



Innovation Lab Grants: Round II Request for Proposals

Background

A. The Foundation's Journey to Systems Change

HealthSpark Foundation is a private, independent foundation serving Montgomery County, Pennsylvania. Our journey investing in innovation and systems change has been evolving since our formation in 2002. In our early years, we supported emerging systems change efforts in homeless crisis response and food security through capacity building grants, hosting gatherings, and serving in advisory or advocacy roles. We recognized the power of these collaborations to change how systems are structured and how people and organizations work together.

Yet, even as these efforts made progress and achieved important outcomes, they only scratched the surface of solving deeply rooted social issues. Impatient and optimistic as we are, we wanted to do more than work with single systems in isolation from each other to address root cause issues that affect the safety net system as a whole¹. Additionally, with budget cuts from government contracts and less private giving from donors, foundations, and corporate giving programs, we became keenly aware of the financial fragility of the current safety net system and the need to improve its overall efficiency and cost-effectiveness. Events like the 2007 recession and the 2014 and 2017 state budget delays demonstrated that most nonprofits were operating on very thin margins, with limited ability to continue services without government funding, leveraging lines of credit, or dipping into endowments. While unpredictable, these challenges occur frequently and suggest that the organizations comprising the safety net system must take definitive steps to ensure their long-term financial resiliency and sustainability, so the system remains accessible to all who need it.

At HealthSpark, we recognized that our beginning work in systems change needed to grow in order to address these complex challenges. We needed to support the financial resiliency of the

¹ We understand the safety net system to be inclusive of organizations that support the physical, emotional, and financial well-being of people, families, and communities. This includes but is not limited to basic needs like food and shelter, healthcare and healthcare navigation, victim services, legal services and personal advocacy, benefits access, child welfare, workforce development, early childhood education, public health, veteran's supports, and anti-poverty work.

safety net system while also building capacity for the system to address root causes of inequality, such as discrimination, trauma, violence, and oppression. Moreover, the county's demographics are shifting and the racial, cultural, religious and gender diversity of safety net consumers requires the system to identify new, sustainable strategies to expand access and value to these demographic groups. Finally, we wanted to ensure that our approach leveraged the deep knowledge that our community holds, and to engage our community in our planning and design every step of the way.

B. The Safety Net Resiliency Initiative

It was with this mindset that HealthSpark Foundation launched the Safety Net Resiliency Initiative in 2017. Informed by a series of community conversations, we adopted a common vision: To achieve a resilient and financially sustainable safety net that allows anyone in Montgomery County to access high quality, coordinated, equitable, and culturally appropriate services no matter who they are, what they need, or where they live. With the community of policy makers, nonprofit providers, fellow funders and consumers as core partners, the HealthSpark board of directors pledged to align our grantmaking, convening, research, and communications resources to support this vision over the next ten years.

In its first year, the [Resiliency Initiative](#) convened four Design Teams that met from March - August 2018 to brainstorm how the Foundation could support the safety net system in achieving the community's vision. We hosted three Community of Practice meetings where nonprofits, municipal leaders, school district officials, police, funders, county officials, and those with lived experience of the safety net system provided feedback to the Design Teams about their ideas. Through these events, we identified [five System Goals and six Key Strategies](#) for the Safety Net Resiliency Initiative, which led to HealthSpark Foundation's Phase 2 investments that began in 2019:

- **Innovation Lab:** a grant opportunity to pilot systems change ideas. The first grants were awarded in early 2019.
- **System Leadership Capacity Building:** a new capacity building training program to adapt and leverage organizational leadership skills to advance systems work. The first cohort met in 2019 and the second will meet starting in early 2020.
- **Research:** commissioned research projects.
- **Communications and Advocacy:** a communications and advocacy campaign to build public support for the safety net system. The first two grants were awarded in 2019 to form a county advocacy coalition and to develop new messaging to support the advocacy campaign. The first phase of the advocacy work is focused on increasing awareness of the 2020 Census count and supporting efforts to conduct a complete and accurate count.
- **Convenings:** Communities of Practice and Action Teams to continue to gather input and engage stakeholders in guiding the foundation's strategies. These have been held semi-annually with the next Community of Practice scheduled for February 18th, 2020.

C. What We Learned from the Round I Grants

In early 2019, HealthSpark Foundation awarded its first round of Innovation Lab grants to pilot-test promising ideas for systems change, inviting the grantees to also participate in a facilitated learning collaborate where they could share their experiences and draw upon the collective wisdom of one another. Selected grants reflected the Resiliency Initiative's short-term goals:

- Effective collaboration
- Expanded engagement in safety net system
- Increased responsiveness to consumers and their needs
- Enhanced use of data
- Increased adaptive leadership

At the midpoint of the one-year grant term of the [10 projects awarded](#), partners reflected on their lessons learned to date, which included:

- **Research:** More time was needed than expected to lay the groundwork for projects that require objective assessments of the value of existing programs/services.
- **Relationships:** It takes time to identify whom to work with and to establish connections and relationships that are key to successful partnering.
- **Trust:** Projects are changing how people are approaching their work; breaking down silos and opening doors. Openness to challenging the status quo is key.
- **Flexibility:** Curiosity, flexibility and adaptation are needed, and may lead to positive unexpected outcomes.
- **Embrace Risk:** Openness to new ideas-and risk-taking are needed, as is a willingness to challenge the more comfortable paradigm of risk avoidance and mitigation.
- **Broaden the Horizon:** The challenge of engaging the wider community is common, as is the need to try new things to increase engagement.

Knowing that the voices of all constituencies have not yet been heard, HealthSpark Foundation conducted six focus groups in various parts of the county during September 2019. The participants reflected on the state of the safety net system and found significant gaps and needs in the areas of:

- Racial equity
- Cultural competence
- Service delivery models: the ability to handle complicated cases, a lack of focus on prevention and 'services for the middle', and a need for more integrated care
- Operational and staff sustainability
- Coalition and community building

What We Mean by Systems Change

A. Our Vision for Funding Systems Change

Our Foundation’s vision is to seed great ideas with the potential for large scale impact. Our grantmaking is intended to allow for new ideas to take shape and for emerging projects to take root.

However, as a private foundation with a relatively small amount of resources and reach, we are sensitive to the sustainability and long-term impact of our investments. We believe that ultimately, **systems change work must be adopted at scale**, which is distinct from “scaling up.” “Scaling up” refers to piloting an initiative and then replicating or growing the pilot, without necessarily achieving structural and lasting changes to the underlying system. It almost always involves a continued and growing amount of resources to maintain itself. Rather, “adopting at scale” refers to initiatives that work on key levers of systems, such as access points, networks, norms, and policies, so that the system itself scales the transformative idea through its own momentum². Our ultimate goal is to invest in and seed projects that can be adopted at scale.

B. Systems Change Framework

Systems change is about realigning the underlying relationships, functions, incentives, and motivations to achieve a greater level of wellbeing and impact for all people. Systems change requires bringing together the key actors – local communities, nonprofits, governments, businesses, donors, and others – to address unjust systems and solve social problems at scale. It requires a deep and nuanced understanding of the problem and the surrounding context. Successful systems change also requires organizations to work in two parallel environments: maintaining existing programs/services while also envisioning, researching and testing new opportunities.

C. Systems Change Indicators

Systems work is designed to change how key levers, or components, in systems operate. These components are often intangible or happen at the intersection of people, organizations, or sectors. As opposed to measuring systems change through traditional outcomes measurements (like number of people served or pounds of food distributed), we believe that systems change is evidenced by improvements among the following indicators:

- Changes in policies and practices among service providers, policy makers, and funders
- Growth or depth in peer networks and support
- Improvements in public perception and awareness
- Enhanced programmatic/service access and alignment
- Increase in quality and cost-effectiveness outcomes

² Adapted from the Co-Impact Handbook, September 2019. Available at www.co-impact.org

For more information on systems change, contact the Foundation or check out: [https://ssir.org/articles/entry/three keys to unlocking systems level change](https://ssir.org/articles/entry/three_keys_to_unlocking_systems_level_change)

2020 Innovation Lab Grants

A. Two-Part Funding Opportunity

Based on these learnings and aligned with HealthSpark Foundation’s 10-year commitment to systems change, this grantmaking cycle reflects an updated approach to our Innovation Lab grantmaking. It remains grounded in a systems change framework, seeks to align with indicators of systems change, and allows for a two-part approach to: 1) design the project idea, and 2) implement a longer-term, transformative idea that is based on the design phase concept.

Successful applicants in this funding cycle will present ideas that have the potential to demonstrate change in a clearly identified problem or system failure in the Montgomery County safety net, by addressing one or more of the systems change indicators described above. Successful applicants must demonstrate a vision for long-term change, along with a rationale for why this proposed change promotes system and/or organizational financial resiliency. Proposals must demonstrate a collaborative approach that is intentional about relationship-building with current, new, or as yet unidentified partners. Finally, priority will be given to projects that explicitly focus on addressing diversity, equity, and inclusion, with an emphasis on racial equity. More detailed information on key considerations is included in section D, below.

This funding cycle will offer two types of grants – Design Grants and System Impact Grants.

B. Part I: Design Grants (application due December 13, 2019 and grants start February 1, 2020)

- a. Design Grants will be short term (suggested 4-8 months) and be funded up to \$30,000. Note that the duration is ultimately up to the applicant organizations- HealthSpark Foundation will review the rationale for the proposed timeline.
- b. The purpose of these grants is to develop a long-term change strategy and partnership plan that will address a current problem or system failure in the Montgomery County safety net system. The grants must have the goal of developing a plan to address one or more of the following systems change indicators:
 - i. policies and practices;
 - ii. peer networks and support;
 - iii. public perception and awareness;
 - iv. programmatic/service access and alignment;
 - v. quality and cost-effective outcomes.

- c. Design Grants are meant to give organizations the time and resources to fully outline a systems change initiative, build trust with their partners, and determine whether the project could be expanded into a System Impact Grant.
- d. Anticipated expenses and activities could include: Research, partner convenings, project planning, technical assistance, consumer engagement stipends/support, community engagement materials, and other steps that will position the project for launch. Operating costs may be included in the project so long as they relate to the project itself (for example, Executive Director or other staff time associated with managing the project, and proportionate overhead).
- e. Projects must serve Montgomery County residents; applicants must have a 501(c)(3), have a fiscal intermediary relationship, be a religious organization, or part of Montgomery County government. Applicants must apply with at least one additional partner organization or entity.
- f. Innovation Lab Round I grantees are allowed to apply for Design Grants to further expand their partnership, incorporate lessons learned, and formalize their long-term plan.
- g. The Foundation intends to award approximately 10 Design Grants in this funding cycle.

C. Part II: System Impact Grants (invited Innovation Lab grantees from Round I may apply by December 13, 2019; others starting July 2020)

- a. System Impact Grants are long term (anticipated timeframe of 2-3 years) and will initially be funded up to \$100,000 for the first year, with a declining sum in subsequent years consistent with the concept of building at scale as noted above.
- b. The purpose is to implement a longer-term change strategy and partnership plan that will address a problem or systems failure in the Montgomery County safety net system, and that can be adopted at scale. The projects must have the goal of addressing one or more of the following key indicators of systems change:
 - i. policies and practices;
 - ii. peer networks and support;
 - iii. public perception and awareness;
 - iv. programmatic/service access and alignment;
 - v. quality and cost-effective outcomes.
- c. Projects will be assessed for their potential to make progress in one or more areas below:
 - i. Leverage new resources (including funding, partners, community engagement) to address the issue.
 - ii. Build trust and working relationships among service providers and other partners in the community.
 - iii. Address diversity, equity and/or cultural competence, including how bias is embedded in current services, processes, and systems.

- iv. Pilot improved service delivery models, such as improved abilities to handle complicated cases, focus on prevention and ‘services for the middle,’ or provide for more integrated care.
 - v. Pilot ideas and approaches for achieving more fiscal and programmatic sustainability.
 - vi. Strengthen coalitions and community building, and expand partnerships with individuals and entities outside of the human service provider community (e.g. education, health, justice, faith, etc.).
- d. Proposals will be assessed for:
- i. Clarity of short- and long- term goals for the project that tracks with the duration of the project.
 - ii. A clear understanding of how the applicant will know if the systems change is taking hold at benchmarks throughout the project lifespan.
 - iii. The commitment of the partners, such as prior sustained working relationships or achievements, MOU’s, or other demonstration of a commitment to working together.
 - iv. Clarity of partners’ roles in relation to each other and the project.
 - v. An established work plan, activities to be completed and estimated timeframes for activities.
 - vi. A plan for consumer engagement.
 - vii. A plan to address diversity, equity, and inclusion.
- e. Funding request: System Impact grant funds are intended to cover the cost of transitioning from the current practice to a new practice. Applicants should consider grant funds as “investment capital” not intended to substitute for general operating revenue. Investment capital is intended to pay for the transitional expenses (existing/new personnel, equipment, facility modifications/upgrades, etc.) required to implement a new practice. The budget narrative must explain the rationale for expenses and programmatic allocation consistent with the new Accounting Standards Update No. 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-profit Entities*.
- f. Eligibility: Applications are by invitation only following discussion with the Foundaiton. Applicants must have completed a Design Grant or previously been awarded an Innovation Lab grant. Special projects that have already completed planning work outside of the Innovation Lab may be considered by the Foundation on a case by case basis. Projects must serve Montgomery County residents; applicants must have a 501(c)(3), have a fiscal intermediary relationship, be a religious organization, or part of Montgomery County government. Applicants must apply with at least one additional partner organization or entity.
- g. Current Innovation Lab grantees seeking a System Impact Grant invitation must contact the Foundation no later than November 18, 2019 to discuss their project and its readiness for a System Impact Grant.

- h.** The Foundation anticipates awarding up to 3 System Impact Grants in this December funding cycle. A second RFP for System Impact Grants will likely be announced in mid-2020.

D. Prompts to Consider Before Applying

To help candidates submit the best proposal possible, we are providing four key considerations for both Design and System Impact Grants. The questions below are intended as prompts for your proposal, rather than specific questions to answer.

High quality applications will:

- 1. Demonstrate a deep understanding of the problem or system failure the applicant intends to address.**

We understand that the issues we are trying to solve are complex, deeply rooted, and the result of many factors. Applicants should demonstrate a keen understanding of the problem and its root causes; the current policy, funding, and other environmental conditions that make change difficult; and the current and prior attempts to address the problem and why those have failed. High quality applications will demonstrate knowledge of how structural and institutional racism and discrimination and unconscious/ implicit bias contribute to this problem. We do not expect a dissertation, but we do want to see that applicants understand the full context of the problem and how it has been addressed in Montgomery County so far.

- 2. Clearly connect how the proposed solution will address the problem/system failure and how it has the potential to result in transformative and sustainable change.**

High quality applications will identify why the proposed idea will result in transformative change in policies and practices; peer networks and support; public perception and awareness; programmatic service access and alignment; and/or quality and cost- effective outcomes. How is this different than what has been done in the past? What makes this the right approach? How is the project employing an equity lens into project design and implementation? How will this idea achieve fiscal resiliency and how will it be adopted at scale?

- 3. Demonstrate a commitment to meaningfully engaging those most affected in the project.**

Too often, our sector makes the mistake of creating new programs or services without asking our intended customers what they think. This ultimately has resulted in decades of well-intentioned, but flawed, public policy. We believe that the best solutions come from the people with the lived expertise of the issues we are trying to solve. While this is a challenging strategy to employ, we want to encourage applicants to engage customers in systems change work as much as possible. High quality applications will identify the efforts that have been made to engage people most effected by the problem in the creation of this project idea. How do you

intend to deepen the engagement of those most affected over time? If the project is intended to increase engagement of underserved populations, what challenges do you anticipate in engaging the population, and how do you think you'll overcome those challenges?

4. Improve access to services for underserved populations and increase cultural competency of safety net services.

We are particularly interested in increasing access to services for underserved populations and increasing the cultural competency of services offered to diverse population groups. "Underserved populations" should be defined by the applicant, but may include racial or ethnic groups; recent immigrants or persons for whom English is not the primary language; persons with disabilities; persons with limited transportation or living in rural communities; persons who identify as LGBTQ+; persons living "in the middle," or those who do not qualify for traditional income-based services but are not earning a livable wage; populations with multiple, cross-sector needs that are not well met; or other populations.

E. Grant information session

We will host a grant information session on November 15, 2019 from 1:00 – 2:00 pm via conference call. This session is not mandatory, but participation is strongly encouraged. To register, please [click here](#) or navigate to: <https://healthsparkinnovationlab.eventbrite.com>

F. Proposal Submission & Evaluation Process

The grant applications for both grants will be available by November 12, 2019. Grants are submitted through the Foundation's grant portal, Foundant. The link to apply is: <https://www.grantinterface.com/Home/Logon?urlkey=npchf>

A direct link is also provided via our website, at <https://healthspark.org/grantmaking/apply-foundation>

The deadline to apply is December 13, 2019 by 5:00 pm.

Project Review: All applications will be reviewed and ranked by Foundation staff. The highest ranking proposals will be submitted to the Foundation's Grants Committee for final review and award. The total number of grants awarded will be dependent upon the number and quality of applications received. The Foundation will award grants by mid-January, with an anticipated start date of February 1, 2020.

If you have questions about this grant opportunity, please call or email Emma Hertz, Director of External Affairs at ehertz@healthspark.org or 215-716-5400.