

# Foundations and Public Policy Grantmaking

Julia Coffman

## Foreword

In the course of implementing the Irvine Foundation's new strategic directions during the past several years, we are increasingly engaging in public policy-related grantmaking. While we have sought to approach these efforts thoughtfully and strategically, we also realized that it would be beneficial to explore in greater depth the range of ways in which private foundations engage in the public policy arena.

As a result, we devoted the Foundation's annual board retreat in March 2008 to this very subject. Our board and senior staff convened for two days in Sacramento, meeting with a variety of experienced participants in the public policy process.

As part of the preparations for the board retreat, we commissioned Julia Coffman, an independent consultant who has worked with numerous foundations, to prepare this white paper. In it, she proposes a framework by which private foundations can consider their engagement in public policy grantmaking. The paper focuses on the broad strategic decisions around public policy grantmaking, and suggests specific lessons that foundations should keep in mind when considering policy-related grantmaking.

The paper has helped us sharpen our thinking and has provided us with a common vocabulary to engage as a board and staff on the question of our approach to public policy. We decided to circulate the paper externally with the hope that it may prove useful for other foundations as they consider their roles in the public policy arena.

We are grateful to our colleagues at The California Endowment, the Annie E. Casey Foundation, the Lumina Foundation for Education, and the David and Lucile Packard Foundation for permitting us to include brief case studies of their public policy grantmaking to illustrate the myriad strategies available to philanthropy. And, of course, we are indebted to Julia Coffman for her insightful synthesis and clarity of thought.

This paper has served to spur a useful conversation for us at the Irvine Foundation, and we hope it might do the same for others. As always, we invite your comments and suggestions as we consider how best to engage philanthropy in the public policy arena.



**James E. Canales**

President and Chief Executive Officer

The James Irvine Foundation

March 2008

## Introduction

Foundations trying to better leverage their influence and improve their impact increasingly are being urged to embrace advocacy and public policy grantmaking as a way to substantially enhance their results and advance their missions. In fact, public policy grantmaking has been described as “one of the most powerful tools available to foundations for creating real change.”<sup>1</sup>

The argument for public policy grantmaking is clear. Achieving large-scale and lasting results for individuals or communities — a goal linked to many foundation missions — typically cannot be accomplished with private resources alone. Often, it requires public investments and government directives. While a foundation might identify effective interventions, for example, and fund their implementation in several communities, larger and more sustainable funding sources are needed to scale up those interventions and broaden their impacts. Securing such commitments requires changes in public policies.

This reasoning is persuasive. Yet to date, relatively few foundations have incorporated public policy into their grantmaking agendas. Although there is little doubt that the number of foundations moving in this direction has increased in recent years, foundations that make policy grants are still considered innovators among their peers.

This paper is designed to inform how The James Irvine Foundation might frame, focus, and advance efforts to achieve policy reforms in its primary program areas. It is organized around a framework developed to support the Foundation’s thinking about its grantmaking options. The framework is used throughout the paper to help the Foundation consider its positioning vis-à-vis broader philanthropic trends and how other foundations have positioned their grantmaking in the policy arena.

The paper has four main sections. The first section describes the framework and how foundations can use it to develop grantmaking strategies for achieving public policy goals. The second section uses the framework to discuss current grantmaking trends. The third section offers brief case studies of four foundations’ public policy grantmaking approaches. And the final section presents several lessons foundations should keep in mind when developing their public policy grantmaking strategies.

<sup>1</sup>Alliance for Justice (2004). Investing in change: A funder’s guide to supporting advocacy. Washington, D.C.: Author, p.1.

# Public Policy Grantmaking Strategy

Foundations with experience in the policy arena say effective public policy grantmaking requires clear thinking and decisions about the policy goals foundations want to advance, the barriers that stand in the way of those goals, the strategies needed to overcome those barriers, and the roles foundations are willing to play in ensuring strategies succeed. This section offers a sequence of steps and issues to consider when making those decisions.

## Choosing Public Policy Goals

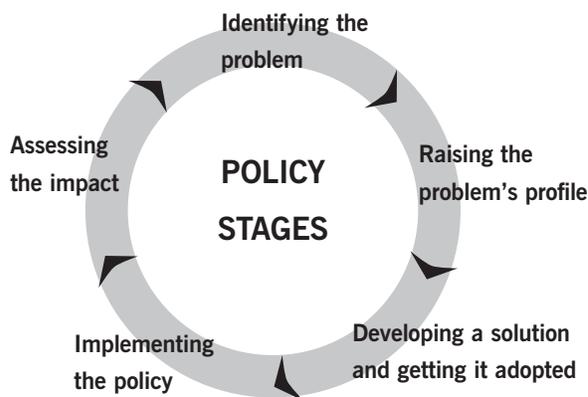
Choosing policy goals is the first step in public policy grantmaking. Foundations may be interested in goals that include, for example, a policy’s successful development, its placement on the policy agenda (the list of issues to which decision makers pay serious attention), its adoption by decision makers (or its non-adoption given a potentially harmful proposal), its successful implementation or maintenance once adopted, or its evaluation to ensure the policy has its intended impacts.

Foundations generally approach goal selection in one of two ways. They can choose their own specific policy goals within their program areas, such as ensuring a state establishes a specific policy. Or, they can choose general policy goals (e.g., reducing ethnic health disparities, improving access to arts education) and then allow grantees to select specific policy targets. Currently, the second approach is more common. However, it comes with a risk. Foundations that design their grantmaking around general policy goals typically support a mix of pre-defined policy change activities (e.g., media advocacy, leadership development, coalition building). The risk is that those activities may not be relevant or useful for all grantees and the specific policy targets they select. Foundations can mitigate this risk, however, by allowing grantees flexibility when choosing their activities.

## Understanding the Challenge

After goals are chosen, foundations should assess where issues of interest currently stand in the policy process, along with what is blocking their advancement.

The figure at right shows a sequence of stages in the policy change cycle (the stages start at the top). Some issues are brand new and the problems to be addressed have not been clearly articulated or documented. Other issues or problems already are known, but they lack viable policy solutions. Still others have policy solutions in place, but their implementation is problematic. Because policy issues at different points in this cycle will require different strategies, determining where issues are, along with how far they need to advance, is essential.



Source: The California Endowment

At the same time, it is important to diagnose why issues are “stuck.” For example, the evidence base documenting existing problems may be insufficient or unconvincing, issues may be perceived as so deep-rooted that proposed solutions seem unfeasible, or an organized constituency to advocate for a policy’s adoption may be lacking. An informed assessment of why issues are not advancing will reveal a great deal about the strategies needed to move them forward.

### Designing the Grantmaking Strategy

Once policy goals are chosen and the challenges to achieving them understood, foundations can design their grantmaking strategies.

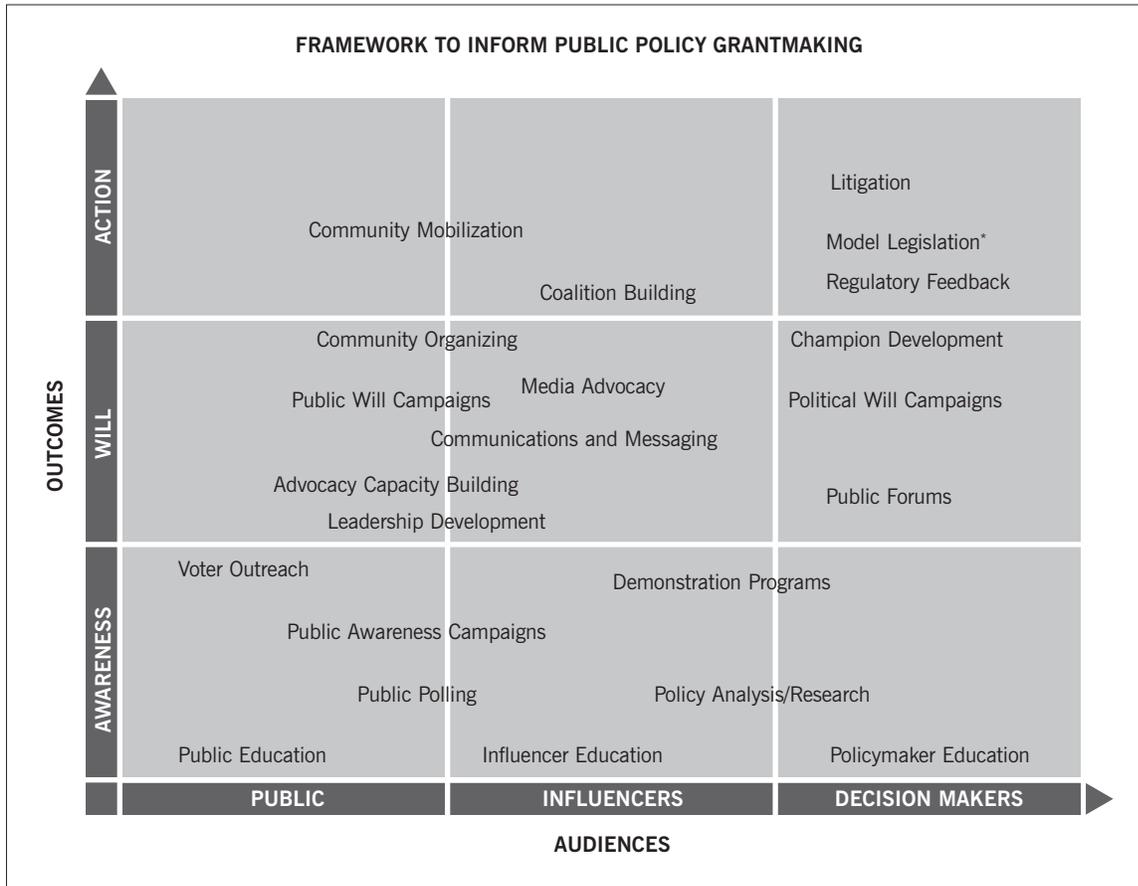
#### *A Framework to Support Strategy Development*

The framework on the next page is to help foundations consider the kinds of strategies they might support. It contains specific types of activities for achieving policy goals.<sup>2</sup> Activities are organized according to where they fall on two strategic dimensions — the audience targeted (x-axis) and the outcomes desired (y-axis).

**Audiences** are the groups that policy strategies target and attempt to influence or persuade. They represent the main actors in the policy process and include the public (or specific segments of it), policy influencers (e.g., media, community leaders, the business community, thought leaders, political advisors, etc.), and decision makers (e.g., elected officials, administrators, judges, etc.). These audiences are arrayed along a continuum according to their proximity to actual policy decisions. Naturally, decision makers are the closest to such decisions. Grantmaking may focus on just one audience or target more than one simultaneously.

**Outcomes** are the results an advocacy or policy change effort aims for with an audience in order to progress toward a policy goal. The three points on this continuum differ in terms of how far an audience is expected to engage on a policy issue. The continuum starts with basic awareness or knowledge. Here the goal is to make the audience aware that a problem or potential policy solution exists. The next point is will. The goal here is to raise an audience’s willingness to take action on an issue. It goes beyond awareness and tries to convince the audience that the issue is important enough to warrant action, and that any actions taken will in fact make a difference. The third point is action. Here, policy efforts actually support or facilitate audience action on an issue. Again, grantmaking may pursue one outcome or more than one simultaneously.

<sup>2</sup>The framework can apply to a broad spectrum of policy goals, including those at the local, state, or federal level, and those in the legislative, executive, administrative, or judicial domains.



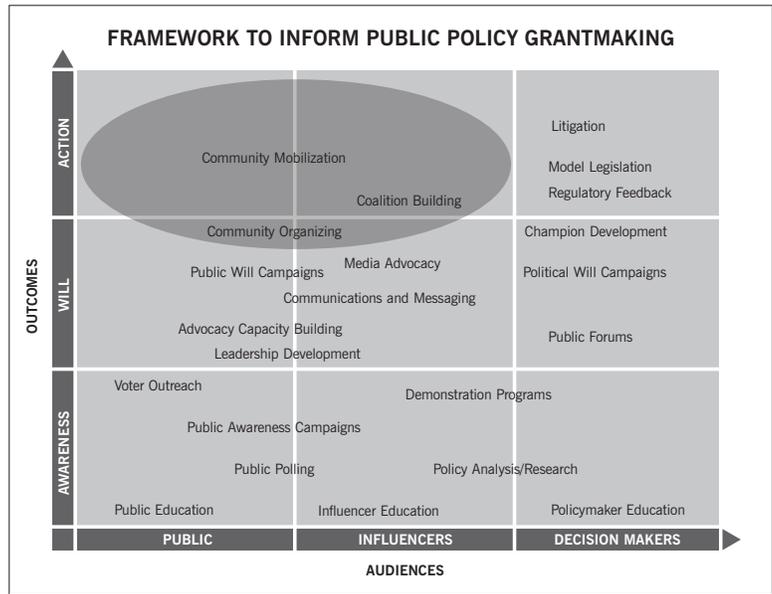
\* If done in the context of nonpartisan research and analysis.

Foundations can use the framework to examine how to position their public policy strategies along these two dimensions. Rather than jumping straight to decisions about which activities to fund (e.g., public awareness campaigns, polling, etc.), the framework encourages foundations to think first about which audiences they need to engage and how hard they need to “push” those audiences toward action.

The shading in the figure at right illustrates how this might work. The hypothetical policy goal in this example calls for an action-oriented strategy focused primarily at the public or community level. The strategy supports activities that include organizing, coalition building, and mobilization activities to generate the action needed to move the policy issue forward.

Two sets of questions follow to guide grantmaking strategy development. The first set covers the fundamental questions that define policy change strategies. The second set helps foundations consider their roles in policy strategies and what their grantmaking will cover. The framework can inform responses to both sets of questions.

**Example Strategic Positioning**



*Questions to Determine Public Policy Strategies*

Foundations first should think broadly about what it will take to achieve their policy goals. This requires thinking beyond just what individual foundations may be able or willing to support; it means thinking comprehensively about what it will take to realize policy targets. Without this approach, foundations may form unrealistic expectations about what their grantmaking dollars can accomplish.

*Which audiences can move the issue?*

Keeping the barriers to a policy issue’s progress in mind, foundations must decide who to engage to address them. The framework identifies three potential audiences — the public, influencers, and decision makers. Responses to this question should be specific, however, and identify who to target within these categories (e.g., specific public constituencies, certain types of influencers, influential decision makers). For example, the national, state, or local media are common influencer audiences. By giving certain topics priority over others, the media can be a strong influence on how the public or decision makers perceive policy issues. Consequently, efforts that attempt to increase an issue’s profile often target the media to increase the issue’s coverage or influence how it is framed.

*How far must audiences move?*

Once target audiences are identified, it is important to assess where those audiences currently are in terms of their engagement, as well as how far the strategy needs to move them. Using the framework as a guide (specifically the outcome continuum on the y-axis), audiences may be completely “off the chart” or unaware that issues or problems exist. Alternatively, they might be aware that problems exist, but do not see them as important enough to warrant action. Or, even if the willingness to act exists, audiences may not have the necessary skills to advocate. Achieving policy goals may not require driving every audience to act. But because awareness alone rarely drives policy change, strategies that also emphasize will-building or action generally are thought to have better chances of success.

*What will it take to move audiences forward?*

After assessments are made about target audiences and their engagement, the framework identifies the types of activities that can support effective change. Some strategies will require a broad mix of activities targeting multiple audiences in different ways. In fact, strategies may be positioned in several parts of the framework. Other strategies may be narrow and attempt to move a specific audience in a targeted way (e.g., when an issue is close to a perceived tipping point).

*Questions to Determine Foundations’ Grantmaking Roles*

Once broad policy strategies are identified, foundations can consider their specific roles in supporting them. Ultimately, grantmaking strategies must “fit” foundation interests, traditions, and capabilities.

*Who else is involved?*

This question addresses whether other funders or groups are working on policy issues of interest, and if so, how they are positioned to help move (or oppose) them. A scan of other actors’ positioning in the framework will signal where foundations can add value and will help to avoid duplication or confusion. This assessment also may signal the need to engage other partners or funders, as foundations acting alone may not be able to fund the whole change strategy or support it at a sufficient level of intensity.

*How long can the foundation support the strategy?*

The time needed or available to create change is important to consider, as foundations may not be willing or able to support strategies for the total amount of time they require. In fact, some issues may require years of advocacy and policy work before a policy window — an enhanced opportunity for achieving policy change — opens. In general, strategies attempting to move target audiences larger distances on the awareness-to-action continuum require longer timeframes. For example, if a politically powerful constituency needs to get behind a proposal before policymakers will take it seriously, but that constituency is not very aware or engaged, it may take years to move that constituency to action.

*What resources are available?*

Similar to the point above, the resources available for public policy grantmaking also are important to consider, as some strategies will require more resources than others. Strategies focused on will-building or action generally require more resources than those focused only on awareness. Foundations must assess whether enough funding is available to fully support policy strategies. If not, they can adjust their expectations or policy goals, find additional funders, or choose not to support certain strategies because they lack the support necessary to be effective.

*How much “risk” is the foundation willing to assume?*

Public policy grantmaking carries several types of risk. Foundations must decide whether they are prepared to assume the risks that policy strategies demand. The most obvious type of risk relates to legal guidelines that govern foundation actions on advocacy and lobbying. In truth, grantmaking in all framework areas is legally permissible (provided guidelines are followed) and private foundations and their grantees can engage in a broad range of advocacy and policy-related activities. But even when foundations are clear on what they can do legally, they may choose to play it safe and fund activities situated well inside those boundaries. Risks also may include increased public or media exposure (some of which may be negative, particularly if an issue is controversial). Or, foundations may attract opposition that targets them directly. Foundations used to low public profiles may be uneasy with the potential for such attention.

In general, strategies that target decision makers directly or that support direct audience action have more perceived risk. This means that risk-averse foundations may be uncomfortable funding strategies that go beyond targeting the public or raising awareness. At the same time, strategies funding awareness alone may be less effective than those that also focus on will-building or action. The choice to play it safe may have tradeoffs in terms of the strategy’s ability to produce results.

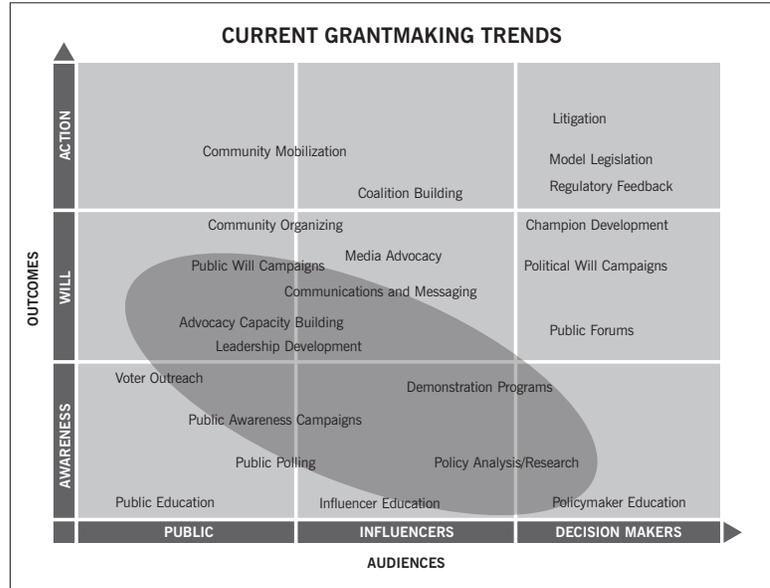
*Does the strategy “fit” with the foundation’s mission and values?*

Finally, it is important to consider whether foundation missions and values are consistent with policy strategies identified. Some foundations, for example, focus all grantmaking on certain population segments like low-income communities and individuals. These foundations may prefer policy strategies that are in sync with this practice, supporting efforts that engage low-income individuals in informing policies that affect them personally. Strategies that call for a different approach may hold less appeal. In other cases, foundations may specialize in certain types of grantmaking such as research. The foundation may want to carry this tradition into the policy arena and choose to support only strategies that call for research or evaluation that make an empirical case for a specific policy priority or solution. Regardless, the foundation’s overall mission and the values that govern all other foundation grantmaking should be considered.

# Trends in Public Policy Grantmaking

As stated earlier, philanthropy as a field has not yet wholeheartedly embraced the idea of public policy grantmaking, although the idea clearly is gaining momentum. While some foundations have supported advocacy and public policy efforts for years, many others have more recently started moving in this direction and are in the process of determining how best to incorporate public policy into their overall grantmaking.

The figure at right uses the framework to estimate where much of the public policy grantmaking in philanthropy as a whole currently is focused. As the shaded circle indicates, most grantmaking tends to fall into the area that has less perceived risk, emphasizing strategies to raise awareness and build public will over more action-oriented approaches. In addition, grantmaking tends to be more action-oriented with public audiences than with decision makers directly.



Various trends, however, are pushing philanthropy forward, and the picture above will likely change several years from now. First and foremost, the field can expect more foundations to enter the public policy arena. In addition, as more foundations gain experience in the policy arena, grantmaking is likely to shift upward in the framework, becoming more action-oriented across all audiences. For example, foundation-funded public will campaigns already are popular and will likely continue gaining in popularity. Political will campaigns focused on decision makers also are gaining momentum.<sup>3</sup> And community organizing, issue-focused coalition building, and community mobilization will likely become more prevalent as foundations grow more interested in pushing specific policy positions and agendas forward and creating the constituencies to sustain them. Below are three trends that are helping to move the field in these directions.

## Leadership from Innovators and Early Adopters

Several years ago, Emmett Carson, then head of the Minneapolis Foundation and now head of the Silicon Valley Community Foundation, wrote: “While foundations have become increasingly aware that public policy advocacy work is possible, many have yet to see the value of such work for advancing their programmatic interests.”<sup>4</sup>

<sup>3</sup>Political will campaigns try to inspire decision maker actions that may include supporting specific policy proposals, speaking out publicly or in the media, including issues in campaign platforms, assigning bills to influential colleagues, encouraging colleagues to support policies, or playing a role in budget negotiations.

<sup>4</sup>Alliance for Justice (2004). Investing in change: A funder’s guide to supporting advocacy. p. i.

As is the case with most innovations, it takes the efforts of an enterprising few to inspire the broader field to move forward. Currently in the United States, foundations supporting public policy efforts tend to be larger foundations with a national or state-level focus. A number of these foundations are viewed as innovators on multiple fronts, not just in the public policy arena. As such, they represent foundations that the larger philanthropic field tends to watch and then follow once new ideas are tested and their potential risks and rewards identified. While advocacy and public policy is not a good fit for all foundations, as more foundation innovators take on and then evaluate their public policy grantmaking, the probability will increase that the rest of the field will follow suit.

### **Philanthropic Education About Legal Guidelines**

A key barrier to the growth of public policy grantmaking has been a lack of awareness about what private foundations are allowed to do and fund under Internal Revenue Service guidelines. In recent years, a number of nonprofits — such as the Alliance for Justice, Center for Lobbying in the Public Interest, and others — have worked hard to address this barrier and educate foundations on what is legally permissible in this arena. This work with both foundations and grantees has made an important difference in foundation knowledge and attitudes about public policy grantmaking. While a lack of accurate knowledge about the breadth of permissible grantmaking remains an ongoing challenge, this barrier is not as formidable as it was several years ago and will continue to lessen as education efforts continue.

### **Evaluation Advancements**

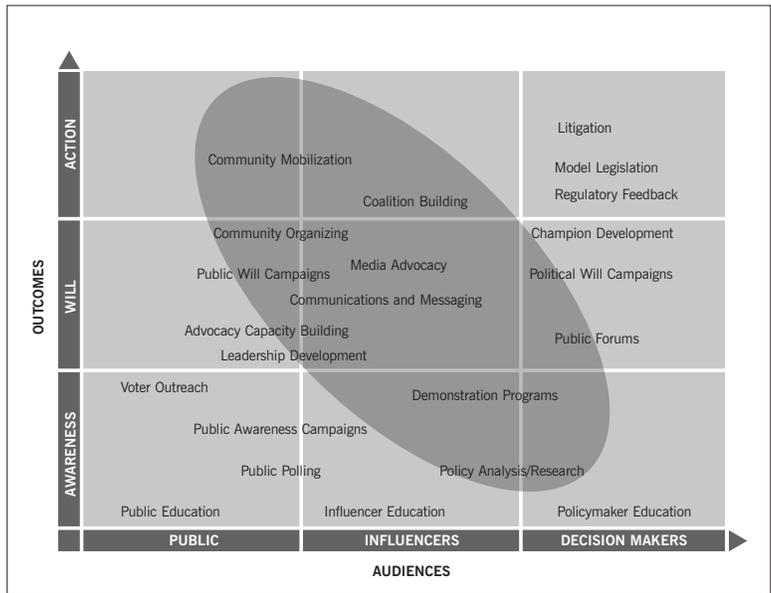
Evaluation is another barrier that foundations sometimes cite when choosing not to support public policy efforts. Advocacy and policy grants are not easily assessed using traditional program evaluation techniques, and until recently few resources existed to guide evaluation in this area. In the past several years, however, several foundations — including The California Endowment, Annie E. Casey Foundation, The Atlantic Philanthropies, W.K. Kellogg Foundation, Bill and Melinda Gates Foundation, David and Lucile Packard Foundation, and others — have stepped up to help push the field of advocacy and policy change evaluation forward, supporting the development of practical tools that are grounding the field in useful frameworks and a common language. As a result, advocacy and policy change evaluation has become an emerging field. This field is well-poised for more growth in the coming years, and this trend will continue increasing foundations' comfort levels with public policy grantmaking.

# Foundation Case Studies

The discussion in the previous section highlights overall trends across foundations. This section uses the framework to illustrate the public policy grantmaking strategies of four foundations that are of interest to Irvine. Each foundation’s approach is positioned differently in the framework, and the case studies illustrate how the foundations’ unique characteristics have resulted in distinct grantmaking choices.

## THE CALIFORNIA ENDOWMENT<sup>5</sup>

<b>Location:</b>	Los Angeles, CA
<b>Scope:</b>	California
<b>Focus:</b>	Improving the health and health care of underserved individuals and communities
<b>Areas:</b>	Access to Health Services; Culturally Competent Health Systems; Community Health and Elimination of Health Disparities; Center for Healthy Communities
<b>Assets:</b>	\$4.4 billion (2006)
<b>Giving:</b>	\$150 million (2006)
<b>Staff:</b>	168 FT professional, 11 FT support



The California Endowment’s mission is expanding access to affordable, quality health care for underserved individuals and communities and making improvements in the health status of all Californians. The Endowment recognizes that achieving this ambitious mission requires policy and systems change. Consequently, public policy cuts across all of its grantmaking, and in a unique structural move, The Endowment has a Public Policy Department that focuses specifically on this work.

### Public Policy Grantmaking

As the figure above demonstrates, The California Endowment’s grantmaking is fairly action-oriented. The Endowment funds local, state, and some national advocacy and supports a variety of activities that include community organizing, coalition building, and public and political will campaigns. The Endowment also supports research and connects advocates and researchers to collaborate during the change process. The full range of policy audiences in the framework are targeted, following a “grassroots to treetops” approach that engages actors at every policymaking level and stage.

<sup>5</sup>Data in the summary boxes are from The Foundation Center’s *Foundation Directory Online*.

### *Key Grantmaking Characteristics*

Since shifting several years ago from an emphasis on community-responsive services and education to a stronger focus on policy change, The Endowment has built a national reputation for its public policy work. Several characteristics distinguish its approach.

#### ***Chooses its own clear and specific policy goals***

The Endowment has clear policy priorities and is not timid about supporting the grantmaking strategies that are needed to move them forward. Grantees are clear about the foundation's policy goals. For example, The Endowment has a commitment to achieve health coverage for all California children, regardless of their immigration status. To help achieve this goal, it supports the 100% Campaign, a multi-year collaboration among three California child advocacy organizations to build the political will necessary for advancing this issue. The campaign boldly pursues improvements in eligibility, outreach, enrollment, and retention policies for health insurance programs serving low-income children and families.

#### ***Is willing to play a public role***

While some foundations prefer to fly under the media or public's radar, especially when it comes to political issues, The Endowment assumes a public role and frequently leverages its name and credibility. For example, the President and CEO speaks out on politically important health care issues and often appears in the media. As another example, last year The Endowment joined with The California Wellness Foundation and Blue Shield of California Foundation to fund a major civic engagement event, CaliforniaSpeaks, in which thousands of Californians joined elected officials to deliberate and make health reform recommendations. In addition, The Endowment funded a high-profile media campaign — featuring the foundation's name prominently — focused on the importance of achieving health reform during the calendar year. The purpose was to take advantage of the policy window created in California on comprehensive health care reform as a result of substantive proposals put forth by the Governor, Speaker of the Assembly, Senate Pro Tem, and the Republican Caucus. The Endowment's aim with both activities was to make important progress on universal health coverage in 2007.

#### ***Supports action-oriented organizing and coalitions***

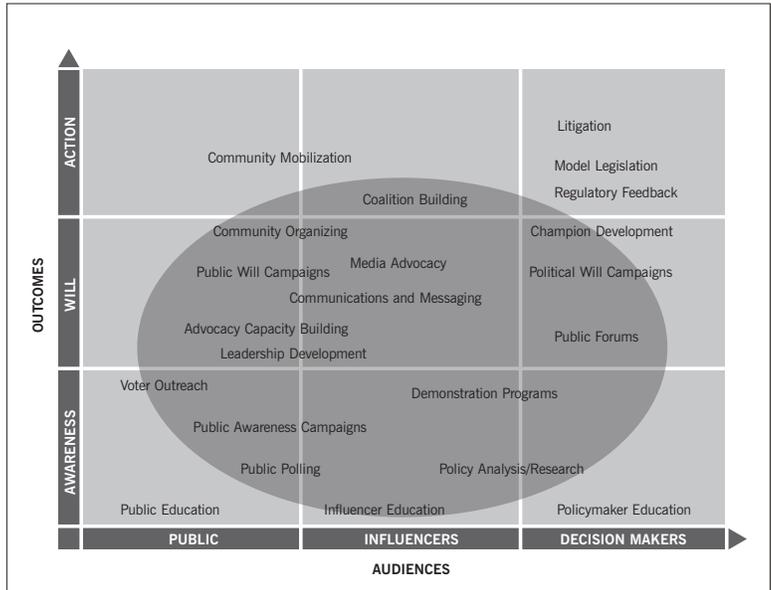
The Endowment has a strong commitment to California communities, feeling that residents know best what changes are needed to improve their health care. As such, The Endowment supports a great deal of action-oriented advocacy that includes both community organizing and coalition building at the state and local level. For example, The Endowment has a commitment to fighting childhood obesity by achieving state and local policy change to reduce the availability of unhealthy foods and beverages on school campuses and improve school nutrition and exercise programs. Several successes have emerged from this grantmaking, including support for a coalition of nutrition and physical activity advocacy groups that informed legislation establishing nutritional standards for food and beverages sold in the state's public schools.

#### ***Builds sustainable capacity and leaders***

Recognizing that all grantees and nonprofits do not have the necessary skills to achieve policy and systems change (particularly service providers), The Endowment helps grantees develop their advocacy capacity, as well as their ability to evaluate and learn from their advocacy work. For example, its Center for Healthy Communities builds leadership and capacity within the nonprofit health sector to mobilize communities for social change. Through the Center, The Endowment has developed a Health Exchange Academy to train grantees on advocacy, communications, and evaluation. The Endowment has found that increasing grantee advocacy capacity is a critical factor in helping its grantmaking strategies succeed.

**DAVID AND LUCILE PACKARD FOUNDATION**

<b>Location:</b>	Los Altos, CA
<b>Scope:</b>	National; International; Special focus on California
<b>Focus:</b>	Children; Science; Conservation; Reproductive Health
<b>Areas:</b>	Children, Families, and Communities; Conservation and Science; Population
<b>Assets:</b>	\$6.35 billion (2006)
<b>Giving:</b>	\$238 million (2006)
<b>Staff:</b>	48 FT professional, 31 FT support



The David and Lucile Packard Foundation distributes its grantmaking among several areas that include Children, Families, and Communities (preschool, children’s health insurance, afterschool); Conservation and Science (marine fisheries, coastal systems, oceans and coasts, atmosphere); and Population (domestic and international reproductive health, reproductive rights, and family planning). Advocacy and public policy are part of grantmaking in all three program areas.

*Public Policy Grantmaking*

As the figure above demonstrates, the Packard Foundation’s public policy grantmaking cuts a broad swath through the framework. The Foundation tends to fund long-term (up to 10-year) initiatives that may attempt to turn relatively unknown issues into high-profile priorities. Shepherding issues through this policy cycle can be a lengthy process and require a wide variety of advocacy and policy change strategies. The Packard Foundation attempts to achieve change from multiple directions and therefore funds a broad range of advocacy-related activities. This approach helps to ensure that its strategies and grantees can take advantage of any potential opportunities or policy windows that emerge.

*Key Grantmaking Characteristics*

The Packard Foundation has a solid reputation for public policy work within its focus areas. Characteristics of the Packard Foundation’s approach include the following.

***Supports long-term and broad-based strategies on sometimes lesser-known issues***

As stated above, the Packard Foundation commits a good portion of its annual grantmaking budget to long-term comprehensive strategies designed to produce significant change on priority issues. Strategies often have a public policy component or focus, and they seek public policy change through a variety of routes. For example, the Children, Families, and Communities program area has a 10-year strategy called Preschool for California’s

Children. Its goal is making quality preschool available for all 3- and 4-year-olds in the state. Fundamentally, this strategy is about changing state-level policy and is based on the notion that getting the idea of universal preschool recognized as an idea “whose time has come” requires that it appear prominently on the policy agenda. Although when the strategy started the universal preschool issue was fairly low-profile and still at an early policy change stage, this has changed over time with the help of various Packard-funded activities such as research and communications to frame the issue; development of policy proposals to address the problem; statewide advocacy to engage influential constituencies; and local preschool demonstration programs to show what is possible when funds are available for high-quality preschool. While universal preschool has not yet been achieved, the issue has moved forward in the policy change cycle.

#### *Uses research and strategic communications to make the case*

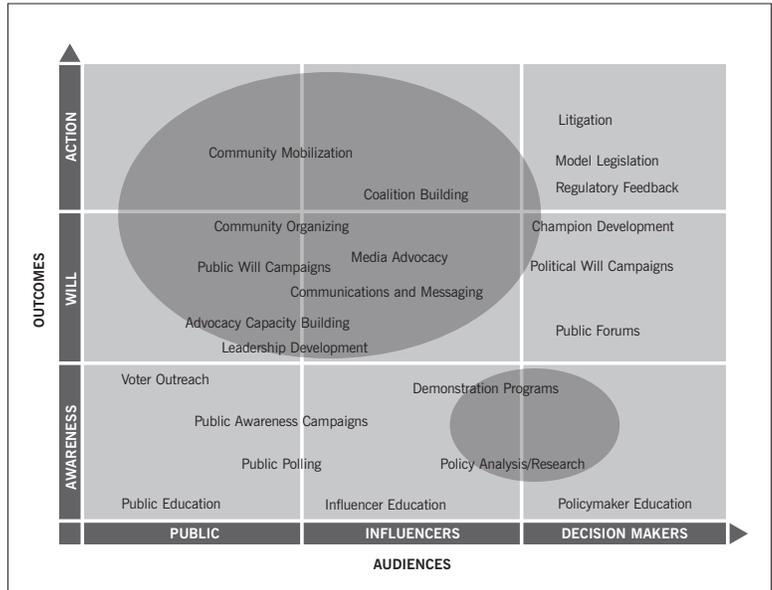
The Packard Foundation is a strong believer in the power of research as a way to build a credible case about the merits of particular public policies. Consequently, all three program areas include rigorous research in their public policy efforts, as well as support for strategic communications to ensure that research results are communicated effectively (all program areas have access to communications experts). For example, the children’s health subprogram had an interest in expanding Santa Clara County’s children’s health insurance program to other California counties. The Foundation funded Mathematica Policy Research to evaluate the Santa Clara program to identify its outcomes and lessons about the model’s implementation. This evidence base then helped convince at least 10 other California counties to launch similar programs to provide health care coverage for all kids.

#### *Focuses on influencers*

The Packard Foundation’s public policy grantmaking includes an important focus on policy influencers in addition to decision makers directly. These individuals play significant roles in setting the public or policy agenda. They include important thought leaders on a particular issue, such as the media, community leaders, and business and industry leaders. The Foundation sees the strategic value of targeting these influentials because they hold sway with both the public and policymakers. The media, in particular, is an important Packard audience. For example, the Population program area has a strategy to increase the amount of funds from donor and developing countries that address population growth and the need for family planning and reproductive health services. A key step toward this goal is improving the media’s coverage of population and reproductive health issues. Another example of the influencer focus comes from the Conservation and Science program area. The marine fisheries subprogram is attempting to tackle the unsustainable fishing that is destroying the ocean’s ecosystems. Grantmaking targets key influencers in the seafood industry, such as gatekeeper chefs and restaurateurs, and other seafood market leaders. This approach has led to the development of industry norms that now promote more sustainable policies and practices.

**ANNIE E. CASEY FOUNDATION**

<b>Location:</b>	Baltimore, MD
<b>Scope:</b>	National
<b>Focus:</b>	Vulnerable children and families
<b>Areas:</b>	Child Welfare; Community Change; Economic Security; Education; Health; Juvenile Justice; Special Interest Areas
<b>Assets:</b>	\$3.3 billion (2006)
<b>Giving:</b>	\$184 million (2006)
<b>Staff:</b>	118 FT professional, 39 FT support



The Annie E. Casey Foundation has a mission of fostering public policies, human-service reforms, and community supports that effectively meet the needs of today’s vulnerable children and families. Casey’s grantmaking falls into a variety of policy and service areas that affect children and families, including health, education, economic security, child welfare, juvenile justice, and responsible neighborhood redevelopment.

*Public Policy Grantmaking*

Public policy figures prominently in Casey’s mission statement, and the Foundation sees policy and systems change as key avenues for achieving large-scale results. As such, advocacy to achieve that change is central to Casey’s grantmaking, and many of its initiatives, place-based grants, and individual grants support community-based, state, or national advocacy. Another illustration of Casey’s commitment is the recent addition of a cross-foundation policy strategy group to further promote work in this area.

As the above figure demonstrates, Casey’s public policy grantmaking falls into two main areas. One area focuses on building public will and action and includes support for a range of advocacy activities, including community organizing and mobilization, and targeted issue advocacy (e.g., child health insurance, predatory mortgage lending). The second area focuses on research and policy analysis to support change strategies.

*Key Grantmaking Characteristics*

The Casey Foundation is well-known for its major commitment to child advocacy, and many of the most effective child advocates across the country receive Casey support. The following characteristics distinguish Casey’s public policy grantmaking.

***Believes in grassroots self-determination and advocacy***

Casey has a history of funding comprehensive change in communities. This place-based grantmaking includes a focus on advocacy that is consistent with Casey's values and ensures community members both help determine what to advocate for and become advocates themselves. This approach calls for long-term grantmaking strategies that build advocacy skills and strengthen grassroots engagement and participation. For example, Making Connections, Casey's decade-long flagship initiative in 10 communities, aims to improve children's lives by strengthening families' connections to economic opportunity, positive social networks, and effective services and supports. Community-driven advocacy is an important initiative component, and residents join with local partners such as funders and government officials to advocate for changes in funding, social services, and policies that impact neighborhood children and families. Casey has found that while it can take years to build community leadership, empowering residents to achieve their own policy agendas helps sustain action around goals that may take many years to accomplish (and in some cases extend beyond the initiative's timeframe).

***Supports action through capacity building and leadership development***

Casey supports child advocacy organizations. Casey helps individual grantees think about and engage in advocacy, and capacity building is an important ingredient in its large initiatives. For example, Casey's major initiative KIDS COUNT is a network of child advocates in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. While this initiative's primary purpose is tracking child well-being indicators (described more below), Casey's long-term reliable support for these organizations builds their capacity for multi-issue advocacy. In addition, Casey's support for the collection, analysis, and communication of child well-being data builds grantees' capacity for data-driven advocacy in general, another hallmark of Casey's approach.

***Sponsors data-driven advocacy***

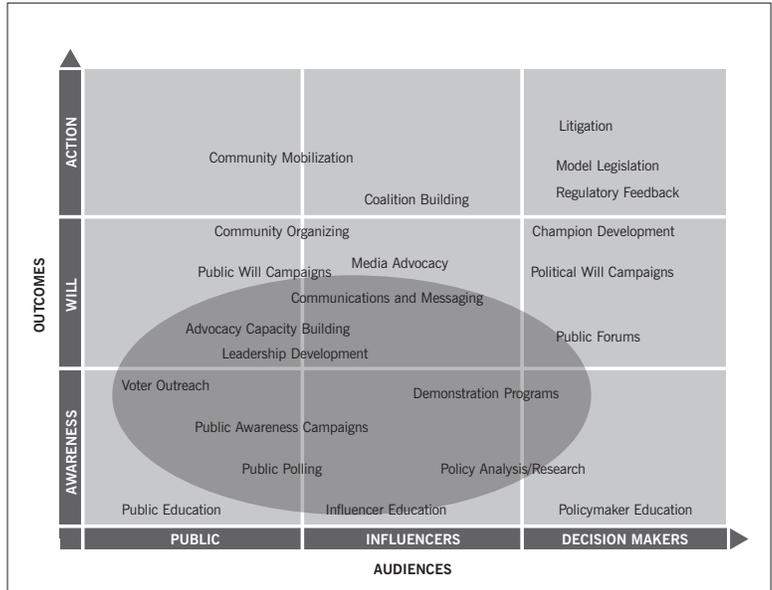
The Casey Foundation has a reputation for data-driven philanthropy. Casey supports data as a critical tool for change, and emphasizes research and data collection for its major initiatives. The notable point here, however, is that Casey funds objective research that advocates can use. KIDS COUNT again is a prime example of this approach. KIDS COUNT's purpose is tracking the status of children by state and then providing policymakers and the public with easily understood and comparable child well-being benchmarks (over time and across states). Data gauge the seriousness of problems facing children, and help advocates create conversations with policymakers about how to address them. Another example of Casey's commitment to data-driven advocacy comes from its belief in evaluation. Virtually all grantmaking features attempts to measure what does and does not work. Casey then shares its lessons widely to reform policies and services.

***Funds influencers directly***

While Casey funds grantees to target influencer audiences, Casey also funds influencers directly. This approach guarantees that these groups and individuals use their influence to help advance issues of interest. For example, the Casey Strategic Consulting Group works directly and on-site with state agencies to strengthen their infrastructure and policies for systems reform, focusing on, for example, agency management, internal operations, and frontline practices. The Group has been successful in leveraging Casey's funding, deep expertise on systems reform, and respected public sector reputation to achieve administrative policy and systems change.

LUMINA FOUNDATION FOR EDUCATION

<b>Location:</b>	Indianapolis, IN
<b>Scope:</b>	National
<b>Focus:</b>	Postsecondary education in the United States, particularly for students of low-income or other underrepresented groups
<b>Areas:</b>	Access; Success; Adult Learners
<b>Assets:</b>	\$1.36 billion (2006)
<b>Giving:</b>	\$50 million (2006)
<b>Staff:</b>	28.5 FT professional, 13 FT support



The Lumina Foundation for Education, founded in 2000, focuses on expanding access to postsecondary education in the United States. Currently, grantmaking is organized around three major initiatives to 1) help community college students succeed (Achieving the Dream: Community Colleges Count), 2) encourage teenagers and their families to take the necessary steps toward college (KnowHow2GO), and 3) promote a high quality and accessible 21st century higher education system (Making Opportunity Affordable).

*Public Policy Grantmaking*

In the short time since its inception, the Lumina Foundation has established a firm reputation for its work in the postsecondary education arena. In fact, Lumina sees its relative youth as an asset. It allows Lumina to be nimble in the policy arena, and encourages it to tackle policy issues that other foundations have not taken on.<sup>6</sup>

Public policy is a part of grantmaking across Lumina’s three main program areas. As the figure above illustrates, Lumina’s public policy grantmaking tends to focus primarily on building awareness and public will. Grantmaking supports a great deal of research, policy analysis, and communications activities that attempt to deepen public, influencer, and policymaker awareness of problems that are affecting postsecondary education, and to increase their receptivity to policy solutions that address them.

*Key Grantmaking Characteristics*

Lumina’s public policy grantmaking focuses on providing high-quality information and analysis on postsecondary education for all three policy audiences in the framework above. Characteristics of its current approach include the following.

<sup>6</sup> Lumina’s new president comes from a federal and state policy background (he founded the Institute for Higher Education Policy in Washington D.C.). Moving forward, Lumina intends to pursue more aggressively policy changes that are consistent with its college access and success mission.

***Funds research that “makes the case”***

The postsecondary education issues that Lumina focuses on typically are not high-profile or well-advanced in the policy change cycle when Lumina’s grantmaking strategies begin. As a result, Lumina feels it is important to fund research that defines these issues and problems and increases their profile with key audiences. Lumina-funded research is objective and balanced (as the Tax Code says it must be), but its purpose is to explain or identify viable solutions to higher education problems, and to make specific recommendations that educate policy audiences and can be used in policy decisions. For example, Achieving the Dream, an initiative to help community college students succeed, emphasizes research as a change mechanism. Groups of faculty members, students, staff, and community members at each participating community college collect and analyze student outcome data to identify problems that can be addressed through changes in college-level programs and policies. Because these problems previously were undocumented, this approach defines them in a credible way, raises their profile with college administrators and faculty, and helps build a strong case for policy and practice solutions.

***Emphasizes the importance of influencers***

Lumina’s grantmaking recognizes that influencers are important conduits to public and policymaker audiences and therefore supports their work directly. For example, Lumina funds grantees like the Institute for Higher Education Policy, National Center for Higher Education Management Systems, and Western Interstate Commission for Higher Education to position them as policymaker advisors. Lumina also supports partnerships with media training organizations and policy groups, ensuring Lumina’s issues are reflected in these groups’ public, media, and policymaker outreach efforts.

***Allows grantees to select specific policy targets***

Lumina helps focus the public policy work that occurs within its initiatives by choosing policy issues and frameworks (defined, in part, through research) that initiative grantees then agree to advance. Lumina does not dictate grantees’ specific policy issues and strategies. Recognizing that a “silver bullet” approach rarely exists for every state, policy frameworks are general enough that grantees can select specific policy issues that are relevant within their political contexts. For example, in addition to targeting campus-level policy changes, Achieving the Dream targets broader state-level policy changes that will support community colleges and students throughout the state. Initiative states have a collective policy framework that includes developing a visible policy commitment to student access and success; strengthening student state data systems; improving community college alignment with other education systems; improving services for the academically under-prepared; expanding access to financial aid; and building public support for access and success. Each state then develops more specific annual policy priorities within this framework and the strategies for advancing them. By choosing a broad policy framework, Lumina helps to ensure that it makes a meaningful collective contribution to public policy across the nation, and that grantees across states can share strategies and ideas based on their common areas of focus.

## Conclusion

As stated several times, public policy grantmaking is a relatively recent philanthropic phenomenon. As such, it is still too early to know which grantmaking strategies — including those mentioned in the case studies — have been more or less effective. At the same time, experience so far reveals several overarching lessons that foundations should keep in mind when considering their public policy options.

### ***Policy goals require distinct grantmaking strategies.***

Because the policy process is dynamic and the political context surrounding each issue differs, a strategy that works for one policy issue or goal may not work for another. As such, it is not possible to replicate strategies across policy goals and expect the same results. While a foundation's overall positioning in the framework may stay the same, different policy goals will require foundations to support different mixes of activities within that positioning or to emphasize certain activities over others. This paper identified a series of steps and issues for foundations to consider when forming their grantmaking strategies. These steps should be considered separately for each policy goal.

### ***Strategies necessarily will evolve.***

Again, because the policy process is complex and dynamic, foundations must prepare for the likelihood that their grantmaking strategies will change over time. For instance, foundations may need to adapt them in response to shifting political circumstances or opportunities. They also may need to modify them based on what experience or data reveal is or is not working.<sup>7</sup> Foundations must expect and plan for this reality. This includes planning for it on a practical level. For example, program officers should recognize that their public policy grants are likely to require more time and effort than the other types of grants they manage.

### ***Many strategies will require long-term and substantial resource commitments.***

Because foundations often champion causes and issues that receive little attention or support elsewhere, they may find that their issues have little to no pre-existing momentum in the policy arena. As such, grantmaking strategies to advance them through the policy change cycle may require long-term and substantial resource commitments. In such cases, to get real results foundations cannot “test the waters” or merely dabble in public policy grantmaking. Effective grantmaking strategies will require strong and firm commitments from a foundation's board, leaders, and staff. This includes the understanding that public policy strategies can take time — often many years — to yield tangible policy results.

<sup>7</sup> Many foundations have evaluations in place when public policy grantmaking strategies are launched to ensure that evaluation data can inform the strategy as it evolves.

**FOUNDATIONS AND PUBLIC POLICY GRANTMAKING**

**ABOUT JULIA COFFMAN**

JULIA COFFMAN IS A WASHINGTON, D.C.-BASED CONSULTANT WHO SPECIALIZES IN EVALUATION AND STRATEGY DEVELOPMENT FOR ADVOCACY AND POLICY CHANGE EFFORTS. SINCE 1996 SHE HAS WORKED WITH THE HARVARD FAMILY RESEARCH PROJECT, A RESEARCH AND EVALUATION ORGANIZATION THAT HELPS FOUNDATIONS, NONPROFITS AND POLICYMAKERS DEVELOP AND EVALUATE STRATEGIES TO PROMOTE THE WELL-BEING OF CHILDREN, YOUTH, FAMILIES AND THEIR COMMUNITIES.

**ABOUT THE JAMES IRVINE FOUNDATION**

THE JAMES IRVINE FOUNDATION IS A PRIVATE, NONPROFIT GRANTMAKING FOUNDATION DEDICATED TO EXPANDING OPPORTUNITY FOR THE PEOPLE OF CALIFORNIA TO PARTICIPATE IN A VIBRANT, SUCCESSFUL AND INCLUSIVE SOCIETY. THE FOUNDATION'S GRANTMAKING IS ORGANIZED AROUND THREE PROGRAM AREAS: ARTS, YOUTH AND CALIFORNIA PERSPECTIVES, WHICH FOCUSES ON IMPROVING DECISION MAKING ON SIGNIFICANT STATE ISSUES. SINCE 1937 THE FOUNDATION HAS PROVIDED OVER \$1 BILLION IN GRANTS TO MORE THAN 3,000 NONPROFIT ORGANIZATIONS THROUGHOUT CALIFORNIA. WITH CURRENT ASSETS OF OVER \$1.8 BILLION, THE FOUNDATION EXPECTS TO MAKE GRANTS OF \$81 MILLION IN 2008 FOR THE PEOPLE OF CALIFORNIA. FOR MORE INFORMATION ABOUT THE IRVINE FOUNDATION, PLEASE VISIT OUR WEB SITE AT [WWW.IRVINE.ORG](http://WWW.IRVINE.ORG) OR CALL 415.777.2244.

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