

## NATIONAL RURAL FUNDERS COLLABORATIVE

### *First-Round Funding Decisions Made*

The National Rural Funders Collaborative (NRFC) was created in 2001 as a funding and learning initiative to support and expand the resource base for rural American communities and rural families, especially where persistent poverty exists. NRFC's ten-year goal is to leverage \$100 million in public and private funding to help achieve the following three objectives:

- to fund strategic opportunities for impacting poverty in rural communities;
- to share best practices identified through these and other strategic opportunities; and
- to influence rural policy at the local, state, regional and federal levels through elevation of policy implications of these and other strategic opportunities and best practices.

To begin this work, NRFC issued an initial call for letters of intent in July of 2001. 284 responses were received at the end of September, with 20 finalists selected by mid-November. From then until now, these 20 regional collaborations of funders, practitioners and community leaders have worked to demonstrate - through full proposals and individual site visits -the strategic impact and leverage of their work within their geographic region and the value of that work for identifying best practices in rural development and funding, as well as policy implications at every level.

NRFC's final decisions for this round were made with the sense of creating an initial "rural portfolio" that includes diverse geographies, community-based strategies, and regional collaborations that together make up a broad spectrum of effective responses to rural poverty. This portfolio, seen collectively, comprises the foundation for NRFC's learning network and a laboratory for framing policy issues and recommendations arising from rural practice itself. At the same time, the portfolio is comprised of twenty noteworthy rural collaborations - all endorsed by NRFC as sound investment opportunities, even if limited first-round NRFC funds do not allow for strategic or venture funding of all.

### **NRFC First-Round Portfolio**

In establishing this foundational portfolio for NRFC's work, the overarching goal has been to maintain the right balance among three, potentially competing claims:

- to fund a few opportunities deeply enough to inspire, though not necessarily ensure, measurable leverage and impact over the next 2-3 years;
- to fund a broader array of opportunities, if only at a level of seeding the work, that represent key elements of a more comprehensive approach to supporting and strengthening rural communities and families; and
- to provide all twenty finalists the opportunity to participate in our learning network, in order both to promote learning among these diverse collaborations, and to provide all twenty with greater access to other resources.

Consequently, the portfolio is divided into three categories of opportunity: ***strategic opportunities***; ***emerging or learning opportunities*** and ***opportunities to watch***.

### **Strategic Opportunities**

In these four collaboratives, the work is strategic and sustainable; the partners are focused on achievable, measurable outcomes; and the potential leverage of resources is at least 2:1. First year commitments between \$100,000 and \$250,000 have been made based on two considerations: 1) an assessment of first-year funding required, together with other funding already committed, to effectively provide a meaningful operational core from which the collaboration should be able to accomplish proposed first-year outcomes; and 2) an appraisal of

new and untapped funds and resources that can potentially be leveraged if first-year efforts are successful. While second and third year investments at comparable levels are anticipated, subsequent-year commitments will be contingent on the ability of each collaboration to achieve agreed-upon outcomes and leverage.

- ***Appalachian Ohio Regional Investment Coalition (OH): \$250,000*** - Several mature organizations -- Rural Action, Corporation for Ohio Appalachian Development (COAD), ACENet, Ohio Arts Council's Appalachian Program, the Nature Conservancy and others - have joined forces to build capacity, support economic development and capture previously unavailable resources for sustainable regional development in 29 southeastern Ohio counties. As lead funder and convener, the newly-created Foundation for Appalachian Ohio seems uniquely poised to provide strategic grants to support this opportunity and to act as a conduit for attracting philanthropic and public resources within the region. This regional coalition has the potential of leveraging as much as \$3 - 4 million in new money in the next 2-3 years.
- ***South Carolina CED Public Policy Committee (SC): \$150,000*** - Under the leadership of the South Carolina Association of CDCs, grassroots leaders, community-based organizations and historically under-resourced communities are achieving significant gains in affordable housing, community-directed businesses and family services. Even with few public and private dollars to support this work in the past, the state association of CDCs has been successful in establishing statewide programs of Individual Development Accounts and capacity-building for CDCs, while also developing a statewide community-based policy agenda. With support from Wachovia Bank and area community foundations, this collaboration can possibly leverage another \$500,000 per year in debt and equity from state housing and development agencies and as much as \$5 million over a five-year period in funding authorized by the state legislature under the recently passed state CED Act.
- ***Alaskan Native Tribal Health Consortium/Village-Based Health Provider Project (AK): \$100,000*** - The Alaskan Native Tribal Health Consortium, supported by the Rasmuson Foundation, the Denali Commission, and others, is expanding an impressive model for training village-selected "healers" or "caregivers" to meet the needs for adult dental education, mental health and elder care. These new health aide positions also provide sustainable jobs, 100% reimbursable through Medicaid, and a career ladder for native residents in remote villages with limited economic opportunities.
- ***New Mexico Rural Livelihoods Collaboration (NM): \$100,000*** - This collaboration involving New Mexico Community Foundation, New Mexico Community Development Loan Fund and other regional and national funders, is clearly focused on supporting various community-based "rural livelihoods" projects -- such as native weaving, bison ranching, conversion of small diameter scrap wood to fuel pellets -- which can be developed and sustained through a combination of credit and equity financing with customized technical assistance and peer-learning opportunities. Several sustainable industries are being created which are built upon indigenous cultures and provide the possibility of replication in rural areas throughout the state. This project holds the promise of significantly expanding the private/public funding base for rural projects in the region and expects to stimulate a constructive exchange between "traditional and non-traditional" strategies for community-based economic development.

### **Learning Opportunities**

Five opportunities have been identified as emerging prospects that may present a higher level of risk, may lack sufficient matching funds from other sources to warrant a more significant

investment at this juncture or may simply be too young in its work to merit a larger, multi-year investment - yet, all of these represent important and engaging strategies around themes, issues or elements of a potentially successful and comprehensive strategy for regional investment. These "learning opportunities" offer important lessons and best practices around their respective issues of engagement, i.e., wealth transfer, alternative food distribution, civic participation and leadership development, education, culture-/heritage-based economic development. They also are already raising in especially engaging ways important policy issues. By making one-year, unrestricted grants of \$50,000 each, NRFC seeks to recognize the innovation represented by these five and to provide a "jumpstart" from which they might grow and leverage other funding.

- ***Building Philanthropic Support for Rural Entrepreneurship (NE): \$50,000*** - A strategic partnership of Nebraska Community Foundation, Heartland Center for Leadership Development and Rural Policy Research Institute is working to capture the transfer of wealth that will take place during the next 20 years in Nebraska. By educating local communities about the importance of development community endowments and by helping them to devise new models for local rural entrepreneurship, millions of dollars potentially lost from Nebraska forever, can be preserved through developing community affiliate foundations created to preserve wealth and harness for improving the life and livelihoods of rural communities and families.
- ***Central Valley Partnership for Citizenship/Immigrant Leaders Fellowship Program (CA): \$50,000*** - The 400-mile long Central Valley of California, predominantly rural in character, is home for hundreds of thousands of immigrants from every continent worldwide. A broad-based coalition -- with James Irvine Foundation as lead funder and consisting of a diverse group of valley-based organizations working in areas of community organizing, immigrant legal advocacy, naturalization, English Language assistance providers, community-based research, community education and the like -- is working with area immigrants not only on achieving legalization and citizenship, but also on taking greater responsibility for leading area efforts in affordable housing, education, child care, etc. The potential here is to demonstrate how a sustained, disciplined approach to immigrant education and organizing can lead to community transformation through empowerment of immigrant leadership.
- ***Community Alliance for Interdependent AgriCulture/Family Farm Brand (CO): \$50,000*** - A strategic coalition of the Community Alliance for Interdependent AgriCulture, Rocky Mountain Farmers Union Foundation and a national network of venture capitalists is working to replace traditional marketing and distribution channels with a multi-regional brand, owned and managed by local and regional "community alliances" of growers and producers. Family Farm Brands holds the promise of more control and higher profits for producers while providing better, fresher quality foods for the consumer. This opportunity has the potential of creating a multi-billion dollar brand and changing the viability of small family farms in at least ten states.
- ***Delta Education and Tax Fairness Initiative (AR): \$50,000*** - This collaboration consists of three very mature organizations -- Arkansas Advocates for Children and Families, Arkansas Public Policy Panel and the Good Faith Fund - working together to bring about long-term reform in the funding for public education in Arkansas. A recent decision by a lower Arkansas court that the state's funding of public education is inequitably distributed and constitutionally inadequate provides the opportunity for these organizations to work together to organize grassroots leaders in poor rural communities and to galvanize public opinion statewide in support of substantially more funding for education, with special focus on early childhood and workforce development.
- ***Western Maine Sustainable Development Coalition (ME): \$50,000*** - A coalition of community-based organizations in Western Maine - Western Mountains Alliance (WMA)

and Mountain Counties Heritage (MCH) - along with the Maine Center for Economic Policy (MECEP) and Coastal Enterprises, Inc. (CEI) is working to create a stronger regional economy in Maine's western mountains by developing local leadership, participation and civic institutional capacity; investment in existing sectors of the economy, including natural resource industries and publicly financed-industries such as health care; and development of a new craft and heritage-based industry in an artisan- and culture-rich region. The Collaborative will advocate for a statewide rural development policy and needed policy changes. This integrated set of development strategies and policy initiatives is an emerging opportunity for building a thriving economy in Western Maine.

## Opportunities to Watch

Although limited first-round NRFC funds did not permit direct investments in the remaining eleven opportunities, this group also represents very compelling and investment-worthy work. By categorizing these as "opportunities to watch," there is no suggestion that funders should wait and see what develops from these collaborations. Collaborations in this category have experienced and capable partners and provide still other examples of community-based collaboration that is focused and strategic in its approach. Some of these may still be in the early planning stages, while others are still working to get to scale. Through including these eleven in its learning network, NRFC partners are committed to providing greater exposure of these efforts to other funders and will seek to help connect them to other resources and funding opportunities. They are "opportunities to watch" in the sense that great things are expected of these collaborations in years to come.

- ***Alliance for Working Community Forests (Northern California, Western Washington)*** - Humboldt Area Foundation is working with the Redwood Forest Foundation, Inc. and Evergreen Forest Trust in the forested reaches of northern California and western Washington to create sustainable forests and preserve livable wage timber jobs through development and marketing of proposed Community Agriculture and Forestry Bonds, which will provide new sources of capital for community owned and managed forests.
- ***Appalachian Sustainable Development/Community Foundation of the New River Valley (Virginia, Tennessee)*** - The Community Foundation for the New River Valley (CFNRV) and Appalachian Sustainable Development Corporation (ASD), are working together to grow community-based assets in a 15-county area covering southwest Virginia and northeast Tennessee: ASD, by expanding its early successes in sustainable agriculture and forestry, and CFNRV, by sharing its promising new strategies for nurturing indigenous leadership and promoting community-based philanthropy.
- ***Building Rural Communities Collaboration (Louisiana)*** - Southern Mutual Help Association (lead CDC) with funder partners IBERIABANK (as the lead bank in an eight-bank coalition) and The Rapides Foundation and non-profit partners PRIME, Southern Mutual Financial Services (a certified Community Development Financial Institution), and Southern Sustainable Agriculture Working Group, are working to build rural communities through sustainable agriculture, construction of affordable housing, development and job training of at-risk youth and adults, and the creation of new financial products for low-wealth families in Central and South Louisiana.
- ***Four Times Foundation (Blackfeet Nation, Northern Cheyenne, Rosebud Lakota, White Earth Ojibewa, Zuni Pueblo)*** - Built on the entrepreneurial model of the Echoing Green Foundation, Four Times Foundation is providing venture capital and technical

assistance to aspiring entrepreneurs in five Native nations and is now expanding its work into new reservation communities while also seeking to deepen its work in existing areas.

- ***Fund for Rural Georgia*** - This emerging initiative, supported by the Neighborhood Reinvestment Corporation, the Federal Home Loan Bank of Atlanta, the Southern Rural Development Initiative and various banks and foundations in the state, seeks to marshal private and public resources from across Georgia that can be harnessed for building the capacity of rural community-based organizations to do sustainable development over the long term.
- ***Montana HomeOwnership Network*** - Neighborhood Housing Services of Great Falls, in partnership with the Montana Board of Housing, National Resource Conservation Service, Neighborhood Reinvestment, and Rural Development/Rural Housing Services (RD/RHS) and Fannie Mae, are working together to extend homeownership opportunities beyond the state's urban areas in order to reach small and remote rural communities that otherwise lack affordable housing for families who live and work there.
- ***Resourceful Communities Program Collaborative of Eastern North Carolina*** - The Conservation Fund and its resource partners: Progress Energy, Z Smith Reynolds Foundation, the Warner Foundation and the Ford Foundation, are working together to build resourceful communities through empowering local citizens and leaders to develop new, more inclusive leadership structures and, by doing so, to develop new community-based models for preservation of the history, culture and resources.
- ***Rural Access-to-Credit Partnership (New Mexico, Texas)*** - In New Mexico and Texas, ACCION New Mexico and ACCION Texas, two nontraditional lenders, successful in financing small businesses and entrepreneurs in low-wealth urban neighborhoods and communities with historically limited access to credit, have joined forces to extend credit to businesses in rural areas of both states.
- ***Rural Minnesota Early Childhood Collaboration*** - With support from the six Minnesota Initiative Funds, a new statewide initiative is under way to develop a comprehensive child development and childcare initiative that will be available to all Minnesotans.
- ***Tanana Chiefs Conference (Alaska)*** - Tanana Chiefs Conference is working with the Minority Business Development Agency and a Fairbanks-based technology group, Third Sector Technologies, to create a network of access to information and credit that can help connect and bring new entrepreneurial opportunities to remote interior villages of Alaska.
- ***West Virginia Multi-Collaboration*** - The West Virginia Development Office, USDA Rural Development, the Appalachian Regional Commission, the WV Consortium of Community Foundations, the WV Rural Development Council and the Claude Worthington Benedum Foundation, along with the Community Collaborative, Inc, Lightstone CDC and Brushy Fork Institute have adopted a strategic capacity building initiative to improve the quality of life for citizens and organizations in rural communities through leadership development, by improving the environment for entrepreneurship, supporting non-profit organizations and growing local philanthropy.

In order to provide sufficient time to develop the learning network and begin the policy discussions that will emerge from these first round selections, a second round of funding is not anticipated before spring or summer of 2003. To keep informed about future funding rounds or to inquire further about NRFC's work, please visit the NRFC website at [www.nrfc.org](http://www.nrfc.org).