

Headwaters Program Plan 2024

Reducing social and economic barriers to Western Montanans' health and wellbeing, particularly for families experiencing poverty and Native Americans

Approvals & Updates

**Approved by the Board of Trustees December 5, 2023*

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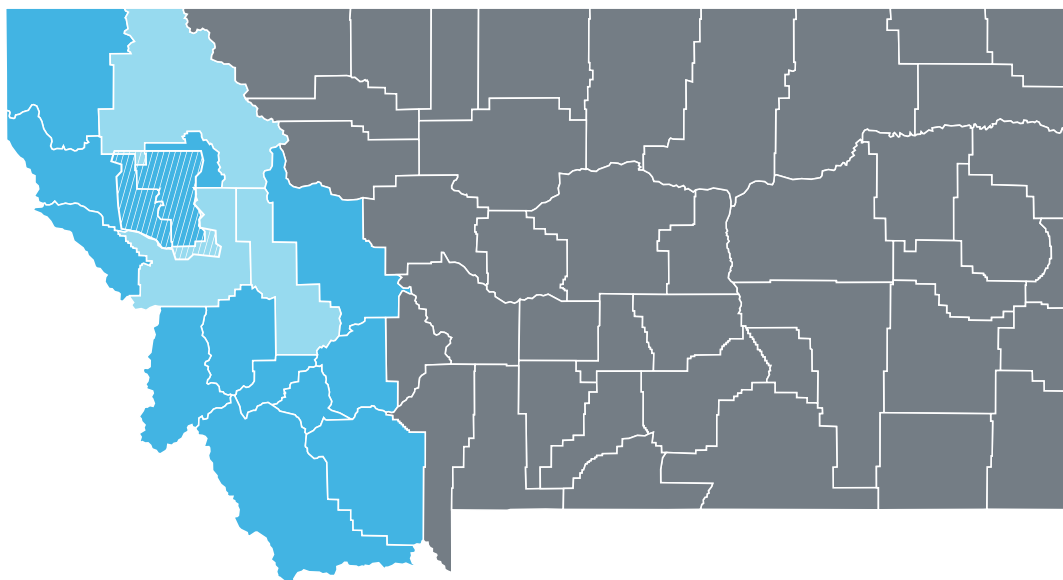
What we fund

GENERAL ELIGIBILITY CRITERIA

- Must provide services that benefit the health of residents in our funding region (see map below);
- Generally, is a tax-exempt public charity, as qualified by the IRS;
- Applicant’s work must align with the mission, vision, values of Headwaters Foundation;
- Headwaters prioritizes organizations whose work meets the needs of families with children ages 0-18, with a particular focus on families living below 200% of the federal poverty limit; families who identify as Native American/American Indian; families who identify as Black, Indigenous, or people of color; families with children who identify as LGBTQ+ and families with children living with disabilities.
- Headwaters will consider the applicant’s past history in successful project completion and tracking outcomes.

HEADWATERS FOUNDATION’S SERVICE REGION

Headwaters Foundation exists to benefit the health of the 15 most western counties in Montana and the Flathead Nation. Counties in our benefit area are: Lincoln, Flathead, Sanders, Lake, Mineral, Missoula, Powell, Lewis and Clark, Granite, Ravalli, Deer Lodge, Jefferson, Silver Bow, Beaverhead and Madison. We fund organizations whose work benefits the residents of these counties.



APPROVAL PROCESS

In approving the annual workplan and budget, the board of trustees will approve these partnerships to be funded out of the corresponding funds. Staff will develop the scope of work with grantee partners and conduct due diligence. The CEO will award grants on a rolling basis. For GO! Grants, staff approve these grants using our semi-automated process, which includes meeting an eligibility quiz and receiving a high enough score on the criteria scorecard. Grants will be awarded on a rolling basis, subject to available funds. A summary of awards made under these funds will be provided to the board on a quarterly basis.

2024 GRANTMAKING STRATEGY

2024 will be an internal **transition year**, readying the foundation to develop new grant partnerships that align with our new ten-year strategic framework in 2025. Throughout the year, we will be developing the grantmaking criteria to ensure equity is centered in our grantmaking; we will be refining our learning and evaluation framework to ensure the questions we ask help us understand our impact and make good investments moving forward; and we will be building the new application processes, criteria, reporting, and learning outputs into the grantmaking and knowledge management systems.

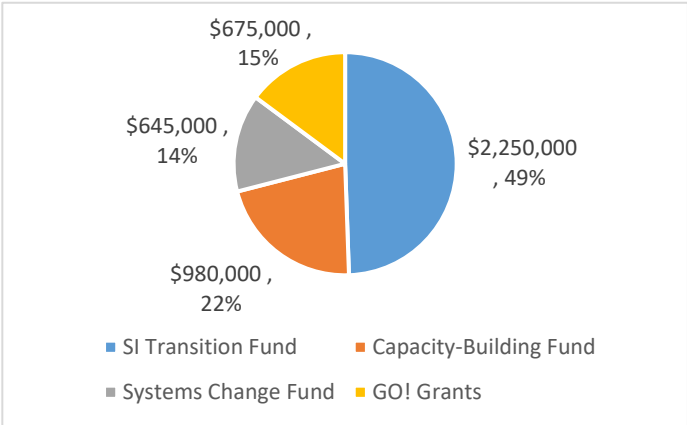
Therefore, the grantmaking in 2024 will largely reflect a continuation of existing partnerships as we begin to see more clearly which organizations will fit into the new framework and funds moving forward. As we see where partnerships may not align moving forward, we will work with those organizations to build thoughtful and supportive transition plans for final grants. We expect to make these final transition grants in 2025. Because of this year of transition, we will not make multi-year grants in 2024.

We will, however, explore some new work in the areas of non-profit leadership and equity that we feel is critical to support the foundation and our grantee partners as we transition to the new strategic framework. These will be housed under our current Capacity-Building Fund which is explained in more detail below.

Throughout 2024, we will update the board on our conversations with grantee partners regarding the transition, include the board in the planning process for the updated learning and evaluation framework, and keep them informed of any new program investments at each quarterly board meeting. We will also be aligning the new program plans with the DEI work we are undertaking in 2024.

In 2024, we expect to spend approximately \$4,550,000 in grantmaking across our program areas.

- Strategic Initiatives Transition Fund: \$2,250,000
- Capacity-Building Fund: \$980,000
- Systems Change Advocacy Fund: \$645,000
- GO! Grants: \$675,000



GRANTMAKING PROGRAMS

Strategic Initiative Transition Fund: \$2,250,000	
<p>With the shift to the new strategic framework, Headwaters will be moving away from siloed funding portfolios to an overall cohesive strategy that builds on the work done under various initiatives over the past five years. Therefore, Headwaters will no longer have distinct “initiatives” with specific goals but rather an approach that focuses on building the power of families to achieve gains on priority social determinants of health issues.</p> <p>In 2024, Headwaters will continue funding existing partners within the Early Childhood Initiative and Native American Health and Wellbeing Initiative as we figure out where and if they will fit moving forward. This planning year will allow time for thoughtful transitions for organizations who may not be a fit moving forward.</p>	
Early Childhood Fund up to \$1,750,000	
<p>Multi-sector locally-driven collaboratives, Grant range: up to \$250,000 per grant, with typical grants at \$150,000-\$200,000.</p> <p>Headwaters anticipates funding the work of some local collaboratives under the new strategic pillars, but this is dependent on each organization’s interest and ability to do that work. Throughout 2024, we will work with local collaboratives to understand how their work fits into the new strategic framework and collaborate with them to determine whether ongoing future funding or a transition grant makes most sense.</p>	<p>Criteria for Selection:</p> <ul style="list-style-type: none"> • Doing work that is preventative, upstream and focused on root-cause or systems change; shifting work from program/service delivery to building power of families and community. • Focusing on vulnerable populations. The work of the collaboration is driven by a focusing on people in Western Montana with the most barriers to health (i.e. – people living in poverty & Native Americans) • Engaging, seeking direction from, and mobilizing the people most affected by the goals of the collaboration. For example, high-risk families, people living in poverty, etc. • Engaging multi-sector partners: Examples include people working in education, health, business, funders, non-profits, faith, childcare, government, etc. • Engaging system leaders: Examples include executive directors, CEOs, school superintendents, elected officials, etc. • Participating in policy development. Examples include talking to lawmakers, advocating for funding, etc. • Measurable Outcomes. The collaborative has identified clear goals, outcomes, and measures for success that demonstrate how they are improving systems that will support kids.

<p>Zero to Five Montana, up to \$400,000 Similarly, Zero to Five Montana (a.k.a. – the statewide office) has been fully seeded and heavily supported by Headwaters Foundation. As we shift to our new plan, they will likely fit in multiple funding areas given their work but the grant amounts may be significantly less. We will work with them to ensure a smooth transition and determine whether any funds are needed to transition any parts of their work that won't fit moving forward.</p>	<p>Headwaters supports statewide coordination to achieve the following:</p> <ul style="list-style-type: none"> • Develop and implement a statewide policy agenda and advocacy plan; • Support data and knowledge sharing across communities; • Develop and implement a communications campaign that emphasizes the value of investing in children in their earliest years; • Leverage additional funding for early childhood in Montana; and • Develop public/private partnerships in support of early childhood in the state.
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**Native American Health & Wellbeing Funding
up to \$500,000**

<p>Headwaters Foundation supports community-driven solutions to reduce health disparities and improve health and wellbeing of Native Americans in Western Montana. Our current focus areas are: Mental Health Crisis Intervention and Prevention on the Flathead Indian Reservation, Urban Indian Health and Wellbeing, Food Sovereignty on the Flathead Indian Reservation, and Culture and Identity.</p> <p>Existing Partnerships: \$370,000 total Grant range: \$20,000 – \$125,000*</p> <p>Headwaters anticipates continuation of funding for many partners under the new strategic pillars, but this is dependent on each organization's interest and ability to do that work. Throughout 2024, we will work with partners to understand how their work fits into the new strategic framework and collaborate with them to determine whether ongoing future funding or a transition grant makes most sense.</p> <p>New Partnership Exploration: \$130,000 total Grant range: \$20,000 - \$50,000*</p> <p>In order to ensure we continue to invest significant resources into Native American communities in Montana, we have set aside funding for new possible partnerships that emerge and could use support in 2024. These partnerships would start small and be undertaken only if they clearly align with the strategic pillars under the new ten-year framework.</p> <p><i>*Note that the CSKT food sovereignty grant for 2024 has been made and the CSKT partnership Fund will be launched in 2025. We will support a mix of investments across our service region, both on and off reservation.</i></p>	<p>Criteria for Selection for Existing Partners:</p> <ul style="list-style-type: none"> • Organizations must serve Native Americans, demonstrate Native leadership within their organization, and prioritize addressing social determinants of health. • Projects operating on the Flathead Reservation must demonstrate partnership with key tribal entities (e.g. – Tribal Council, cultural committees, etc.) in accordance with our Tribal Engagement practices. • Doing work that is preventative, upstream and focused on root-cause or systems change. • Measurable Outcomes. Organizations have identified clear goals, outcomes, and measures for success that demonstrate how they are improving systems that will improve the health of their communities. • Strong organizational leadership and systems. • Successful track record in managing programs that serve American Indians in Montana. <p>Criteria for Selection for New Partners:</p> <ul style="list-style-type: none"> • Organizations must serve Native Americans, demonstrate Native leadership within their organization, and prioritize addressing social determinants of health. • Work meets the needs of families with children ages 0-18 living below 200% of the federal poverty limit who identify as Native American/American Indian.
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Capacity-Building Fund up to \$980,000

One of Headwaters strengths as a funder has been our focus and intention on supporting **the capacity of organizations** in the state by making significant and strategic investments into the skills and leadership of community leaders to tackle issues at the systems change level. Additionally, we have invested in strategies to **shift the narratives** around social determinants of health, to prioritize prevention first approaches and uplift the needs of people in our state who face the greatest barriers to health. Many of these investments will continue under the Ecosystem pillar in our next strategic plan. However, we will be applying a more critical equity lens, looking to ensure all the work funded under this pillar prioritizes the populations we seek to impact. In 2024, we will again focus on assessing where partners might fit in, and how to make thoughtful transition plans if they don't. Additionally, we will support some new work in the leadership and equity spaces that will help prepare us for rolling out the new ten-year framework.

<p>Existing Non-Profit Capacity Support Partners: \$360,000 Grant range: \$125,000-\$235,000 This supports existing capacity-building partnerships with the Montana Nonprofit Association and the UM Center for Children, Families, and Workforce Development. These grants are designed to provide high-quality training and consulting for organizational leaders working to address social and economic barriers to health.</p>	<p>Criteria for Selection</p> <ul style="list-style-type: none"> • A strong track record of professional training, innovative practices, and exceptional work products; and • Produces measurable results.
<p>Equity Projects and TA Support: up to \$150,000 Grant range: \$10,000-\$25,000 Headwaters funds efforts to support organizations focused on social determinants of health in their own DEI journeys in order to create more equitable health outcomes for all. Headwaters may fund organizations to bring in DEI consultants, engage in DEI community efforts, or provide DEI training. This funding comes from the contributions of MacKenzie Scott.</p>	<ul style="list-style-type: none"> • Organizations funded are focused on social determinants of health; • Strong commitment from organizational leadership to engage and participate in DEI work; • Exceptionally qualified DEI consultants, with experience working in rural communities to address the unique challenges of addressing DEI in rural states; and • Clearly articulated goals and plans for the DEI work contracts, including organizational action plan as a required outcome of the work. •
<p>Non-Profit Leadership Development: up to \$150,000 Headwaters continues to hear from nonprofit partners focused on addressing social determinants of health that there is no leadership pipeline for in this sector. The bench for new nonprofit executives, who are retiring at a high rate in Montana, is extremely thin. With support of the MacKenzie Scott funding, Headwaters will begin to explore new partnerships, in the form of planning grants, to address this challenge in 2024. We are particularly interested in new and innovative approaches that go beyond the traditional models of skills-based classes and learning cohorts.</p>	<ul style="list-style-type: none"> • A strong track record of professional training, innovative practices, and exceptional work products; • Deep understanding of nonprofit leadership needs and skills, with a particular focus on building skills to lead systems change efforts; • Organizational infrastructure to effectively manage an educational leadership development program; and • A robust plan for evaluating the success of their work.
<p>Social Determinants of Health Reporting and Narrative Change, up to \$195,000 total grant range, \$5,000 - \$120,000 per grant Activities include an ongoing commitment to Kaiser Health News and Montana Free Press. This funding could also support small grants to local journalists in the range of \$5,000-\$25,000.</p>	<ul style="list-style-type: none"> • A strong track record placing relevant news stories in news outlets across the state; and • Produces measurable results.

<p>Trust-Based Philanthropy Project: up to \$125,000 This grant supports the development and expansion of the TBP Network. We envision this as the first of a 2-part grant over the next 5 years, coming out of the MacKenzie Scott funding.</p>	<p>Headwaters will partner with the Trust-Based Philanthropy Project.</p>
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**Systems Change Advocacy Fund
up to \$645,000**

This fund supports staffing and training to ensure that organizations are equipped to effectively engage in systems-change advocacy for improved health. The organizations funded under this program must demonstrate that they advocate with the priority populations around our core social determinants of health issues - **increasing access to early care and education, healthy food, affordable housing, and opportunities that improve youth behavioral health.**

Funding & Activities	Criteria for Selection
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<p>ORGANIZING & ADVOCACY, up to \$545,000 Grant range: \$50,000 - \$125,000 We fund organizations that engage in public education and advocacy that centers the needs and solutions of our priority populations around the core health issues we focus on. These organizations must actively work in partnership with organizations working directly with families around their issue. They must be playing a role in connecting the lived experts to the policy tables to qualify for funding. These organizations may provide data, research and analysis, and technical policy expertise to inform community-driven policy agendas. They may also help communities navigate the policy-making processes to leverage points in the system where change can be enacted.</p> <p>RESEARCH, up to \$100,000 grant range: \$20,000 - \$100,000 We fund research efforts that help inform policies to improve social determinants of health, with a focus on our priority populations. Activities could include polling, data collection and analysis, survey research, or evaluation.</p>	<p>Headwaters will partner with organizations that:</p> <ul style="list-style-type: none"> • Focus on Headwaters’ priority issues and align with our Theory of Change outcomes; • Focus on efforts that strengthen infrastructure for community-driven policy to improve health in Western Montana; • Engage health-impacted priority populations in driving policy solutions that reduce social and economic barriers to health; and • Apply an equity lens and approach to their work. • We prioritize organizations that can demonstrate priority populations make up their leadership (staff and board).
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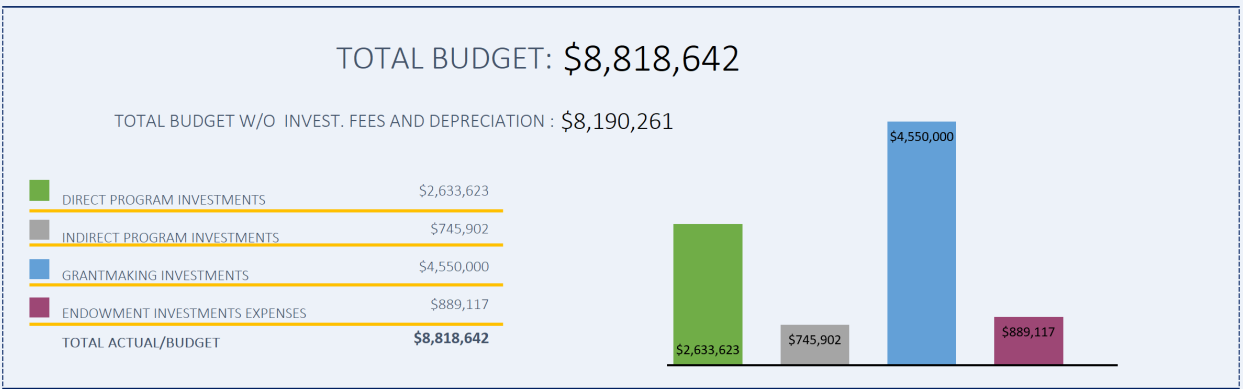
**GO! Grants
up to \$675,000**

Headwaters will invest in quick turnaround grantmaking to support organizations working to build the resilience of children, youth and their caregivers. This responsive grantmaking program aims to increase the capacity of organizations doing prevention focused work in Western Montana as well as elevating awareness of those programs and services. The GO! Grants program also serves as an opportunity for Headwaters to identify new leadership for systems change work.

Funding & Activities	Criteria for Selection
<p>Through this fund, Headwaters will offer grants of \$7,500 in general operating support for nonprofit organizations and/or program funds to larger institutions working in Western Montana’s most rural communities to promote healthy lives for children and families, and whose efforts align with mission of Headwaters.</p>	<ul style="list-style-type: none"> • Organization has a mission to support children and families and has programs covering one or more of the following strategic focus areas: <ul style="list-style-type: none"> ○ Family Resiliency (early childhood education & development, child welfare, family support) ○ Food (food access, food security, access to foods that support healthy eating patterns) ○ Housing (quality of housing, affordable housing, stable housing) ○ Social Inclusion (civic participation, discrimination, incarceration, Indigenous traditional knowledge & culture) ○ Children’s Mental Health • Organizations must serve 50% or more of constituents outside our urban areas (Missoula, Kalispell, Butte, Helena) • Organization must serve 35% or more people living at 200% or less of the poverty line OR 10% or more Native American constituents • We only provide GO! Grants to hospital foundations or community foundations in cases where they serve as a fiscal sponsor for an aligned organization, or in locations where they are the only organization in the region providing mission-aligned services. • Generally, we do not fund intermediary organizations or professional associations. • Except in the case of schools, we generally do not fund organizations with operating budgets larger than 1 million.

2024 BUDGET PROJECTIONS

In 2024, Headwaters will commit approximately \$4,550,000 for grantmaking and \$3,379,525 for programmatic costs. The endowment management expenses and depreciation is \$889,117. The following is the high-level overview of the investments we expect to make in 2024:



What we don't fund

FUNDING RESTRICTIONS

Headwaters will operationalize and implement a complex toolkit of approaches in order to reduce social and economic barriers to western Montanans' health and wellbeing. Currently, our grantmaking programs exclude funding of the following categories:

- Individuals;
- Endowments;
- Direct lobbying;
- Debt retirement, operating deficits or after-the-fact support;
- Basic biomedical research, drug therapies or devices;
- Public, Private or parochial education institutions, including their foundations, except when support is essential to programs or projects that align with our Strategic Framework and are not considered standard educational services;
- Organizations or projects that discriminate with regard to employees, volunteers, delivery of programs or services, or clients served based on age, sex, religion/creed, race, color, national or ethnic origin, sexual orientation, gender identity or expression, disability, marital status, military or veterans' status, pregnancy or genetic information;
- 501c4 or 501c6, except when programmatically appropriate and will require expenditure responsibility; and
- Any organization or project that is inconsistent with the mission, vision, values and Strategic Framework of Headwaters.