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WORKING WITH GOVERNMENT GUIDANCE FOR GRANTMAKERS

working with government

guidance for grantmakers

PAGE 2 **Why Work with Government?**

For grantmakers interested in advancing systemic change or addressing root problems, working with government can be an important opportunity – even an essential one. But it can also mean venturing into territory where the rules are new and the power dynamics unfamiliar.

PAGE 5 **Ways to Work with Government**

From tight partnerships with firm timelines and objectives to loose alliances that evolve over time, foundation-government partnerships take many forms. What they have in common is a motivation to solve public problems by leveraging the distinctive capacities of philanthropy and the public sector.

PAGE 10 **Scouting for Partners and Projects**

Grantmakers who forge good partnerships are often skilled at scanning for innovators in government – officials who are willing to champion improvements and know how to get things done. These funders are also alert for opportunity moments, when help from a foundation makes all the difference.

PAGE 14 **Entry Points: Four Cases**

There are certain things that philanthropy can do more easily, rapidly, or flexibly than government can do itself. These four cases – one each from the local, state, national, and international sphere – show how four grantmakers used that insight to open up new opportunities.

PAGE 18 **Managing Relationships with Government Partners**

Building and sustaining good relationships takes planning, awareness, compromise, and candor. Here's straightforward advice about what to do at specific points in the lifespan of a partnership with government.

PAGE 24 **Do Your Homework: Learning about Government and How It Works**

Any funder who wants to be an effective collaborator with government officials needs to take a refresher course in how government operates and what it's like to work in the public sector. Their realities and yours are not the same.

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IN THIS GUIDE, grantmakers describe the advantages and pitfalls of collaborating with government — a style of working that seems to be on the rise. The guide includes stories and case studies from partnerships involving foundations and government agencies at all levels, as well as tips for maximizing the value of partnerships from government’s point of view.

This guide was written by Anne Mackinnon and Cynthia Gibson.

Underwriting for this guide was provided by the Ford Foundation.

Publications and videos in this series are not meant to give instructions or prescribe solutions; rather, they are intended to spark ideas, stimulate discussion, and suggest possibilities. Comments about this guide or other GrantCraft materials may be sent to Jan Jaffe, project leader, at j.jaffe@grantcraft.org.

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Why Work with Government?

For grantmakers who work extensively with government, the rationale goes something like this: **If we really want to address the biggest social problems or meet the most pressing community needs, we've got to think strategically about what government can do, how philanthropy can contribute, and how we can forge relationships that catalyze action, leverage resources, and ensure continuing support.**

It appears that more and more funders are finding that argument compelling. Collaboration between philanthropy and government seems to be on the upswing, both within the United States and internationally, on issues ranging from education reform and economic development to disease eradication and democratic participation. As one funder observed, "Foundations are seeing the value of government" and recognizing that working with government offers opportunities to "address problems in comprehensive ways, rather than spending money by ourselves and ignoring the underlying problem that is perpetuated."

This new receptivity follows a period when many foundations steered clear of working with government. One grantmaker cited disappointing experiences with "programs that never scaled" to explain foundations' former hesitancy. Others recalled feeling "burned" by problems such as very public failures or projects that were halted or "hijacked" by political changes — an election, an official's sudden nervousness, an unanticipated public controversy — beyond any grantmaker's control.

Even today, some funders are voicing caution about foundation-government collaborations. One grantmaker

expressed concern about "being seen as having been co-opted into a whole government agenda by our existing grantees and the wider sector." Some flagged the danger that philanthropy might be exerting (or appearing to exert) undue influence on public decision making. Others raised questions about cooperating with, and thus legitimating, governments that are unaccountable, corrupt, or repressive.

A program officer with extensive state government experience worried that the vogue for collaboration could drive some funders to seek out partnerships "just for the sake of doing it. You've got to do it because it enables you to advance goals that matter," he insisted. "It's got to be connected with mission." A foundation president echoed that sentiment: "It's important for funders to know that not every partnership with government is an opportunity. Sometimes it is, and sometimes it's not. The foundation has an obligation to make a rigorous assessment about what the impact is going to be at the end and whether it's going to change or prove anything, solve a problem, meet a need."

And then there are the practical demands of working with government. At most foundations, working with

nonprofit grantees is an essential part of the job — challenging to do well but fundamentally well-mapped territory. Working with government can feel unfamiliar — and just plain hard. To navigate successfully, veteran funders advised honing some specific areas of skills and knowledge.

First, they advised, learn about the government you're working with as a subject in itself — how it operates, how decisions are made, and how policies get implemented on the ground. "You absolutely must know the rules of the game," one grantmaker warned. "You will gain respect and access if you have taken the time to know how government officials work, what makes their lives difficult, and their aspirations. It is also invaluable to know the options available in government — and not just in legislation."

Then, apply the basic rules of good grantmaking, but do it with sensitivity to the circumstances of government. Exercise patience, many advised, not just with how long the work takes but with the inevitability that "leadership changes will upset the apple cart, and you may have to start essentially all over again." On the other hand, government grantees and partners aren't necessarily so different from others. One funder made the point succinctly with these "top three" pieces of advice: "1. Clarify expectations. 2. Operate transparently. 3. Be prepared to be approached for funding by other government entities."

Finally, pay particular attention to your own role because the power dynamics can feel unfamiliar. A lot of advice from funders boiled down to this: remember that you and your foundation are

not necessarily very important to your government partner. "Ask what the government official needs to know to make this a success," said one grantmaker, "and then plan accordingly." "Forego all the credit," said another, "and give credit to the collaborators."

Grantmakers also raised the perennial issue of holding onto your own priorities while promoting cooperation. "Working with government is not about 'campaigning' and making a lot of noise," said one. "It's about seeing where you can 'support' the government to try and solve problems." Said another: "Always try to be considered as part of the team, never as a sponsor."

Some funders warned of the seduction of government power and urged clarity about the fundamental goals and objectives of the foundation: "Make sure to identify trigger points, in advance, that would cause you to walk away," said one. "Remember," said another, "that just because you work with government, you don't need to agree on everything."

The issue of power relations can be particularly tricky. Like it or not, most nonprofit grantees treat funders with a certain deference. Government partners are less likely to do that — which can cause an unsettling feeling for grantmakers who are used to being the ones whose attention is sought. "It can be a great humbling experience," reflected a grantmaker who worked for many years in community development, "when the shoe is on the other foot. Things happen in government, their priorities change, and the reasons are often opaque. It's a reminder," she continued, "that foundations are often just as opaque to nonprofit grantees."

Grow the Craft
Insights from a Grantcraft survey

QUICK QUESTION

What's the right relationship between philanthropy and government?

It's practically a given these days that philanthropy and government ought to work together. But what should the relationship look like? How can grantmakers collaborate formally or informally with partners in government to advance the common good? And does everyone think this is such a good idea?

To explore those questions, we invited eight foundation leaders to reflect on the current state of foundation-government collaboration and asked GrantCraft readers to say which statements resonated for them. Well over 1,500 people completed the online survey — and a majority took the time to write substantive responses. That fact alone confirms our view that collaborating with government is very much on the minds of grantmakers in all kinds of foundations.

The questions from foundation leaders clearly got people thinking, so we've decided to share them again in the next few pages. We've also attempted to distill the coupounding of advice and practical wisdom that came back — mainly from grantmakers, but from experienced government and nonprofit partners, as well.

Who's collaborating?

Among government roles, how many grantmakers have worked with at least one foundation partner? (Note: Some grantmakers may have worked with multiple partners.)

Role	Percentage
Local	21.7%
State	21.7%
Federal	4.7%
International	4.7%
Other	47.2%

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RESULTS FROM A GRANTCRAFT SURVEY

What's the right relationship between philanthropy and government?

Eight foundation leaders answered that question with everything from practical advice about working with government officials to warnings about the danger of losing autonomy. We then invited our readers to comment on the answers. Read our Quick Question survey report at www.grantcraft.org for highlights of what turned into a lively debate.

In short, although many grantmakers see that the potential advantages of working successfully with government are enormous, they also know that there are no hard and fast rules. “There aren’t enough role models, examples, and candidly shared lessons,” noted one funder, “to form the basis for a

set of ‘rules of engagement’” to guide philanthropy and government as they “figure out how to work together successfully.” This guide is intended to help fill that gap with examples from a wide range of partnerships designed to address issues of local, national, and global significance.

WORKING WITH GOVERNMENTS INTERNATIONALLY

Most grantmakers who contributed to this guide work with government entities in the United States, either at the federal level or with particular states, counties, or municipalities. Contributors working in other countries were fewer in number, and the guide is therefore weighted heavily toward the experiences of grantmakers working in the U.S. Much of the advice we heard about foundation-government partnerships holds true in any situation, yet international grantmakers also offered some special insights.

First, said a U.S. grantmaker with extensive overseas experience, “always err on the side of caution in observing government regulations outside the U.S. In the U.S., a minor transgression of, say, a tax law may lead to a fine, or some bad publicity.” In a foreign context, it may lead to the foundation’s being asked to leave. “In the U.S. in recent years,” he continued, “we’ve learned that not everything we do is met with universal acclaim. Outside the U.S., that is magnified not only by confusion about the role and intent of foundations, but by perceptions regarding the role and intent of the U.S. and American actors abroad.”

It’s also essential, he said, to remember that “across a range of issues, a U.S. foundation has ‘standing’ to address deficiencies in government policy” within the U.S. Outside the country “we are guests — and that changes the range of what is permissible and advisable to speak out about. We might be better positioned to fund advocacy work than to engage in it, if we are in an environment where NGOs can speak out safely. In other places, we may be better positioned to speak critically, where such speech may be dangerous for local actors.” When working with

governments abroad, he concluded, remember to “coordinate closely with local NGOs, to ensure that at best you help promote their agenda as well, and at least you don’t produce unintended consequences that make their lives harder.”

Another grantmaker observed that collaborations can “perhaps be easier” when working abroad “because the scale of government is often smaller, so philanthropic dollars are more significant: “When you’re a U.S. foundation working with a foreign state, you always appear to have the option of walking away and taking your money elsewhere.”

Several people pointed out that it’s advantageous when working abroad to be on good terms with the U.S. Embassy. That can be a “delicate balancing act,” said one, because although “we want to have a cordial relationship with them, we don’t want to feed the perception that we work for them.

Others talked about collaborating with government to develop capacity among public officials with limited access to new research or global trends, as in *Supporting a New Partnership* (www.grantcraft.org/newpartners), GrantCraft’s video on organizing an international study tour for health officials in India.

For an overview on working internationally, see GrantCraft’s *International Grantmaking: Funding with a Global View* at www.grantcraft.org/internatgrantmaking. The Council on Foundations’ United States International Grantmaking project website (www.usig.org) is also a good place to go for reliable information, including up-to-date regulations governing philanthropies and NGOs in 35 countries.

Ways to Work with Government

"I've been in this business now for quite a while," said a grantmaker with experience at several large U.S. foundations, "and I've seen foundations play all kinds of roles with government. They've played the traditional sort of R&D role, testing new ideas and evaluating them. They've tried to improve government performance or reorganize the way money is used or resources are allocated within existing systems. They've tried to bring about policy change through advocacy. Foundations have also gotten out in front and tested the waters, which made it safe for government to get into an issue. They've also complemented what government does, funding things that need to be done in order to address a problem but that government is not in a position to do for one reason or another."

In short, every collaboration is as unique as the parties involved and can range from highly structured, multi-faceted initiatives to loose agreements to share information about common objectives. Decisions about what kind of partnership to undertake depend on the particular strategy, objectives, and goals being advanced, as well as on what participants believe to be feasible and politic.

It's important, said both grantmakers and government officials, to strive for clarity at the outset on issues including the objectives of the work, who will play what role, what expectations each party has of the other, and an implementation process. Putting some stakes in the ground early on can help everyone foresee risks, ensure that the right people are involved, and avoid misunderstandings as the pace

picks up and the work becomes more intense.

Generally, foundations partner with government in one of the following ways.

TEAMING UP

In this type of relationship, a foundation and government partner work directly together to develop and implement a project. In one example, grantmakers at a family foundation learned that a major federal early-childhood program was being revamped. The foundation had a long-standing interest in children with disabilities and approached government officials to find out how the redesigned program would better integrate children with special needs. The policymakers said that they shared the foundation's concern, noting that the program was required by law to enroll children with disabilities and acknowledging that they weren't sure how to do that well. The foundation and the federal agency joined forces to explore new solutions to serve children with disabilities and to figure out how to make the best approaches work well within the larger program, using a combination of pilot projects, training programs, and evaluation.

Cofunding with government is not necessarily part of the relationship, but it often is — and, in fact, some foundations insist on it. A grantmaker at a national foundation that supports state-based innovation noted that government's willingness to contribute "new or reallocated money, not just in-kind resources" is something he and his colleagues see as a crucial sign of commitment to ensuring that the project succeeds: "There are two things that determine whether we will work

PARTNERSHIP VS. ADVOCACY

Foundations that want to have an impact on policy and regulation reform often do so by supporting advocacy efforts, designed to pressure government to change, rather than by working in partnership with government. To learn more about advocacy grantmaking, see GrantCraft's *Advocacy Funding: The Philanthropy of Changing Minds* at www.grantcraft.org/advocacy-guide. The guide outlines the legal guidelines for philanthropy and describes approaches — such as getting involved with writing regulations after legislation has been passed — that steer clear of limits on advocacy.

COFUNDING RESOURCES

The Public-Philanthropic Partnership Initiative, a project of the Council on Foundations, has assembled a helpful list of cofunding relationship types, along with definitions and relevant guidelines for how and when each may be used. See the initiative's website at www.ppp.cof.org for the most up-to-date information on each type and a growing library of online resources.

- Matching grants
- Cooperative agreements
- Grants to government
- Sponsorships and co-sponsorships
- Sharing staff
- Cooperative research and development agreements (CRADAs)
- Prizes and other transactions

For information on “jointly funded projects” and other limited exceptions to the federal lobbying prohibition, see Northern California Grantmakers' Public Policy Grantmaking Toolkit; visit <http://www.publicpolicytoolkit.org/pdfs> and click PF Lobbying Exceptions.

in states. One is a commitment to the effort by the governor, which can come in a variety of forms, and the other is an assurance of government money.” The amount of funding is less important than the commitment to provide it.

Another grantmaker who cofunds with government explained the advantages of this arrangement: “Sometimes they're putting in \$10 for every \$1 we're putting it,” she said. “It's just that our \$1 is flexible and their \$10 is not. They'll really go after that 11th dollar because it can be used for things they can't fund.” Recognizing the potential for leverage, the foundation “almost always asks to see significant government investment before we put our money in, or as a condition for putting our money in.”

Cofunding can also open the door to a broader set of joint and coordinated activities with government, including advocacy and “collaboration around legislative language,” a former grantmaker pointed out. For example, several national and state foundations teamed up with a state education agency to improve high school achievement and graduation rates through a multifaceted initiative that includes policy change as well as programmatic and capital components. Because the initiative qualifies as a “jointly funded project” under U.S. Treasury regulation 53.4945-2(a)(3), the private foundation partners can be involved in crafting regulations and lobbying for legislation that advances the initiative's goals. Another national foundation has been able to advocate for passage of federal legislation that would fund a state-level survey of child well-being because the foundation has pledged supplementary

funding for technical assistance that will enable a wide range of constituencies — including states, community groups, and analysts — to understand and use the data.

But one foundation leader took issue with the notion that cofunding arrangements necessarily result in better use of public resources. “It sounds good, but money that's leveraged for one purpose is moving away from some other purpose. Typically we don't look at that and say, ‘Wait a minute, we're taking dollars from this account over here and putting it into that account over there.’ That deserves more attention before foundations dive right in.”

WORKING THROUGH AN INTERMEDIARY

In this type of collaboration, a foundation and government agency work together through an organization that brings special expertise — or the independence that comes from being a third party — to an issue, project, or plan. An intermediary organization might carry out an entire project (for example, planning and conducting research on local farmers' use of water resources) with support from a foundation and cooperation from government. Or a foundation might support an intermediary as part of a larger government initiative: one foundation, for example, supported a university program to train social workers in a new child-welfare approach, but the service itself continued to be delivered by the state agency.

Foundations sometimes prefer this arrangement, grantmakers said, because intermediaries are able to do things government can't do itself. Moreover, intermediaries are usually

more nimble and accountable to the foundation, monitoring progress and providing regular reports of work in the field. Some intermediaries also serve as formal or informal advisors to foundations and government partners because of the depth of their expertise and perspective on the wider field. In addition, intermediaries are often translators between foundation and government staff or “thought partners” in interpreting trends and developing strategy.

A grantmaker may choose an intermediary specifically because it is close to the ground and knowledgeable about a field. Those qualities are especially valuable when a project is far removed geographically and culturally from the funder. A U.S.-based foundation that supports rural disease eradication in sub-Saharan Africa, for example, collaborates with national departments of health by working through two types of intermediary organizations: international groups with public-health expertise and local groups with good reach in the affected communities.

Grantmakers recognize that local intermediaries are often “context smarter” than the foundations that fund them. A program officer involved in U.S. school reform nationally explained, “On one hand, we want to keep a small, smart, nimble staff; on the other, we want to work at scale. Therefore, we often work through intermediaries that represent the foundation in a geographic partnership with a city or state. Working through intermediaries increases both accountability and transparency.” For this foundation, intermediaries sharpen the perspective of grantmakers and free them to concentrate on the big picture.

When experienced, trusted intermediaries are available, partnerships can be fairly easy to establish. In some fields, intermediaries cultivate ongoing relationships with government partners (for example, nonprofit housing organizations with city housing agencies, which interested funders can tap into).

EXCHANGE AND LEARNING

Another way to work with government is by supporting discussion or exchange that enables public officials to learn, plan, and make connections. When officials in one Western U.S. state expressed interest in redesigning its Medicaid delivery system, for example, a local foundation covered the cost of briefings and workshops at which key government stakeholders vetted promising ideas.

One foundation makes a practice of pulling together people from different agencies when interagency cooperation is essential for implementing a new system or reform — a tricky business if they’re not accustomed to working together. “We coach people,” a grantmaker reported. “Sometimes we feel like marriage counselors. We understand there are going to be honest disagreements, and we help to find win-win solutions.”

A grantmaker who works internationally described a creative approach her foundation took to information exchange within government. “One of the things that we did for many years was fund a writing workshop. These events brought together — almost like a sabbatical — people from ministries, NGOs, and universities for seminars and discussions around a particular issue.

Grantmakers recognize that local intermediaries are often “context smarter” than the foundations that fund them.

Their task was to come up with joint or individual papers on whatever the issue was that drew on their knowledge and experience. It also gave them time as a group to write about something that was important to them, so that they could think together.”

Some foundations support organizations that have relationships and track records with government officials — organizations such as the National Conference of State Legislatures or the National Governors Association. Those organizations, in turn, use foundation grants to host seminars and training sessions that give government officials opportunities to hear from experts, learn about reform in other places, and compare notes. This type of convening, one funder observed, can be especially effective during the regulatory process, when policymakers are writing guidelines for implementing legislation. “There’s a lot that can be done in that forum because you’re not worrying about stepping over the line regarding advocacy because there’s no pending piece of legislation. It’s a time when you can educate regulators about how other states are doing innovative work.”

In many cases, government partners appreciate the rapid pace and flexibility with which philanthropy can commission research to meet public-sector needs. As one government official noted, “Foundations can help fast-track any kind of reform because you can spend foundation dollars so much faster than in the government world, where mandates and public procurement timeframes dictate the manner and speed with which money can be spent. Foundations just can sort of race past all of that.”

Many grantmakers who work with government make a point of getting to know government officials in their region or program area, sharing new ideas and research, and keeping them up to date with what the foundation is doing. “When I come across a report that I know will be of interest to someone in city government,” one grantmaker said, “I stick a note on it and send it along. Maybe they read it, maybe they don’t, but it keeps us on their radar.”

SUPPORTING CIVIC ENGAGEMENT

In this role, a foundation serves less as a partner to government than as an interlocutor between it and the larger public in community problem solving. In one state, a family foundation took the lead in supporting an intermediary that designed and conducted dialogues among parents, educators, and public school administrators about what they saw as the most difficult problems with the public school system. The group then worked together to develop a consensus agenda for future action, including advocacy for school reform.

In another state, foundation support enabled a coalition of consumer interest groups to participate in developing regulations for a new Department of Managed Care. “We knew full well that every HMO was going to have a litany of lawyers and others at every hearing about every word of the regulations,” a grantmaker explained, “so we wanted to make sure consumers were represented — not just by one group but by five.”

Three foundations in one city joined forces to support a new nonprofit that

organized public deliberation sessions between legislators and residents on issues ranging from traffic congestion to school dropout rates. The organization also facilitated data gathering and research that informed the discussions, and, ultimately, policies and programs. Since its establishment, the organization has become a trusted resource to local government.

Initiatives like these focus on increasing the engagement of the public with its government, said one funder, rather than on engagement by funders and government alone: “There’s a need for this kind of community engagement because it gets residents’ input before money and influence are spent.”

WIN-WIN PROJECTS

Successful partnership projects maximize the assets of both partners and produce benefits for both sides.

Pilot projects can serve as “labs” for determining the effectiveness of an approach and its ability to be replicated or diffused in other places. Government gains flexibility to try out new models while also testing the waters for potential political or community opposition. Philanthropy learns what works in actual communities and, if replicated, achieves more impact.

System reforms and innovations make public services more effective, fair, or efficient. Government gets the benefit of foundation-supported research and other assets that improve the quality of implementation. Philanthropy gets a chance to advance widespread change and, often, see at close range the real challenges of implementing new policy.

Research projects enable both government and philanthropy to learn more about issues of shared concern. Government shapes a research agenda that addresses pressing, real-world problems and gets relevant, reliable information more rapidly. Philanthropy stays abreast of what’s taking place in the public sector and gets added assurance that funded research will be put to use.

Policy development projects enable government and philanthropy to generate and vet promising policy solutions. Government benefits from third-party, independent research and engages communities in reviewing policies before they are enacted. Philanthropy learns about policy’s practical constraints and helps to improve complex systems.

Public engagement processes increase community members’ participation in identifying problems and creating plans to address them. Government receives a more candid picture of public views, as well as the opportunity to receive public “weigh in” and, ultimately, “buy in.” Philanthropy helps to amplify community voices, increase government accountability, and learn about public views and problems.

Scouting for Partners and Projects

“Regardless of what you end up trying to do systematically, you’ve got to start with individuals who are open and receptive.”

To find likely government partners and projects, experienced grantmakers cultivate networks where they’re likely to come across promising ideas, opportunities, and connections. They keep their ears open constantly for people in government who might help move an agenda and for moments when the involvement of philanthropy might be particularly valued.

To explain how they scout for government partners, grantmakers from a range of foundations suggested these deceptively straightforward tips. Each is also a great scanning tactic, whether or not you decide to work with government.

Ask around. The most common method for locating government partners and projects is also the simplest: ask around. A grantmaker who wants to understand a field and get a sense of which officials are most ambitious for change may ask for recommendations from membership organizations such as the Council of State Governments; grantees, particularly those who work with government or have policy experience; or colleagues at other foundations.

Some foundations hire consultants to scan the policy and political environment in a particular jurisdiction and identify potential partners and opportunities. A foundation may decide to bring a former government official onboard as a staff member or advisor specifically because of the contacts that person brings to the job.

A grantmaker who works both nationally and internationally noted that good partners are often a little bit different from their peers, and that finding them can take careful listening, time, and a certain amount of tact. “There are

always going to be people in government who hew to the party line and don’t want to see any changes,” he said. “Some are going to be very defensive.” He looks for opportunities to engage people from government in conversation, “maybe inviting sets of people to participate in discussions, workshops, or conferences, then kind of seeing who looks like they might be promising to work with. Regardless of what you end up trying to do systematically, you’ve got to start with individuals who are open and receptive.”

A program officer who formerly worked in state government described a habit he maintains to keep in touch with prospective partners: “Every year, fairly religiously, I attend certain conferences that attract government officials. I don’t attend many of the sessions. Instead, I work the halls. People come up and say, ‘Let’s grab a cup of coffee or a beer. I want to talk to you about an idea.’ In the course of three days, I may have 100 conversations. It’s that type of stuff, more than anything else, that gets me opportunities to work with government.”

Look for champions. When seeking government partnerships, grantmakers look first for champions – government actors who are creative, willing to go beyond the usual boundaries, and able to see the promise of collaboration. A program officer at a large national foundation explained how it works: “There are a lot of fine people in government who really know what they’re doing. It can be helpful to them to have people from outside government to interact with, share ideas with, and maybe help them promote something they can’t do internally or can’t do exclusively from within.” Champions,

he said, may also be people in government who take the long view and are willing to invest time in research, fact-finding, and experimentation.

Another grantmaker advised finding champions at several levels of government, from midlevel career professionals to high-level political appointees. Recalling an initiative to change forestry practice in several states, she explained that she and her colleagues had sought out “sympathetic people at various levels of government, from people out in the field to people all the way at the top of central agency.” Champions at the top of the organization “who really understand why reform might be important” are essential, she noted, but champions closer to the ground can “make sure there’s adequate information, and information that helps change people’s minds or helps them form an opinion.” Moreover, champions have to be at the right level to make reform happen – which doesn’t necessarily mean being higher up the ladder. “If a governor is a champion but he or she has appointed a commissioner who has no real interest” in a particular reform or project, said one grantmaker, “then it’s probably not going to work.”

A government official urged funders to think not just about people but also about places that have what it takes to be good partners: “There are cities or regions that have just that little spark of something, where funders can get really good results.”

Tap into opportunity moments. Be alert for events – an election, a crisis, a court order, the new agency head – that create an opening for change. A grantmaker at a large national foundation noted, “We

have defined what we call ‘opportunity moments,’ so we work with people when they’re in a crisis. What we want is for everybody to sit up and take notice that something has to change. If a governor runs on a change agenda, we may offer to help right after the election.”

It’s often advantageous to begin working with government at the beginning of a term of office. A grantmaker who used to work in government advised, “If you can, time it so that you start working at the beginning of an administration because then, presumably, you have at least a few years.”

It’s important to evaluate each opportunity individually, said a foundation president. “The decisions about which projects we get involved in with government are not formulaic. They are iterative, fluid, open discussions, heavily driven by targets of opportunity and the presence of strong partners. We give each one the ‘finger in the wind’ test.”

Scan strategically. Several people stressed the importance of scanning in a way that’s focused enough to be effective but open enough to turn up important new ideas and people.

A foundation that aims to improve urban school systems with large percentages of minority and poor children writes letters to districts that meet those criteria to suggest an area where it is interested in supporting new work. Sometimes, a grantmaker at the foundation explained, they “cast the net very widely and send out letters to 100 or more districts.” In other cases, they “talk to a lot of people first and send out fewer letters.” The latter approach is “more efficient,” but the wider net sometimes turns up new and capable partners.

See GrantCraft’s *Scanning the Landscape: Finding Out What’s Going on in Your Field*, at www.grantcraft.org, for more advice on scanning tactics.

Foundation-Government Partnerships: Your Reality and Theirs

YOUR REALITY

Grantmaker: *“This initiative is a top priority for my foundation.”*

As a foundation director of public policy explained, government partners are sometimes puzzled by grantmakers who want to “embark on this big idea with them,” through a process that seems to entail a lot of meetings. For government partners, that big idea is one out of hundreds that they are responsible for. “So there lies this tension,” a grantmaker noted. And while a multi-million dollar project for a foundation is huge, “if you’re head of the Department of Health Services, it’s a nice-sized project, but it’s really pretty small in comparison to your entire department.”

Grantmaker: *“We can be selective about what we decide to work on.”*

As one grantmaker with experience in health care explained, governments do not have the flexibility to pick and choose like a foundation does. There are statutory and other legal and political constraints that require government to do things in certain ways, even though a foundation might not think that these are the best or the most innovative ways to do something. Another grantmaker points out that while it “may be clear what the goals are for nonprofits or foundations that are working with one constituency, if you’re working with the Department of Labor, they have multiple objectives and multiple audiences. What influences their decision making is more dynamic and more political than a direct service organization or another funder that has a very dedicated agenda. It’s important to keep that in mind at all times when working with government agencies.”

Grantmaker: *“We have mechanisms that give us a certain amount of flexibility about timing.”*

As one grantmaker at a large national foundation noted, “Governments often have a one-year budget cycle and they have to make sure things happen on a schedule. And they get penalized in various ways if things don’t happen when they’re supposed to. So foundations have to be really, really sensitive to this and determine if there is hostility or rejection or pushback, and try to figure out why it’s happening.” Grantmakers cautioned that it is important to be realistic and understand that work with government partners is likely to take longer to get started than anticipated. Inevitably, the first year of funding will be underspent and there will be carryover from the first year of the grant. Another grantmaker who found it difficult to execute grant awards directly with the state in a timely way now uses fiscal agents or her operating foundation to move funds more quickly.

THEIR REALITY

Government partner: *“This initiative is one of hundreds of responsibilities for my agency.”*

Government partner: *“We don’t have a lot of flexibility about our priorities.”*

Government partner: *“We have annual budget cycles to which we must adhere.”*

YOUR REALITY

Grantmaker: *“We don’t pick up the tab for defunded government services.”*

As a grantmaker who has worked extensively with state government on child-welfare issues recounted, “I don’t know how many times government people have come to me and said, ‘The federal government just defunded this, and we really think it’s important, so therefore would you fund it?’ And I say, ‘Are you serious? If the federal government says it’s not important, then obviously it’s not going to be moving any time in the near future.’”

Sometimes, said another funder, the problem is simply lack of familiarity with philanthropy: “Unless you’re in the nonprofit world, all you know is that there are entities out there called foundations that give a lot of money for something. And so folks in government, particularly in tight times, think ‘Well, gee, foundations can pick up the tab.’”

Grantmaker: *“We see this work as a long-term commitment.”*

Grantmakers should keep in mind that their government partners are not necessarily in those positions for life; elections can render even the best collaborations null and void overnight. As one foundation officer who works internationally notes, “People get transferred or they’re gone because parties change so you have to figure out the succession problem because typically what you want to work on isn’t going to be significantly solved in such a short period of time. That’s why we try to have frank discussions that focus on helping busy decision makers look a little bit further into the future — not only in terms of their own professional careers but for the unit or department that they’re heading.”

The head of another large national foundation reports that despite what they thought was a “careful and strategic” collaboration with state government to reform schools, it “fell apart overnight because the administration with which we were working wasn’t reelected.” What they missed, she added, was “taking the steps to ensure that the reforms we’d created were embedded into policy, which can subsist no matter what administration or party is in power.”

Grantmaker: *“Government is mysterious.”*

It’s often surprising for grantmakers to learn that government officials are puzzled about what, exactly, foundations do. As one grantmaker who has worked closely with government officials at various levels observed, “It’s important to remember that not every local government or state government and not every federal agency is equally sophisticated in its understanding about the role of philanthropy and how to work with foundations so that everybody has their needs met and that problems get solved. You actually have to want to solve a problem together and then go from there to develop some mutual knowledge and understanding about the other party.”

THEIR REALITY

Government partner: *“An important program just got cut; philanthropy should fund it.”*

Government partner: *“An election can change everything.”*

Government partner: *“Foundations are mysterious.”*

Entry Points: Four Cases

As private entities, foundations have a lot to contribute besides money to help move an agenda in concert with government and other partners. These four cases illustrate the special role philanthropy can play in a

wide range of initiatives – working at different levels of government on a range of issues. In each case, the partnership was structured to capitalize on the unique capacities philanthropy could bring to the table.

CASE STUDY



LAURIE M. TISCH ILLUMINATION FUND AND THE CITY OF NEW YORK Getting Fresh Fruit and Vegetables to New York Neighborhoods



Like many cities across the country, New York struggles to find ways to get fresh fruit and vegetables to residents living

in neighborhoods where quality produce is scarce. One promising idea that has emerged in recent years is locating portable fruit and vegetable carts in those communities so that residents have easier access to high-quality food at affordable prices. The idea caught the attention of New York City Health Department officials and child advocates, who joined forces with local nonprofits, food advocates, and community health centers to make it happen.

Through a partnership between the Laurie M. Tisch Illumination Fund and the City of New York, the New York City Green Carts Initiative is putting 1,000 street vendor carts in neighborhoods with high concentrations of diet-related illness and few retail outlets for fresh fruits and vegetables. “As a foundation, we weren’t in a position to site healthy food retail outlets in neighborhoods that need them, but we wanted to increase access to healthy food and job opportunities,” said Gail Nayowith, executive director of the foundation. “The Health Department has to issue permits and license food vendors to operate on the street.” The Green Carts Initiative also needed to work with the Mayor’s Office and City Council to lift the cap on mobile food vendor licenses and create a new class of licenses specifically for vendors who would sell only fresh fruit and vegetables in designated neighborhoods.

The foundation stepped in to help the new small businesses get off the ground through a \$1.5 million grant to the Mayor’s Fund to Advance New York City, a nonprofit, government-linked entity that raises private money to support

public purposes. “Typically, foundations don’t fund government programs directly,” Nayowith explained, “so there had to be an apparatus to receive, track, and be accountable for operations and revenue.” The grant funds covered a contract between the city and a nonprofit microcredit organization to make start-up loans, as well as a contract with a business development firm to help vendors learn the ropes.

“They needed more than a permit and license,” she said. “They needed business development and assistance around location, purchasing wholesale, stocking and displaying produce, and building a loyal customer base.”

Foundation funds also enabled the Health Department to develop education and marketing materials, including nutrition outreach, a recognizable umbrella for the carts, and reusable bags, brochures, and recipe cards. This partnership attracted the interest of yet another public-private collaboration (involving the New York State Department of Agriculture and Markets, the U.S. Department of Agriculture and the Green Market Consortium), which together helped develop a pilot program to equip 15 NYC Green Carts with machines that can take food stamps.

Now, the challenge is to make sure that NYC Green Carts become embedded in neighborhoods and, more important, become part of residents’ regular shopping routine for healthier food. “How does a foundation or city government accomplish this alone?” Nayowith asked. “After all, government can only go so far and foundations don’t underwrite initiatives forever. Our goal is to use the capacities of both to build something that has legs and can stand on its own.”

CASE STUDY



NEW HAMPSHIRE CHARITABLE FOUNDATION AND NEW HAMPSHIRE DEPARTMENT OF ENERGY AND PLANNING

Protecting Land in a State Undergoing Rapid Growth

When Lew Feldstein became CEO of the New Hampshire Charitable Foundation, there was little doubt in his mind that

public policy would be a central part of the foundation's work. A handful of board members shared that desire, others disagreed, and many were concerned about whether or not Feldstein, an avowed liberal Democrat, could work effectively with an overwhelmingly Republican state government.

"Those days weren't easy," Feldstein admitted, "because I was constantly challenged by some who were just uncomfortable with the idea of working to influence government policy and who thought that it would compromise our independence and integrity." That led to some tension, until Feldstein and the foundation became deeply involved in an issue that resonated with people across the political spectrum: creating a public-private statewide program to double the amount of protected land across the state.

The foundation provided seed money for a five-year campaign whose goal was to conserve 100,000 acres across the state. The project was the brainchild of the state's largest and leading environmental group, the Society for the Protection of New Hampshire Forests (SPNHF), which had built a broad following over a 90-year history as a moderate and effective organization. "At a time when New Hampshire was the seventh or eighth fastest-growing state in the country, and when a lot of people felt the state was being overrun with growth," Feldstein recalled, the Trust for New Hampshire Land became a vehicle for creating common ground — quite literally — in all parts and sectors of the state. "The trust enabled people to donate land or put easements on their land. Private money paid for negotiations with landowners and surveying and things like that. Public money then paid for the easements. The private sector raised over

\$3 million, and the public sector put in \$70 million or \$80 million. In a five-year period, we nearly doubled the amount of land that had been protected in New Hampshire [outside the White Mountain National Forest] in the first 200 years of the state's history. And we doubled it not just in big parcels, but by trying to make sure that every single town in the state got some land protected — which enabled everybody to own it."

In addition to money, the foundation contributed the board's connections and the CEO's time and political know-how to the effort. Feldstein testified before the state legislature, chaired the task force that would establish the initial criteria for which land could be saved, and regularly met with then-governor John Sununu. The result was a public and private partnership that succeeded in protecting land worth \$83.3 million — one of the most ambitious undertakings in the name of conservation in New Hampshire.

The effort also turned the tide in the foundation's ability to get involved in policy. "Everybody cheered" the success of the land trust, said Feldstein, including people who had previously contended the foundation should stay out of the public realm. The lesson, he said, is this: "The issues you choose to get involved with matter." Another factor that helped a lot was the degree to which the community foundation was "rooted and embedded in all parts of the state. The land-trust work would have been more difficult for a private foundation to do."

For a more detailed story about how the New Hampshire Charitable Foundation came to be involved in public policy, read "One Foundation's Story: The NH Charitable Foundation Makes a Significant Impact with Public Policy," by Elizabeth Banwell. It is available at www.grantcraft.org/advocacyguide, under the heading "More on This Subject."

CASE STUDY



THE ATLANTIC PHILANTHROPIES AND THE U.S. DEPARTMENT OF LABOR Tapping the Economic Potential of Older Workers

Between 2005 and 2007, the U.S. Department of Labor (DOL) selected 39 economically depressed communities for special funding for “talent development” within

regional economic revitalization efforts. The Atlantic Philanthropies’ program on aging had explored ways to increase the economic security of older adults, so grant-maker Laura Robbins was intrigued. Looking more closely at the projects selected by DOL, she found that only one included a focus on older adults.

Robbins saw an opportunity. She and others from the foundation met with DOL representatives to ask if they would be interested in trying to increase the awareness and involvement of older adults in the communities where the agency already had investments.

Persuaded, the DOL agreed to craft another RFP offering additional funding for projects explicitly designed to include talent development for older adults. The department allocated \$10 million to the initiative, and the foundation put in \$3.5 million through a third-party agency, the Council on Adults and Experiential Learning (CAEL). With another nonprofit, the Council on Competitiveness, CAEL received support from the foundation to provide technical assistance to the communities selected by DOL.

From the foundation’s perspective, the project wasn’t seamless. The effort hit a snag toward the beginning when DOL officials realized that they were prohibited from restricting the program to the original 39 communities, requiring a shift in the program design. And there was a change in presidential administration. “The process was delayed about six or eight months, which was frustrating,” Robbins recalled. “It also created challenges for our payout and accounting processes. I had to make the grant conditional on when the DOL was actually ready.”

The foundation and its grantee, CAEL, also had less control over site selection than would have been the case outside the context of a government partnership. “There was a bit of a leap of faith on our part that their process would identify good projects,” said Robbins. “Our grantee was able to submit suggestions for the RFP and the RFP selection process, but they were not part of it, so there was no guarantee that DOL would use the suggestions. But it was as open as it could be, given the legalities of the federal agency’s transparency mandates.”

So far, Robbins is pleased with what has transpired. “We think it’s already a success because the DOL has been able to highlight the importance of older workers and has a broad communication distribution list in employment circles, which is a win in itself. Plus, 130 regions have thought enough about older workers to apply for grants from DOL. We have found that groups that apply for such grants often move ahead even if they aren’t selected for actual funding.”

Reflecting on what her partners achieved through the partnership, Robbins noted that the DOL was able to leverage its own investment with foundation dollars and significantly increase attention within the agency — and in communities — to the importance of older adults in economic planning. “What has worked well,” Robbins concluded, “is that there are now a lot of communities thinking about older workers that weren’t thinking about them before.”

CASE STUDY



FORD FOUNDATION AND U.S. DEPARTMENT OF STATE AND VIETNAM MINISTRY OF FOREIGN AFFAIRS Addressing the Legacy of Agent Orange in Vietnam



Thirty-five years after the end of the Vietnam War, the harmful effects of Agent Orange and dioxin used during the war by U.S. forces are still being felt by millions of people in Vietnam — something Charles Bailey didn't know when he was charged



with running the Ford Foundation's office there. He soon discovered how sensitive the issue was — so much so it had become a sticking point between the Vietnamese and U.S. governments, with bitterness on one side and denial on the other. The toxic atmosphere left Bailey unable to make but three grants on the issue during his first several years.

Those grants, however, were key to building trust with the Vietnamese and establishing the foundation's credibility. One grant was simply a donation to the Vietnam Red Cross for an Agent Orange victims' fund at a time when the U.S. government was unhappy with anyone who would give money to such a fund. "This established that we were independent of the U.S. government as a private foundation," Bailey noted. Another was a grant to the Ministry of Health for scientific studies that, together with the work of a Canadian environmental research firm, began to identify dioxin's potent effects on the environment by measuring the soil around former U.S. military bases: "By using a Canadian firm that had actually been working there previously, it gave the findings an international standing that was difficult for anyone to dispute." The grants also had the effect of "throwing new light on the issue — in this case, by scientific evaluation that helped get people beyond the usual sticking points."

Things finally began to shift in November 2005, when President Bush visited Vietnam and issued a joint statement acknowledging that the U.S.-Vietnam relationship would improve dramatically if the U.S. were to help clean up dioxin

at former military storage sites. Although the statement failed to mention the health effects of dioxin, it was the first time the issue had been raised in a context that intimated U.S. responsibility for addressing it. That it was mentioned at all was due in part to Bailey's efforts to help arrange media coverage of the President's visit, which prompted other government officials to urge that the sentence be added to the statement. "It didn't mean everything was solved, but it was a major turning point," Bailey remembered. "What was interesting was that it didn't involve any grantmaking at all. It was simply being alert to an enormous media opportunity."

The event paved the way for Bailey and others working on the issue to approach the U.S. Department of State (DOS) and Vietnam Ministry of Foreign Affairs to brainstorm next steps. With resources from the DOS, work began on a technical survey and beginning cleanup efforts — a task that both Vietnam and the U.S. were ready to tackle. "The American side didn't have the money to do this," says Bailey, "but the foundation did, so we funded the series of steps that have now made the dioxin hot spot at Da Nang almost history."

The lesson here, Bailey concluded, is that "once the two sides began to sort of open up just a tiny bit — while not wanting to do more than that — a private foundation was able to come in and say, 'Look guys, let's find the area of common ground, what can we do that would be useful, what's it going to cost. We'll provide some funding. But let's get going and do it in a way that produces results that we can all celebrate.'"

Managing Relationships with Government Partners

Good partnerships depend on good relationships. The point may seem obvious — but that doesn't mean that cultivating relationships with government partners is easy. When grantmakers talked about working with government, their conversations turned again and again to the challenge of maintaining constructive relationships. Unexpected twists and turns, arbitrary starts and stops, arcane bureaucracies, and ever-present (but often unacknowledged) issues of influence, loyalty, and public perception can leave grantmakers feeling disoriented.

To help stay the course, grantmakers advised, establish a solid foundation of goals and expectations, be clear about why you're interested in partnering, and be realistic about the motivations and interests of your government partners. Here's a compilation of more specific advice.

BUILDING TRUST

Start with a good attitude. The first rule of working with government is to put cynicism about government and government officials aside. "You have to come in with the attitude that government can work," said a grantmaker who has been part of many partnerships. "A lot of people seem to believe that government is really bad and bureaucrats are just bureaucrats. If you come in with that attitude, you're not going to get very far." Said another, "I've consistently been impressed by the competence, intelligence, and good will of people working in government, and by their genuine desire to make things better." Listen carefully to what government partners have to say, he advised, and be alert for ideas that

align with your foundation's mission and goals.

Get buy-in inside your foundation.

To manage relationships outside the foundation, it's important to have support and understanding from within. A community foundation president recalled spending years trying to persuade his board to work with state government on a particular issue but getting nowhere because they saw it as "too risky" and "too political." But when he approached them with another issue — land conservation — they were enthusiastic. "In our case, the land issue was so neutral, the same people who had previously opposed us working in public policy now thought it perfectly normal for me to testify and to work with the governor on this issue." Over time, as the board grew more comfortable with government partnerships, their willingness to take on additional issues expanded.

Study the priorities and records of prospective partners.

Foundations often know a lot about innovations occurring around the country and can point governments to places with good models. But it also helps when grantmakers develop specific historical knowledge about what prospective government partners have already done, what they're working on, and what their current policies look like. One grantmaker cautioned, "Don't be ignorant of the context in which whatever change or whatever innovation you're working on is taking place."

Make candor a habit. "Be candid," advised another grantmaker, "it builds trust faster. I expect candor, and if I don't get it, I assume I'm dealing with someone who doesn't have a lot of power or

is trying to give me the runaround. You can be candid in a respectful way that's not prescriptive or directive, and that invites commentary. Use humor! It can be really effective in breaking down barriers quickly."

Be alert to ethical issues. Many people mentioned what one U.S. grantmaker called "heightened concern about ethical guidelines," including worries that close relationships between government officials and grantmakers might lead to undue influence by foundations on government policy — or the appearance thereof. "In some instances," an official at a national foundation reported, "we're hearing about government officials who think they're not allowed to accept a cup of coffee." Grantmakers are well advised to ask government officials to describe the rules they're expected to follow in order to keep relationships and conversations above-board.

SETTING THE TERMS

Make your own objectives and expectations clear. When working with government, it's essential for both sides to articulate their goals and expectations. One foundation uses a letter of engagement that lays out its expectations in terms of access to both data and people. A grantmaker there said, "We develop a signed MOU that states the rights and responsibilities we both have over the content and outcomes of the work, including a statement that government doesn't have the right to edit out findings with which they disagree." A program officer at another foundation recommended developing a narrow agenda with a well-defined set of objectives. A third foundation specifies checkpoints that include the money

the state has agreed to invest in any project.

Regardless of how clear a foundation is able to be about its expectations, goals, and objectives, it is important to acknowledge that working with government is high-risk grantmaking, in the sense that even very explicit goals are never set in stone. Any planning process has to be flexible. A public policy coordinator at one foundation put it this way: "You just have to sort of say, 'Well, if I'm going in, I'm playing the odds, so I'm going to cover as many bases as I can and try to foresee all the possibilities but recognize that I have limited control over it.'"

Work across the aisle. Most grantmakers agree that bipartisanship — and even better, nonpartisanship — should be part and parcel of every effort they undertake in partnership with government. "We made a conscious effort to work across the aisle and develop strong relationships with both parties," a grantmaker explained, "as well as with people who were at think tanks that didn't necessarily share all our agenda or values because we saw other areas where we could work with them. I think that's really important. If it is a two-party system and if you are putting all your eggs in one party, you're very foolish." Another grantmaker agreed: "Foundations have to have a track record of working across the aisle independent of political party. We have to be willing and know how to work in a very pragmatic way with whoever's in power or has the ability to advance the agenda."

Broaden your base. Some grantmakers stressed the wisdom of reaching out to additional stakeholders to increase the impact of the work — and keep it going

"We made a conscious effort to work across the aisle and develop strong relationships with both parties."

“It’s neither useful nor appropriate for foundation officials to trumpet their role.”

despite setbacks. One recalled his foundation’s support for a forward-looking child-welfare demonstration project: “It was the first one of its sort, and it turned out to be really hard to do — at least if you did it the way they were doing it. We knew it was an important issue, so in addition to working with people at the federal and state agencies involved, we gave grants to the National Governors Association and other groups to run panels at their annual meetings so their members could learn more about it.”

A grantmaker working overseas recommended “bringing a set of people together, including people you know are really interested in the idea or the innovation, to participate in a conversation or a conference or whatever, where you’ll have some skeptics.” One funder said that his foundation sometimes makes a small grant to an organization that doesn’t share the foundation’s reform agenda, “even if it is not a great grant, in order to develop a foothold” and build a relationship with a longer-term agenda.

Treat government as a system. Being effective with government depends on establishing an understanding that the foundation is not in partnership with just one agency but with a range of stakeholders. A grantmaker working in the field of education said that she “didn’t really understand this” when she started out, so she “would work closely with the superintendent’s office, more than anyone else, or just the teachers union.” She has learned to engage more players in key projects.

Experienced grantmakers also talked about reaching beyond individual champions to a broader community of government actors. It can be helpful to locate partners in more than one branch

of government — legislators, executive officers, and the judiciary — or from different government agencies. A California grantmaker described setting up an interagency team, made up of the deputy directors of agencies that work on child welfare but don’t generally have the opportunity to talk or solve problems together. It was valuable, she said, to “get folks together at that high level who could say, ‘Wait a minute, maybe we could do this differently.’”

SUSTAINING GOOD RELATIONSHIPS

Be willing to compromise. Government partners often factor competing interests and concerns, both logistical and political, into decisions about what to do and their willingness to act. A foundation may need to compromise to work within those constraints.

Describing a large, collaborative project in one state, for example, a grantmaker explained that the foundation believed it was important to focus the work in eight counties, at least at the outset. The governor resisted, arguing that it was politically important to extend the initiative statewide. The foundation countered that the state’s proposal was a huge overreach of what the state was capable of accomplishing in the time allotted and that the resources budgeted were insufficient to work in every county in the state. The grantmakers and governor’s staff negotiated to extend the timeframe and increase the financial commitments of both the foundation and the state.

Let government own the agenda.

A government official who doesn’t fully embrace a reform agenda won’t be able to ensure that the strategy is well enough executed to “stick” over time. The potential for resistance is

enormous if an agenda is viewed as imposed on government by a foundation. A situation like that, one grantmaker cautioned, is “untenable and unwinnable.” Another grantmaker noted, “It always helps to make people look good. And so whatever support you can give people in government to do their jobs better and know a lot about something, the better.”

Some foundations choose to play a low-key, behind-the-scenes role, preferring results over who gets credit. A foundation president with experience working with a state legislature offered this perspective on why it’s important to let public officials take the credit: “The more accurate you are about the role you played, the more the public officials are going to ask who the heck you are anyway, because you’re not on the line, they are. They get uncomfortable seeing a foundation take credit for this work. And they’re right.” “Modesty is key,” another funder explained: “A foundation must be comfortable with little or no public discussion of its role in much of the work. It’s neither useful nor appropriate for foundation officials to trumpet their role.”

Wear your partner. “What they say in the politics world,” one grantmaker related, “is that you have to be prepared to ‘wear your partner’ because when challenges arise — and they will — you have to know who your partners are and make sure that you all are in alignment and agreement about how things are going to move forward. Most of all, everyone in the partnership needs to be very clear — up front — about how their names and reputations and brands are going to be used during the partnership.”

Be a source of accurate, relevant information. A grantmaker who worked in Southeast Asia said, “If you’re going to ask government to partner with you, make sure you’re confident of what you’re recommending and what kind of information you’re giving them. Sometimes, you only get one chance, especially if you’re reporting on something to a public official, who then may want to act on it. If what you’ve done makes them look bad, it’s the kiss of death. Make sure that whatever you’re providing to government is legitimate and is going to enable them to promote whatever the issues are effectively.”

Another pointed out that there are different forms of information a policymaker needs, “so you have to be attuned to that.” He recalled working with a grantee who explained that, when approaching legislators with a new idea, “I can’t give them this academic class-size study; I have to be able to say, ‘How many kids do you want to take to McDonald’s? Fifteen or 30?’ Once they see there’s a problem, I can start talking about technical solutions.” Sometimes, said another grantmaker, the real objective is to “be succinct,” when that’s what’s called for. “You can’t expect people to listen to the exegesis; be prepared to stand and give the elevator speech about why something is important.”

Be sensitive to concerns about politics, confidentiality, and diplomacy. Very often, government officials will want things to be off the record or not for disclosure outside the meeting. In addition, decisions rendered by government officials are not always made solely on the basis of good information, but, rather, within the context of the

Avoiding the Minefields

What do grantmakers who've worked with government worry about the most? Here's a cheat sheet of things to watch out for — and, with luck and careful planning, avoid.

Loss of commitment. “There is a real risk that a partnership can crash and burn,” said a grantmaker in a health-care reform initiative that died in the state legislature after extensive work by four foundations and the governor, “or at least leave some scars.” A partnership can be derailed or its importance eclipsed because the political winds change or a committed partner leaves office. Sometimes a partner seems to have the authority to move an agenda — but doesn't. Experienced grantmakers mitigate the risk by paying attention to what one called “the life cycle of an elected official.” Ideally, new practices are introduced early in an official's tenure and institutionalized prior to a change in leadership.

Power struggles. As in any collaborative, the parties may struggle with power imbalances and disagreements about who makes decisions. A government official who works with foundations admitted that “this is implicit in almost every conversation. For instance, we had one foundation basically laying down an ultimatum with us. They gave us the commitment of money, but when we were negotiating the details of the program and they didn't like some of the details, they said, ‘unless you do this, we're not giving you the money.’ What you want to do is negotiate to a place that everybody feels comfortable. I know that if they hadn't made some concessions to their initial demands in that conversation, we would have said goodbye to them and their money.”

Roadblocks and rigidity. Government is riddled with more rules and regulations than private foundations, which can lead to roadblocks during a partnership process. Grantmakers, therefore, are well-advised to “remain patient” and “understand that this will happen,” one foundation director remarked. “Realistically, in a partnership where we make a \$100,000 grant each year for five years, only about \$3,000 will be spent in the first year because it just takes so long to get things started in government. So you have to be prepared to have carryover from the first year or not to worry that it's underspent.”

The complex regulations and rules surrounding public financing can also be challenging for private funders to incorporate into their efforts. As a former foundation

officer noted, “Government is a steward of the public dollar and has all sorts of statutory regulations to meet. So anytime the allegedly ‘flexible’ philanthropic sector gets involved with that kind of entity at any level — local, state, national — they're going to end up dealing with a lot of regulations. The dollars are going to be spent in ways that are more constrained than they would be if foundations were able to operate on their own.”

Perceptions of impropriety. Despite the best intentions, foundations that are well within the legal limits of working with government still sometimes run up against the perception that they're engaged in activity that is questionable or unethical. As one foundation president with a long history of working with government asserted, “This is a real and present issue because a lot of times, public perception of what we're doing creates more problems than the law. Perception is critical to keep in mind because it's reality for many people.”

A program officer reported feeling some unease about “cozy relationships” between government and foundations. “It might be perfectly legal, and there are all sorts of good reasons why these relationships are occurring, but they may not look good.” Another senior program director also expressed concern. “There's big foundation money going into framing the issues, asking experts, doing research, talking back-channels, asking politicians what kind of information they need and then making sure it's available in a certain way. There's a lot more deliberate involvement — it's less arm's length than it used to be, it seems, and it worries me. It reinforces the notion that if you have money and access, you have greater influence.”

Loss of independence. One of the most prevalent concerns among foundations is the threat of losing their ability to criticize government — a role that has historically been one of philanthropy's most important.

“It's tough to be both a good partner and an outspoken critic at the same time,” said one funder, but that's precisely the line that a grantmaker needs to be prepared to walk. Another grantmaker offered this reminder: “Government officials may not be willing to work with a foundation that has been an outspoken critic. Consequently, you might need to choose which role you want to play: critic or partner.”

political realities and possible consequences. Grantmakers who understand and accept this tend to be more successful because they have a “sensitivity as to just how far they can push.” As one program officer cautioned, “The last thing you want to do is to make the people you’re trying to develop a relationship with look bad.”

Don’t take things personally. Even once trust is established and work is proceeding, grantmakers cautioned not to lose sight of your unique role as a funder. “Very often you’re a symbol of something that people either like or don’t like, or you’re seen as access to stuff that they can’t get otherwise, or whatever. Very rarely are you seen as a person. When you build trust and relationships with people in government, you begin to think, ‘Well, we can really talk frankly.’ But usually, regardless of how close you get, at the end of the day, you’re an expendable outsider. You can’t take it personally.” Another grantmaker made a similar point: “Government employees have a million things on their plates, so what may seem like a blow-off to you is often really just them trying to manage many, many balls in the air.”

Monitor closely and document carefully. As with any grant or project, a partnership with government deserves careful tracking for progress. A foundation president asserted that it’s particularly important to monitor grants involving government because “even though public employees work hard to do the right thing, the demands on government are so huge — being responsive to thousands and even millions of people everyday — it’s easy for them to get caught in the weeds and lose sight of the goals of the partnership. Government

employees don’t always have the luxury or time to step back and think about things the way foundation people can. So, foundations have to help keep things on track.”

A grantmaker with a long history of working with government urged, “Make sure notes are taken at every meeting. If there are any kinds of agreements made or conclusions reached, make sure those are written up and shared with all the participants so that you have a record of it. In addition, it can be important to make sure that somebody in government who has the authority to do it somehow gives their stamp of approval — even a signature indicating that they’ve read it, but some indication that this wasn’t just created by outsiders.”

Do Your Homework: Learning about Government and How It Works

Grantmakers and government officials alike agree that philanthropy can be “woefully undereducated” about how government works. Not that the problem is confined to foundations: government processes and operations can appear mysterious, daunting, or hopelessly bureaucratic to anyone who hasn’t worked in government. As a foundation president with decades of government experience explained, “It’s almost like the Wizard of Oz. You just see this big head, whether it’s the mayor or the governor or the president, and you have no idea what’s going on behind the screen. Until you pull the curtain back, you have no idea how everything gets done. People have a lot of fantasies and misinformation about how decisions are made and what kinds of government processes exist and how to use those as levers.” The question is, what can grantmakers do about it?

Some grantmakers said that it’s enormously helpful to have worked in government, or to have close colleagues who have, “because then it’s easier to understand where government actors are coming from, because it can be absolutely mind-boggling and complex to do things in the state or federal government.” The number of different players, the procurement procedures, the timelines, the checks and balances that are involved all must be taken into account. “If a grantmaker does not understand this stuff when government actors start complaining about this or that, it’s very hard to work and build trust. But if you’ve done it and you say, ‘I’ve been there, done that, I know what you’re talking about,’ it helps a lot.”

Anyone who hasn’t worked in government may need to invest time in formal

and informal networking, drawing on contacts who know their way around. A grantmaker who had previously spent decades working in public education, including in a job working “from the outside” with advocates around the country on teacher policy, recalled his “first foray” as a grantmaker into the complex politics of a single state: “Folks literally took me through the halls of the capital, and we sat down with members and staff, and they explained to me that this is how the system operates.” What he saw was both “interesting and surprising,” and the experience helped him to develop a network of people to call on when he needed insight about a government decision or process.

Funders’ lack of knowledge is often revealed when they take ideas to government and are met with indifference. “Grantmakers are surprised when government officials inform them that what they thought were great ideas won’t work because the costs are too high, or they haven’t taken into account the human resources or labor management issues,” one foundation president observed. “Those are things that are important to government but aren’t often accounted for when foundations come to them with ideas. Anything around contracting, procurement, and how governments appropriate and allocate public money are processes that all of us consider to be bureaucratic, but they’re essential parts of how government works.”

Before bringing ideas to government, experienced funders said, vet them thoroughly with colleagues in philanthropy, grantees who work with government, and others who can help

PUBLIC FINANCE 101

The Center for Budget and Policy Priorities (www.cbpp.org) offers background reports, podcasts, and other resources on federal and state budget processes, tax issues, and government assistance programs in its Policy Basics series.

The International Budget Partnership (www.internationalbudget.org), an initiative of the Center, seeks to make government budgets worldwide more transparent, responsive to the needs of low-income people, and accountable to the public.

think through the practical implications of a policy change. “We need to know how to use the architecture of government to build programs that government can eventually take over,” said a grantmaker who partners often with city government to design and test new programs. “We need to understand tax policy and budget making on the capital as well as on the expense side. We also need to understand very concretely the constraints government operates under around public employees – hiring, firing, promotions, and salaries, and the fact that civil service often defines jobs in a particular way.”

Grantmakers who want to learn the ropes often develop ideas in close collaboration with grantees with specialized knowledge about government operations in a particular sector, such as justice, housing, environment, or school improvement. Many nonprofits get at least part of their funding from government agencies, so they pay close attention to funding opportunities, budget constraints, and the practicalities of program implementation. As a city government official noted, many nonprofit agencies “have government relations people who understand the budget and keep track of what’s happening, but most foundations don’t.”

Grantmakers can also check with their affinity groups, regional associations, and the Council on Foundations for resources to learn about the complexities of public sector programs and staying abreast of what’s happening in government in a particular field or region.

Philanthropic Liaisons: A Trend Worth Encouraging?

In recent years, some government agencies at the city, state, and federal levels have established formal liaisons with philanthropy. The purpose of these liaisons is to stimulate funding partnerships and collaborations between foundations and government.

In Michigan, for example, the Office of Foundation Liaison is supported by foundations active in the state, and the liaison is appointed jointly by a board of funders and the governor. The state provides office space, supplies, equipment, and, most important, access. Michigan funders regularly approach the liaison with ideas for collaborations with government, and the liaison responds with feedback about government priorities and contacts in the appropriate agencies. Government staff bring ideas to the liaison that could benefit from foundation support and are guided to grantmakers for further discussion.” The primary function of the office is to facilitate networks involving government partners, potential funders, and other partners with an interest in social change,” noted a philanthropy researcher.

This is just one of several similar efforts. New Mexico, for example, established an Office of Philanthropic Outreach within the lieutenant governor’s office and housed at a local community foundation. In Newark, New Jersey, the philanthropic liaison works with the mayor to “leverage philanthropy’s impact on the city” by brokering partnerships that “improve the lives of Newarkers.”

A corporate foundation executive described these developments as “smart” because liaison offices can help “match us with the people in government we need to talk to.” An effective liaison “knows the ‘up and comers’ in government agencies who would be good contacts. The liaison role is almost like an insurance policy that runs interference for us about our role and what we can and can’t do. It works best as a place for problem solving or to translate practices to each other.”

Others, however, expressed concern that liaisons have the potential to become gatekeepers, facilitating access for those with money or influence and keeping others out. “While participants in these meetings may see their goals as laudable, others may see them as yet another closed-door process that keeps the larger public out of decision-making processes that affect them,” said one critic. An executive at a medium-sized foundation agreed, arguing that a single portal that rationalizes and brokers what’s funded and what’s not risks diluting conversations about what philanthropy and government ought to be doing: “Filtering doesn’t do anyone any good. Unless a liaison really knows both sides and can navigate and translate all that very well, it homogenizes the ask. It’s a crutch for philanthropy.”

What Government Partners Wish Grantmakers Knew

Most registered users of the GrantCraft website are foundation staff, yet we also have thousands of readers in other sorts of jobs: nonprofit grantees, philanthropic advisors, academics, foundation board members, and government officials, to name a few. For this guide, we used an online survey to seek their advice, including that of government officials who've been involved in philanthropic partnerships. Here's a short list of things they encourage grantmakers to bear in mind to help collaborations succeed.

- **Government processes can be slow – for legitimate reasons.** More than any other issue, government officials cited the time factor as an area where the expectations of philanthropy and government are worlds apart. "Remember that governments tend to move slowly," said one, "burdened by sunshine and budget protocols that foundations and nonprofits don't necessarily have to adhere to daily." A few went so far as to defend government's slow pace, reminding grantmakers that "government answers to all the taxpayers, so the process can be slow – but inclusionary, in the long run." One person noted that "very little systemic change can happen in a year – anywhere, but especially in government. Multi-year partnerships are the only way to effect lasting change."

Yet one local official argued that grantmakers shouldn't always be so patient with government's "bureaucratic internal processes": "If philanthropy commits support and demands timely action, local government can in all truth accelerate their processes to facilitate quicker action."

- **To bridge the culture gap, build personal relationships.** Many government respondents stressed the personal side of building collaboration – learning about government, getting to know government officials, and familiarizing them with how philanthropy works. "The most important thing I learned working in both sectors," said a government policymaker who was once a grantmaker, "is that the partners have to meet enough to begin to understand each other's language, culture, and motivations." Remember, said another, that "a government agency is like any other organization in that it is run by people and success is all about relationships. Set up a meeting, go to lunch, be open to talking about whatever possibilities there may be, and look for each other's strengths and challenges." One official reported having seen good partnerships grow out of "foundation officers participating as commission members, panelists, and advisors to government agencies. I encourage this participation as much as possible."
- **Use information and data sources that have credibility with government officials.** Another category of advice focused on cultivating knowledge that's relevant to government officials. Pay attention to the indicators public-sector officials are using to assess their work and for which they're being held accountable, one government partner advised, whether it's data on student achievement, health insurance, or some other measure: "When a project is linked to them, there's broader space to collaborate, providing it doesn't compromise your original goals." "Become proficient at using government data resources," said another: "the Census, CDC, and other federally funded programs contain a wealth of information" that can help make the case for a collaborative project.

■ **Acknowledge and celebrate the participation of government partners.** By tactfully recognizing the efforts of government officials, some respondents said, grantmakers can strengthen a partnership, increase the chances that change will stick, and lay the groundwork for future partnerships. Remember even while you're planning a partnership, said one official, that the "advantages of the collaboration will need to be recognized, measured, reported, and touted for a sustaining relationship to have a chance." Make it a rule when working with government to "praise and thank everyone for their involvement, no matter how small," another suggested.

■ **Government values philanthropy's independence; cultivate it.** Several government officials noted that independence is a big part of what makes philanthropy valuable to public-sector partners. "Steer clear of political party battles," said one, while another urged grantmakers to "maintain independence – not necessarily contrary views, but independence." "Be a constructive critic," one experienced partner advised. "Listen, question, and probe government priorities but avoid challenging policymakers outright." Equally important, this same official urged, "Be yourself. Your autonomy is envied by, and useful to, government. Funders have freedom to experiment, learn, and fail that politicians do not. Funders are most useful when they are true partners in making things work, willing to offer advice and take part in the risks and rewards and not merely follow government blindly."

WAYS TO USE THIS GUIDE

Working with government is not something one person inside a foundation can do alone. In addition to encouraging others to read this guide, how do you get a conversation started among colleagues, board members, and government officials about whether or not a partnership makes sense?

- **Review your own history.** Review programs in which the foundation had a relationship with government in the past. Interview the parties involved. How did it work? Was it helpful? What was learned and how has it been captured in the foundation's practices? Invite longtime staff and board members to reflect on programs from the past that didn't have a relationship with government. Are there ways they might have been better or worse with a government-philanthropy relationship?
- **Focus on desired outcomes.** One of our colleagues said, "You do it [work with government] because it enables you to advance goals that matter. It's got to be connected to your mission." Look at your existing programs and invite current grantees, staff, or board members to think through what might happen if government were advancing the same goals. Is that imaginable? What might be a first step for exploring that potential with government partners?
- **Travel together.** Foundations can invite players across sectors to learn together about innovations or problematic situations in a field or community. Site visits, conferences, and even lunchtime seminars can create opportunities to hear from colleagues and lay the groundwork for opportunities down the road. Obviously, in these situations, it's important to respect rules and regulations regarding food and travel expenses for government officials.

How do you hone your skills to work with government? The guide offers many suggestions for learning about how government works and how to build good relationships with government officials. Here are a few of our favorites, plus some from our archives.

- **Emulate others.** With the help of your regional association, an affinity group, or the Council on Foundations, seek out foundations that have worked with government at different times to learn more about their experience in fields or communities similar to yours.
- **Get acquainted.** When visiting communities where you have grantees, make a point of introducing yourself to local officials to learn what's on their minds; join the "Foundations on the Hill" annual event organized by the Forum of Regional Associations of Grantmakers and the Council on Foundations to meet national government officials.
- **Be ethnographic.** Attend meetings where government staff and officials go; listen to how they think and talk, and figure out what's important to them.

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From Jan Jaffe, project leader

GrantCraft began in 2001 as a project of the Ford Foundation and has operated as an informal collaboration, fueled by Ford's support, interest and ideas from over 20,000 registered users, knowledge from hundreds of grantmakers, connections with dozens of foundations and philanthropy partners, and a small team of writers, editors, and project staff to synthesize the learning.

Everyone involved bet that the field of philanthropy could grow through shared learning across all types of foundations. We all won.

It takes master craftsmen to write and illustrate craft so I'd like to offer a special thank you to our consulting team for making GrantCraft as real, intelligent, and beautiful as we'd all like good philanthropic practice to be.

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GrantCraft series, see www.grantcraft.org**



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