling of the meeting.” It’s a great example of Headwaters stepping back to let the grantee do the work, and the grantee in turn ceding power to lived experts.

3 grants closed in 2022 demonstrated this outcome in their work.

BETTER POLICY ADVOCACY ENVIRONMENT



A better environment for the advocacy of policies that reduce social and economic barriers to health.

- ❖ What does the health policy environment look like in Western Montana and how is it changing?
- ❖ How can the Foundation adapt support offered to partners to help them operate more effectively in this environment?
- ❖ What strategies deployed by communities / partners have been effective in mobilizing Western Montanans to get involved in policy advocacy?

Headwaters plays several roles in working to improve the policy environment in Western Montana. These include funding policy advocacy organizations and coalitions, participating in policy coalition work and key roundtables or stakeholder meetings and supporting research that informs social determinants of health policy.

Efforts Headwaters is participating in:

- Headwaters is participating as a design team member of the State Health Assessment (SHA), helping determine which key questions to answer in the SHA. The SHA and the State Health Improvement Plan (SHIP) assess the state of health in Montana and guide the priorities of the Montana Department of Health and Human Services on a five-year planning cycle.
- Headwaters is engaged in a statewide Health Equity Task Force that is facilitated by the Office of Rural Health at MSU through a [COVID-19 Health Equity grant](#). They've identified three priority areas: American Indian leadership in health equity, mental health, and LGBTQ+ education in healthcare. There are regional Health Equity Task Forces that have been meeting for half this year and they'll come together as the Statewide Health Equity Task Force in November to work on selecting an actionable strategy.
- Headwaters both funds and participates in the Montana Home Visiting coalition, an effort to find and advocate for sustainable funding for home visiting programs in Montana.
- Headwaters participates in the Montana Partnership to End Childhood Hunger, a multisector coalition seeking to end childhood hunger in Montana.
- Headwaters is following the state's application of the Birth to Five Development grant, which, if funded, would provide millions of dollars in federal support for Montana's early childhood system. Headwaters may have an opportunity to participate as a stakeholder in the process if the award is received.

Research we are supporting:

Headwaters is funding two economic research reports conducted by ABMJ Consulting:

- The first report will provide an updated economic impact analysis of Medicaid expansion in Montana, looking at the direct impact of Medicaid expansion – how much money enters Montana's economy that would not otherwise be here, and who gets these dollars. It uses an economic impact model to identify the total effect of expansion. The report will also continue to discuss recent findings on Medicaid expansion's effects on health, health care access, crime, household financial health, etc.
- The second report is called the *Faces of Public Assistance* and is designed to help lawmakers and the public better understand the characteristics and stories of Montanans who rely on various forms of public assistance (e.g., SNAP, Medicaid, housing assistance). Headwaters will consider how to best release this report to ensure widespread coverage.

4 grants closed in 2022 demonstrate this outcome in their work.

Headwaters funded 5 policy-focused coalition efforts and actively participated in 2 of these efforts in 2022.

FUNDING FOR REDUCING SOCIAL AND ECONOMIC BARRIERS TO HEALTH AND WELLBEING



There is greater funding for reducing social and economic barriers to health and wellbeing, from both public and private sources.

- ❖ How is **public and private** funding for health and wellbeing – in particular, for reducing social and economic barriers – changing in Western Montana?
- ❖ How are we helping to make connections for our partners and bring in additional funding for these issues?

A key part of Headwaters' work is to help leverage additional funding for programs and services that improve health and wellbeing. This year, we have done this by connecting grantee partners to interested funders, supporting grant writing both directly and through funded technical support, and by collaborating directly with other private funders to align resources to make a bigger impact.

- For example, Headwaters shared a grant opportunity with CSKT and provided guidance and tips to a partner who had never written a letter of intent or grant proposal before. They were invited to apply for the grant and ended up receiving a \$100,000/year, two-year grant (\$200,000 total).
- We have been coordinating the Funders for Montana's Children through regular calls, helping to bring experts in the field to share their work before the group and collectively identify investments that can improve early childhood work in Montana.
- Numerous grant partners have noted that Headwaters funding allowed them to leverage ARPA funding this year because they had enough funding and systems in place to do so.

As a bonus this year, Headwaters was informed that we were designated by billionaire philanthropist Mackenzie Scott to receive \$14 million to use for social determinants of health work in Montana.

38 grants closed in 2022 demonstrated this outcome in their work.

Our grantees leveraged \$4,930,027 in private funds from our grants in 2022.

Our grantees leveraged \$5,091,844 in public funds from our grants in 2022.

Our grantees leveraged \$8,073,176 in American Rescue Plan Act funds from our grants in 2022.



Increased trusting, candid relationships among those working to create health equity in Western Montana.

- ❖ To what extent and in what ways are we developing **trust-based relationships** with our partners that support thought partnership and our partners' independence and learning? How are we being responsive to different partners' needs? What could we do differently?
- ❖ To what extent and in what ways is **the landscape of philanthropy changing nationally and within Montana** to be more trust-based? How is this approach changing the nature of relationships between organizations working together on health equity/SDOH in Montana?

21 grants closed in 2022 demonstrate this outcome in their work.

Headwaters is recognized as a leader in the field of philanthropy. Staff members spend a significant amount of time meeting with other foundation leaders to share information about our grantmaking practices, culture work, learning and evaluation, and operational practices. In particular, the GO! Grants program has become a model for other foundations and organizations looking for ways to distribute funds quickly and equitably, through a semi-automated process.

Staff track numerous activities they undertake related to sharing trust-based practices with the field in order to assess impact. These include speaking at conferences and webinars, sharing tools we have developed with other foundations such as due diligence checklists, grant reporting questions, etc., and providing thought partnership to other foundations on making their operations, programs and evaluation more trust-based.

In 2022, staff's contributions to making philanthropy more trust-based included the following:

- Wrote or contributed to **5** articles, including international publications,
- Attended or hosted **14** convenings/meetings,
- Presented at **15** conferences/webinars,
- Provided **63** hours of thought partnership, mostly to other foundations,
- Shared **85** tools, including sharing the 2021 Learning Book with at least 63 organizations.

*"We didn't know what we didn't know and [the work is] definitely stronger now, rather than pushing a proposal that wasn't working...that flexibility helps you weave in and out and do what works for Montana and not what you think you know."
– No Kid Hungry*

What do Grant Partners think of Trust-Based Philanthropy?

In 2022, the Center for Effective Philanthropy conducted a Grantee Perception Report of our grantees. According to CEP's report of the results, "Grantees hold strong positive perceptions of the Foundation's impact on their fields, communities, and organizations, placing the Foundation in the top 15 percent of CEP's overall dataset for these measures. Grantees note in their written comments that 'this has been the best grant funding experience our organization has had to date' and 'their trust-based philanthropy approach has been life-changing for our community.'"

2023 will see us working on a communications and operationalization plan based on the Grantee Perception Report results. We are very happy to know our trust-based work is beneficial to and appreciated by our grantees. We do have some items we can improve upon, including communicating staffing changes and sharing out our work (including this learning book!), which will be part of our work in 2023 and beyond.

TRACKING LONG-TERM OUTCOMES

This section contains data about population health in Montana, so that we can better understand long-term trends. Our intention is that over time, our work will contribute to positive changes in these areas of population health.

Like a check engine light, long-term indicators point us to areas in need of further investigation. Indicators do not tell us why something is happening. Rather, they encourage us to ask more questions and dig deeper for root causes.

Headwaters tracks long-term indicators to keep a pulse on systems change. Unlike measures of accountability or learning, long-term indicators are influenced by many factors that go beyond the work of the Foundation or our grantees. These indicators are products of systems, not programs. Systems take time to change and that change, once achieved, requires maintenance to sustain. Systems are also complex and full of trade-offs. No single indicator will tell us the overall health of the system. Rather, we must track a handful of related indicators that give us a high-level sense of the overall system's functioning, while also pointing us in the direction of further inquiry to uncover root causes, challenges, and opportunities.

They say numbers don't lie, but the questions we ask, the data we collect, and how we report that data are products of human systems and prone to bias. Headwaters is not a research entity and is thus reliant on others to collect and analyze data. We recognize that we must be mindful consumers of the data available to us, including the implicit biases inherent in what questions were asked, of whom, the method of data collection or analysis, and even what questions were not answered and what data was not collected. Headwaters is in the process of reviewing and updating this first draft of long-term indicators as we learn more about the data available to us.

Measuring Progress

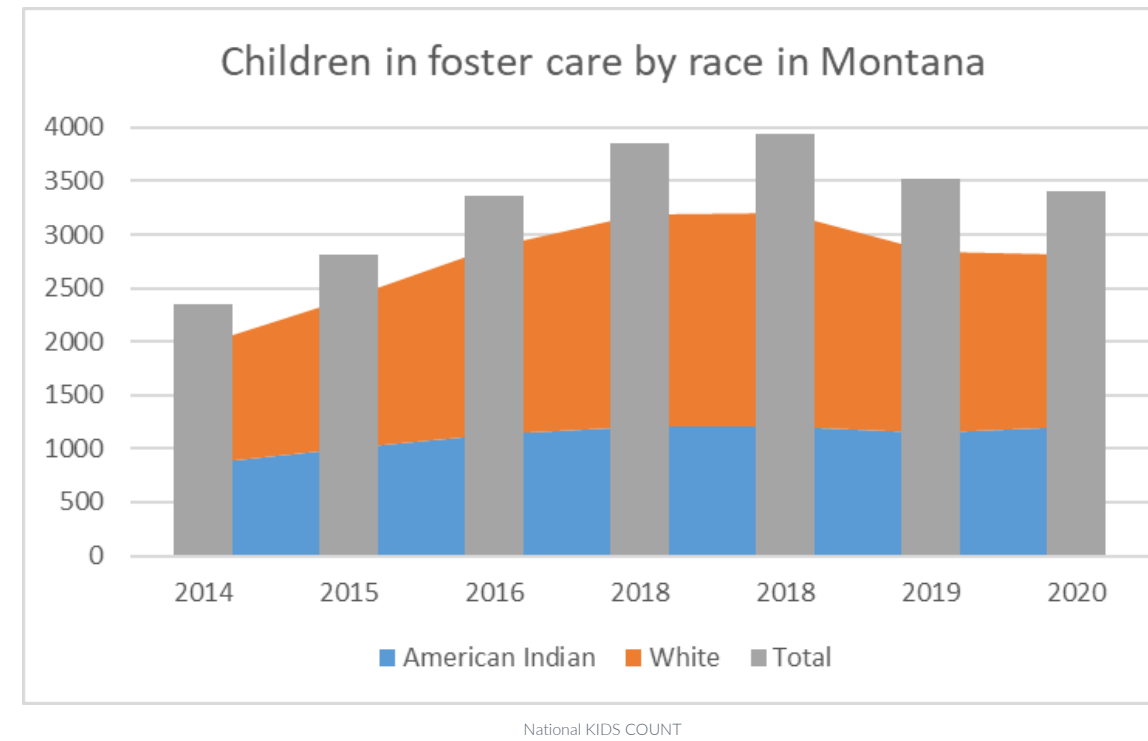
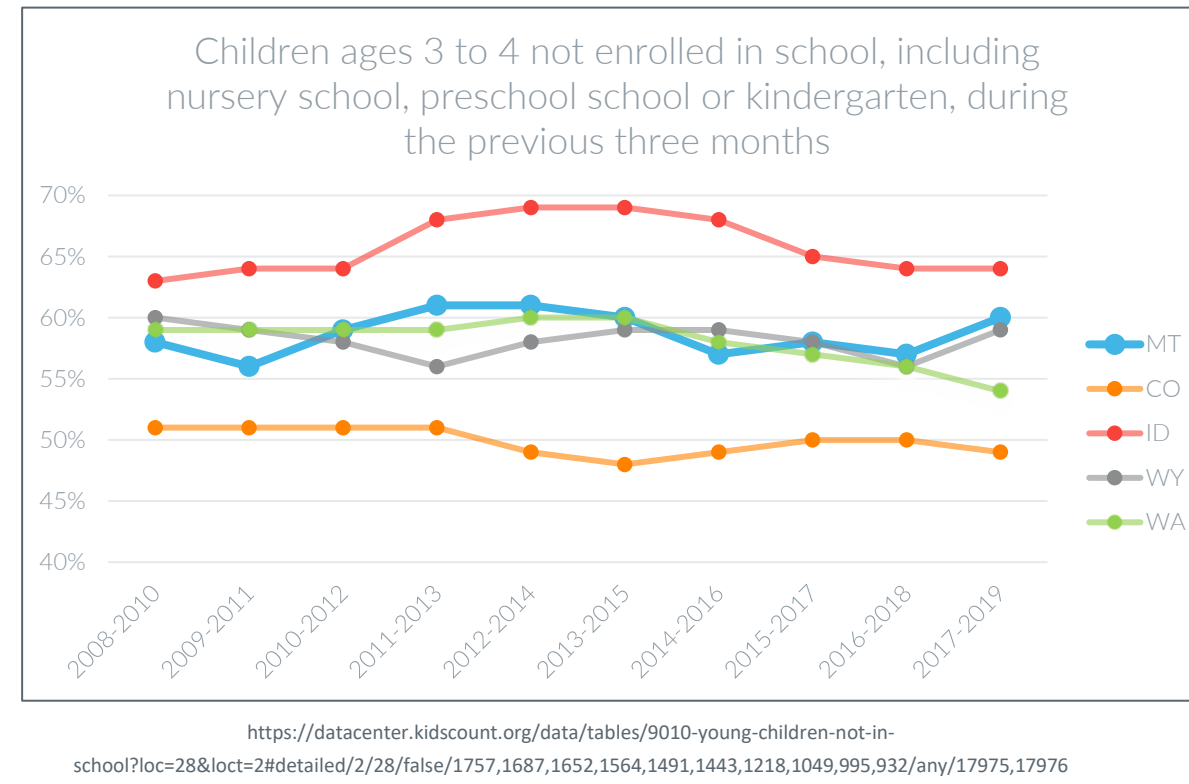
How We Use Long-Term Data

LONG TERM INDICATORS

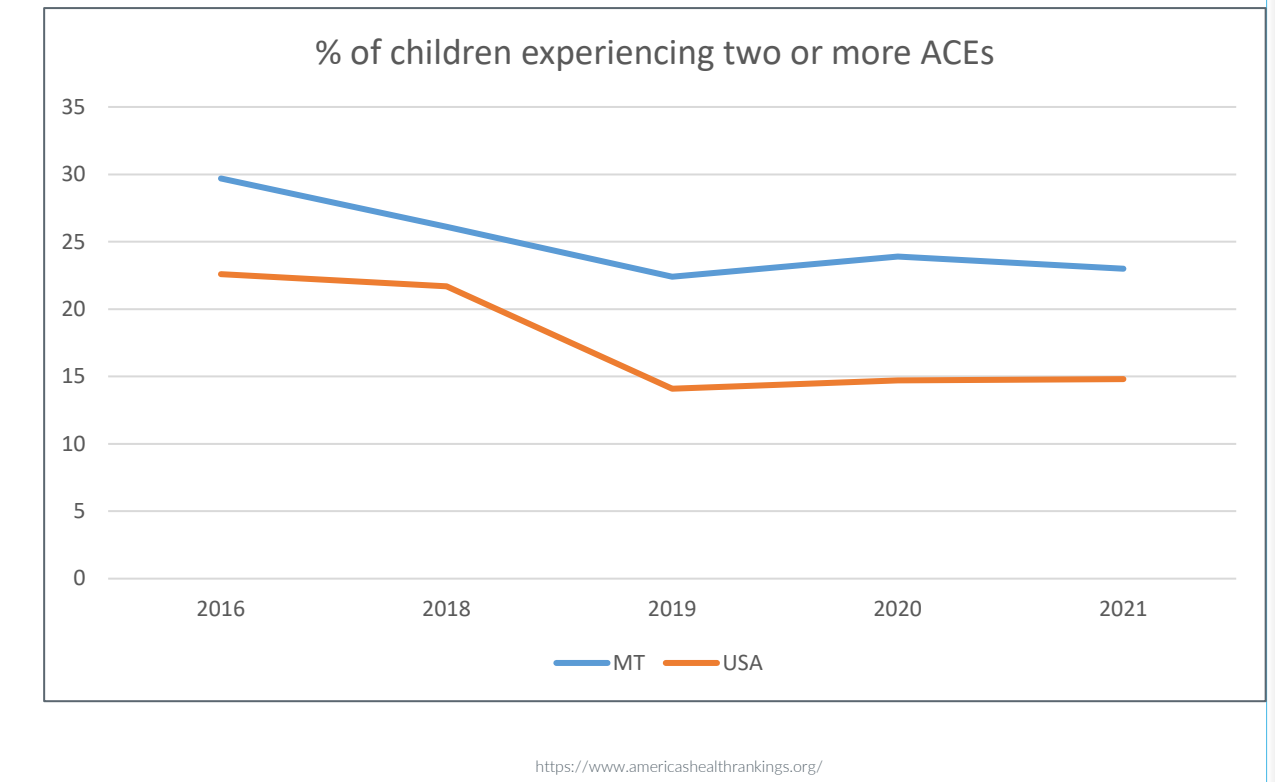
OUR INTENDED LONG-TERM IMPACT:

Reduced social and economic barriers that keep Western Montanans from being healthy, particularly for families living in poverty and American Indians.

FAMILY RESILIENCY & EARLY CHILDHOOD



Montana ranks 48/50 for adverse childhood experiences by state, followed by Wyoming and New Mexico.



HOUSING SECURITY in Montana

<https://nlhc.org/housing-needs-by-state/montana>

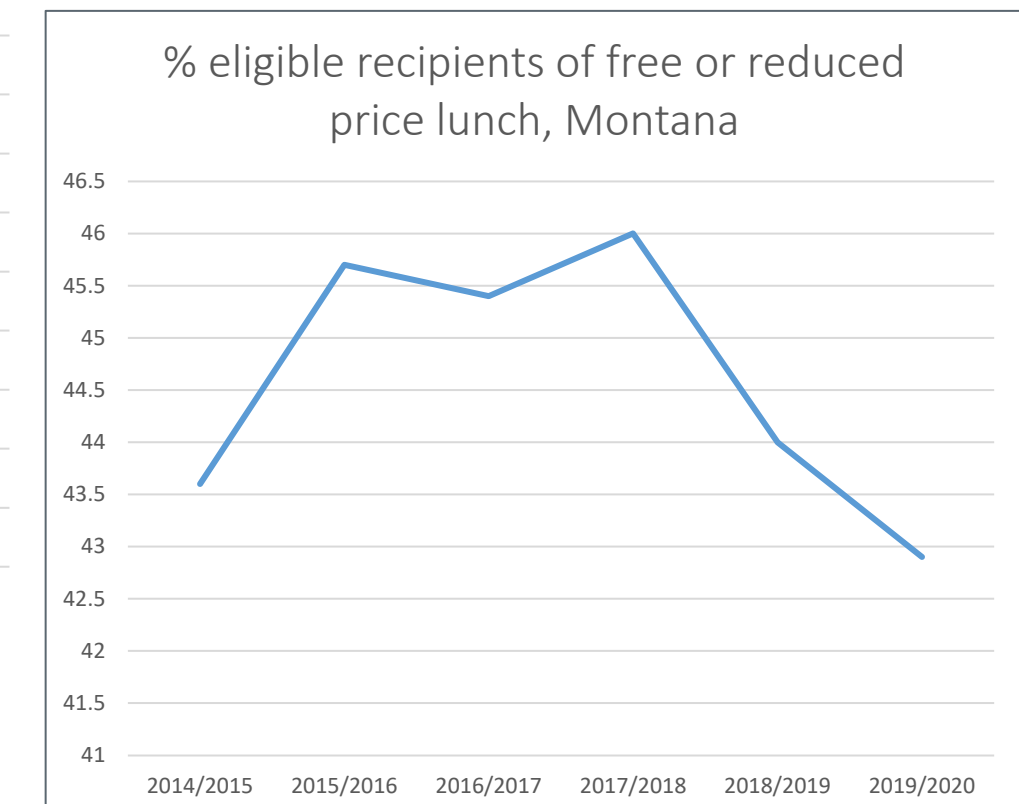
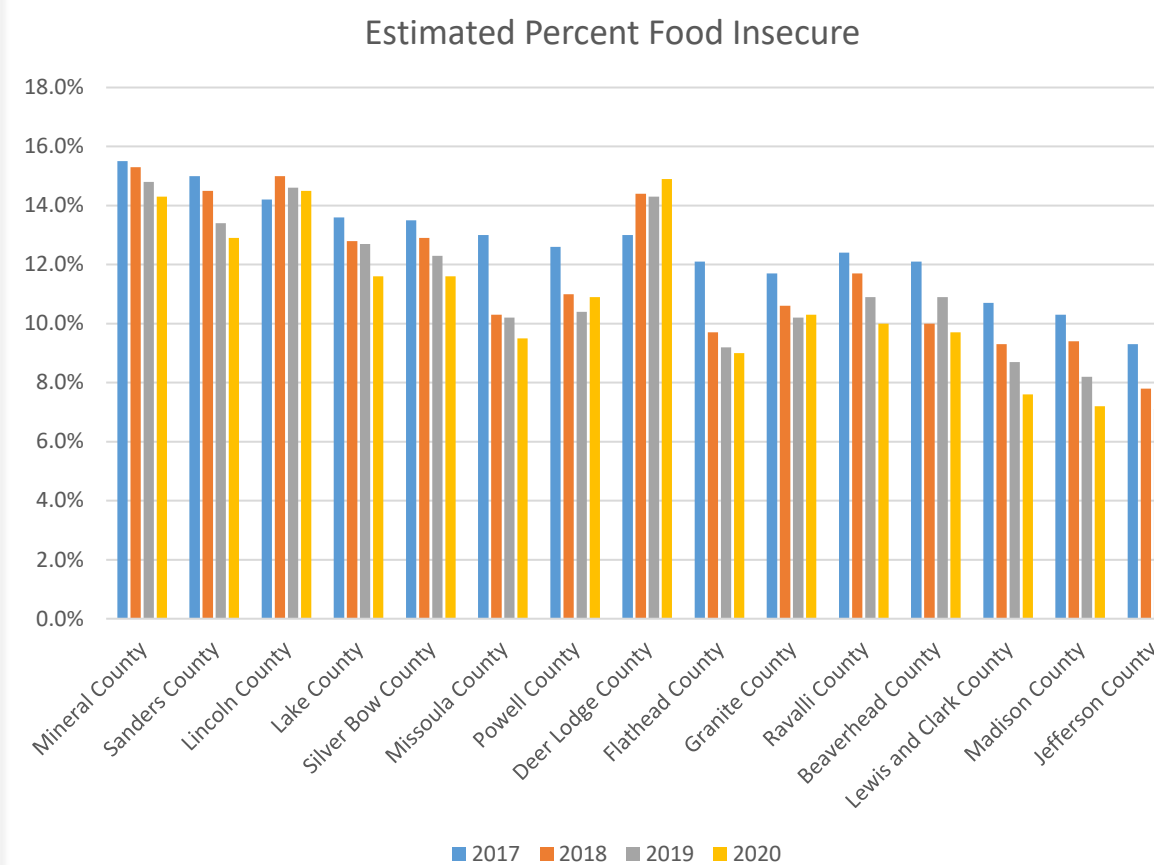
KEY FACTS

- 33,598 OR 24%** Renter households that are extremely low income
- 18,538** Shortage of rental homes affordable and available for extremely low income renters
- \$26,200** Maximum income for 4-person extremely low income household (state level)
- \$36,718** Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.
- 64%** Percent of extremely low income renter households with severe cost burden

TRUSTED DATA SOURCES

- [County Health Rankings & Roadmaps](#) (University of Wisconsin-Madison Population Health Institute & the Robert Wood Johnson Foundation)
- [America's Health Rankings](#) (United Health Foundation)
- [Community Opportunity Map](#) (Casey Family Programs)
- [Kids Count](#) (Annie E. Casey Foundation)
- [Feeding America](#)
- [Montana Department of Public Health & Human Services, Interactive Dashboards](#)

FOOD SECURITY



https://map.feedingamerica.org/?_ga=2.82294421.241278379.1639777233-857061865.1639777233