



# Ann Mulholland, Vice President of Community Impact for Minnesota Philanthropy Partners

The Community Knows Best: foundations should invest in building the community's capacity to solve problems

A Civic Caucus Review of Minnesota's Public Policy Process Interview

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## Present

John Adams, Steve Anderson, Dave Broden (vice chair), Janis Clay, Paul Gilje (executive director), Lars Johnson, Sallie Kemper (associate director), Ted Kolderie, Dan Loritz (chair), Ann Mulholland, Dana Schroeder (associate director). By phone: Paul Ostrow.

## Summary

The community is in the best position to both identify and solve big challenges, according to Ann Mulholland of The Saint Paul Foundation. When the community has chosen to raise up certain issues, it is community philanthropy's obligation to hear those concerns, to provide resources to address them and also to provide leadership, if leadership is desired. She asserts that community foundations' role is not to solve problems, but to invest in building capacity in the community to solve problems. She says The Saint Paul Foundation believes if it invests wisely and takes risks with big ideas in the community, it will be successful in building a strong civic ecosystem.

Mulholland states that there is most certainly a role for foundations in public policy, adding that her foundation views public policy as a lot broader than what happens in the Legislature. There are many other forms of public policy that foundations can, should and do engage in, including lifting up issues that are important to the community. She stresses that The Saint Paul Foundation has a very active role in the full spectrum of public policy and in helping other organizations build their own public-policy capacity.

Civic organizations that brought up public issues in the past, Mulholland maintains, are being replaced by on-the-ground organizations raising issues and solutions in a different way than we're used to. These new voices of change will be the key identifiers and solvers of civic issues since they are closest to the problems and challenges, living them day to day. She says her foundation is here to serve those with the least voice and those who are most vulnerable, since lifting up that segment of the community lifts up the whole community.

Foundations, Mulholland states, are assessing the composition of their own staffs and boards to increase representation there of the people they are serving. She believes foundations have an important role in funding pilot programs and then pushing for those that work to be replicated system-wide.

## Biography

Ann Mulholland is vice president of community impact for Minnesota Philanthropy Partners, a philanthropic network that includes The Saint Paul Foundation and Minnesota Community Foundation. In this role, she works to ensure that Minnesota Philanthropy Partners' resources support nonprofit organizations and community efforts that build community capacity and she also strives to partner and lead on priority community issues.

Prior to joining Minnesota Philanthropy Partners in 2010, Mulholland spent five years serving as Saint Paul's deputy mayor.

Mulholland serves on a number of community boards and initiatives, including The Saint Paul Promise Neighborhood, Generation Next, East Metro Strong, Minneapolis Saint Paul Workforce Innovation Network, MinneMinds, The Nature Conservancy and the Minnesota Wild Foundation. She has a B.A. from Indiana University in telecommunications and political science.

## Background

The Civic Caucus is undertaking a review of the quality of Minnesota's past, present and future public-policy process for anticipating, defining and resolving major public problems. The Caucus interviewed Ann Mulholland of Minnesota Philanthropy Partners to learn more about the role of foundations in that public-policy process.

**About Minnesota Philanthropy Partners .** Minnesota Philanthropy Partners (MN Partners) is a network of charitable affiliates. It is anchored by four foundations that share staff and infrastructure to benefit from collective expertise and shared operational efficiencies: The Saint Paul Foundation, Minnesota Community Foundation, F.R. Bigelow Foundation and the Mardag Foundation. In addition to the four anchor institutions, the staff of MN Partners supports more than 2,000 charitable organizations and donor funds around the state with charitable and financial expertise, connections and services.

## Discussion

**Two community foundations and two private foundations serve as the anchors of the Minnesota Philanthropy Partners (MN Partners) network.** Ann Mulholland of MN Partners reported that the largest foundation in the network is The Saint Paul Foundation, the 14th largest community foundation in the country. The other community foundation anchoring MN Partners is the Minnesota Community Foundation, a smaller foundation. The two private foundation anchors are the F.R. Bigelow Foundation and the Mardag Foundation. The network includes many other funds and philanthropic efforts, including a number of donor-advised funds. A donor-advised fund is a charitable giving vehicle administered by a public charity, like a community foundation, created to manage charitable donations on behalf of organizations, families, or individuals.

**Community foundations are unique in philanthropy.** Mulholland said community foundations play a different role from that of corporate foundations, private foundations and private family foundations. Community foundations are public charities, that is, 501(c)(3) organizations that raise money and spend money and must meet the public support test. The public support test requires that an organization receive a substantial part of its support in the form of contributions from publicly supported organizations, governmental units and/or the general public.

The purpose of community philanthropy, Mulholland asserted, is to serve the community into perpetuity. Various community philanthropists view that differently, she said. The Saint Paul Foundation's theory of philanthropy is that the community is in the best position to both identify and solve big challenges. "The role of community philanthropy is to invest well to grow the capacity in the community," she said.

### **The Saint Paul Foundation has two major strategies and philosophies:**

(1) It is not its role to solve problems, but rather to see that problems get solved by investing in community capacity building . The Foundation has a very thoughtful grant-making process, using

its unrestricted and field-of-interest dollars. That process is fairly wide open in the east metro area: Ramsey, Dakota and Washington Counties, Mulholland said. "We believe we ought to be open broadly, because there are many different levers you have to pull on to have change in the community. Our strategy of getting to scale is to grow the capacity of a multitude of nonprofits and community organizations to actually rise up and be able to solve the community's problems. That is unique in community philanthropy."

For the last decade, she said, private philanthropy has gotten fairly narrow, focusing on a specific issue or topic. The Saint Paul Foundation has chosen to remain broadly open in terms of topic areas, but to be more specific in terms of what it's trying to accomplish. Our indicators of success are:

- A greater number of individuals in East Metro communities thriving in a region with increased equity and opportunity;
- A greater sense of community connectedness, participation, inclusion, and civic involvement;
- An increase in organizations using approaches that indicate their understanding of the needs of the distinct cultural and racial communities they serve;

- An increase in nonprofit capacity to support equitable outcomes for East Metro communities

(2) When there are issues the community has elevated, it is community philanthropy's obligation and role to hear those issues and to provide resources, partnership and leadership, if desired and if necessary. "We are here to be an important part of this community effort and we'll lead if you need us to," she said. "But we believe the community knows best what is needed."

**The Saint Paul Foundation is willing to take risks.** Mulholland said the foundation gives capital grants, program grants and transitional operating grants at a variety of levels and on a variety of issues and is willing to accept the risks inherent in those grants.

She gave the example of Ujamaa Place, a nonprofit organization focused on young African American men in Saint Paul (primarily between the ages of 18 and 30), many of whom suffer multiple barriers to becoming stable, productive members of the community. These barriers include being undereducated, unemployed and/or unemployable, being affiliated with gangs, having a criminal history, and experiencing homelessness, illegal drug use, and a general marginalization by greater society.

She said when a few individuals in the African American community had a vision for such a program, The Saint Paul Foundation stepped up at the very beginning to provide resources to help bring this vision to life. The foundation also stepped up to assist with College Possible Minnesota (formerly Admission Possible), which coaches low-income students to and through college. It serves more than 2,000 high school students attending 53 high schools across the state and 4,500 college students on campuses across the country. The foundation provided one of the first grants to the program. She said there are more examples like these.

"Our multiplier impact is believing that if we invest wisely and take risks with big ideas and big thoughts in the community, we will be successful in building the right community ecosystem," Mulholland said.

**A distinction of community philanthropy is deep engagement in the community, listening to community needs and stepping up to lead when the community needs or wants philanthropy's leadership.** "We want to be asked to step up, because it is not our place to dictate solutions, rather, we must listen, engage, respond, take risks and be there when the community needs us. We are a resource and a partner. We go deep. Above all, we believe in highlighting the community's voice."

"There are several issues that have percolated up in our community that we believe the community is looking for targeted resources to address," Mulholland continued. One example of The Saint Paul Foundation's strategy of partnering and leading on priority issues is the Central Corridor Funders Collaborative. "Back in 2008, we knew a billion-dollar investment in light-rail transit (LRT) was going to occur through one of the most underserved and opportunity-rich, neighborhoods in St. Paul," she said. "We knew it was important that the LRT benefit the people living along the line."

The foundation convened 14 funders from around the region and around the country and raised \$12 million for community development, workforce development and much more, to increase the benefit of

LRT to the community. The Funders Collaborative succeeded in funding important community needs during this project, such as business loss mitigation during LRT construction along University Avenue and both a visionary housing plan and a long-range development strategy for the entire corridor.

The Saint Paul Foundation funds and engages deeply with Generation Next and the St. Paul Promise Neighborhood. "We lean in heavily, but it's when the community asks us to," Mulholland said. "We are not afraid of big issues."

**Foundations are playing active roles in public policy.** "There is absolutely a role for foundations with public policy," Mulholland said. "As a community foundation we view public policy a lot more broadly than simply lobbying the State Legislature, although I am a registered lobbyist. There are many other forms of public policy that we can, should and do engage in, including lifting up issues for public discussion, that are important to the community."

"We have a very active role in the full spectrum of what public policy is," Mulholland said. "We fund organizations that do public policy and help organizations grow their own public-policy capacity."

**Organizations that brought up issues in the past are being replaced by on-the-ground organizations raising issues and solutions.** She said that to a number of people, it feels like we're losing some of the institutions and organizations that have lifted up issues in the past. "But what is happening on the ground locally, statewide and nationally is that issues are being raised and the seeds of solutions are being conceived of in a different way than we are used to. And this is a good thing."

She mentioned organizations like Neighbors Organizing for Change, Black Lives Matter, Ujamaa, the St. Paul Promise Neighborhood and the Northside Achievement Zone, which she called "community-based efforts by and for the community that are beginning to have influence and traction and beginning to create voice for themselves."

"I would suggest it's our role," she continued, "having been in places of leadership and privilege in this community, to get behind and lift up those new voices of change. They'll be the identifiers of problems and solvers of problems. They're most related to those problems and challenges, because they're living them."

**Government at the local level works most effectively with these new voices from the community.** An interviewer commented that there is a growing disconnect between government and those they are serving. He asked how government can navigate this new world, so these voices feel they are being heard and seen as legitimate, rather than as threats.

Mulholland replied that this is being done most effectively at local levels. "The State Legislature is a lagging indicator," she said. "We elect a body and it's behind where the people are."

She offered an example from her time working in the St. Paul mayor's office. A group of community organizations came together around equity in developing the light-rail line and one of their primary focuses was to include three additional stops to the line to address the needs of underserved communities. The group initiated a lawsuit that risked delaying or killing the project. The lawsuit

claimed that the LRT would bypass the high-poverty neighborhood that the line was passing through. Coincidentally, The Saint Paul Foundation and the Central Corridor Funders Collaborative funded many of these organizations.

Mulholland said the city was afraid the lawsuit might result in the loss of the \$1 billion LRT investment. "It was not until the lawsuit that we realized there was no way around this," she said. "Despite all of our fears of losing the line, we had to throw the doors wide open and say we're going to be vulnerable." As deputy mayor, she went to Washington with Ramsey County Commissioner Jim McDonough and met with the Federal Transportation Agency (FTA) to be sure the project was on track. In the meeting it was clear the lawsuit had sparked interest and questions about equity. Because of the community efforts, because the FTA listened, federal laws were changed which allowed for the three additional stops and the project was not delayed. The community was heard.

"We have to hear those voices and realize there is massive frustration," she said. "We have to engage those individuals in the solutions."

**The Saint Paul Foundation is here to serve those with the least voice and those who are the most vulnerable.** Mulholland said the foundation believes lifting up that segment of the community lifts up the whole community. But the foundation also supports larger institutions like the Ordway, the Science Museum and the Children's Museum, because it believes great assets are vital to building a strong community. "But making sure there is access for a Karen mother to attend the Ordway is equally important to us," she said.

"We're asking our grantees to tell us who's on the board, who they are listening to and what research is driving their programs," Mulholland said. "We want to lift up the community. Sometimes we fly in the face of others when we do that." She said, for example, that not everyone agrees we should be funding former convicted felons through the Ujamaa program. "But what Ujamaa is doing and what we believe in, is investing in people, all people."

**The Saint Paul Foundation is working on how it is measuring its success and its accountability.** "It's the great question of *contribution* vs. *attribution*," Mulholland said. She said the foundation contributes to what it believes is a lot of community success. "But what can you attribute to our actually having accomplished?" The foundation is looking at:

- Who is getting its grants: Is it a range of organizations along the whole life cycle, from fledgling groups to community anchors?
- How often are its grants given to organizations that are run by the people they're serving?
- In 2014, 75 percent of its grants were given to organizations primarily serving communities of color, but only 25 percent of those groups were led by people of color.
- In 2015, again, 75 percent of its grants went to organizations serving communities of color, but now nearly 40 percent of those groups are run by people of color.

**It's important to address both symptoms and causes of problems.** An interviewer asked why foundations don't spend more time addressing causes, rather than dealing with symptoms of public

problems. Mulholland replied that her foundation believes it needs to help address symptoms as well as give hope to people suffering from the symptoms.

But it is working on the cause side as well, through programs in early childhood and workforce development. And it has funded a pilot program of culturally specific summer schools in St. Paul, the Freedom Schools, which have provided personal empowerment to kids who participate. Those kids also have shown no summer learning loss. The foundation is pushing the St. Paul Schools to expand the program.

"We are working on the symptoms and at the cause level, trying to lift up models that are working and should be replicated system-wide," she said.

**Foundations are assessing the composition of their staffs and boards.** Mulholland said community philanthropy is very aware of the importance of having representation and true engagement of the people it is serving in decision-making positions. But, she noted, that board development is so often about fundraising and so much of the wealth still sits heavily with the white community. She said we must think differently to diversify our organizations.

**The Civic Caucus should include some wise elders from communities of color.**

Mulholland said it's laudable that the Civic Caucus comes together to learn about issues in the community, but the group should include people from other communities, such as wise elders from communities of color, as well. These people may have different communication styles and experiences that would benefit the group. "It would be valuable to do it, but you must be vulnerable and willing to be wrong," she said.

She also suggested that the Caucus assess how it's hearing about and thinking about ideas and invite in more interviewees from communities of color.