

The Center on Philanthropy & Public Policy

FOUNDATION PRACTICES FOR PUBLIC POLICY ENGAGEMENT

**James M. Ferris
Hilary J. Harmssen**

**Research Paper - 33
December 2009**

FOUNDATION PRACTICES FOR PUBLIC POLICY ENGAGEMENT

**James M. Ferris
Hilary J. Harmssen**

**Research Paper - 33
December 2009**

This paper was prepared with support from The California Endowment.

James M. Ferris: Professor and Director, The Center on Philanthropy and Public Policy,
School of Policy, Planning, and Development, University of Southern California, Lewis
Hall 210, Los Angeles, CA 90089-0626

ABOUT THE CENTER ON PHILANTHROPY AND PUBLIC POLICY

The Center on Philanthropy and Public Policy promotes more effective philanthropy and strengthens the nonprofit sector through research that informs philanthropic decision making and public policy to advance public problem solving. Using California and the West as a laboratory, the Center conducts research on philanthropy, volunteerism, and the role of the nonprofit sector in America's communities.

In order to make the research a catalyst for understanding and action, the Center encourages communication among the philanthropic, nonprofit, and policy communities. This is accomplished through a series of convenings and conversations around research findings and policy issues to help key decision makers work together more effectively to solve public problems and to identify strategies for action.

The opinions presented in this paper represent those of the authors and not those of The Center on Philanthropy and Public Policy.

Copyright © 2009 by The Center on Philanthropy and Public Policy

The Center on Philanthropy and Public Policy
School of Policy, Planning, and Development
University of Southern California
Lewis Hall, Room 210
Los Angeles, California 90089-0626

All rights reserved

Printed in the United States of America

About the Author

James M. Ferris holds the Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy in the School of Policy, Planning and Development at the University of Southern California. He directs the USC Center on Philanthropy and Public Policy. Professor Ferris specializes in the economics of the public and nonprofit sectors, public finance, and public policy. His research examines the shifting roles of the public, nonprofit and for-profit sectors in governance and the economy. He has done extensive work on public service delivery, focusing on the contracting decisions of local governments and strategies to improve public sector performance through competition, decentralization, and privatization. He is currently investigating the causes and consequences of the conversion of healthcare organizations from nonprofit to for-profit status and the implications for the nonprofit role in healthcare; the changing landscape of philanthropy; and intersectoral alliances for urban problem solving.

FOUNDATIONS AND PUBLIC POLICY: EMERGING PRACTICES FOR ENGAGEMENT

Foundations have long had an interest in public policy. However, the 1969 Tax Reform Act served as a watershed moment with the government circumscribing the role that foundations can play in public policy. Since that time there has been a gradual, though intensifying interest in foundation engagement with public policy. There was a period in which the uncertainty over the legal rules, misperceptions of what is allowable under the law, and risk aversion led foundations to shy away from public policy work. However, as the rules were clarified and foundations were educated about the wide latitude for foundation involvement in public policy, there has been a growing body of work about foundation strategies and tactics for public policy engagement, and a growing number of toolkits for evaluation and assessment of public policy work.

At the same time, there appears to be a renewed interest in public policy on the part of some foundations as they work to leverage their philanthropic assets. This interest stems in part from a more concerted and conscious effort to create systemic change as a result of the challenges made by venture philanthropy to increase impact; the increasing emphasis on efficiency and performance for public and nonprofit institutions in general; and the expanded opportunities for foundations in a world where public decision making is being devolved and decentralized.

With the growing engagement by foundations in public policy work, there is an opportunity to understand better what it means for the way foundations do their work. Much of the work on foundation strategies developed to date focuses on the implications for the way foundations do their grantmaking. However, it has been noted that foundation assets leveraged in public policy work are not merely the dollars that foundations control, but their knowledge about issues and communities and their networks and connections among nonprofits, the community, and even government. As a result this suggests that foundations that engage in public policy work may organize their work beyond what the program officer does in the normal course of grantmaking.

This paper is an effort to better understand how foundations that aspire to impact public policy structure their work. In order to do so, we identified a set of foundations that are recognized for their work in public policy and interviewed individuals who were key to the policy efforts of these foundations. In the interviews, we explore how these foundations approach public policy and how they incorporate public policy into their organizational structure and staffing. In addition, we examine the opportunities and challenges for doing public policy work informed by the vantage point of these individuals and their experiences within their foundations.

Methods

In order to examine the staff structure and strategies utilized by foundations involved in public policy work, we conducted a series of interviews with key individuals at nineteen foundations that we identified as substantially engaged in public policy work. The specific individuals that were interviewed were chosen because of their central role to the policy work of their foundation; they included policy directors, senior program staff, and foundation executives.

In order to identify the potential list of study participants, we reviewed several sources to determine which foundations were involved in public policy work. These sources included cases of foundations engaged in public work that were included in *Power in Policy: A Funder's Guide to Advocacy and Civic Participation*; the Council on Foundations' Paul Ylvisaker Award for Public Policy Engagement winners from 2002-2008; and individual foundation's websites that identified specific grantmaking activities and policy staff members. This research yielded an initial contact list of thirty-one foundations. Each foundation was invited to be interviewed as part of the study, and nineteen of those agreed to participate. Box I lists the participating foundations and the source that identified them for inclusion in the study.

Box I. Foundations Included in the Study

The Annenberg Foundation (program description)
Blandin Foundation (Ylvisaker Award)
Blue Cross Blue Shield of Massachusetts Foundation (Ylvisaker Award)
The California Endowment (policy director)
California HealthCare Foundation (program description)
The California Wellness Foundation (program description)
Carnegie Corporation of New York (Power in Policy)
The Annie E. Casey Foundation (policy director)
Bill and Melinda Gates Foundation (policy director)
The George Gund Foundation (Power in Policy)
Evelyn and Walter Haas, Jr. Fund (program description)
The William and Flora Hewlett Foundation (program description)
W.K. Kellogg Foundation (policy director)
A. L. Mailman Foundation (Power in Policy)
McKnight Foundation (Ylvisaker Award)
William Penn Foundation (Power in Policy)
Quixote Foundation (Power in Policy)
Rosenberg Foundation (Ylvisaker Award)
Woods Fund of Chicago (Power in Policy)

Eighteen foundations in the sample are private foundations and one foundation is a 501(c) 4. Twelve of the foundations are national grantmakers and seven of the foundations are focused on specific states or regions. The assets of the foundations in the sample range from \$22.8 million to \$38.9 billion, for fiscal year 2007. Nine of the

foundations in the sample have assets over \$1 billion. Total giving of the sample ranges from \$1.09 million to \$2 billion annually. Six foundations in the sample make grants in excess of \$100 million a year.¹ The foundations vary in terms of their staffing levels: four of the foundations have fewer than ten staff members; eight have staffs that range from 10 to 50; and seven have over 50 staff members. The programmatic interests of the foundations cover the full spectrum of issues that foundations address from education to health and human services, to the environment and science and technology, to arts and culture and international affairs.

Each of the foundations in the sample is invested in public policy engagement and the public policy issues they address are quite diverse. For example, although there are four foundations with an explicit focus in health, their issue areas are varied, ranging from children's mental health to universal health care coverage, from cultural competency to obesity prevention, from teen pregnancy prevention to healthy aging, among others. The policy issues, beyond health, addressed by the foundations in this study are as varied; they include, but are not limited to: public school reform, literacy, land utilization, smart growth and sustainability, renewable energy, criminal justice reform, child and family welfare, income security, affordable housing, marriage equality, and immigrant rights.

The interviews with the individuals at these foundations inquired about three broad areas: the foundation's approach to public policy engagement; the foundation's choices about organizing and staffing for public policy work; and the challenges that the foundation's face, both internal and external, in engaging public policy. The specific questions are included in Box II. All interviews were conducted in one-hour sessions via telephone between December 2008 and February 2009. The findings presented in this paper are based on an analysis of these interviews.

The research method utilized for this paper is best suited to our efforts to understand foundation strategies for public policy engagement and how foundations organize their internal staff structure to effectively engage public policy. It is necessary to identify those foundations that have chosen to intentionally engage public policy in order to explore what has shaped those decisions.² The method has limits however. The identification of a set of foundations with a recognized interest in engaging public policy, as opposed to a random sample, restricts the generalizability of our findings to foundations in general. Nevertheless, this analysis provides a framework for understanding the factors that shape foundation staffing to effectively engaging public policy.

¹ Data on foundation assets and total giving was taken from The Foundation Center online profiles accessed on August 19, 2008. Numbers represent assets and giving for each foundation's fiscal year ending in 2007, prior to the recent economic downturn.

² The first group of questions about public policy engagement demonstrates that all the foundations in the sample have developed intentional strategies to engage public policy, regardless of the particular area of focus. All nineteen foundations in the sample answered yes to the question, "Has the foundation intentionally sought to influence public policy?" This finding reinforces the appropriateness of including these particular foundations in this study.

Box II: Interview Questions

Public Policy Engagement

- Does the foundation have an official definition of public policy? If so, what is the definition?
- Has the foundation intentionally sought to influence public policy? If so, how?
- Why did the foundation decide to pursue public policy?
- What is the foundation's strategy behind its public policy engagement?
- What are the particular public problems the foundation is trying to address?
- What resources beyond grant money does the foundation utilize in its public policy work?

Organization and Staffing

- What are the critical features of the foundation's staffing structure that allows it to engage public policy effectively?
- Please describe the specific roles and responsibilities of the policy director or policy staff (if applicable).
- Have these roles evolved? If so, how?
- How does the foundation's policy staff work with evaluation and communications staff (if applicable)?
- Does the foundation utilize other external policy resources? If so, what kind(s)?
- Is it necessary to have a dedicated policy position to effectively engage public policy?

Opportunities and Challenges

- How does the foundation define criteria and identify outcomes to measure the success of its public policy interests?
- What are the critical challenges related to foundation engagement in public policy?
- If you could adopt new practices to more effectively engage public policy, what would they be?

Foundation Approaches to Public Policy

As a beginning point in the interviews, we explore how these foundations approach public policy. Specifically we ask: how do the foundations define public policy; what motivates them to pursue policy change; and what strategies they choose for public policy engagement.

Defining Public Policy

Previous studies and analysis of foundation engagement in the public policy reveals that there is no single definition of public policy from which foundations operate. To ensure that we had a common understanding, we probed the respondents about how their foundations define public policy and frame their policy work. Interestingly, nine of the nineteen foundations included in this study have developed definitions of public policy that the interviewees could articulate. While the others did not offer an “official” definition, they clearly have a way of thinking about their public policy work and explicitly include it in their foundation mission statements or reference it in their grantmaking guidelines.

Central to all of the working definitions that the foundations use is an effort to impact public decision making. In effect, public policy is viewed as encompassing the decisions made by governmental bodies which have important impacts on public resource allocation, or that have important behavioral impacts on individual or organizations – “we define public policy as the laws and practices, both regulatory and administrative, that have a direct impact on the well-being of the families that we’re concerned about.” Not surprisingly, given the range of policy issues and the geographic scope of the foundations in the study, this relates to decisions made by governments at all levels, and the various branches of those governments. In some instances, the foundations are quite explicit at the wide variety of decision points: “legislation, regulatory decisions, high-level administrative decisions, and court decisions at the federal, state and local levels that affect the populations we serve.” In a few cases, the foundations are clear that their policy work extends to governments beyond the U.S. border.

There are a few foundations that have a more expansive definition extending policy work beyond actions of governmental bodies to include efforts to change corporate practices that have substantial impacts on public problems. For example, one foundation defines public policy as “working together with public and private partners to provide measurable sustainable solutions to impacting barriers to care.” And another foundation defines public policy as efforts “to improve the effectiveness of public laws and regulations, inform the use of public funds, and address private sector employment practices that impact upon people’s ability to work and live above the poverty line.” This bleeding over from public decision making to private decision making is not uncommon, as many foundations that are engaged in public policy are interested in changing systems, which in many cases include both public and private elements. As one interviewee notes: “how are you going to make the biggest difference? You have to influence the private sector, the nonprofit sector, and the public sector in order to really change what’s going on.” Or

as another put it: “all of the work we do is geared towards affecting change and creating sustainability, public policy is one aspect of that work.”³

What is clear in these interviews is that for those foundations that are intentional about making an impact on public policy, there is a high degree of convergence about what public policy is and that their efforts are focused on creating policy change. Among these foundations, public policy is not a term that is simply used to refer to efforts to address public problems by helping nonprofits fulfill their missions or by working to develop new programs or innovative approaches to service delivery. Of course, this does not mean that the entire foundation community has become as precise about what public policy work means since we are dealing with a carefully selected set of foundations.

Motivations for Public Policy Engagement

All of the foundations surveyed expressed that their involvement in public policy is motivated by their desire to leverage their limited resources to have a greater impact. This applies to foundations with relatively large endowments – “The board and CEO recognized that to have more impact we needed to have more engagement and a more methodical policy approach.” And, it also was expressed by foundations with more modest financial resources: “the only way our small dollars can have real impact is around making sure that our dollars are leveraged to get other dollars that affect policy change.”

Of course, how foundations arrive at the decision to engage public policy is more varied, as earlier studies have noted (Ferris, 2009). Some of the foundations begin with a focus on policy change, often as a result of the interest of their founding donor. One respondent described their foundation’s interest in policy this way: “public policy change has always been at the core of the foundation’s mission – intentionally, and with gusto – and even aimed at unpopular, unconventional issues, but where the board has seen a chance to make structural or systemic change.” Others, however, arrive at it over time. For example, one interviewee noted: “if you are doing work that could be described as more traditionally charitable, providing direct services, you run into system problems. And you start observing that a problem is recurrent or a problem isn’t just addressed through program funding.” And another interviewee expressed it this way: “there’s a sense that pouring money into services can be a bottomless pit and if you don’t start to change the policies at a higher level, including funding streams from government, then the amount of impact you can make is relatively small.”

A number of the foundations go further than just stating that public policy work enables them to have a greater impact in their areas of interest to underscoring the vital importance of policy work for sustainable change. Seven of the foundations, over a third of those in the study, articulate the importance of public policy engagement in order to achieve sustainable change. As a couple of the quotes above indicate, foundations that are focused on service delivery realize that ongoing programmatic support of nonprofits is not likely to lead to the desired outcomes of change that they seek. Public policy

³ For a discussion of how policy change and system change are related see: Ferris and Williams (2009).

becomes a vehicle for them to achieve the system change they desire. Thus, public policy is not the end result for these foundations, but rather an instrument for creating change in a larger system.

Strategies for Engagement

As a third prong in understanding the public policy work of the foundations included in this study, we inquired about the strategies that were pursued as part of their efforts to impact public policy. We inquired about what kind of activities they funded as part of their grantmaking, and we explored the importance of leveraging the foundation's non-monetary assets to impact public policy. Based on the interview responses, we identified seven primary avenues through which the foundations saw themselves working to influence public policy. These are listed and described briefly in Box III.

Box III: Foundation Strategies for Public Policy Engagement

(Number of foundations that identified their use of strategy in parenthesis)

Grantmaking (19)

- **Advocacy and grassroots organizing (18)** - includes grantmaking to local, regional, or national nonprofit organizations working on advocacy within their particular area of interest, grassroots organizing, community-building, and other advocacy strategies.
- **Research (14)** - includes grantmaking to think tanks, nonprofit research institutes, and universities to conduct specific policy research projects, write position papers, collect data, and conduct public policy analysis.

Working with stakeholders, experts, and partners (16)

- **Convenings (13)** - includes workshops, seminars, community forums and other forms of gatherings that include grantees, nonprofits, community groups, policymakers, and other funders.
- **Partnerships/networks (15)** - includes participation in affinity groups, funding partnerships, and other foundation and nonprofit networks.

Informing and educating (16)

- **Communications (12)** - includes media campaigns, publications, websites, blogs and other Internet 2.0 tools, public relations, press releases, and other general communications activities.
- **Policymaker education (7)** - includes direct education to policymakers on specific public problems through publications, data analysis, and policy analysis.
- **Foundation cache and expertise (9)** - includes meetings and relationship building with public officials and policymakers, providing public testimony, and utilizing the foundation's cache as a knowledgeable resource on the policy areas of interest.

Not surprisingly, foundations use a combination of these approaches ranging from a high of all seven to a low of three; two foundations indicate they utilize all seven, and at the lower end there are four foundations that rely on three strategies for their policy work. All but one of the foundations reach beyond grantmaking to employ other strategies in

their policy work either by emphasizing working with others, or by informing and educating.

All of the foundations identify grantmaking for either advocacy or research as part of the strategy. Interestingly, foundations were most likely to fund advocacy and organizing work.⁴ All but one of the foundations in this study saw that as a part of their public policy work. This is interesting in that over the past decade it has become clear that foundations can support nonprofits who engage in advocacy and organizing by providing operating grants.⁵

Beyond how foundations leverage their grantmaking resources, the interviews reveal that foundations also realize that they are not alone in their work. All but three of the foundations underscore the importance of partnerships and networks in doing policy work. In a related vein, a majority (13 out of 19) of the foundations indicate that convenings are an important feature of their policy work where they bring together the various stakeholders in a policy arena – their foundation peers, their grantees, public policy makers, other key players.

In addition to the importance placed on working with key players in a policy arena, sixteen foundations view communications and education as an important part of their policy work. All sixteen of these foundations emphasize the importance of educating policymakers, often using their cache and knowledge to influence policy conversations. Twelve of these foundations note the importance of strategic communications that goes beyond that directed at policymakers to inform and educate the public through publications, dissemination of grantees achievements, and media campaigns.

Interestingly, sixteen of the nineteen foundations use grantmaking, networking, and education as part of their policy work. And the other three use grantmaking and networking in their policy strategy. The multitude and complexity of the approaches to public policy exhibited by the foundations in this study is consistent with recent work that suggests that foundations have a variety of assets to leverage for policy change beyond their grants. Moreover, it suggests that foundations can and do play a more active role in policy work than simply funding advocacy or research.

⁴ The emphasis on funding advocacy and organizing seems higher than previous discussions of foundation engagement in public policy that seem to indicate that foundations are more likely to focus on research and education efforts. It is possible that our method of selecting foundations for this study over-emphasized those foundations recognized for their active support of advocacy.

⁵ For example, see Holton (2002).

Organizing for Policy Work: Choices and Challenges

As foundations become more focused on public policy, the issue arises as to how create the organizational structure and staffing for carrying out that work. This is particularly the case as they think of their assets beyond grantmaking to include knowledge and networks. To the extent that a foundation policy work is simply through funding policy activities whether it be research or advocacy, it might well occur in the context of the program officer who is the lynchpin of foundation grantmaking. On the other hand, as a foundation embraces a more active role by leveraging knowledge and connections, we might expect to see that foundations choose to develop specialized expertise in policy. It is also possible that as the foundation's commitment to policy engagement grows that a policy director position or group is created to provide a focal point for the foundation's efforts.⁶ In this section, we consider how the foundations in this study choose to structure and staff their policy work and the internal challenges that foundations face in their efforts at public policy engagement.

Structure and Staffing

Obviously, to the extent that a foundation works in the policy arena, it will be interested in developing the capacity to understand public policy and advance their policy work. How a foundation chooses to do this will vary depending on a variety of factors: how central policy efforts are to their overall foundation mission and strategy; does the size and scope of the foundation's staff allow for such specialization; what is the foundation's general organizational structure; and what the foundation's experience in public policy work is.

As we have seen the increasing interest in public policy work among foundations, there appears to be a growing number of foundations that have specialized policy staff, and some that even have created a position such as director of public policy. Seven of the foundations that are included in this study have an individual that serves in such a position. Not surprisingly, the foundations that choose this direction tend to be the larger foundations in terms of assets and staff, but not entirely so. Of the seven foundations with a policy director, one has a staff of less than ten people, two have a staff between ten and fifty people, and four have a staff over fifty people.

Based on our interviews with these individuals as part of this study, the responsibilities of policy director (and policy staff) include setting policy goals and strategy, and helping to identify opportunities for foundation engagement. One policy director noted:

“Discernment is a really important skill that I bring and I’m always the one to ask the question, ‘What are we uniquely positioned to do and how can the foundation achieve its mission?’ So my key role is on the creative side as well as design and development and identifying opportunities. A lot of my role and responsibility is

⁶ This is precisely what happened in the past as the strategic importance of evaluation and communications was identified, and foundations began to appoint an evaluation director and/or evaluation unit and a communications director and/or communications unit, respectively.

trying to move us to a more integrated, project-team approach as opposed to being more departmentally organized and looking at how leadership, grants, and public policy can bring a unique set of tools together to do shared work.”

Another policy director noted the advantage of having a dedicated policy group: “Within the policy department, we have the luxury of thinking about strategy broadly, thinking about the evaluation question, and developing the tools and strategies around how you do this.” But even those foundations with a policy director and/or unit emphasize the importance of their work throughout the foundation:

“The example I use often is it’s like being an executive producer of a movie. Not the director or the writer of the movie or the star, but what you do is you go to meetings and you make sure that all the parts are working and are finding the support necessary to get the work done, making the deals and keeping it moving, and making sure you get the results you want.”

“My particular role is not to be the boss of all public policy, but to be somebody who takes responsibility for the overall public policy stance of the foundation and work in partnership with my colleagues who direct advocacy and policy grant making.”

In addition to their work within the foundation, they also can be a focal point connecting to foundation partners – grantees, other funders, and even policymakers. “We have a professional staff person that acts as our day-to-day liaison with both policy makers and the policy world around them. This position enables us to do two things, organize events, and also be able to reach out as a single point of contact.” And similarly another respondent noted: “Having someone who is based in Sacramento is important for information. That person provides us with reports at the beginning of the year, for example, on the governor’s budget, the proposals that affect our areas of interest, which policies are prioritized, and any legislation that is introduced.”

The interviews reveal that there is considerable flux in terms of the staffing of policy work. For example, some of the foundations begin to do this work with the help of consultants, while others choose to do this work with a program officer becoming the point person for the foundation’s policy work. At the same time, there are a couple of foundations that once had a director of public policy, but have now decided to achieve that function in a different way given shifts in organizational design and the fact that there is greater capacity and awareness of public policy throughout the foundation.

As foundations gain more experience in public policy work it appears that public policy capacity is institutionalized beyond a policy director or policy staff. This is accomplished through different routes. While some foundations have chosen to have dedicated staff for policy work, they and others work to develop the capacity throughout the foundation more generally, including efforts focused on the board. For instance, ten of the foundations develop the expertise in-house; they hire program staff with some policy expertise and work to develop a policy sensitivity and awareness through in-house

training. Seven of the foundations work to acquire policy expertise through recruitment of program staff with experience and expertise in public policy, and the remaining two have blended the two approaches.

One of the policy directors interviewed summed up the issue of how to organize and staff for public policy best: “I don’t believe there is a unique solution to organizational and institutional management problems. Different entities do things in different ways, and once they decide to do it in a particular way they think it’s inevitable and necessary.” It is clear from the set of interviews that organizing for policy work is conditioned on a foundation’s experience and degree of involvement in public policy as well as other choices that shape the internal organization of the foundation.

Using External Resources

The vast majority of foundations in the study (17 out of 19) use external resources to complement their staff resources in doing their public policy work. Four broad categories of resources that are obtained through external sources are identified in the interviews: policy advice, evaluation, research, and communications. This is not surprising, since many organizations, from across the sectors, use a blend of internal and external resources to carry out their mission. This is particularly true for smaller organizations that may not operate at a scale that makes specialized resources feasible, or may have certain functions that are more episodic or that can be more appropriately handled by “contracting out.”

Twelve of the nineteen foundations in the sample discussed a variety of ways in which their foundation utilized outside policy expertise, including the creation of policy advisory committees to review proposals and develop strategy, and the hiring of policy consultants with specific areas of expertise. For example, one respondent noted: “We are trying to figure out what are some of the policy solutions to address the foreclosure problem. So we will seek that content expertise from those who may be academics or bankers to get a sense of what is going on and where the opportunities are.” One of the smaller foundations noted, “Our core staff is just three employees, and then we work with three outside consultants who have particular policy expertise that supports our own learning and makes sure that the critical pieces of information are coming back to us.” In addition, sometimes political expertise is sought; for example, “There are several former public policy makers who will serve as consultant staff who we will bring in to advise us as we are thinking of core strategies.”

An additional area in which foundations reach out for expertise to complement staff resources is evaluation. Nine of the nineteen foundations in the study identified the use of external evaluation resources. For all the foundations in the sample, evaluation is an important piece of the organization’s work; however, the type of internal resources available for assessment varied, as did the types of evaluation that were of interest. For example, it was often mentioned that staff were able to conduct program and project level assessments, while outside consultants were utilized to conduct broader analyses of public policy outcomes.

The two other areas where external resources played an important role in the foundation's public policy work were research and communications. As discussed earlier, most of the foundations in the sample provide grants for public policy research and analysis. In addition, four of the foundations in the sample also commission university-based research and policy centers, think tanks, and other independent researchers to undertake projects that inform the foundation's decision-making. This research is often specific to a particular policy arena and is used to develop a foundation's theory of change or programs in public policy.

While many of the foundations with substantial staff have dedicated communications staff, some of the foundations with smaller staffs noted the importance of utilizing communications consultants as part of their policy efforts. This strategic communication work includes working to get media coverage on issues such as getting op-eds placed, conducting public media campaigns, and working to frame policy issues. For example, one foundation uses communications consultants "to frame our conversations and our literature and materials in such a way as to have more impact on bringing about the level of political will that would be required for policy change."

Internal Challenges

One of the enduring challenges as foundations choose to impact public policy is how to evaluate their efforts and those of their grantees. Not surprisingly, all of the foundations interviewed as part of this study were careful to say that they hoped their work was influential, but were reluctant to expect to be able to assign direct attribution to achieving policy change, instead looking more for association and influence. In fact, there has been a growing effort in the past few years to develop new approaches to the evaluation of policy and advocacy work as indicated by the emergence of an interested group of foundations and their partners, both nonprofits and evaluators.⁷ As much of the work on foundations and public policy underscores, the complexity, ambiguity, and lags in the policy process make it difficult to discern impact using the normal methods of evaluation and assessment. This is only amplified by the short-term horizon of some foundations.

Given the centrality of the challenge of assessing the policy work of foundations, we probed specifically about how foundations dealt with these issues. There appears to be considerable variation in the extent to which foundations identify specific metrics. This is likely the result of the varied policy areas and experience in doing policy work by the foundations included in this study. Some of the foundations are focused on developing benchmarks and indicators. While others will take a more blended approach: "we try to have a mix of quantitative and qualitative indicators and think that storytelling is a really important tool and instrument for talking about impact." There were, however, some common themes that emerged such as the recognition of the need for short, medium, and long-term measures to indicate progress in achieving policy change.

⁷ For example see: The California Endowment (2006) and for a variety of resources for evaluating advocacy and policymaking programs see: <http://www.calendow.org/article.aspx?id=3632>.

But beyond the issue of evaluation in the context of an imperative for demonstrating impact, there are other challenges inside the foundations that are working to advance policy change. Recall that the individuals that we interviewed in this study are those who are the most on point in the foundation's policy efforts. One of the challenges that surfaced in the interviews is the need for education of the board and staff. Six of the respondent's identified board buy-in as an ongoing challenge; and five indicated a need for more staff training including education about IRS regulations about what is permissible for foundations to do in the policy arena. Together, ten foundations indicated one or the other as a challenge. The fact that foundations committed to doing policy work indicate that this as a challenge suggests that there is a need for a continual conversation and education about the foundation's policy work and how to do it.

Another important challenge is limited resources. Eight of the foundations indicate that limited resources, in terms of both money and time, is also a challenge. This likely reflects the fact that policy is but one of many strategies to achieve a foundation's mission and thus requires tradeoffs internally. This is reflected in the fact that three of the four foundations with a staff under ten mentioned this as a challenge.

The Challenges of Public Policy Engagement

Beyond the challenges of how to do public policy, the respondent's were asked to reflect on how external forces are impacting the policy work of their foundations. There were three aspects of the policy landscape that were identified by at least a third in response to an open-ended question that asked them to reflect on their work and the challenges that they see. Ten of the interviewees noted the need to ensure that foundations that choose to engage in public policy understand the long-term nature of such work and the corresponding need for the foundation to commit to that timeframe. Ten of the interviewees referenced the current economic environment as having an impact on their work, and six of them identified the changing nature of the political environment and the policy process.⁸

An appreciation for the need for long-term commitment to policy change was raised not only in response to the external challenge question, but was a thread throughout the interviews as the foundation strategies and practices for public engagement was discussed. A recurring theme was the realization that the uncertainties of when success will be achieved, if at all, makes such work not for the faint of heart since it is easy to want to move on when victories are few and far between, and typically not likely to occur within the relatively short time horizons of many foundations. Here is how one interviewee describes it:

“Policy change has to come from a very intentional and long-term commitment. The challenge of taking on broad policy change presents the possibility of much greater impact and leverage. But there is much greater risk of failure. And it also

⁸ It is important to remember that the timeframe for these interviews was late Fall through the early part of 2010, thus there were taking place while the stock market plunged and the results of the presidential election were known.

sometimes puts the foundation in an adversarial role. Our board is very supportive of this work and recognizes that sometimes you will see no developments on some policy issues for years. What started out as a three-year project lasted for ten years and cost \$1 million, and the board hadn't planned on that. With that policy initiative and others you have to be nimble and not adhere to a 'this is how we do it' attitude. And of course the biggest challenge we are now facing is the economic climate we're all in."

In addition to the enduring challenge of sustaining an interest and willingness to stay the course, the current economic climate is only intensifying the pressures on those engaged in policy work. First, there tends to be an on-going challenge to allocate sufficient resources for policy work within foundations. One respondent put it this way: "the challenge is always the same – time, money, and people – and you never have enough of any of those things." And with the current economic crisis, resources within foundations are even more scarce. Secondly, the economic climate exacerbates the public problems that so many of the foundations engaged in policy work are focused on. As one interviewee noted: "The other challenge frankly now is we're facing a financial and economic environment that is going to be very tough on our causes and tough on the people that we care most about. So, I think one challenge for us is, if anything, we are going to have to engage even more strongly with governments and other public institutions to try and fight a good fight and keep up the momentum, because there is going to be a lot of pressure the other way."

The challenges of the current environment extend beyond public budgets, to the actual shifts in the political and policy landscape. One respondent underscored the importance of the changed political environment this way:

"After eight years of playing defense against bad ideas coming out of Washington, and trying to stop bad things from happening, we are ready to shift to offense. But we have to be pretty nimble and pretty savvy and pretty sophisticated, so trying to do that is not going to be as easy as we would like and already we can see within our grantees tensions, because we see those who will advocate this and those who will advocate that. In ways it's easier playing defense... We are unified in that and we mobilize. But then when Obama and the Democratic Congress say, what's our top priority? Some of our grantees will say SCHIP, others will say its universal healthcare, and other people will say its tax cuts for low income families. So it is going to be a challenge – how to be effective on offense."

In addition to the change in political fortunes and the opening and closing windows of opportunity, there are a number of institutional challenges. For example, in states with term limits there is an increasing issue of legislative capacity. As one interviewee noted: "the systems for reimbursement and financing are very arcane and very complex, so it's very hard with term limits for new policy makers to learn enough about the way these programs work to be able to make good policy decisions."

CONCLUSION

As foundations have renewed their interest in public policy engagement in recent years, there is a growing understanding of the advantages of such work to create greater, more enduring impact. This study of foundations that are committed and intentional in creating public policy change corroborates many of the findings from previous analyses of foundation strategies for public policy engagement, explores a variety of issues about how foundations organize once they choose to focus on public policy work, and indicates some of the challenges that confront those foundations who are involved in public policy.

Based on the interviews with key individuals at the foundations included in this study, it is clear that there is a shared understanding of what foundation engagement in public policy is and what it is intended to achieve: influencing public decisions – in legislative bodies, in the courts, and in administrative agencies – at all levels of governments and across borders that impact important social outcomes. There is also an awareness that grantmaking to support advocacy, organizing, and research and policy analysis is permissible and essential to this work, but to a great degree there is recognition that grantmaking is not the only asset that foundations have to impact public policy. In addition, there is fairly widespread recognition of the importance of building partnerships and networks in seeking policy change, and the need to educate and inform a broad array of stakeholders and constituencies including policymakers in order to be successful. The interviews also indicate that foundations are challenged by the nature of the policymaking process: the uncertainty of the process and long-term commitment that are required are often at odds with how foundations often operate – a finding that is found throughout the interviews and is also underscored in many of the previous writings about foundations and public policy engagement.

The study breaks some new ground by explicitly examining how foundations arrange for carrying out their policy work as well as some of the associated challenges. It is clear that foundations are in the process of figuring out how best to organize and staff their policy work, especially as there is recognition that it involves a different type of grantmaking than funding service delivery organizations or capital projects, and that it requires more than simply grantmaking. At a minimum, there is a need to make sure that the grantmaking staff is aware of laws regarding what is permissible. But beyond the educational aspects, there is an interest in ensuring that opportunities for the foundation to leverage its assets are identified and that efforts within the foundation are coordinated. While all of the foundations articulate the need to have an integrative approach to public policy work, about a third of the foundations in this study have decided to appoint a policy director/staff in order to provide a focal point for policy efforts. But even those foundations that have chosen to have a policy director and/or staff underscores their efforts to work across boundaries within the foundation, not only with program officers, but also with others such as communications and evaluation staff when they are also organized separately.

There appears to be some experimentation with the best way to ensure that the policy work of the foundation is supported. Foundations sometimes build up to the creation of a

policy director/staff and then become involved in that work; but at the same time, there are at least a few foundations that have had such an arrangement that have then chosen to adopt a more integrated approach. At the same time, there are a number of foundations that supplement their staffing with external consultants. It is difficult to discern specific patterns given the small number of cases in the study and the considerable variation in foundation size and tradition in policy work. At the moment, the best way to summarize the approach is pragmatic: let's see what will work. Perhaps, patterns will emerge when a larger number of foundations are studied, and there is a more longitudinal frame for the analysis.⁹ Aside from the issue of organization structure and staffing, foundations find that policy work presents some challenges to foundation practices such as the continual need to educate, inform, and reinforce foundation staff and board members about the nature of foundation efforts to engage public policy, and the desirability of developing methods for assessing policy efforts in a meaningful and useful way.

Finally, the study provides a glimpse at the challenges facing foundations that are engaged in public policy from the viewpoint of those individuals who spearhead those efforts. The importance of understanding the nature of public policy work and how it is out of sync with some of the more conventional practices of foundations is a general theme that emerges in many of the conversations. But beyond that, it is clear that the current economic and political climate is amplifying the challenges at the same time as underscoring the potential payoff of public policy engagement. With the economic pressures on the foundation endowments and grantmaking budgets and increasing community needs, the tradeoff between creating lasting change and temporary relief is magnified. And no doubt the political currents are forcing foundations to switch postures vis-à-vis the windows of opportunities in the policy process. For those foundations engaged in public policy, there is a need to reaffirm their commitment – stay the course – at the same time that are responsive and adaptive to the changing policy possibilities.

⁹ We should note that efforts to identify a body of work that explicitly considers how to organize the work of foundations in general were unsuccessful.

SELECTED REFERENCES

Arons, David F. ed. (2007). *Power in Policy: A Funder's Guide to Advocacy and Civic Participation*. Minneapolis: Fieldstone Alliance.

The California Endowment (2006). *The Challenge of Assessing Policy and Advocacy Activities, Parts I and II*. Researched and written by Blueprint Research & Design, Inc.

Ferris, James M. ed. (2009). *Foundations and Public Policy: Leveraging Philanthropic Dollars, Knowledge, and Networks for Greater Impact*. The Foundation Center.

Ferris, James M. and Nicholas Williams. (2009). "Foundation Strategy for Social Impact: A System Change Perspective," Working Paper, The Center on Philanthropy and Public Policy, USC.

Holton, Ruth. (2002). *On Public Policy Grantmaking*. The California Wellness Foundation.