



Two foundations headquartered at opposite ends of Pennsylvania are fiercely committed to maintaining the regional boundaries of their philanthropy. But their strong record of collaboration on statewide issues shows that joining forces is often the most effective way to improve quality of life on their own home grounds. by Christine H. O'Toole Illustrations by Jud Guitteau

UNITED FRONT

By mid-2011, depending on who you believed, Pennsylvania's Marcellus Shale natural gas production was either the economic salvation of the region, an epic threat to its water supply or, just possibly, as implied in one New York Times investigative report, an overinflated boom that would shortly go bust.

On a scale of one to 10, the volume knob on community debate had been turned to 11. Conflicting figures on lease money, jobs, health threats and reserve estimates piled as high as the gas wells ran deep.

In the midst of the debate, an agile source of online data modestly marked its first anniversary. FracTracker offers users a way to easily visualize drilling activity and impact at any scale within the 95,000-square-mile shale deposit. Its DataTool is a Web-based, public-participation geographic information system that lets individuals enter and update information, while a plain-English blog synthesizes new findings. And when the Pittsburgh Post-Gazette linked its shale-focused Pipeline blog to FracTracker, the number of visitors quickly doubled to 40,000—proof that, as rhetoric escalates, the project is giving Pennsylvanians a dispassionate way to evaluate the environmental effects of an abundance in natural gas resources.

The Foundation for Pennsylvania Watersheds hosts FracTracker from a tiny office in rural Huntingdon County. But the organization has big-city support. The Heinz Endowments seeded the website's development, including science coordination, public outreach and overall management, with grants to the Center for Healthy Environments & Communities at the University of Pittsburgh's Graduate School of Public Health. Recently, the public outreach and overall management functions of FracTracker.org moved from Pitt to a new fund within the Community Foundation for the Alleghenies, with staff to expand its online capabilities, community and academic reach, and strategic initiatives. Since FracTracker's inception in 2010, the Endowments has awarded about \$1.5 million to the project. As Jeremy Nowak assumed the presidency of Philadelphia's William Penn Foundation in June, that philanthropy joined the effort with a \$300,000 grant.

STRENGTHENING



Pennsylvania's arts landscape has been strengthened by the collaboration among the William Penn Foundation, the Endowments and other funders in the state to support programs that help arts groups better manage their organizations, seek state funding and promote arts education.

THE ARTS LANDSCAPE

The information tool and the cross-state support FracTracker has received illustrate the timely impact of the regional foundations' partnership—one that has amped up the influence of their grant making far beyond either's regional reach. The 300-mile-wide collaboration pairs philanthropies that resemble each other, from substantial asset bases (\$1.4 billion for the Endowments and nearly \$2 billion for William Penn) to their provenance in regional manufacturing fortunes (food production by the Heinz family and various specialty materials by the Haas family) to the window-filled offices of their program officers (uniformly crammed with paperwork). Dating back nearly two decades, the partnership hinges on a belief in patient, strategic work that generates informed public decisions.

It's an alliance that makes good common sense, yet that offers, of course, no guarantee of success. Both sides agree that one of the most costly projects they funded, for statewide planning and economic development, didn't modernize Pennsylvania's land-use strategies. But in other projects, most notably in early childhood education and cultural data gathering, they've chalked up nationally recognized wins. The long-term batting average of statewide efforts pleases both sides.

"The neat thing is, collaboration is now a part of the way we think," says Endowments President Robert (Bobby) Vagt. "It's part of our gene pool. A much richer relationship has developed."

Nowak came to William Penn with a long history as a beneficiary of foundation collaboration. A former community organizer, he had served as president of The Reinvestment Fund, a nonprofit financial lending institution he co-founded in 1985 that often partnered with William Penn on community development projects. "Philanthropy has the power to convene, facilitate shared resource allocation and provide technical services that help smaller institutions make tough decisions," he stated in remarks to the Association of Performing Arts Presenters two years ago during the thick of the current economic crisis.

In Pittsburgh, collaborations among philanthropic neighbors are commonplace. Given the traditional rivalry between the state's two largest political centers, it might seem out of geographic character for their foundations to join forces. The mountains blocking the path between them are a metaphor for that divide.

But the Endowments and William Penn are committed to funding projects with statewide impact, which their board and staff leadership have long believed requires cooperation among foundations to achieve.

"Philanthropies have a tremendous opportunity, very often in collaboration with one another, to take risks on new ideas—something that government generally cannot afford to do," Endowments Chairman Teresa Heinz remarked at the national Friday Forum on philanthropy more than 15 years ago. "We have, in a sense, joined together to become labs of societal change. Rather than simply fund projects with which we are sympathetic, we set broad goals for our grant-making programs, seek out organizations capable of carrying them out and look for a return."

Former William Penn Foundation President Feather Houstoun retired in June after six years that included several collaborative opportunities between William Penn and the Endowments. She notes that successful matches in philanthropy—as in life—are based on shared values.

"When you're trying to get organizations to work together, it helps if the leadership and the personalities sync up on basic values," she says.

Vagt contends that the foundations have "a social imperative" to act in concert on statewide problems, from public education to the environment. "We have bigger, badder, faster, meaner issues," he observes.

In the face of those challenges, the foundations' collaborations have led to notable successes. They have not only changed Pennsylvania's political terrain, they have spurred imitators elsewhere.

Strengthening the Statewide Arts Landscape

When the Greater Philadelphia Cultural Alliance proposed a shared database for the state's arts groups nearly a decade ago, the Pew Charitable Trusts and the William Penn Foundation saw an opportunity. A streamlined system would help nonprofits analyze their business operations against their peers, and would create consistent standards for evaluating their requests for support.

"We wanted verifiable historical data, not projections," recalls W. Courtenay Wilson, program officer for the William Penn Arts & Culture program. "We wanted information that could be double-checked from audits and financial reports."

The two Philadelphia funders and the Pennsylvania Council on the Arts joined the Cultural Alliance in supporting the approach. Then the four organizations announced they would require all grant applicants to participate in the database—a carrot-and-stick formula that would quickly become a model

elsewhere. After William Penn invested \$1 million, the Philadelphia groups looked to the western part of the state for partners.

“We were eager to find ways to work on targeted statewide issues with colleague arts funders in Pennsylvania,” says Janet Sarbaugh, senior director of the Endowments’ Arts & Culture Program, “and this one addressed an important issue for our field: the lack of accurate, verifiable data for the cultural sector.”

The collaborations “give us a broader reach,” confirms Wilson. “We get a better picture of the state by having the Pennsylvania Council on the Arts use it. That’s the model that has been most successful in the expansion of the CDP nationally: Start with the state arts agency, then ask each state to put together its own coalition of service organizations and other partners. You need the statewide reach.”

Recognizing that quantifying the arts’ collective economic impact also could bolster arts groups’ arguments for statewide funding, the Endowments and The Pittsburgh Foundation joined the effort in 2005. The Pennsylvania Cultural Data Project achieved its first political victory four years later. In 2009, during an epic budget standoff, the Pennsylvania General Assembly proposed generating \$100 million through a new tax on arts ticket sales and membership dues. The Cultural Data Project quickly generated reports that proved lawmakers’ projections inaccurate, and the tax exemption was preserved. As it developed, the Pennsylvania program went online, with training sessions for arts managers on mining financial and marketing information.

While still based in Philadelphia, the Cultural Data Project has evolved into a national initiative that is supported by 150 foundations and has been adopted by nearly a dozen states. Among them is California, with 10,000 arts groups, which launched its project in 2008. John McGuirk, director of the performing arts program at San Francisco’s William and Flora Hewlett Foundation, wishes his state had acted earlier.

“In the 2006–07 budget crisis, our state arts agency was cut from \$40 million to \$5 million,” he says ruefully. “We were making the case to policymakers on the value of the arts, but we didn’t have any numbers to show them. The crisis amplified the fact that we needed data we didn’t have.” When the Pennsylvania funders demonstrated the Data Project to a Grantmakers in the Arts conference that year, McGuirk recalls, “I was sitting in the back of the room salivating. About five of us from California ran down to the podium and told them, ‘We have to get this here.’”

Endowments–William Penn arts collaborations also reach beyond numbers crunching to provide a fertile environment for stimulating the growth of innovative and next-generation artists and arts organizations.

Alon Koresh, executive director of the Koresh Dance Company in Philadelphia, for example, pinpoints one problem shared by artists across Pennsylvania that the joint efforts have helped address: “Why would a presenter take a risk booking arts companies that its audience is unfamiliar with?”

The response supported by the William Penn Foundation and the Endowments—along with the Pew Charitable Trust and the Pennsylvania Council on the Arts—is the Pennsylvania Performing Artists on Tour, which is administered by the Mid Atlantic Arts Foundation. The program provides a juried roster of ensembles that are ready to go on tour. It lists groups of all sizes—including, for example, the Philadelphia Orchestra as well as the Koresh Dance Company—and it defrays the presenters’ costs of booking small, high-quality ensembles.

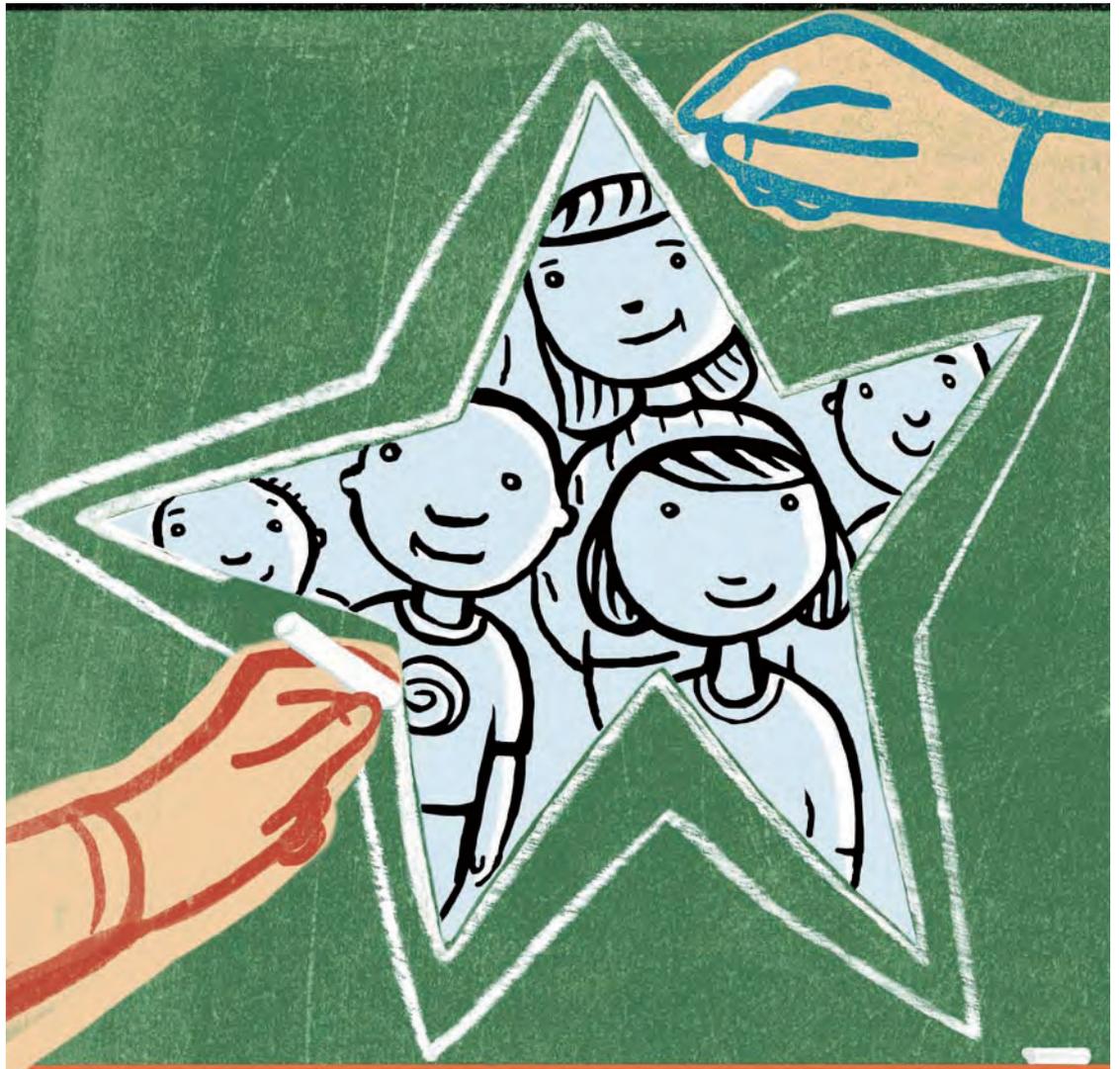
PennPAT’s roster also includes Pennsylvania artists who have particular potential, from Koresh’s contemporary choreography to the Slovenian accordion stylings of Grkmania. With grants totaling more than \$8.1 million, the foundation support helps them mature: The Koresh troupe, for example, has grown its operating budget from \$200,000 to just under \$1 million during its participation in PennPAT.

Among the other arts initiatives that William Penn and the Endowments are joining hands across the state to advance is an effort to improve arts education in their respective regions, a challenge because such programs vary widely among Pennsylvania’s 500 school districts as well as among charter and cyber schools.

“Providing quality arts education is not only a matter of available resources, it’s also a matter of will and the importance that adults assign to it,” says the Endowments’ Sarbaugh. To inventory state arts education policies and develop recommendations to strengthen arts education efforts, the two foundations have funded the Arts and Education Initiative developed by the Education Policy and Leadership Center, based in Harrisburg. The nonprofit headed by former state representative Ron Cowell is a respected think tank on public education issues.

The initiative is working with regional, statewide and national partners to build awareness among policymakers and the public about key arts issues and to develop recommendations for creating new statewide arts education policies and implementing existing

EARLY CHILDHOOD EDUCATION



Efforts by the Endowments and the William Penn Foundation to improve early childhood education in their separate regions and to work together in addressing the issue statewide has led to major foundation and government investments in pre-kindergarten programs across Pennsylvania.

ones. A symposium on these efforts was presented in Harrisburg on Oct. 13, and an Arts and Education Policy Report is slated for release in February.

“Americans for the Arts and the Arts Education Partnership tell us there is nothing like this initiative going on in other states,” says Cowell. “They’re willing to participate [and] they think that what we do will serve as a model.”

Changing Pennsylvania’s Early Childhood Policies

Quantifying quality in education and the arts has become a mission in philanthropy. “Everything is evidence-based. That’s what the world is about,” says Ronnie Bloom. As program director for the Children, Youth and Family Program at William Penn, she has worked to test and, more important, to prove the premise that attentive care and education for preschoolers profoundly improves their future.

When Pennsylvania began welfare reform, then-Gov. Tom Ridge and Secretary of Public Welfare Houstoun promised to increase child care slots for working parents and piloted the Keystone

Stars program, which stands for Standards, Training, Assistance, Resources and Support. The rating system for preschool programs, eventually adopted as part of the state’s early childhood efforts, recognizes and rewards consistent improvement.

But in the 1990s, Pennsylvania was still one of nine states that did not fund pre-kindergarten programs, and the foundations realized that a comprehensive system uniting health care, parent education and day care needed to be built. Both Bloom and Marge Petruska, senior director of the Endowments’ Children, Youth & Families Program, thought that statewide answers could come from local, high-quality pilot projects.

“They would amplify the research about the importance of high-quality early childhood education to broaden public support,” says Petruska. “Through statewide implementation, they’d show what quality looks like. And they’d build public will to advocate for government to invest.”

Major grants followed. In 1997, the William Penn Foundation gave \$7.7 million, one of the largest grants in its history, to launch Child Care Matters. For the west, the Endowments announced it

COLLABORATIONS ELSEWHERE

Philanthropic match-ups in other states don’t attack the variety of grant making that The Heinz Endowments and the William Penn Foundation share, but they have proven to be effective in several fields.

Following Pennsylvania’s example, foundations across California gathered to support its Cultural Data Project. Funders now include the Hewlett Foundation in Menlo Bay, near San Francisco; the Irvine Foundation, with offices in San Francisco and Los Angeles; the Sacramento-based California Arts Council; the Los Angeles County Arts Commission; and the Getty Foundation, also in Los Angeles.

The Duke Endowments’ support for the Nurse Family Partnership involves different partners in different states. The nationwide program to support young mothers is funded by a range of private and public funding sources, including Medicaid, Maternal and Child Health Services Block Grants, and Social Services Block Grants. In North Carolina, where the program operates in 10 counties, Duke partners with the Kate B. Reynolds Charitable Trust of Winston-Salem, the North Carolina Partnership for Children in Raleigh and state government. In South Carolina, the 11-county effort is co-sponsored with the Children’s Trust of

South Carolina. Both states also receive support from their respective BlueCross BlueShield foundations.

Elsewhere, foundations are working in unison under the aegis of statewide philanthropy associations. Through the Ohio Grantmakers Forum, 33 funders joined a five-year education reform policy effort with major impact. Beginning in 2005, the forum convened 41 private, corporate and community foundations.

“We don’t have any statewide foundations, but all of our members recognized that public education affected their community,” explains President George Espy. In 2009, the Ohio legislature adopted the group’s 11 action recommendations for improvements; with those in place, the state was in position to win \$400 million in federal Race to the Top monies.

Different forum members are now joining forces to fund implementation of the Affordable Care Act in Ohio. The federal legislation strengthens Medicare, reduces health care disparities and promotes wellness. In West Virginia, funders are leveraging a \$150,000 legal settlement in Collaborating for Youth. The two-year project supports youth programming in six West Virginia communities.

LOOKING TOGETHER AT MEDIA IMAGES OF BLACK MALES

would invest \$2 million to create its Early Childhood Initiative. Both enlisted a team of local partners, including the regional United Ways. In Pittsburgh, local philanthropies eventually awarded \$34 million in grants—including \$12 million from the Endowments—to support this agenda.

On the ground, both programs confronted vexing practical issues such as staff turnover. Also, a Rand Corp. study commissioned by the Endowments found that the Early Childhood Initiative was hampered in reaching its ambitious goals due to wrong assumptions about costs and miscalculation of the degree of demand for services, a problem exacerbated by federal welfare reform. But evidence from the efforts at each end of Pennsylvania clearly showed strong developmental gains among students.

Despite the setbacks in the state, consensus began to build, led in part by Pennsylvania Partnerships for Children, founded in 1990 with early Endowments support.

Business leaders also began to join the call for better early education, convinced by hard data on its benefits for current and future employees. A key supporter was Jim Rohr, chairman and CEO of PNC Financial Services Group, and now a member of the Endowments' board of directors. The bank's \$100 million "Grow Up Great" campaign boosted the issue's profile, and, in 2001, then-Gov. Mark Schweiker accepted the findings of the Task Force on Early Childhood Care and Education.

"There's no doubt the work of the business community played a major role," Petruska asserts. The stage was finally set for legislative action, and the result was the 2007 legislative passage of Pre-K Counts, which supports pre-kindergarten programs in the state. The combined \$14.5 million that the two foundations invested in statewide initiatives, over and above their local grants, had leveraged a \$75 million system.

The capstone for the effort arrived in 2009, after researcher Stephen Bagnato studied the progress of Pre-K Counts students. His analysis validated the investment. In a statewide study of 10,000 children enrolled in early care programs, all at-risk children across all races made developmental gains. Two of every three children with developmental delays caught up while enrolled. In districts that averaged 17 percent placement rate in special education, only 2 percent of children in Pre-K Counts programs were so classified. Seven thousand high-risk students exceeded basic standards for transition to kindergarten.

Pennsylvania also is a member of the BUILD Initiative, a multi-state partnership created by the national Early Childhood Funders'

When Endowments staff members decided to examine local news coverage of black males as part of the foundation's African American Men and Boys Initiative, they shared the idea with their William Penn Foundation colleagues. Program Officer Kelly Woodland was intrigued.

"Images in the news media and in popular entertainment shape the attitudes of the general public and may influence policies and the priority certain issues have in our community," he notes. "It's important to gauge the power and influence of these images."

Soon after work began in 2010 on the analysis of coverage in the Pittsburgh region, William Penn commissioned an audit in southeastern Pennsylvania. Work on both studies continued into 2011, and staffs for the foundations have been talking about working together on a public presentation. The Endowments also awarded \$30,000 to help William Penn complete its assessment so that a coordinated event can take place.

Though the Philadelphia foundation has no specific project that mirrors the Endowments' African American Men and Boys Initiative, Woodland says William Penn's audit will allow "a deeper dig" on issues related to black male achievement.

Collaborative. Participation in BUILD enables Pennsylvania to share successful aspects of its programs with other states. Harriet Dichter, a veteran of the Philadelphia pilot and former deputy secretary for the Pennsylvania Department of Public Welfare's Office of Child Development, is now national director of the First Five Years Fund in Washington, D.C. She says the key features in the U.S. Race to the Top Early Learning Challenge "build right off Pennsylvania's pioneering work." The state will apply for one of the \$70 million, four-year federal grants that the program will award.

"During the last eight years, we've gone from making a little investment to building a system, for the first time ever," says the Endowments' Petruska. But she admits that the vagaries of annual state budgets—Pennsylvania has reduced early childhood funding by \$30 million for the 2011–12 year—make it impossible for advocates to step back.

"In this work, you can never declare victory," she concludes.

Smart Growth Policies Elude Quick Solutions

The feel-good results of a program to help cherubic toddlers thrive proved harder to achieve in another ambitious partnership.

As the state debated pre-kindergarten education, William Penn and Endowments program officers began discussions on an effort to prevent suburban sprawl. William Penn had funded a Brookings Institution study on the booming southeastern counties, and the Endowments was considering a similar regional grant.

"I reached out to [William Penn] probably at the suggestion of Bruce Katz [of Brookings]," recalls Caren Glotfelty, the Environment Program director for the Endowments and former deputy secretary for the state's Department of Environmental Resources. "Geraldine Wang [her William Penn counterpart] and I talked about land-use issues when I came to Heinz in 2000. We both knew the subject well. It made sense to do this together."

PARTNERING ON



The William Penn Foundation and the Endowments funded the Brookings Institution report “Back to Prosperity: A Competitive Agenda for Pennsylvania” to urge government officials to stem expanding suburban sprawl. Although the Brookings findings were well received, many of the report’s smart growth recommendations were not implemented.

SMART GROWTH INITIATIVES

William Penn provided two-thirds of the \$136,000 project grant to 10,000 Friends of Pennsylvania, and the Brookings authors dug in on statewide land-use practices. Arguing that “Pennsylvania is spreading out—and hollowing out,” their report linked the problem of sprawl with urban decline and stagnant population growth.

“As Brookings worked, they saw that sprawl is a symptom of a much deeper problem in the state–local government structure, taxation, investment policy. We didn’t expect that,” acknowledges Glotfelty. “The work”—published in 2003 as ‘Back to Prosperity: A Competitive Agenda for Pennsylvania’—“was extremely persuasive. It resonated with everybody who heard about it.” Dozens of public discussions on smart growth strategies ensued among elected officials. Then-Gov. Ed Rendell revived a moribund state planning board and an interagency land-use team.

“We saw the demand [for these ideas] and said, ‘We can’t let this stop,’” says Glotfelty. The foundations doubled down, committing \$1.3 million to RenewPA, a statewide campaign again led by 10,000 Friends.

But despite individual victories, such as the hold put on \$26 million in new transportation projects, the state’s Keystone Principles for smart growth remained largely on the shelf.

Houstoun, who had directed a successful state planning effort in New Jersey, says mandated state planning was a harder sell next door. “Pennsylvania’s so vast, so many cows and so many trees, that people have very different perspectives,” she says. “Any-job-anywhere was the mantra for the state because of the recession, so objecting to a vast highway to a distribution center in the middle of nowhere was difficult.”

In retrospect, says William Penn Program Officer Andrew Johnson, directing all funds to one grantee didn’t prove to be the most effective strategy for change. “The lesson is, don’t put all your eggs in one basket. We put a lot of money into the campaign, but we couldn’t get it to the next level. Now, we’re more inclined to support co-equal partnerships and to play a role in getting those partners lined up. And we learned that from working with Caren.”

He believes that the land-use benchmarks in the Brookings work may ultimately benefit the current debate around the latest subject of William Penn–Endowments collaboration—Marcellus Shale drilling. “The ideas on alignment and efficiencies could certainly relate in terms of avoiding public investment that would perpetuate a boom-and-bust culture,” he says.

Given that the Pennsylvania regions where shale drilling has been most active are the rural northeast and southwest corners, and some of north central Pennsylvania, the issue is one that William Penn’s Nowak is anxious for the foundation to help address.

“The first time I saw a map of the gas plays that underlie Pennsylvania, it really hit home: We are about to undergo a massive transformation into an energy state,” he says. “We need to get a handle on what that means for our environment, our economy and our communities, and we have to do it with good data and reliable facts in hand. That’s where FracTracker comes in.”

Phil Johnson, the senior program officer in the Endowments’ Environment Program, agrees as he describes shale drilling as a “diffusive industry” by definition.

“It is peppered across the landscape. Even if governments want to enforce regulations, sending people into every inch of a multi-state region would be difficult,” he explains. “So, [with FracTracker,] we’ve set up a way to quantify potential impacts. That’s the most powerful thing—informed decision making at all levels of society.”

From that perspective, FracTracker’s ability to provide important data compiled from many drilling areas across the state may make it the go-to resource that leads to statewide consensus on policies governing shale drilling. It also may prove to be one of the strongest cross-state foundation collaborations yet.

John Dawes, executive director of the Foundation for Pennsylvania Watersheds, which sponsors FracTracker, believes that the partnership between William Penn and the Endowments strengthens the front-line defense of the state’s abundant fresh water supply, along rural creeks as well as commercial rivers. Compliance with federal requirements approved in 2010 to control the loads of sediments and chemicals, including those associated with shale gas extraction, requires critical support from all parts of the state.

“It would be much harder to do that without William Penn and Heinz support,” he says. “And in terms of clout, their imprimatur helps us to raise more funds.” Boosted by a recent settlement of a Clean Water Act penalty, the group increased its operating budget from \$1.1 million to \$3.5 million.

Clean air and water. A flourishing arts scene. An effective child care system. Sustainable community planning policies. All these are achievable in bits and pieces through the grant making of an individual foundation. But the William Penn–Endowments relationship continues to prove that, when it comes to ensuring long-term benefits to the greatest numbers of Pennsylvanians, two is always better than one. *h*