



# McCune Foundation

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*2019–2025 Strategic Plan*



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# Letter from our Board Chair

When we were first getting started, the McCune Charitable Foundation of New Mexico ran ads in the local newspaper notifying communities that we had funding to contribute to the health and well-being of New Mexicans. We were a new foundation in the state, the only one with an open application process, welcoming a wide range of funding requests. Our broad mission, envisioned by founders Marshall L. and Perrine D. McCune, drew from their love for the people and state of New Mexico and a desire to see all thrive.

As a board, we aim to maintain the same spirit of openness and opportunity that defined the Foundation in its early days, while also striving to find innovative ways to truly support the leaders and work of effective organizations in our state. Over the years, we also learned that the impactful changes supporting New Mexican communities best happen when organizations and foundations work together.

With this in mind, over the last several years, our staff has traveled the state (both literally and virtually) to hear from nonprofit leaders about how philanthropy can best support their work in ways that enhance collaboration.

This learning has been applied to the Foundation's grantmaking approaches including our Open Application Cycle and also gave rise to the New Mexico Collaborative Zone Grant, a shared structure we are building with partner foundations in and outside the state.

Our updated strategic plan seeks to share both our history as well as how we arrived at the Foundation's current grantmaking strategy and how it works so that organizations and stakeholders can determine their alignment with our values and approach.

We continue to believe in and support the power of community voices and connections among New Mexicans as a powerful vehicle for positive change in New Mexico. This plan articulates how the Foundation seeks to put its values into practice. As a board, we are excited to help bring people together in new and productive ways for the continued enrichment of the lives of New Mexicans.

Sincerely,

**Sarah Losinger**

McCune Charitable Foundation Board Chair





*Section 1:*

# FOUNDATION OVERVIEW



A scenic landscape featuring a river in the foreground, with vibrant autumn trees lining the banks. In the background, there are blue mountains under a clear sky. The text is overlaid on the left side of the image, separated by horizontal lines.

A Sense of Place

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South Valley Marigold Parade





# Introduction

The history of New Mexico has traditionally been told with words like *discovered*, *settled*, *isolated* and *remote*.

In reality, New Mexico's 77 million acres traces an unbroken 12,000-year long history of a place with people moving through and people who are rooted in community. It tells the story of life in the oldest continually inhabited cultural landscape in the United States.

This landscape boasts an alternative narrative of New Mexico, long before European contact as an abundant, culturally diverse homeland for seasonal and permanent indigenous residents, from Paleoindian and Archaic hunter-gatherers to Ancestral and Historic Pueblos. With sophisticated systems of communication and exchange and unbounded creativity in adapting

to their environment, they survived centuries of natural, economic, social and political change.

Their community values and collaborative structures enabled their cultural and spiritual prosperity.

Their profound connection to place and creation of a unique local identity led to their resilience.

Their history holds lessons for New Mexico and all who live here today.



## A Sense of Place

Like the earliest indigenous residents, modern-day New Mexicans are connected by a powerful sense of place within an eye-dazzling landscape—a vast terrain that now stretches from the southern tip of the Rocky Mountains to the western edge of the Great Plains to the desert borderlands of Mexico.

A highly varied topography supports five major ecosystems across the state, including alpine forests, desert sands, plains,

shrublands and riparian areas. These give rise to a range of habitats that support an extraordinary diversity of wildlife, from wolves, antelope, bear, bobcat and bighorn sheep, to roadrunners, sandhill cranes, blue herons, wild turkey and more.

In the north-central region, the Colorado Rockies extend a steep, forested swath into the Sangre de Cristo mountain range. Its watershed feeds the southerly flow of the Rio Grande to Texas



**Sandhill Cranes in the Rio Grande**



and Mexico, nourishing New Mexico's *bosques* (woodlands) and farmlands along its course.

The eastern third of the state embraces the Great Plains. These unfold along the Texas border, sloping south from the high northeast plateau in the form of lava-capped canyon lands to the broad, flat prairie lands of the fabled Staked Plains. A series of flat lands, gorges, mountains and valleys converge

beneath big skies in the corner of northwestern New Mexico. In the state's southern reaches, the rugged Guadalupe, Mogollon, Organ, Sacramento and San Andres mountains dominate the horizon. Their mass is separated by broad basins of the Chihuahuan Desert, which extends over 2,000 miles from Mexico into the American Southwest. Its parched earth tested the mettle of the first Europeans who over four centuries ago ventured north from Mexico into New Mexico.







## Becoming New Mexico

In the late 16<sup>th</sup> century, an unfamiliar place name—Nueva México (literally a “new” Mexico)—conveyed the transformation of the state’s indigenous homelands into a newly diverse cultural landscape. Since then, New Mexico has represented a merging of worlds and ways of living old and new.

The newcomers came in the name of Spain, some searching for a better life, others seeking to Christianize and colonize the indigenous peoples of the New World. They followed the same pre-Hispanic trail along the Rio Grande that, for centuries, had linked New Mexico’s indigenous communities to Mexican tribes and trading centers. El Camino Real, as they called the riverside path, brought the Spaniards into direct contact and conflict with local Pueblo and Athabascan tribes.

A chain of long-settled pueblos dotted the Rio Grande corridor. Though clustered in the same region, and united by common Piro, Tiwa, Towa, Keres, Tewa and Zuni languages, each pueblo was a distinct and sovereign tribe. The presence of hunter-gatherer ancestors of two Athabascan tribes, the Navajo and Apache, could be seen in the Southwest as early as the 13th century. The Navajo settled in northwestern New Mexico. The Apache—including the Mescalero, Jicarilla and Fort Sill tribes—continued their nomadic traditions, eventually settling in areas of northern and southern New Mexico.



By the time of the Spanish incursion, New Mexico's Native peoples had developed a deep knowledge of their environment, cultivating cultural and ecological resources that rooted them in community ritual and tradition. They farmed, hunted, traded and lived in a particularly lush environment nurtured by the then-forceful Rio Grande. Large, often multistoried adobe villages, called "pueblos" by the Spaniards, connected their inhabitants, quite literally, to the earth. Far-reaching communication networks connected them to one another, and to indigenous cultures beyond.

Everything changed on August 18, 1598, when a caravan of Spanish soldiers and their families, Franciscan friars, farmers, laborers, servants and slaves arrived at the Pueblo of Ohkay Owingeh on the west banks of the Rio Grande. They had horses, ox-carts, mule-wagons and livestock in tow. They had survived a perilous journey—through southern Piro Indian country, to the middle Rio Grande Valley of the Tewa tribes, across the mammoth basalt cliff of La Bajada, to the northern pueblo. There, they established the first capital of New Mexico, becoming the first European nation to stake a claim west of the Mississippi.

The arrival of the Europeans spurred the transformation of the area's Indian lands to a Spanish colony. Catholic churches were constructed, and Indian place names and landmarks

were renamed. El Camino Real became the main route for the importation and integration of Spanish goods and lifeways into the local landscape. New crops and livestock were transplanted, while metal tools, weapons and other everyday implements reshaped life on the northern frontier. Socially, the incursion illuminated complex relationships between the Native peoples and the newcomers with whom, amid brutal conquest and wars, they gradually became culturally intertwined. They lived as reluctant neighbors for more than a century. Their relationship was further fraught by the 1680 Pueblo Revolt, which drove the Spaniards out of New Mexico for 12 years.

In 1693, the Spaniards returned. In time, they and the local Native peoples developed coexisting cultures, intermarrying and living together in an atmosphere of religious tolerance. They influenced one another's agricultural practices, artistic traditions, and religious and social norms. They blended material resources and spiritual traditions, finding an alliance in the mutual respect for the land and the heavens. Together they co-created culturally and economically interdependent communities that are unique in the world today.









## Acequia Culture: *A Model of Community Cooperation*

Oral New Mexican folklore tells the story of the Woman Who Built the Ditch, the first acequia (community watercourse/irrigation canal) in northern New Mexico. She lived alone and needed water to nourish her garden and her livestock. A trickle of water ran down a slope behind her home. She built a ditch to catch it. Everywhere she dug, the water followed. Soon, she had enough to sustain her household. When her neighbors saw what she had done, they extended the ditch to reach the entire community. They added lateral ditches to water individual plots of land. For the rest of their lives, as long as they tended the acequias together, they had water to share.

More formally, the Spaniards utilized an irrigation system that dated to medieval times, adopted from their Muslim neighbors on the Iberian peninsula. The Spaniards dug their first acequias on New Mexican soil in 1598 and, in time, Native peoples integrated this alternative ditch system into their long-established methods of farming and irrigation as well.

The oldest form of democracy on the continent, ancient acequia culture, continues in New Mexico today with an

estimated modern-day network of up to 1,000 ditches statewide. New Mexicans of all backgrounds participate in its unique system of governance, which guides the allocation, distribution and administration of the state's most precious resource: water. The system depends on a central tenet of cooperation, which is a belief that, through collaborative work and common interests in conserving and sharing a primary cultural resource, all communities will prosper.

The acequia model of an accessible system that serves a diverse community through a shared structure, shared responsibility and shared benefits is particularly resonant in modern-day New Mexico, where a range of communities search for solutions that will drive their prosperity. Like the landscapes the acequia nourishes and preserves, the state's cultures and communities are uniquely complex. With deeply embedded issues of race, culture and economics greatly influencing social conditions, the acequia is a reminder of New Mexicans' deep connection to the natural environment, value for the wellbeing of their neighbors and successful legacy of building a culture of cooperation.









## Diversity in 21st-Century New Mexico

Cultural diversity continues to characterize demographics in 21st-century New Mexico. A minority-majority state, New Mexico boasts the second highest percentage of Native Americans in the U.S., many of them descended from the state's original tribes. Members of 23 sovereign tribal nations—including 19 Pueblos, three Apache tribes and the Navajo Nation—represent a unique living legacy of self-determining tribes with their own governments, lifeways, traditions and cultures. Their communities and settlements are among the longest continually inhabited communities in the U.S. Meanwhile, with migration from pueblos and reservations into cities, there are more Native Americans living in urban settings today than ever before, introducing new challenges in terms of culture, language and education.

Still living alongside them are descendants of the early Spanish and Mexican families who governed New Mexico until the mid-19th century American occupation. Many Hispanics still reside in approximately 20 communities established through Spanish land grants, some of which have independent governmental structures.

Completing the picture are New Mexicans of ever-more diverse racial and ethnic groups—African American, East Indian, Asian, Middle Eastern, Greek and others—who, over centuries, have also set down roots in New Mexico. The most significant surge of new residents began with the 1879 arrival of the Atchison, Topeka and Santa Fe Railways, and population growth has continued from statehood in 1912 to today.



# Inequity in 21st-Century New Mexico

New Mexico's multiculturalism is at the heart of its identity. Yet significant social inequity reflects a state where many people struggle to survive.

The fifth largest state in the union, modern-day New Mexico comprises 121,365 square miles and is a place of profound urban/rural, social and economic divides. Twenty-six of the state's 33 counties are designated "frontier counties," where six or fewer people live per square mile.

As one of three states with the lowest per capita income, poverty is pervasive, impacting 19.7 percent of the general population and 27 percent of children under 18. One in five residents live in poverty, and rural residents are especially vulnerable. For example, rural communities grapple with an average 23.3 percent poverty rate compared to 17.9 percent in urban areas.

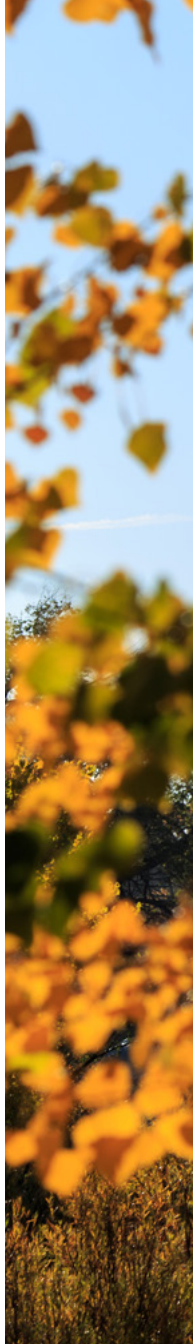
With so many communities mired in poverty, New Mexico consistently ranks last or close to last in the nation in rankings for child wellbeing and health. Food insecurity, especially among children, is one of the devastating impacts. Poor nutrition affects all populations, contributing to some of the lowest birth weights and highest rates of obesity and diabetes in the nation. All the while, access to health care ranks alarmingly low, impacted by a lack of practitioners to meet growing needs, especially for rural residents.

Conversely, New Mexico commonly tops national rankings of incidence of adolescent pregnancy and suicide, domestic violence and death from drug overdoses.

Education is another low-ranking barometer of inequality in New Mexico. Home to some of the poorest-performing schools in the nation, the state is challenged by these unsettling educational outcomes: 75 percent of fourth-graders are not proficient in reading, 80 percent of eighth-graders are not proficient in math, 29 percent of high school students don't graduate on time, and 10 percent of teenagers are not in school and not working.<sup>1</sup>

Finally, the state suffers dismally low rankings in the area of economic opportunity and wellbeing. Limited home-grown industries, revenue base and water resources stifle opportunities for economic growth. Without significant public and private investment, the state's future remains challenging.

These, among other difficult social conditions, can create separation and dissonance between cultures across various populations. A large nonprofit sector attempts to tackle the challenges, but scarce philanthropic resources can curtail potential outcomes. Such issues threaten the state's history of self-sufficiency and the values of community cooperation that New Mexicans have fostered over hundreds of years.











**The Rio Grande in Southern New Mexico**





# The McCune Charitable Foundation: *History and Mission*

In the early 1990s, the McCune Charitable Foundation became a significant part of New Mexico's philanthropic landscape by making broad investments in community-based projects in Santa Fe and northern New Mexico. Today, the Foundation serves communities and cultures statewide, continuing the fulfillment of its mission: "dedicated to enriching the health, education, environment, cultural and spiritual life of New Mexicans."

The Foundation was inspired by two unique individuals, Marshall Lockhart McCune of Pittsburgh and Perrine C. Dixon of New Orleans. Each was drawn to New Mexico at different times and for different reasons. After meeting at a party at Bishop's Lodge in Santa Fe, and marrying there in 1949, they found a common philanthropic interest in the city's artistic and cultural life. Quietly, and often anonymously, they supported a range of local causes, including the Santa Fe Opera, Santa Fe Boys and Girls Club and the Maternal and Child Health Center.

In 1989, fourteen years after Marshall's death, Perrine established the Foundation with a \$1 million gift to further the couple's philanthropic giving. After her death in 1991, additional assets were transferred. Foundation board and staff set out to memorialize the McCunes through grantmaking "aimed at enriching the cultural and spiritual life of the citizens of New Mexico."

Guided by a broad mission statement, the Foundation aspired to be responsive and opportunistic in support of community efforts across New Mexico. We developed a comprehensive grantmaking program that funded all aspects of work in the arts, environment, education, youth, health and social services.

In the beginning, the Foundation was so unknown that we advertised in the Santa Fe New Mexican to notify nonprofits that we had funds to give away. Soon, we were awarding hundreds of grants, large and small, throughout the state. These early grants seeded and sustained work that we, and others in the philanthropic sector, continue to build upon today.



# Investing in Development

From the start, the Foundation's scope intentionally reflected our founders' understanding that New Mexico's diversity translates to wide-ranging needs. Our broad-based approach acknowledged the complexity of human lives and created space for making unexpected connections statewide.

In 1998, for example, when the City of Albuquerque declared a 12-block stretch of its downtown district as a "blighted area," we responded. A new initiative in the philanthropic world was just gaining steam, allowing private foundations to make alternative types of investments for mission-related philanthropic purposes. Understanding that supporting a "built environment" that spurred human activity and economic opportunity could be used as an asset for social good, we partnered with the City and other entities in the Historic District Improvement Company (HDIC) to redevelop Albuquerque's downtown.

In 1999, HDIC began helping execute the City's Master Development Plan to create urban and affordable housing, educational and cultural venues, and commercial space for offices, retail, entertainment and more. Thirty-five business leaders joined the public-private partnership, with the Foundation initially investing \$8 million in the project.

Since 2001, this unique collaboration has translated to significant social and economic outcomes. More than 5,000 residents have moved downtown, including occupants of more than 400 affordable housing units. The redevelopment ranges from the addition of a movie theater to attracting the presence of such institutions as the University of New Mexico, Central New Mexico Community College, Sandia Laboratories and Air Force Research Laboratory. Other improvements include arts and culture spaces, restaurants, coffee shops, and public gathering places.

Today, Albuquerque's once-blighted downtown neighborhood burgeons with activity. Now, as HDIC's sole owner, we continue to work to improve the area. To date, our investment has helped spur over \$150 million in new investments in Albuquerque's revitalized downtown.







100 GOLD



Redevelopment in Downtown Albuquerque





FUSE Makerspace (Albuquerque)



# Encouraging Collaboration and Innovation

By 2000, the Foundation had a deepening recognition that many of New Mexico's challenges were linked to widespread generational poverty and depressed economic conditions. This led us to change our grantmaking approach to more squarely address systemic issues. We put a new emphasis on issue-specific convenings, policy change and on viewing our grantmaking through an economic development lens.

Believing that collaboration creates more effective outcomes, we launched and/or participated in several initiatives throughout the decade and beyond that brought key stakeholders and organizations together in various areas to innovate change. Examples include:

**Alliance to Save the Rio Grande:** We collaborated with funders and nonprofit groups to find consensus-driven solutions to protect and restore the Rio Grande as a live and viable river.

**Arts and Culture:** We partnered with the Burnett Foundation and Azalea Foundation to fund a comprehensive study recognizing the economic impact of arts and culture in New Mexico as a tool to advance the sector.

**Sustainable Energy:** We engaged entrepreneurs, foundations, state and national agencies, and other advocates in an initiative to develop sustainable energy policies and increase awareness of the economic development potential of sustainable energy.

**New Mexico Community Capital:** We encouraged banks, foundations and the State of New Mexico to partner in a venture capital fund for community development designed to fill the capital availability gap with equity investments of \$300,000 to \$500,000.

**MediaDesk:** We incubated MediaDesk, a for-profit public relations and communications agency to develop communications expertise in our nonprofit sector. Now a privately-owned LLC, MediaDesk has served over 80 nonprofits statewide.



# Influencing Long-Term Change

As the Foundation's statewide grantmaking became more impactful, our board wished to ensure that those impacts could be deepened and sustained. In 2013, board members asked staff to refine our grantmaking in ways that would revitalize our commitment to a broad funding mission and respond to ever-changing conditions statewide. Their directive led to the development of a new strategic plan that incorporated feedback from our grantees and other stakeholders and inspired adjustments in our grantmaking practices and structures.

In 2014, we adopted nine new funding priorities that at once refined our resource allocation to meet two central goals: influence positive change in the near term, and increase the probability that change in these specific areas will lead to broader systemic change in the longer term. By 2015, each of the nine priorities was enhanced by key leverage points that mined the most advantageous opportunities for impact.

Our 2014–16 strategic plan communicated our new approach to grantmaking and our evolving relationships with grantees. The process set the stage for ongoing refinements in the future. Chief among these was a renewed commitment by our board to manage our endowment and the organization in perpetuity, as envisioned by our founders.

In 2018, we moved purposefully into our next phase of development. Learning from our successes, failures and risk-taking, and inspired by the organic collaborative endeavors of our grantees, we began shifting our approach to developing and supporting collaborative grantmaking structures. These next steps were based on the understanding that collaboration—among funders themselves as well as the nonprofits they support—is absolutely critical to addressing New Mexico's most pressing problems.







**Moving Arts Española**





*Section 2:*

STRATEGIC  
PLAN





Co-Creating Change

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Connecting the Ecosystem

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A Theory of Change

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Reimagining Our Grantmaking Processes

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The New Mexico Collaborative Zone Grant





**Southwest Environmental Center in Las Cruces**





## Co-Creating Change

The Foundation's growing emphasis on collaboration was informed by our deepening understanding that new approaches to funding must respond to the nonprofit leaders engaged in the work on the ground. From 2013 through 2018, we looked to our grantees for help in envisioning new ways of identifying and supporting connectivity across the ecosystem of organizations that apply for funding. We brought grantees together, asked lots of questions and learned from those doing exemplary work.

Such was the case in 2013 when a partnership of four Albuquerque nonprofits (most of which the Foundation had supported individually in the past) invited us to help support an expansion of a successful family asset-building program they had brought to the South Valley. The partners collaborated to integrate the asset-building programmatic elements of one group into the existing work of the others. In doing so, they efficiently built the capacity of all the participating organizations and ensured deep relevance for the families being served.

Over the next few years, the collaboration expanded to include other groups that were focused on families in the same geography. Efforts were made to integrate diverse programming (such as nutrition education, behavioral health, and legal services for immigrants) from other trusted agencies

into a common “platform” that would more deeply engage and serve South Valley residents. Together, they developed additional shared programmatic approaches and launched a new collaborative, La Red del Rio Abajo.

La Red (“The Network”) continued to build its trust-based approach to collaborative programming. Their strategy attracted national funding, which its members proportionately distributed among themselves based on the individual roles and responsibilities of each organization within the project. La Red's way of thinking and working together was inspiring. Beyond geography, their expanding partnership was based on established relationships of trust between nonprofit leaders. Their innovative approach was aligned with the values of the Foundation and inspired us to further support their work. As a learning opportunity, we provided multi-year, unrestricted, general operating funds without expectation of a specific, targeted outcome. We believed a significant outcome was already being achieved: collaboration that builds on the resilience and prosperity of New Mexico communities.

Today, La Red continues to deepen alignment among its partners and now plays a key role in many broader initiatives. Their example underscored the value of listening and learning from our grantees.



# Connecting the Ecosystem

Starting in 2015, the Foundation launched a multi-year grantee engagement process to develop and receive feedback on our new priorities and leverage points. Our 2015 engagement activities included site visits, one-on-one meetings and group discussions with dozens of grantees. We asked them to relate their views of their relationships with us. Finally, we asked grantees to express if and how they saw themselves as part of an interconnected ecosystem of change agents in New Mexico's nonprofit landscape.

In 2016 and 2017, we went deeper, convening workshops in Albuquerque, Santa Fe and Las Cruces, drawing more than 200 participants. The workshops were designed to inspire dialogue and exploration around the concept of a connected nonprofit ecosystem shaped by continuous forces of change and learning.

Two overarching questions guided the workshops: How do we make the ways in which we are connected visible, and once visible, how do we make these connections actionable?

One of our most valuable lessons came at a workshop in Las Cruces in 2017 as we convened a group of grantees to learn from each other's work and to explore how we could better support that work. The grantees expressed appreciation for past opportunities to work collaboratively and to engage in conversations with multiple funders at one time. They emphasized that involving more people (from other organizations and other foundations) in funding conversations increased their opportunities to influence funders about what activities were most practical for support.





## The questions inspired important conversations and led to several insights, including:

- Workshop participants described a connected ecosystem as a form of solidarity within the nonprofit world and as a vehicle for enhanced creativity and innovation.
  - They agreed that collaboration could illuminate common goals between organizations with different missions, and could create outcomes with deeper impacts.
  - They imagined diversity as a resource rather than a challenge in responding to diverse community needs.
  - They shared that trust requires a structural safety net that does not yet exist (e.g. experimental funding structures, multi-year funding and formative metrics focused on learning, ways to share knowledge and experiences).
- They expressed that collaboration
- might diminish concerns about competition for funding.

The idea flipped traditional funder-grantee dynamics. It put the grantees—and the communities they represent—at the center of the funding conversation, acknowledging the leadership and expertise that comes from those who are closest to the work and most affected by it.

This was a pivotal moment for the Foundation. These conversations continued to push our grantmaking practices toward embracing a more holistic approach to supporting long-term impact and change.



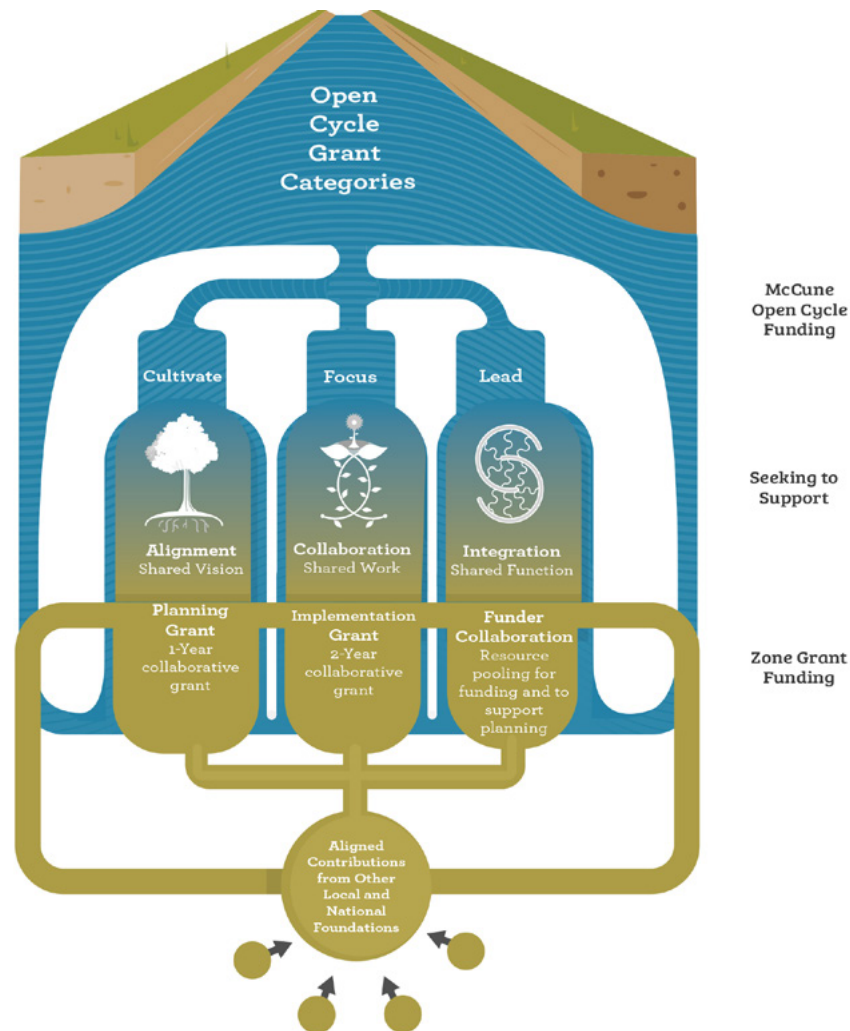


# A Theory of Change

In the course of developing nine new grantmaking priorities in 2014, the Foundation acknowledged the complexity and compounding nature of the challenges faced by New Mexico communities. We built these priorities around an aspiration for community wellbeing and looked for opportunities to support intersectionality across the nonprofit sector.

Inspired by our multi-year grantee engagement efforts, we began to rethink how we make grants. Wishing to better align our practices with our organizational values, and to instill an ethos of collaboration at the center of all our grantmaking activities, we examined our grantmaking structure both internally and from the perspective of the sector whose programs and structures we fund. In reviewing our application process, we recognized that it revealed a limited view of grantee work and experiences. It also prevented us from seeing the depth of the creative synergies and collaborations already in practice among grantees. It also limited our ability to identify the creative synergies and collaborations already in practice among grantees.

Considering New Mexico's limited philanthropic resources, we wished to innovate a shift from more linear, transactional grantmaking structures to transformational structures. These structures could



**Organizations may be funded in both grant structures simultaneously.**



create more connected relationships with our grantees, reinforce their existing collaborative alliances, and build awareness of working in a broader nonprofit ecosystem where the whole is greater than the sum of its parts. Ideally, these structures would help create more equitable grantee-funder

relationships, motivate new leadership, diminish silos that often divide the nonprofit sector and increase impacts.

Guided by feedback from our grantees, we proposed a Theory of Change in which to root our developing vision of transformational grantmaking:

*If we co-create a more **aligned, collaborative** and **integrated** civic sector, then we will support greater **resilience** and **prosperity** in New Mexico communities.*

## **We grounded our Theory of Change in the following principles:**

**Aligned:** *Coming together in agreement or alliance toward a shared goal or vision*

Organizations that are “aligned” have a **shared vision**. While they may have different organizational priorities, they have a common understanding of the challenges that may impede their vision and of how to approach their solutions.

**Collaborative:** *Produced or conducted by two or more parties working together.*

Organizations that are “collaborative” have **shared work**. They strategically coordinate their work to solve common challenges and achieve a shared programmatic outcome.

**Integrated:** *A system whose various parts are linked or coordinated to achieve a common task.*

Organizations that are “integrated” in their work have **shared functionality**. They recognize opportunities for integrating programmatic and operational functions to create efficiency and deeper impact around their shared vision.

**Resilience:** *The capacity of a community to respond and adapt effectively to change through core community strengths and values.*

A shared sense of place exists in **the heart of every community**. This foundational element helps communities respond with resilience to unforeseen challenges that threaten community prosperity.

**Prosperity:** *The state of being prosperous, or successful in material terms*

“Prosperity” is based on the **quality of life and opportunity** in our communities. When community members have equitable access to economic wellbeing and input regarding resources related to their health, education, environment and cultural and spiritual lives, they activate core community strengths that build prosperity.



# Reimagining Our Grantmaking Systems

Embracing our Theory of Change and responding to what we had learned from our grantees, we set out to reimagine our own grantmaking strategies and structures.

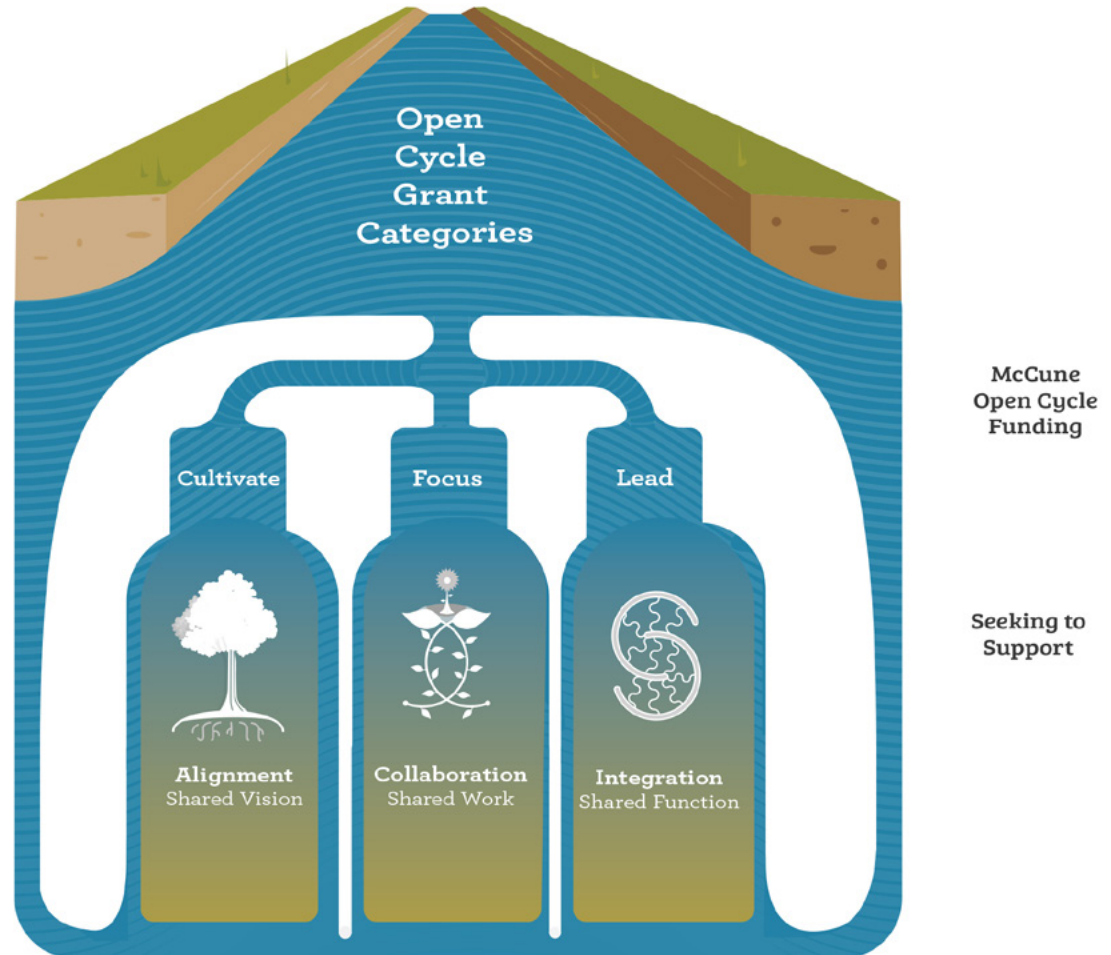
We started with the most basic barrier to cooperation in our control, determining that **all grants would provide unrestricted, general operating funds.**

Next, we created **three new grant categories**, each supporting one of the primary elements from our Theory of Change: alignment, collaboration and integration.

**Cultivate and Continuity** (Alignment)

**Focus** (Collaboration)

**Lead** (Integration)



Finally, we launched the new grant categories during our 2017 Open Application Cycle.

Our strategy with these categories was to encourage intersectionality. But, practically speaking, our grant applications still generated responses from individual organizations about their own work. This didn't fully illuminate the existing synergies between different organizations, ultimately limiting the types of collaboration we could fund. Integrating our new grant categories into our traditional open cycle of grantmaking also continued to limit our own potential for collaboration with other funders.

Even as we encouraged collaboration, we were still operating as a single foundation within the nonprofit ecosystem. Our grantmaking structure separated us from what other funders were doing in the sector.

These realizations pointed to a need for a wholly original grant structure designed to support cooperation not only among nonprofits, but among funders as well. This structure recognized funders as part of the ecosystem of the organizations they fund. As such, they also need to work collaboratively.





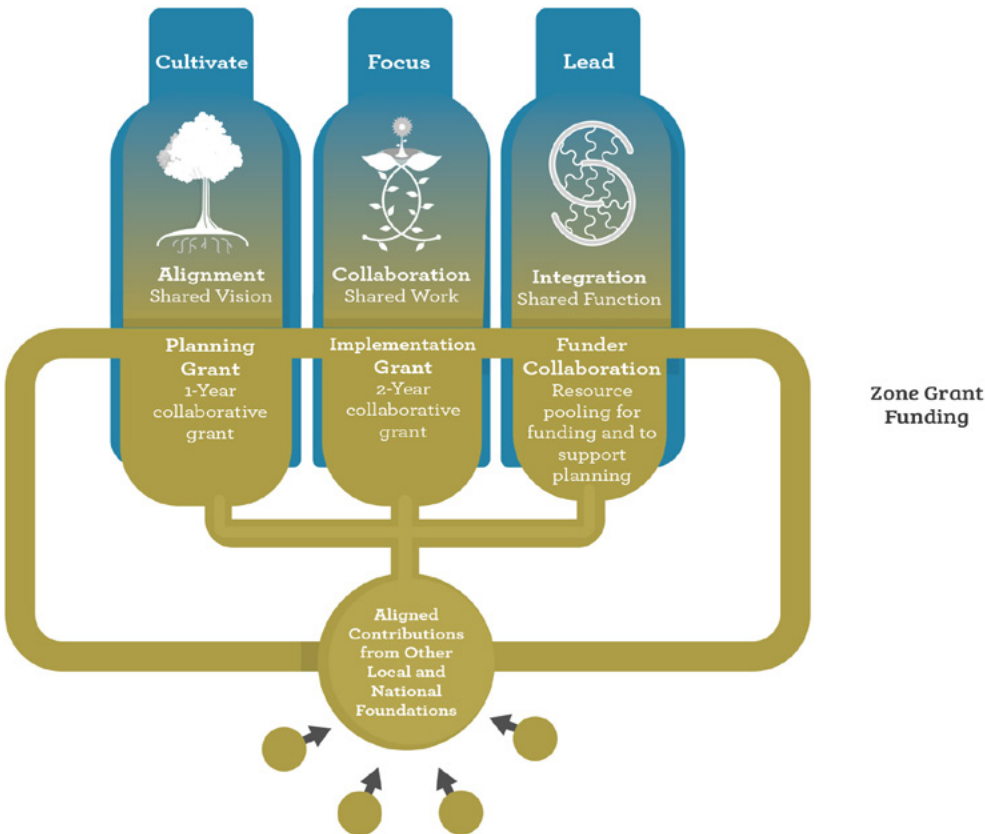
# The New Mexico Collaborative Zone Grant

In 2017, working in partnership with other funders and based on our observations in New Mexico and other states, the Foundation began developing the New Mexico Collaborative Zone Grant. The Zone Grant was launched as a pilot project in collaboration with four other funders in 2018.

The Zone Grant is designed to support collaborative group projects and initiatives seeking to create high impact in New Mexico communities. It is intended to enable funding of organizations with different missions working toward a common goal, and for funders to coordinate their funding opportunities to achieve greater impact. By focusing on the shared development of a flexible structure, funders are able to collaborate across diverse missions, practices and programmatic priorities, leveraging their differences as strengths rather than seeing them as challenges.

The grants support multiple organizations applying together for a single grant, potentially providing funds for a planning year, technical support, and two years of implementation. This multi-year structure intentionally supports the concepts of alignment, collaboration and integration that are central to our Theory of Change.

Already, in our inaugural year for the Zone Grant, we see early indicators that the structure



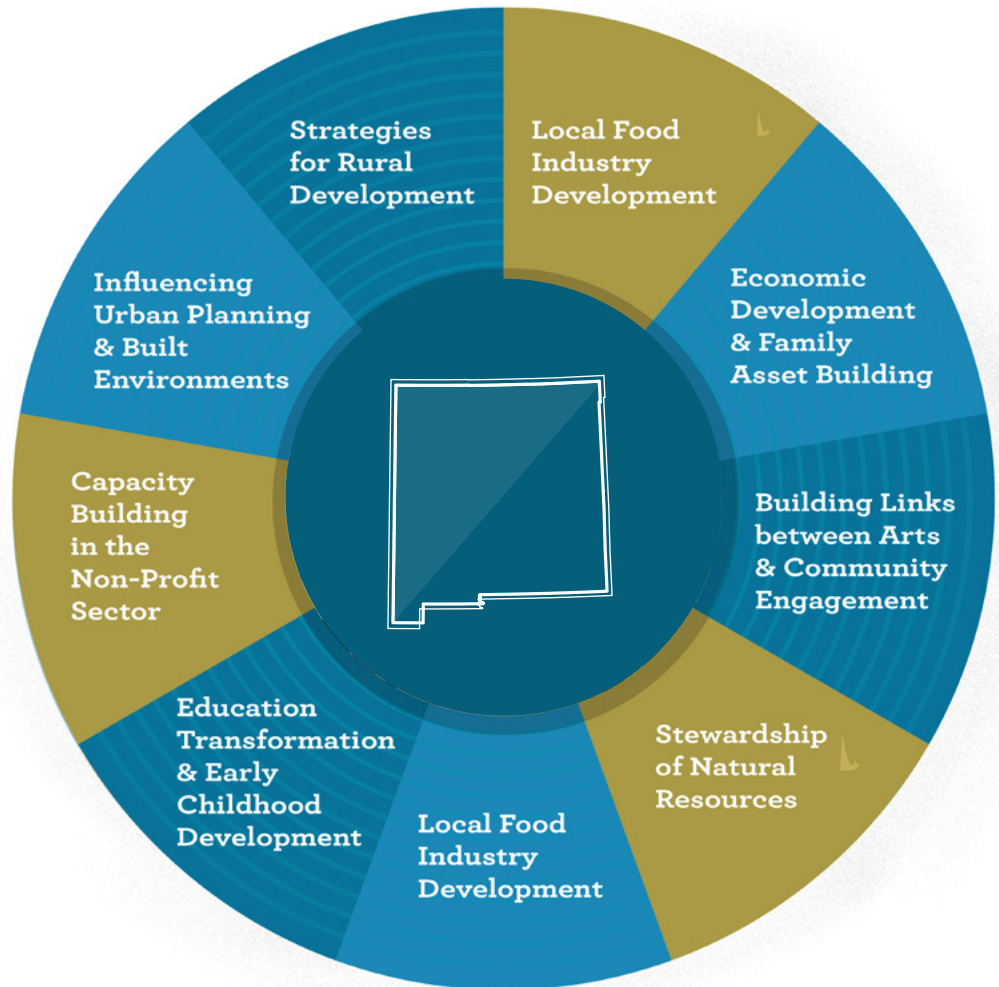
supports collaborative efforts in a unique way. For example, we launched the structure with two other New Mexico-based funders, but soon, other funders, including a national foundation, sought to participate. Ultimately, all funders increased their grant commitments, relaying that they were inspired by the new level of transparency, trust and cooperation the process has facilitated.

These early successes have enabled us to consider how moving the New Mexico Collaborative Zone Grant to the center of our grantmaking program could increase our impact. Over the next six years, we anticipate funding multiple cohorts of collaborating organizations through the structure, supporting our grantees through multiple three-year Zone Grant cycles.

In the fourth year, after the first Zone Grant cohort has run its course, we will pause to evaluate the impacts of our new practices, both in the sector and within our Foundation. What we learn will influence how we move forward with collaborative grantmaking in the future.

What we've learned so far is cause for optimism. Our focus on collaboration has inspired more

## Community Wheel





collaboration. Our efforts to increase grantee connection and awareness of one another's work has made us more connected and self-aware of our own role in the nonprofit ecosystem. In our collective search for solutions to New Mexico's long history of social change and challenge, we have come to understand how the spirit of cooperation and resilience that has sustained New Mexico through centuries can benefit our work today and in the future.

We believe our new grantmaking practices will contribute to a more aligned, collaborative and integrated nonprofit sector, supporting increased resilience and prosperity in New Mexico communities. Knowing that no single organization is going to make the widespread change we wish to see, we believe the impacts we achieve together will be greater than what any of us can accomplish alone.









 Our Mission

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Our Values

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Our Operating Principles

# Our Mission

The Marshall L. and Perrine D. McCune Charitable Foundation is dedicated to enriching the health, education, environment, cultural and spiritual life of New Mexicans. We memorialize our benefactors through proactive grantmaking that seeks to foster positive social change.

# Our Values

We embrace a set of values inherent to all aspects of our organization. These are inspired by our organizational leadership, our grantmaking experience, and perhaps most importantly, our relationships with New Mexicans and communities nationwide. These values include:

**Collaboration:** We believe that collaboration is key to confronting our state's greatest challenges. We value opportunities to work cooperatively with our nonprofit and philanthropic partners to identify shared goals, build alignment of purpose and co-create the outcomes we wish to see in the world.

**Transparency:** We believe that decisions and agreements made in the dark cast no light on the world. We value maximum transparency in all our processes and practices to ensure that our partners trust our decisions as fairly supporting their individual communities within a shared statewide ecosystem of work and success.

**Leadership:** We believe that large-scale change never happens spontaneously or in a vacuum. We value the primary, positive role of informed, community-based leadership in creating

change in the sectors and organizations we serve as well as within the philanthropic community.

**Community Relevance:** We believe that solutions developed elsewhere may not always be relevant to the diverse peoples and communities that comprise New Mexico's unique cultural landscape. We value the promise of place-based solutions by funding work that is immersed in local knowledge, reflects and respects local cultures and is relevant to each community we serve.

**Diversity, Equity and Inclusion:** We believe in principles of diversity, equity and inclusion to drive decision making and effect change. We value programs and services provided by organizations whose internal structures ensure diverse community participation and whose leaders share the history and culture of the communities served.

**Risk Taking and Innovation:** We believe that some of the best solutions are developed through a thoughtful process of trial and error. We value organizations that challenge conventional approaches by embracing innovation and engaging in measured, well-considered risk-taking to develop and implement the most relevant programs and services for their communities.

**A Culture of Learning and Continuous Improvement:** We believe that some of the best lessons are learned from having the freedom to take chances and make mistakes. We value organizations that aspire to a culture of learning and continuous improvement through practices of sharing, listening and building upon the wisdom gained through thoughtful and reflective community work.



# Our Operating Principles

In our efforts to support progress and create meaningful impacts in communities throughout New Mexico, we are cognizant that it is possible to lose track of what nonprofits need to be successful. To that end, we strive to integrate these operating principles into all we do:

**Do no harm:** We endeavor to create positive impacts through our funding and strategy decisions while acknowledging circumstances exist beyond our control. We aspire to be a positive partner to the organizations we fund. We know they are doing important work in communities around the state, and we are careful not to overstep our bounds.

**Operate with integrity, respect and fairness:** Our staff and our leadership seek to bring a high degree of integrity, respect and fairness to our interactions with grantees and their communities, as well as to our decision making processes for funding. We consider civility among nonprofits and funders an essential component in building a culture of community and collaboration.

**Honor accountability:** We believe that our individual and organizational partners have a responsibility to follow through on their commitments. Likewise, we aim for accountability and consistency in all of the Foundation's actions and communications.

**Pursue excellence:** We recognize the desire for excellence that guides the thoughtfulness and hard work of our grantees in creating impactful and successful programming. We pursue the same ethos as a means of achieving quality results and distinction in our own endeavors.

**Listen with intention:** From community members confronting housing issues to nonprofit leaders seeking ways to make payroll, we admire the knowledgeable perspectives and insights that our partners contribute to our collective search for solutions. We are mindful of the importance of listening to community voices and of learning from the wisdom within.

**Practice emergent learning:** Because communities exist within broader, complex systems, our state's biggest challenges are often addressed on a shifting landscape. In our search for solutions, we look to our grantees, whose work, communications and lessons learned frequently provide the best answers. We learn as solutions emerge. We then work to identify and support the catalyzing agents that drive momentum in the nonprofit sector.

**Manage toward perpetuity:** In keeping with our founders' vision, our board leadership has reaffirmed its commitment to maintain our Foundation into the foreseeable future, all the while maintaining a balance between asset maintenance and impact. Our staff is likewise committed to managing our assets and resources to fulfill our mission.













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