

On the Border with the Santa Cruz Community Foundation & FESAC

A brief background paper on a unique cross border collaboration

The Santa Cruz Community Foundation and FESAC (Fundacion del Empresariado Sonorense, AC) go beyond making grants that advance community development. They have a unique partnership that identifies current and emerging issues, channels resources to address regional community needs, convenes private and public sector leadership to address those issues and helps this unique border region prepare for the future by strengthening the NPO (Non-Profit Organization) sector on both sides of the border. To get a sense of how unique this border region is, here are some facts from 2009-10:

- 65% of Mexicans visit the United States to conduct leisure activities such as shopping, vacationing, visiting friend and relatives and health. Of these, shopping is the dominant activity at 57.44%. 36% of Mexicans come to the United States on business related matters such as work, business convention, professional training and business shopping.
- 23,000 wage and salary jobs in Arizona at eating and drinking establishments and other spending-related sectors are a direct result of Mexican spending in the Arizona. These jobs account for a total income of \$837.24 million and \$3.61 billion in sales.
- Mexican visitors represent 48.62% of the total taxable sales in Santa Cruz County.
- 35,000 people are directly employed by the maquiladoras in Nogales, Sonora, and 100,000 people are directly affected by maquiladora employment.
- 30% of the population of Nogales Sonora is dependent on the maquiladoras.
- There are 42 members of the Nogales Arizona downtown merchant association of which only 5 are not Korean.
- Anywhere from 800 to 1,000 deported migrants are absorbed by Nogales Sonora each day, among them are 100 to 200 unaccompanied children. Tijuana reports receiving only 25 per day. Last year Nogales absorbed from 10,000 to 20,000 individuals each month, the majority coming from Southern Mexico and Central America.
- In 2000, the Migrant Shelter San Juan Bosco in Nogales Sonora served 12,915 migrants. In 2009, 46,627 migrants were served by the same organization.
- In March 2010 the Migrant Shelter San Juan Bosco reported serving 4,292 men, 818 women and 248 children, for a total of 5,358. None of the migrants were from Sonora.

Concerns Over Negative Impacts on Trade And Travel.

The Greater Nogales Santa Cruz County Port Authority (“Port Authority”) was established in 2004 for the purpose of making the Nogales ports of entry the most effective and efficient on the US-Mexico border and fostering economic development in the Santa Cruz County/Nogales region. The Port Authority and its constituent members are seriously concerned with steadily declining trade flows and tourist patterns in the Nogales region.

- According to Customs and Border Protection figures, in the four years from February 2006 to February 2010, legal pedestrian crossings have decreased at the Nogales ports of entry from approximately 563,561 crossings in 2006 to 288,211 crossings in 2010, a decrease of

approximately 49%. Legal crossings of personally owned vehicles have also decreased from 256,893 in to 195,600 in the same period of time, a decrease of approximately 24%.¹

- These figures lead to the conclusion that overall rates of legal crossings of travelers and goods are plummeting at the same time policy measures are implemented to interdict the illegal transportation of people and contraband.
- The Port Authority believes that this decrease in legal crossings is not an isolated phenomenon and has invited other ports border-wide to share their data.
- Decreases in legal crossings of people and goods result in significant losses to entire State of Arizona not just the border cities. Studies demonstrate that, legal travel and commerce currently accounts for approximately \$2.5 billion a year in Arizona business and 60,000 Arizona jobs².
- The Port Authority fears that the great benefits to Arizona of such legal travel and commerce will be lost if infrastructure, personnel, policies and procedures designed to facilitate legal commerce are neglected in the name of border security.
- Impediments to legal travel and commerce fall heavily on cities such as Nogales, Arizona, which is dependent entirely on sales tax revenues, generated in large part by legal border crossers, for its general budget. Sales tax revenues have been decreasing along with the economic slowdown. Further decreases in the volumes of legal border crossers can only result in a further decrease in sales tax revenues and further reduction in services to Arizonans.

What are SCCF and FESAC doing to help this uniquely challenged border region?

The Ambos Nogales (Both Nogales) region is faced with a number of critical issues. There is a diverse set of NPOs on both sides of the border ranging from job training programs, community centers, boys and girls clubs, arts groups, environmental restoration, agriculture, indigenous arts and culture, humane societies, libraries, children's homes, domestic violence abuse programs, migrant shelters and soup kitchens that exist to alleviate the many inequities and problems of the region. SCCF/FESAC offers the leadership and expertise to improve the capacity of the nonprofit sector to deal successfully with these critical social and economic issues. Our services include:

Capacity building for local Non-Profit Organizations (NPO) - all at no cost

1. Technical assistance – strategic planning, budgeting, board development. Etc. (8 trainings in 2010)
2. Two cross-border NPO Summits held. Over 30 agencies from both countries in attendance at each.
3. SCCF has a CDBG grant – using federal funds to provide computer systems to NPOs and economic relief to low income citizens faced with the loss of housing.
4. Executive Roundtable – monthly meeting of NPO executives (12 held)
5. NPO Leadership Retreat – Revisioning the Region. Eight agencies did asset mapping and formed collaborative projects. SCCF gave a partnership challenge grant to two of the participant agencies
6. Coalition building – examples:
 - Ford Foundation SCCF grant partners (five public health and economic dev agencies),

¹ Source: <http://www.transtats.bts.gov/BorderCrossing.aspx>

² Source: University of Arizona Tourism Study 2009

- Arts Connection (5 regional arts agencies, 3 meetings, one calendar produced), currently have set up an exchange between artists from the US-based Arts Connection and the Centro de las Artes in Nogales, Sonora
- Funder's Collaborative (FESAC, Greater Green Valley Community Foundation, Az. Community Foundation, First Things First, Patagonia RCF). Funders are setting up shared NPO trainings and working to establish a coordinated grant-making process.
- Joint NPO Executive Roundtable training with the Greater Green Valley Community Foundation. Held July 27, 2010, 60 attendees. Several Board and Strategic Planning training workshops are planned to follow-up on the interest generated at the event.
- Ambos Nogales Project – leadership from both US and Mexican private sector were convened by SCCF/FESAC to address major economic, political and social issues threatening long term growth and stability of the region. The group has committed to a regional strategic plan and coordinated marketing of the region.

International Development

- Unique partnership with FESAC, Sonora – shared staff doing program and fund development, monitoring, evaluation and monthly donor tours to joint projects in Sonora– 12 tours to date
- Membership in US/Mexico Border Philanthropy Partnership – SCCF/FESAC chosen for presentation at National Association of Community Foundations annual conference (10/09)
- Collaboration with the Maquiladora Association, Sonora – 3 presentations
- Convener (2010 – see above) for Ambos Nogales Project. Directors of such organizations as Nogales Port Authority, Fresh Produce Association, Nogales Business Council (Sonora), Downtown Merchants Association (Az), Nogales Community Development, Foundation del Empresariado Son Orense, AC (FESAC), Arizona-Mexico Commission and City of Nogales, Sonora. SCCF/FESAC convened this collaboration on a cross-border economic development project in response to unprecedented challenges posed by immigration etc.

Resource Development for NPOs

- Connections with UA resources – Peace Corps graduate students (2) assigned to SCCF, working with UA Dept Journalism to develop border region stories for senior students.
- Tour participants and other donors have generated \$72,000 so far this year in pass-through funds, to SCCF then to FESAC for Sonoran programs.
- Provide local NPOs with information on grant funds from a variety of sources.
- **Pass Through:** SCCF & FESAC offer a unique opportunity for US donors to give to programs in Mexico while receiving their US tax deductions. For a Mexican agency to qualify for this service, it must first be certified by FESAC. The donor sends a check to the Santa Cruz Community Foundation. Once SCCF has received the donation and processed it, a letter acknowledging the contribution and verifying that it is tax deductible will be sent to the donor. The Santa Cruz Community Foundation then sends the funds to FESAC who distributes the funds to the organization designated by the donor. Both SCCF and FESAC perform an evaluation of the organizations funded including 2 site visits; ensuring that all paperwork is in order and funding is spent in the appropriate manner. In the first nine months of FY 2009 – 2010, SCCF passed through over \$72,000 to projects in Nogales Sonora jointly sponsored with FESAC.

Contact SCCF at 520-761-4531, offices at Bank of Tucson Business Center, 825 N. Grand Avenue, Nogales 85628 / SCCF is affiliated with the Community Foundation for Southern Arizona, the US/Mexico Border Philanthropy Partnership and FESAC, Sonora. (9/2010)