

blue  of california
foundation

funding with an oversized impact

blue shield against violence
core support initiative 2008 – 2010

Touchstone Consulting 2011

Produced by:

Touchstone | *consulting*

“For the DV field, maintaining infrastructure **is** a big deal right now. It is difficult to push beyond this because resources are so limited. We are trying not to lose ground, and Blue Shield of California Foundation is playing an important role. This core support will allow for more creative work in the future.”

2010 BSCF key informant interview¹

¹ M.P. Merriman and M.A. Davis, “2010 Key Informant Survey and Interview Findings for Blue Shield of California Foundation,” Touchstone Consulting (2010).

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a phone call about a leaky roof

Recently, a domestic violence shelter director left a voicemail for Blue Shield of California Foundation.

"I wanted to ask about our recent core support grant," she began. "Is it possible for us to use these funds to repair the leaks in our roof? And if we still have a little bit of the grant left over, I'd like to know if we can use that to clear the mold situation in our basement, which we now have because of our leaking roof. I have to be honest, until we fix both we're unable to house survivors in our shelter. And we have many, many waiting."

We hear this kind of story often. The sobering reality is that many of the more than 100 domestic violence (DV) service providers across the state are struggling with basic challenges like these. And in the backdrop of a grueling economic recession and an ongoing California budget crisis, they are also seeing a rising demand for their services.²

As we considered our options, we asked ourselves, "How do we continue to help in the face of such difficult circumstances?"

In a single day in 2010, California's DV service providers served 5,261 survivors and answered 1,357 emergency hotline calls.³

Nearly one-in-three female respondents to the California Women's Health Survey reported experiencing a physical or sexual assault at the hands of an intimate partner in her lifetime.⁴

² National Network to End Domestic Violence, "2010 Domestic Violence Counts: A 24-Hour Census of Domestic Violence Shelters and Services" (2010).

³ Ibid

⁴ A. Bugarin, "The prevalence of domestic violence in California," California State Library, California Research Bureau (2002).

our vision: fix the roof and strengthen the field

As the state's largest private funder of DV services and prevention, Blue Shield of California Foundation is dedicated to ending domestic violence in California. To truly achieve this, organizations working on the front lines must be able to focus on their missions, their clients, and their own development – not on leaky roofs and other operational distractions.

Since 2002, through Blue Shield Against Violence (BSAV), Blue Shield of California Foundation (BSCF) has invested more than \$33 million in DV intervention and prevention services, and in capacity building efforts to strengthen the individuals, organizations, and networks that make up California's DV field. This includes nearly \$11 million in general operating funding provided through the BSAV Core Support Initiative, which helps keep the doors open at more than 100 DV service providers across California.

The BSAV Core Support Initiative empowers DV service providers by giving them the flexibility to direct funds wherever they are needed most to fulfill their missions. Unlike other funding, our core support is not tied to a particular project of the grantee (i.e., there are almost no restrictions on the use of core support dollars). Core support funding allows these agencies to:

1. Meet DV survivor needs today by:

- providing essential, core services and sustaining existing programs for survivors;
- covering operating expenses and administration not covered by other funders;
- increasing credibility to leverage other funding; and
- covering unanticipated expenses or critical needs.

2. Lead change for tomorrow by:

- responding positively and creatively to challenges and opportunities; and
- thinking differently about how to operate and flourish in these difficult times.

"Funds were used to support operational costs such as utilities and rent. This has been extremely critical during this last fiscal year, facing our economic crisis. Foundations such as Blue Shield of California Foundation literally made the difference of whether our doors remained opened. Although our grant award was minimal, these funds enabled us to allocate other funds to personnel costs and direct services."

*2008 – 2010 BSAV
Core Support grantee*

As outlined in a 2007 Grantmakers for Effective Organizations report, core support can play a critical role in bolstering the organizational effectiveness of nonprofits and creating an environment where strong programs, innovation, and social change are more likely to take root.⁵ Additionally, the Center for Effective Philanthropy has reported that foundations are likely to have a greater impact on grantees when their funding is part of a broader strategy involving multi-faceted, field-focused support, such as capacity-building and technical assistance.⁶

BSAV's approach is consistent with these findings, blending core support with additional capacity-building efforts. The BSAV Core Support Initiative is "foundational" to, and yet just one part of, a broader investment in strengthening the DV field.

To complement core support, a significant portion of BSAV resources are aimed at strengthening the DV field through efforts like the Strong Field Project. This four-year, \$7 million effort launched in 2010 is the cornerstone of BSAV's work to build a stronger, more coordinated network of DV service providers in California through leadership development, organizational strength grants, and networking and knowledge-sharing.

Additionally, BSAV provides resources for technical assistance in financial management, technology capacity, and strategic collaborations for DV agencies. BSAV also commissions DV-related research, and provides grant funds to the statewide domestic violence coalition, the California Partnership to End Domestic Violence.

purpose of this report

BSAV wanted to know whether, how, and why core support has had an impact on grantees and the broader domestic violence field. This issue brief explores these questions, asking shelters and service providers directly about the impact of the 2008 – 2010 BSAV Core Support Initiative. Information for this report was drawn from reports submitted by 2008 – 2010 BSAV Core Support Initiative grantees and applications for the 2010 – 2012 BSAV Core Support Initiative from the same organizations.

"BSCF's core support shows a level of trust and respect because it shows that they believe that we will use the funds in the most beneficial way to ensure the highest level of service for our clients."

2008 – 2010 BSAV
Core Support grantee

"Some of our operational expenses are not covered by our other restricted funds, so the [BSCF] funding allowed us to cover costs that would otherwise be paid for by the precious few unrestricted funds we have available."

2008 – 2010 BSAV
Core Support grantee

⁵ Grantmakers for Effective Organizations, "General Operating Support" (2007).

⁶ J. Buteau, et al, "More than Money: Making a Difference with Assistance Beyond the Grant Check," The Center for Effective Philanthropy (2008).

about the 2008 – 2010 blue shield against violence core support initiative

In August 2008, the 2008 – 2010 BSAV Core Support Initiative awarded a total of \$2,230,000 in two-year core support grants, ranging from \$10,000 to \$40,000, to 106 eligible DV service providers (see figure a in the Appendix).

Our 2008 – 2010 core support grantees were located in 50 of 58 California counties (see figure b in the Appendix) and included shelters and other organizations providing at least 10 of the 14 state-mandated DV core services (see below).

how does BSCF define an eligible “DV service provider”?

In order to be eligible for the BSAV Core Support Initiative, DV service providers, such as shelters or multi-service agencies, must offer at least 10 of the following state-mandated services:

1. 24-hour crisis hotline
2. Counseling (individual and peer group)
3. Business center (survivor assistance from 9 to 5 on a walk-in basis)
4. Emergency safe home or shelter for battered women and their children
5. Emergency food and clothing
6. Emergency response to calls from law enforcement
7. Hospital emergency room protocol assistance
8. Emergency transportation
9. Counseling for children
10. Court and social services advocacy
11. Legal assistance with temporary restraining services and custody disputes
12. Community resource and referral for clients
13. Household establishment assistance
14. Cultural competency

To be eligible for California state funding for DV services, an agency must provide all 14 of the core services listed above.

the state of the DV field in california, 2008 – 2010

Based on self-reported figures, the 106 DV service providers that received core support awards in 2008 provided safe shelter and support each year for more than 165,000 California survivors and their children who experienced abuse during the two-year grant period. While these organizations are impressive in their missions and their dedication, they noted significant challenges to providing the broad range of services needed by DV survivors.

organizations were stressed

As they helped DV survivors escape from dangerous situations and build new lives, these DV service providers often struggled to make ends meet.

Sources of stress included:

- **Financial fragility.** Most grantees operated very close to the break-even point (see figure 1). On average, deficits or surpluses hovered around 8 to 10 percent of total organizational budgets. At least one-third of grantees reported suboptimal financial health and limited cash reserves (see figure 2).

figure 1 | 2008 – 2010 grantees with a surplus or deficit relative to 2009 organizational budget

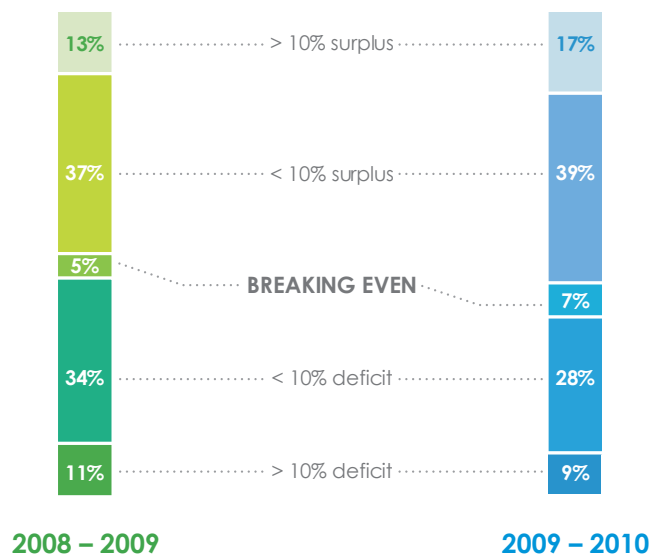


figure 2 | financial health status and number of days for their “cash on hand” by percent of grantees reporting



- **Dependence on government funding.** Prior to the state budget cuts in 2009, government funding comprised at least 56 percent of revenues across these DV service providers in California – and as much as 75 percent for some providers.⁷ These funds are subject to fluctuations from both the economy and political will.
- **Restricted use of funds.** The majority of government and foundation funding to DV service providers is restricted, meaning that it can only be used for certain purposes. These funds are typically provided to support specific services or programmatic activities (often on a reimbursement basis), and only a limited portion or none of these funds can be used for essential operations such as rent, administrative staffing, or fundraising.
- **Human resource intensive work.** Effective DV service providers offer a variety of services for adults and children to attend to their safety, mental health, employment, and housing needs. Providing these services directly – and in collaboration with other organizations – requires a staff-heavy, resource-intensive organizational structure.
- **Demanding work environment.** Many clients served by DV service providers are in extremely dangerous – even life-threatening – situations. This can result in emotional distress, secondary trauma, and burnout among DV services staff,⁸ which can contribute to frequent staff turnover.

⁷ B. Copen, “Sector Scan of California DV Service Providers,” Nonprofit Finance Fund (2009).

⁸ S. Iliffe, “Exploring the Counselor’s Experience of Working with Perpetrators and Survivors of Domestic Violence,” *Journal of Interpersonal Violence*, 15 (4) (2000): 393-412.

the challenges grew

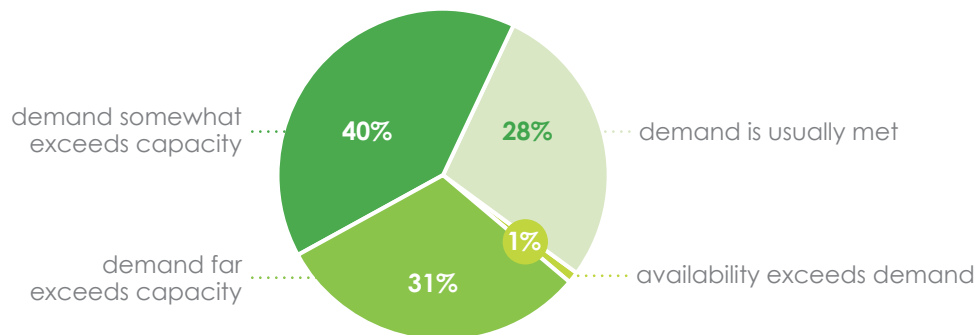
In 2008 – 2010, California's DV service providers were increasingly strained with significant challenges precipitated by the economic downturn nationwide and accompanying state budget shortfalls. Key challenges identified by BSAV Core Support Initiative grantees include:

- **Increased demand for DV services.** A recent survey conducted by NNEDV⁹ found that 84 percent of DV service providers in California experienced increased demand for their services between 2009 and 2010. Core support grantees attributed this increase in part to the poor economy and resulting stress on families. Over 70 percent of grantees reported that demand for services exceeded capacity. In extreme cases, waitlists were instituted, and clients were turned away (see figure c in the Appendix and figure 3 below).
- **More complex clients.** Grantees described an increase in the complexity of client needs between 2008 and 2010. More clients were struggling with drug and alcohol abuse, mental illness, and physical health problems, and had fewer personal resources to draw on (e.g., education and job skills). Additionally, DV service providers noted a marked increase in non-English speaking clients. Finally, BSAV has found that returning combat veterans from Iraq and Afghanistan face many complex family reintegration challenges, including susceptibility to family violence.

"In the past year, [we] felt the impact of the national and local economic downturn through reduced funding allocations from local, regional, and state public funding sources...Clients have also been affected by the economic crisis in that they have experienced greater difficulty in securing employment and permanent housing, which resulted in longer-term stays in our shelters."

2008 – 2010 BSAV
Core Support grantee

figure 3 | percentage of grantees' capacity to meet demand for DV services



⁹ National Network to End Domestic Violence, "2010 Domestic Violence Counts: A 24-Hour Census of Domestic Violence Shelters and Services" (2010).

• **Decreased dollars and funding sources.** In July 2009, California state funding was eliminated for DV shelters and only partially restored in October 2009. Grantees indicated that funding from other sources – local agencies, foundations, and individual donations – was also reduced, compared to previous grant periods.

• **Erosion of complementary services.** The economic downturn contributed to decreased availability of other key services where clients are often referred. Between 2008 and 2010, providers noted decreased availability of mental health resources, drug and alcohol counseling, and other essential social services. In addition, several BSAV grantees reported that reductions in local law enforcement and legal services hampered their ability to obtain and enforce temporary restraining orders.

doing more with less

Facing reductions across all funding sources and other essential social services, DV service providers responded by becoming increasingly focused on maximizing, leveraging, and better managing their resources.

Many BSAV grantees made organizational changes to help ensure their ability to continue to provide at least a basic level of services for DV survivors including:

• **Staff reductions and reorganization to reduce personnel expenses.**

Grantees coped with reduced funding by eliminating positions, reducing hours, and reorganizing remaining staff in order to maintain adequate levels of core services.

• **Collaboration with similar and complementary organizations to extend reach and increase impact at lesser cost.**

DV service providers reached out and established working relationships that made the most of limited resources. For example, they collaborated with:

- other DV programs to reduce duplicative services;
- schools to address teen violence issues;
- housing agencies to expand transitional housing options; and
- other social service agencies to help address clients' legal issues.

“Funding through the Blue Shield Core Support Initiative...prevented us from needing to make cuts to an already overly lean staff.”

*2008 – 2010 BSAV
Core Support grantee*

“This grant was used to pay for essential line items such as a portion of key staff salaries and shelter maintenance, especially the servicing of our air conditioning system – so critical to the comfort and safety of shelter residents in our desert location, where temperatures exceed 100 degrees!”

*2008 – 2010 BSAV
Core Support grantee*

- **Increased focus on fundraising.** Many DV service providers intensified their fundraising activities, reporting implementation of more and different fundraising strategies, including looking beyond government funding.
- **Innovation where possible.** Despite the effects of the financial crisis, a few DV service organizations instituted discrete programmatic improvements in an effort to better meet survivors' needs. Examples include:
 - implementing new client-centered assessment processes;
 - increasing transitional housing options; and
 - making services more culturally and linguistically appropriate.

“The important support of Blue Shield enabled us to retain a long-time, passionate domestic violence advocate who is a key part of our programs. Her experience and dedication makes her an invaluable asset to our program, and her work has enabled us to sustain and expand our programs.”

*2008 – 2010 BSAV
Core Support grantee*

the impact of core support in challenging times

The backdrop of the economic crisis highlights the impact of the 2008 – 2010 BSAV Core Support Initiative. While core support funds represented less than five percent of the total budget – and less than 10 percent of the DV budget – for the vast majority of grantees, BSAV's core support grant dollars played a critical role in maintaining day-to-day operations.

In fact, a 2010 BSCF-commissioned survey conducted by the Center for Effective Philanthropy¹¹ found that DV grantees who received core support rated the Foundation higher in a number of areas – including the Foundation's impact on the DV field and their organizations – than grantees who do not receive core support.

covers the essentials that other funding does not

The vast majority of grantees report using their core support funding to help meet immediate operating needs such as rent, utilities, and staff salaries (see figure 4). These are items essential to maintaining basic operations and service effectiveness – and are not typically covered by other funding sources (see page 15: “what core support paid for”).

“Our program requires significant unrestricted funding to cover overhead expenses such as utilities, general repairs and maintenance, and janitorial services. These are not ‘marquee expenses’ that draw numerous donors; funding these necessities requires generous, unrestricted funding from sources like Blue Shield of California Foundation.”

2008 – 2010 BSAV
Core Support grantee

figure 4 | 2008 – 2010 top five BSAV core support spending categories

use of funds	percentage of grantees
Operating expenses (e.g., rent, utilities, etc.)	64%
Staff salaries	47%
Maintenance of existing programs or services	28%
Staff training or development	13%
Fund development or fundraising	12%

¹¹ The Center for Effective Philanthropy, “Grantee Perception Report, Segmentation by Core Support and Program Area, Prepared for Blue Shield of California Foundation” (2011).

what core support paid for: specific examples from 2008 – 2010 BSAV core support grantees

- Salaries of essential administrative staff (executive director, fund developer, finance support)
- Critical repairs to air conditioning, roof, client refrigerator
- Security fencing and window coverings to ensure safety
- Shoes and clothing for clients' job interviews
- Emergency food and medication for clients who must leave home quickly
- Core fundraising activities (annual fund mailing, fund developers or grant writers)
- Maintaining and acquiring vehicles for emergency client transportation
- Furniture for temporary and transitional housing
- Rent or mortgage for shelter buildings

can be directed anywhere, anytime

Many grantees highlighted the value of the unrestricted nature and flexibility of core support. Unlike most other funding, core support dollars can be allocated wherever they are needed and shifted at the grantee's discretion as needs and priorities change over the course of the funding period. This flexibility allows funds to be used to cover urgent and unanticipated expenses without bureaucratic delays.

brings in additional dollars

Finally, BSAV core support grantees indicated that the 2008 – 2010 grant improved their ability to seek and secure other funding. Seventy-seven grantees (73 percent) reported using BSAV core support dollars in one or more ways to leverage additional funding (see figure 5).

“Our financial support from Blue Shield of California Foundation has been used as a leveraging tool in several private foundation applications. Two of those applications were successfully funded for \$40,000 in additional shelter support.”

2008 – 2010 BSAV Core Support grantee

figure 5 | how core support funds leveraged additional funding

mechanism for leveraging additional funds	percentage of grantees*
Provide credibility of an established funder	40%
Serve as public funding match	38%
Serve as private funding match	13%
Pay for development or fundraising expenses	10%
Other	5%

*Grantees could cite more than one way they leveraged additional funds.

looking ahead: more is needed

In the pursuit to end domestic violence, California's DV service providers are on the front lines, helping survivors start new lives free of abuse.

As the economy continues to falter, BSCF's core support is helping California's financially fragile DV service providers maintain essential client services. These relatively small grants appear to have an oversized impact: They are unrestricted and can be used in ways other funding streams cannot, including covering critical operating expenses or urgent and unanticipated needs. This sometimes means paying for roof repairs and mold abatement to ensure that survivors have a safe and dry place to stay. Moreover, core support can help organizations leverage other funds.

Based on the Center for Effective Philanthropy's research,¹² we believe that the impact of BSAV core support is enhanced as a result of our complementary investments in the DV field, including other initiatives, grants, and technical assistance. A 2010 survey¹³ of BSAV's core support grantees rated BSCF in the 75th percentile when compared to similar foundations for their impact on the field. At a time when foundations are more focused than ever on "creating change" – but have fewer resources to contribute – core support funding can offer high impact on small investments.

As the DV field grows and matures, a broader base of core support funding is needed to ensure availability of emergency DV services, grow the capacity of DV service providers (see "top organizational development priorities in 2010 – 2012"), and promote the kind of innovation that leads to lasting social change. Such change is possible, and the goal of ending domestic violence in California is part of that vision. But it will require more funders to offer the core support that DV service providers need to provide critical services and safety to women and families in need – today and in the future.

"[BSCF] strategies are forward-thinking and critically important to the long-range sustainability and progress of the field: provide core support and develop a strong field."

BSCF Grantee Perception Report 2011, Center for Effective Philanthropy

top organizational development priorities for 2010 – 2012

1. Maximizing, leveraging, or managing resources
2. Strategic financial management
3. Board development and management

Source: 2010 – 2012 BSAV Core Support applications

¹² J. Buteau, et al. "More than Money: Making a Difference with Assistance Beyond the Grant Check." The Center for Effective Philanthropy (2008).

¹³ The Center for Effective Philanthropy, "Grantee Perception Report, Segmentation by Core Support and Program Area, Prepared for Blue Shield of California Foundation"(2011).

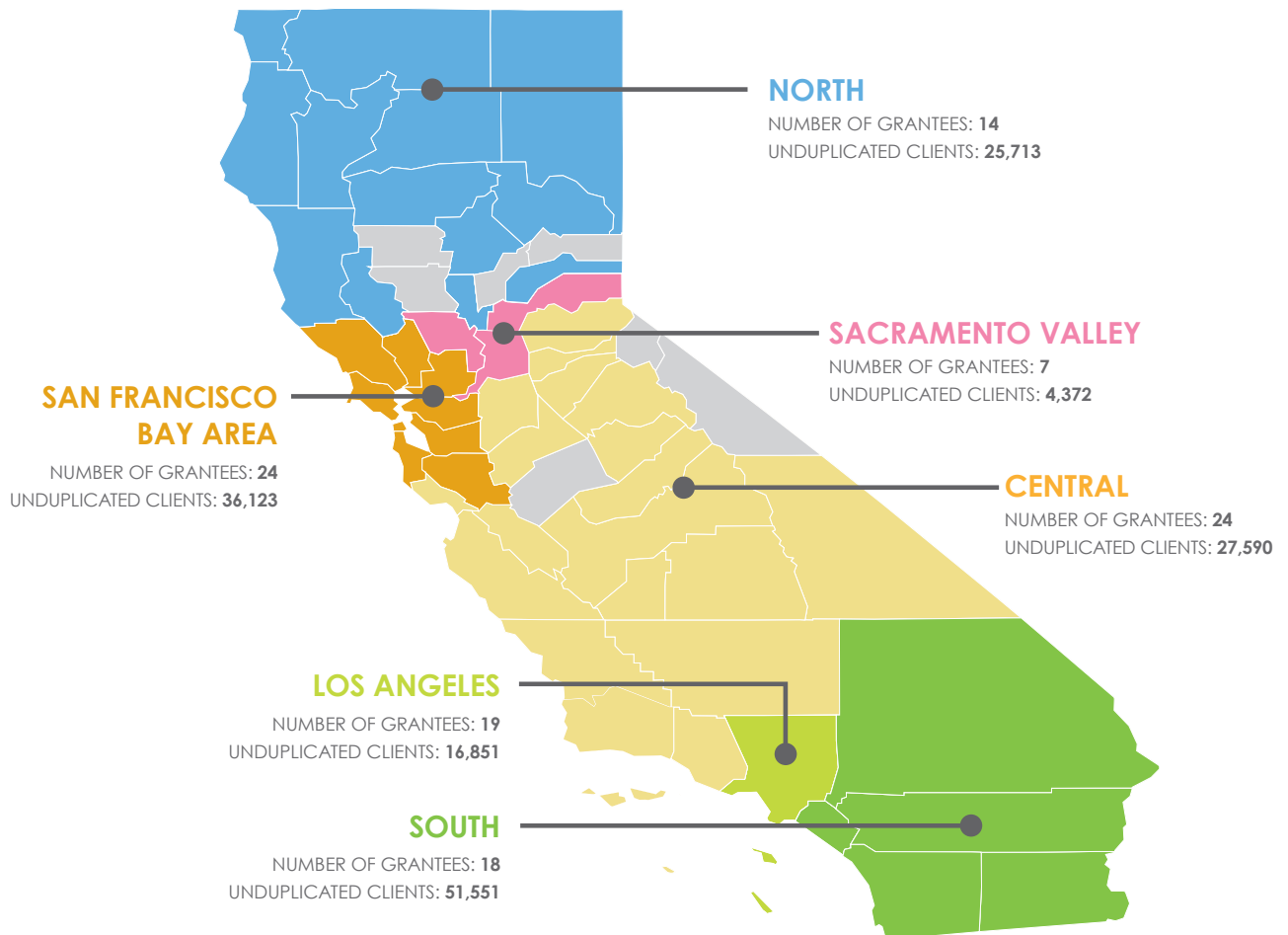
appendix

figure a | amounts of BSAV 2008 – 2010 core support grants by region

Region	BSAV dollars granted
North	\$270,000
San Francisco Bay Area	\$460,000
Sacramento Valley	\$150,000
Central	\$440,000
Los Angeles	\$420,000
South	\$490,000
TOTAL	\$2,230,000

figure b | 2008 – 2010 grantees and clients served in California

Number of grantees by region receiving 2008 – 2010 core support grants, and the numbers of unduplicated clients they served in total (seven gray counties received no funds)



appendix

figure c | 2009 – 2010 DV services provided throughout the state by region

geographic area	grantees	bed nights provided	crisis calls received	unduplicated clients
South	18	172,247	54,109	51,551
Central	24	131,031	23,462	27,590
SF Bay Area	24	115,488	67,062	38,932
Los Angeles	19	174,048	58,767	16,851
North	14	37,048	11,903	25,713
Sacramento Valley	7	26,859	8,853	4,372
TOTALS	106	656,721	224,156	165,009

about the foundation

Blue Shield of California Foundation's mission is to make health care effective, affordable, and accessible for all Californians, and to end domestic violence. The Foundation seeks to spur innovation, build partnerships necessary to advance systems change, strengthen frontline providers and networks, foster policy solutions, and cultivate the leaders of tomorrow.

Blue Shield Against Violence (BSAV) is a program of the Foundation. Since 2002, BSAV has invested over \$33 million in domestic violence services and prevention, including nearly \$11 million in core support to more than 100 California domestic violence organizations.

www.blueshieldcafoundation.org

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