

## Hill-Snowdon Foundation Letter to Grassroots Partners Regarding the “Rolling Grant Blackout” (February 11, 2010)

We wanted to communicate with you about some upcoming changes in Hill-Snowdon Foundation’s grantmaking program. Like so many foundations, HSF lost a significant percentage of its endowment over the past year. Since 2008 our assets have decreased over 25 percent. Nevertheless, our Board decided to maintain our grant payout for 2009 and 2010 at the 2008 level in order to provide consistent support for our existing grassroots partners during a particularly critical period. We wanted to give our partners all the support we could to lessen the impact of the economic downturn and maximize the opportunity for progressive change. However, this meant that our grant payout percentage rose to unsustainable levels, further contributing to a decrease in our assets. Consequently, the HSF Board had to make some tough decisions about how to solidify our finances, while balancing that with supporting work in the field.

The Board made a series of administrative cuts beginning in 2009, but realized that we also had to make adjustments in our grants budgets in order to stabilize our assets over time. Consequently, the Board adopted a “rolling grant blackout” policy, where we will ask each of our groups to “sit out” for a one year grant period during one of the four years between 2011 and 2015. After one year, groups will be able to reapply for funding, while the next cohort sits out. In effect, this will allow us to conserve and re-invest 25% of our grants budget each year for four years, which will help us to shore up our finances so that we may continue our work. **This plan does not affect grants for this year’s (2010) spring or fall grant cycles but will commence with the 2011 spring cycle.** We plan to start with the organizations in our portfolio that have the largest budgets and we hope will feel the least impact from a temporary loss of our funding. The theory is that these groups will be most competitive for other grants during the relatively harder economic times, but as the economy rebounds in the latter years, there should be more available funds for the smaller groups to access to replace our grant. In addition, we also hope that over time, this strategy will free up resources so that we can respond to new opportunities and issues by bringing on some new organizations - something we have struggled to do for the last few years.

HSF does not impose an artificial time limit on the number of years a group can receive support from us because we recognize that the quest for a more fair and just society is an enduring struggle. We want to be partners in that quest over the long haul, which requires us to act to ensure that we remain a viable granting institution. The particular impact of the rolling blackout strategy is that our partners will have to sit out a year from our funding. We did not come to this decision lightly, and wanted to give all of our partners as much advanced notice as possible so that you can plan accordingly. HSF staff will work with you to lessen the impact of this strategy on your organizations and provide any other assistance possible. We will have individual conversations with each of the organizations that we will ask to sit out in 2011 over the next month or so.

We are sorry for this disappointing news, but feel that this is the most equitable way to ensure that the Hill-Snowdon Foundation continues to exist to support future generations of community organizers. Please feel free to contact us if you have any questions or concerns.