The Center on Philanthropy & Public Policy

FOUNDATIONS AND PUBLIC POLICYMAKING

A Conceptual Framework

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ABOUT THE CENTER ON PHILANTHROPY AND PUBLIC POLICY

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

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

ABOUT THE AUTHORS

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Executive Summary

A critical element of effective philanthropy involves leveraging foundation assets – money, knowledge and connections – for solving public problems. In this vein, foundations face opportunities to maximize their impact on public problem solving by deploying the full range of their assets to shape public policy. In fact, as governmental decision making becomes increasingly devolved and decentralized, increasing opportunities have emerged for foundations to engage the policymaking process.

Foundations can leverage their assets to make a difference in policy areas of interest to them by:

- Funding activities that can potentially have significant effects on public policy.
- Creating stores of knowledge that can affect how others think about policy issues.
- Forging networks among individuals and organizations, bringing their knowledge, resources, and skills to bear on policy debates.
- Building good relations with influential policymakers.
- Developing reputations as credible, reliable policy players.

However, like all players in the policymaking process, foundations can improve the chances of attaining their goals by acting strategically. This requires that foundations pursue forms of policy engagement that are consistent with their missions, within reach given their resources, within the bounds of what is legally possible, and meaningful in the context of the policymaking landscape. Given the decision to engage public policy, foundations face the challenge of deciding where to engage the policy, how to engage it, and how to deploy their assets.

Foundations have the potential to impact public policy at a myriad of points. There are many *stages* in the policymaking process, from problem definition to agenda setting, and from policy formulation to policy implementation and evaluation. There are various *venues* for public decision making, from ballot initiatives to the legislative process, and from administrative rules to judicial review. And, there are a variety of *jurisdictions* in a federal system of government – local, state, and national. Thus, foundations pursuing particular policy goals make choices – if not explicitly, then certainly implicitly – concerning jurisdiction, venue, and stage. These choices emerge from a set of feasible options given the institutional structure of the policy domain, e.g., schools, health, smart growth, and organizational imperatives of each foundation.

As foundations work to determine where and when to engage in public policymaking, they face the additional challenge of determining what forms of engagement would be most effective, given their particular circumstances. Foundations interested in public problem solving work to understand problems and seek solutions. However, the forms of engagement noted above are correlated to different levels of intensity and require different levels of commitment. Foundations often fund work of policy relevance, including policy analyses, pilot programs, and technical support. However, such activities alone are not likely to have much impact. Foundations that intend to shape public policy therefore need to consider playing more active roles in influencing the policy environment through the building of knowledge and networks. Such actions can help to raise the public profile of problems and increase the chances that policymakers will place them on the policy agenda. At times when

more active engagement in policymaking is desired, foundations often use their positions within policy networks to link with policymakers directly.

Once choices are made over where and how to engage the policy process, foundations then face choices concerning how to deploy their grantmaking assets: What should be funded? What form should it take? To the extent that foundation engagement is limited to funding policy-relevant work, grantmaking tends to be programmatic and limited in duration. In those instances in which foundations are willing to commit to efforts to shape the policy environment, their grantmaking typically takes the form of operating support and of longer duration grants. This approach casts grantees as partners in the enterprise of policy engagement. The most active role for foundations involves choosing to engage with policymakers themselves by directly devoting resources to their own activities such as convening policymakers and policy experts and distributing reports.

Thus, foundation engagement with public policy requires that foundations assess how such a role will enable them to pursue their mission given their asset base, programmatic focus, and geographic scope. Given a decision to embrace a role in public policy, foundations need to determine where and how to engage the process and shape their grantmaking activities so as to achieve impact in the desired policy efforts. Such efforts require foundations to accept a level of risk and uncertainty since foundations are but one of many influential outsiders, their efforts are often pursued through nonprofit partners, and there is a considerable amount of luck in getting the various policy forces to align. But foundations are not likely to realize big policy payoffs unless they are willing to take such calculated chances.

Foundations and Public Policymaking
A Conceptual Framework

Introduction

A critical element in transforming philanthropy into more effective philanthropy is to leverage foundation assets – money, knowledge and connections – for solving public problems. In this vein, foundations have an opportunity to maximize their impact on public problem solving by deploying the full range of assets to shape public policy. In fact, there is an increasing opportunity for foundations to engage the policymaking process as governmental decision making becomes increasingly devolved and decentralized.

Foundations can work to impact public policymaking at a myriad of points. There are many *stages* in the policymaking process, from problem definition to agenda setting, and from policy formulation to policy implementation. There are also various *venues* for public decision making, including the legislative process, ballot initiatives, administrative rules, and judicial review. Lastly, there are a variety of *jurisdictions* for action in a federal system of government: local, state, and national.

This multidimensional nature of the policy process makes mapping foundation action into public policy a complex undertaking. It requires an understanding of the various stages, venues, and jurisdictions where policymaking occurs. It also requires an understanding of the range of foundation strategies for shaping, influencing, and impacting public policy. This paper provides a framework that helps to identify the range of possible foundation strategies; offers an assessment of the benefits, costs, and risks of these strategies; and explores the implications for the role of foundations in the policymaking process. Foundations may or may not make their choices in quite the same explicit fashion that our discussion suggests. However, by discussing foundation choices in a systematic fashion, we hope to shed light on the ways that foundations can engage the public policymaking process.

In what follows, we first present an overview of the policy process to provide a context for the role of foundations in public policy. We then discuss foundation approaches to policy engagement and the factors that shape their decision of whether or not to engage the policy process. This leads us to characterize foundations as influential outsiders. Being outside the policymaking process, but looking for ways to have influence, foundations encounter a range of strategic choices. We discuss how foundations might choose the jurisdictions where they seek influence, the venues they try to impact, and the stages of the policymaking process where they might choose to focus their resources. We also discuss the choices foundations face when determining the nature of the engagements they will have with policy partners — other foundations, nonprofits and/or policy experts. We conclude the paper by setting out research questions concerning the strategic choices foundations make. These questions are designed to help better understand the range of actions that foundations may take and their impacts.

The Public Policymaking Process

The public policymaking process is complex. Of course, if we were to limit ourselves to thinking of policymaking as what happens in legislatures, then developing an understanding of the process would be somewhat simplified. However, that simplification would come at considerable cost. It is true that foundations support the work of many policy institutes and that policy analysts from those institutes often give testimony at hearings of legislative committees (Weissert and Knott 1995). This is an important means by which foundations engage with government in public policymaking. But there are many other means of engagement that deserve our attention. Given this, it is useful to characterize the policymaking process in a manner that gives due regard to its complexity and enables us to identify points of entry for foundation action, while keeping our characterization simple enough that it helps to understand foundation engagement in public policy.

Let us begin by thinking of the policymaking process as constituted from a variety of on-going conversations about the role of government in society and how that role can be most effectively undertaken (Majone 1989; Radin 1997; Schön and Rein 1994). These conversations are structured in significant ways by the formal institutions through which public policymaking becomes authoritative. However, the conversations take place in various forums, many of which appear reasonably removed from the rough and tumble of everyday politics. These conversations, like all conversations, involve a number of actors. The objective of the actors concerned is typically to make points that receive a fair hearing and that, through their merit, will come to shape policy decisions.

The federal system in the United States provides one of the structuring institutional forms that serve to channel and shape policy conversations. Policy of national importance is discussed and formulated at the federal government level. Conversations about such policies are centered in Washington, DC, but, of course, they receive input from across the nation. Policies of significance to specific states are discussed and formulated within those states, while those of local significance are dealt with primarily within local jurisdictions. Often, policy conversations work in ways that break down these divisions of formal responsibility, just as a large number of public policies define and build upon intergovernmental relationships. But thinking in terms of divisions is a good way to begin making sense of policymaking in a federalist context, and the choices foundations face when they seek to have influence.

No matter whether policy formulation and adoption occurs at the jurisdictional level of the nation, state, or locality, the policymaking process follows fairly similar procedures in each. Thus, policy scholars have often characterized the process as involving a series of five stages. These stages are: problem definition, agenda setting, policy adoption, implementation, and evaluation (Eyestone 1978). This "stages" model of public policymaking has come under some criticism because it assumes an orderly, linear path that follows from stage to stage (Jenkins-Smith and Sabatier 1993). Obviously, this is not always the case. It often happens that aspects of problem definition are not fully worked out until a policy is being implemented. In addition, evaluations of existing policies and programs can help to identify new problems and to set the agenda for future policy change. Furthermore, the stages approach is better suited to thinking about the making of public policy through legislative processes rather than through

administrative and judicial action or initiative processes, all of which play highly significant roles in the shaping of public policy in the United States. Having said that, the stages approach does provide a convenient starting point for us to think about the evolution of policy conversations. It is especially helpful for allowing us to think about the ways that influential outsiders such as foundations might position themselves to shape public policy.

This conception of public policymaking, as constituted through ongoing conversations, structured by various formal institutional arrangements, and divided into a series of stages, serves as our starting point for considering the public policy efforts of foundations. Thinking of the policymaking process in this way allows for simplification that can guide more nuanced investigations of foundation strategies. But before showing how this perspective can guide our thinking about foundations and public policymaking, it is important that we first pay attention to foundation approaches to public policy and the factors that shape foundation decisions to engage in public policy work.

Foundation Approaches to Public Policy

Foundations have money, knowledge, and networks. These resources can be used to generate further knowledge, expand connections, and cultivate strong relationships with influential members of public policy communities. Through such efforts, foundations can leverage their assets to make a difference in public policymaking, thus advancing problem solving in the policy areas of interest to them.

There are five general approaches that foundations adopt in engaging the policymaking process. Foundations may:

- Fund activities that can potentially have significant effects on public policy.
- Create stores of knowledge that can affect how others think about policy issues.
- Forge networks among individuals and organizations, bringing their knowledge, resources, and skills to bear on policy debates.
- Build good relations with influential policymakers.
- Develop reputations as credible, reliable policy players.

Funding Activities. Foundations can fund activities and programs that serve to promote ideas for policy change, to demonstrate viable alternatives to current policy settings, or to ensure policy implementation. While they have far fewer resources at their disposal than governments, foundations are better situated to support activities that facilitate change in government. For example, McKersie (1999) has documented the efforts of several foundations to contribute to changes in the governance of public schools in Chicago, ranging from funding the efforts of policy analysts and advocates to influence debate on the design of school governance, to funding efforts to ensure that the new governance arrangements were implemented in ways that conformed to their original visions for reform.

Creating Stores of Knowledge. Foundations can foster the development of creative thinkers and bodies of knowledge through fellowships and research institutes that can shape the thinking of

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others. This approach to influencing public policy places the emphasis on the role of ideas in society. For example, the Lynde and Harry Bradley Foundation and the John M. Olin Foundation have supported academic research and training programs conducted by scholars who are have focused on the importance of markets and limited government. And The Robert Wood Johnson "Scholars in Health Policy" program has sought to develop a new generation of creative thinkers in health policy research.

Forging Policy Networks among Individuals and Organizations. Foundations can put ideas and new knowledge into play by creating an infrastructure for the communication and diffusion of policy ideas and innovations. Some foundations have been quite conscious in developing networks among individuals and organizations, with the purpose of creating an infrastructure of well-articulated arguments and empirically-grounded policy analysis that can support strong and sustained efforts to shape public policy, both at the state and national levels. For example, the Heritage Foundation is noted for its adeptness at bringing politicians, policymakers, and policy analysts together to discuss topics on the policy agenda with a focus on markets and market-based policy solutions (Smith, 1991).

Building Good Relations with Policymakers. Foundations can establish close ties between their board members and program staff and policymakers. Regular distribution of policy briefing papers and sponsoring conferences and similar gatherings represent activities through which foundations can gain sway in policy communities, including influential policymakers. Those good relations can be supported through the funding of high-quality, timely contributions to policy debates. Foundations can also nurture such relations through what McKersie (1999) refers to as "gap-funding" – providing support for governmental actors as they seek to implement and evaluate new policies.

Developing a Reputation as a Credible Policy Player. Foundations can cultivate reputations for high-quality, timely contributions to public policymaking, thereby enhancing their influence in successive policy debates. For example, in the early 1960s, the Kennedy administration requested a group of private foundations with long-standing programs in race relations to fund the Voter Education Project (VEP). These efforts on the part of several foundations were designed to channel the actions of militant groups, and thus give the administration a freer hand to push for the passage of civil rights legislation, which eventually came in 1964 and 1965 (Jenkins 1998). Without the efforts of these foundations, it is possible that the actions of militant groups might well have turned public opinion against civil rights. More importantly for our discussion, it is noteworthy that the foundations' earlier efforts to eliminate the Jim Crow system of electoral politics signaled their strong commitment to change. Having shown that commitment, the foundations opened the way for the Kennedy administration to make its overtures regarding further action. Thus, a good reputation can smooth the way for foundations to leverage the resources they have and achieve even more influence in public policymaking.

These five approaches are neither mutually exclusive nor collectively exhaustive. In fact, pursuing multiple approaches might increase impact. Nevertheless, we believe these five approaches capture the essence of foundation approaches to public policy engagement, when they choose to do so.

The Decision to Engage in Public Policymaking

Choices about public policy engagement are shaped by the context of individual foundations. Among the factors that are critical to such decisions are organizational characteristics, such as the foundation's mission and financial resources, as well as the environmental context in which the foundation operates, including legal restrictions, the philanthropic environment, and the policy domain.

Organizational Factors

Internally, the two most significant factors are mission and funds. Foundations are constrained in what they might do by their missions and, perhaps more importantly, by the board's interpretations of those missions. Many foundations view their mission as improving society through public problem solving. And public policy work can be viewed as consistent with such a mission. However, if a foundation has a mission that emphasizes the pursuit of goals that fall beyond the scope of current government activities, and if board members seek to avoid any engagement with government, then this can effectively block the foundation from engaging in any efforts – direct or indirect – to influence public policy. The foundation might also have a geographic focus that does not neatly map onto the jurisdictional bounds in which foundation-interested policy issues are played out.

The second factor that impacts the decision is the foundation's financial assets. While some foundations do have large endowments and they are able to make sizeable grants on an on-going basis, there are limits to how far the money can go. Many foundations have limited resources relative to the problems that they are committed to addressing. Thus they are circumscribed in their effort. As a consequence, foundations develop approaches that are possible given their resources. They often focus on promoting innovative ideas in government, rather than funding long-term initiatives that parallel or surpass government activities as a realistic response. For example, in recent years the Kellogg Foundation has engaged in local efforts to provide health insurance to the working poor. But these efforts have never been viewed as anything more than temporary programs designed to draw attention to problems of health insurance coverage, and to showcase innovative funding models that government policymakers might emulate (Klein 2001).

Sometimes foundations are constrained from engaging in public policy by their geographic scope and financial resources. That need not be the case. For example, many foundations are locally-oriented and have moderate levels of assets. They choose to focus their efforts on "ground-level," practical initiatives that generate rapid, readily visible results. In terms of making visible use of their resources, this can be an appropriate strategy. However, even within such constraints, foundations face many options for engaging public policy. For example, coupling geographically-limited demonstration projects with broader efforts to disseminate information about those projects and their effects can do much to promote the diffusion of policy innovations. Ideas and information concerning policy innovations tend to be carried through policy networks. Foundations also can work to keep specific networks buzzing with discussions of policy ideas and demonstration projects. In recent years, The Walton Family Foundation has contributed money to the development of many charter schools across the country. This foundation has been

careful to support charter schools only in states where the laws that authorize these schools are deemed suitably permissive to allow large numbers of charter schools to develop. The Walton Family Foundation has then sought to leverage these local efforts by providing funds to national organizations like the Charter Friends National Network. This network is specifically designed as a forum and conduit for the sharing of information and political war stories among charter school advocates (Finn and Annis 2001). Such networks facilitate the diffusion of innovations.

The External Environment

The environment in which foundations operate also shapes their choices. The law is the most obvious factor. As tax-exempt organizations, foundations are subject to a set of restrictions on their activities. Among these are prohibitions on engaging in electoral politics and lobbying. At first glance, these prohibitions suggest that foundations are severely restricted in their ability to engage in activities associated with public policymaking. Actually, there is considerable latitude for foundations under existing laws and regulations (Troyer and Varley 2002; Williams 2000).[1]

With respect to lobbying, foundations are prohibited from doing so directly, which means communicating directly with legislators where specific legislation is referred to and a view on the legislation is given. Further, foundations are not to engage in grassroots lobbying concerning specific legislation, and they are forbidden from enjoining citizens to contact their legislators over an issue. These prohibitions leave a considerable amount of room for foundations to maneuver. For example, they can assemble interested parties, including legislators, executive officials, and their staff, to discuss policy issues so long as they do not address the merits of specific legislation. Further, foundations are allowed to fund policy analyses and research findings as well as to provide these directly to legislators, executive officials, and their staff. These activities are viewed as efforts to educate the public about issues. In the resulting documents, the foundations are even allowed to take a position on specific legislation, so long as they present enough alternative points of view that a reader can come to an independent opinion on the matter. Distribution of these documents must extend beyond supply to people on one side of an issue. If called upon to testify at legislative hearings, foundation representatives are allowed to support or oppose specific legislation.

Along with the activities mentioned above, foundations are also allowed to fund nonprofit organizations that do engage in lobbying. The funding is deemed legal so long as money provided in general operating grants is not earmarked for lobbying. It is also legal for foundations to fund projects that contain a lobbying component, so long as the funding of the lobbying component constitutes less than the total amount that the grantee will actually spend on lobbying.[2]

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[1] The legal restrictions discussed here apply to private foundations; community foundations are subject to the regulations that apply to public charities. See Edie (1991), p. 50.

[2] Asher (1995) provides the following example. Suppose a foundation makes a grant of $10,000 in a year for a public charity's project. The grantee's project budget lists $20,000 for lobbying expenses out of total project expenses of $35,000. If the grant is not earmarked for lobbying, it is permissible, because the project's budget for non-lobbying expenses ($15,000) exceeds the grant's amount ($10,000).

Foundation decisions can also be influenced by the broader philanthropic environment. Foundations are quite aware of what others in the foundation community are doing. And depending on the posture that a foundation takes, the actions of other foundations can be either limiting or encouraging. To the extent that foundations compete for reputation and influence over public policy, the philanthropic environment works to constrain foundation actions. For example, Knott and Weissert (1994) find that foundations that focus on health policy issues adjust their actions to those of others. Some foundations take lead roles, either as pioneers or trendsetters; but other foundations react to their lead by being niche funders or followers who provide some funding to complement the leaders rather than compete. On the other hand, it is possible that foundations with shared policy interests can join forces to have a greater impact in policy work. In fact, with appropriate structures, foundations may be more inclined to engage public policy that they than would have if left to undertake it alone.[3]

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[3] See Bernholz (2002).

The Strategic Choices Foundations Make as Influential Outsiders

Next we turn to considering more closely the choices that foundations have in engaging the policy process. We divide these strategic choices into four groups. First, foundations face choices concerning the *jurisdictions* where they seek to influence public policy. These include national policymaking, as well as policymaking within states, regions, and localities. Second, foundations face choices concerning the *stages* in the policy process at which they act. These stages include problem definition, agenda setting, policy adoption, policy implementation, and policy evaluation. Third, foundations can choose the *venues* in which they will participate. Since the vast majority of public policy is made through the legislative process, this serves as a critical venue in which to seek influence. However, the courts and the initiative process represent extremely important alternative venues. Fourth, foundations can choose the *instruments* that they will use to engage in policymaking.

For analytical purposes, we treat these strategic choices separately. In practice, of course, it is likely that foundations make these choices in combination, and in ways that differ from the neatness implied by our more linear presentation. It might also be the case that some foundations, because of their missions, do not consider the full menu of strategic choices that are available to them when it comes to leveraging their assets to influence public policymaking. But for the purposes of our analysis, it is important that we consider that full range. Having done so, we should be better able to understand the particular choices that any given foundation might make, and speculate on why it is that some strategies are rarely put on the table and others are the norm.

Choosing Jurisdictions

The federal system in the United States allocates governmental responsibilities among the national, state, and local governments. The justification for this system is the view that jurisdictions with the best information about particular issues or problems and the greatest motivation to address them should have the greatest say over the crafting of relevant public policy. However, because many issues and problems, such as poverty, education, the regulation of business, and environmental degradation raise concerns that do not fall neatly to any particular jurisdiction, policymaking often involves intergovernmental conversations and agreements as well. The intergovernmental aspects of public policymaking can involve both vertical interactions (such as state-federal, state-local, or federal-local) and horizontal interactions (state-state or local-local). Here, we refer to the distinctive layers of government as jurisdictions. Of course, foundations need not – and many do not – restrict themselves to working within one particular jurisdiction. Often, efforts are made to work simultaneously in multiple jurisdictions. Most complex policy issues are addressed through contributions made in multiple jurisdictions. Given this, where resources are available to do so, pursuing policy influence in several jurisdictions at once can be an effective strategy.

Foundations seeking to influence public policymaking face choices concerning the jurisdiction or jurisdictions within which to take action. Sometimes, this choice will be dictated by the scope and purpose of the foundation. For example, many relatively small family foundations have

been established primarily as a means through which philanthropists can offer direct assistance to individuals and groups in need of support. The possibility of using foundation resources to influence public policy is not seriously entertained, partly because that would be a departure from the foundation's mission, and partly because of resource constraints. Often foundation trustees, particularly those associated with family foundations, desire to take actions that will have observable, local-level impacts. While policy change might be a broader objective, more energy is poured into providing direct services to people. Here, a trade-off is made between accomplishing immediate results that change a few people's lives and patiently working with policymakers to try to achieve breakthroughs that hold major implications for many people.

Instances can be found of nonprofits that deliberately mix their forms of engagement, and hence find themselves operating in a number of jurisdictions simultaneously. The San Francisco-based Bay Area Partnership is an example (Drabble and Abrenilla 2000, 23).
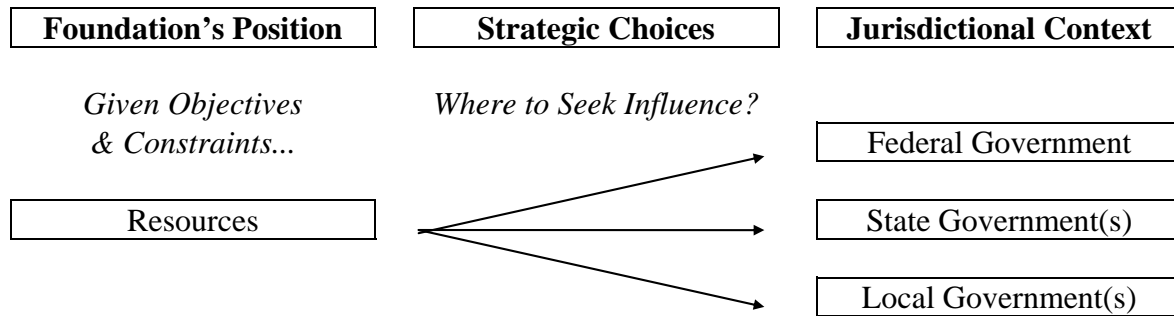When the federal and state governments instituted welfare reform in 1996, the Partnership worked with multiple local groups, including foundations, to ensure that children's basic needs would be met. The result was the establishment of new breakfast programs and after-school programs in many schools. But the Partnership did not focus exclusively on the local jurisdiction. To influence public policymaking, the Partnership targeted both the state and federal levels with the goal of shaping public policies that directly affect the children it serves. As a result, the Partnership was instrumental in expanding the nature of the program. This occurred when lawmakers raised the eligibility ages for children affected by the Federal Nutrition Act, during its 1998 reauthorization. In addition, the Partnership worked at the state level to affect the After-School Learning and Safe Neighborhoods Partnership Act so as to make the program more accessible to older children.

Foundations seeking to influence public policymaking can increase their likelihood of success if they carefully choose the jurisdictions within which they take action. Foundations with considerable resources at their disposal and with national reputations are likely to face the greatest opportunities for explicitly choosing the jurisdictions they will enter. Some might enter multiple jurisdictions simultaneously. For example, large national foundations such as the Ford Foundation or the Rockefeller Foundation can seek to influence national policy, state policies, or local policies, depending on the policy domain of concern (e.g., education, poverty alleviation, voting rights). In contrast, large state or regionally based foundations, while enjoying national profiles, are more likely to seek influence at the state or local level.[4] Meanwhile, as mentioned above, smaller foundations, in particular smaller family foundations, are more likely to focus on local concerns, and might engage in public policymaking in a more limited fashion.

None of this is inevitable. Given the federal system and the multiple jurisdictions that come with it, all foundations seeking policy influence face important choices concerning the jurisdictions within which they might feasibly engage the policy process. Issues of focus, uncertainties, and risks associated with policy engagement suggest that foundations are likely to be confronted with trade-offs between the potential influence they will have and the likelihood of that influence leading to policy changes. Figure 1 characterizes the strategic choices foundations face when choosing jurisdictions.

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[4] It is possible that such an effort might reflect a mission which has a state focus.
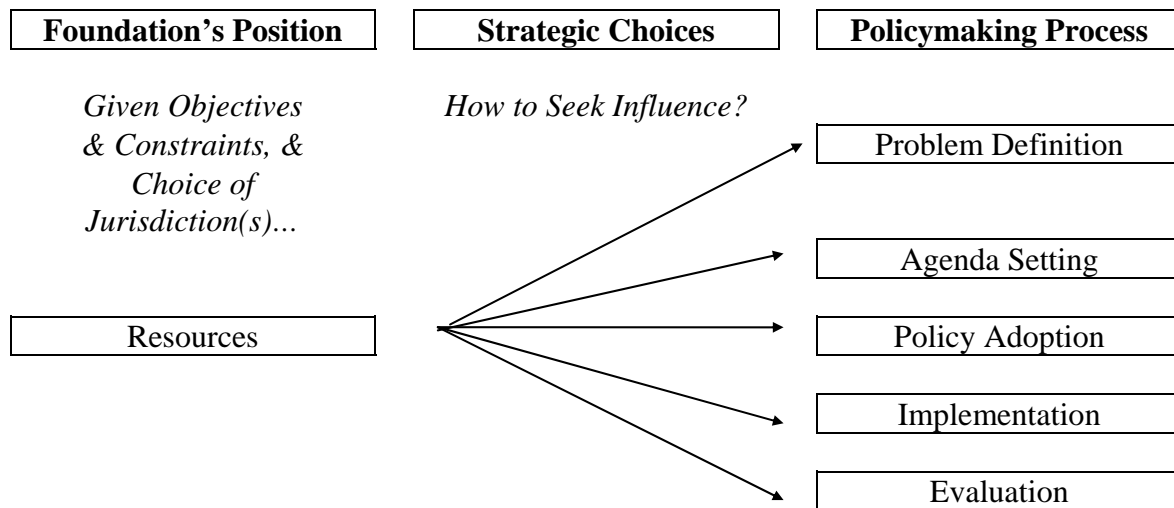
| **Foundation's Position** | **Strategic Choices** | **Jurisdictional Context** |

Given Objectives & Constraints...

Where to Seek Influence?

| Resources |

| Federal Government |

| State Government(s) |

| Local Government(s) |

Choosing Stages

Along with choosing the jurisdictions where they will seek to influence public policymaking, foundations also face choices regarding the stages of the policymaking process in which will seek to engage. While jurisdictions concern the *place* of policy engagement, stages concern the *phase* of engagement. Here, we discuss issues of timing, and the points in the policymaking process where foundations might seek policy influence. Within the public policy literature, there is a bias toward viewing legislative politics as central to the policymaking process. In many respects, this bias is justifiable given that a majority of public policies are adopted by legislatures on behalf of the people they represent. However, the legislature is not the exclusive venue within which public policymaking occurs. For example, policy is also made during the implementation stage. It is here that many of the broader issues dealt with by legislative policymakers must be transformed into action by public organizations. More will be said about this shortly. Beyond the venues of policymaking mentioned here, two other critically important alternative venues require discussion. First, there are the courts. Second, there are citizen initiatives – a form of direct democracy – found most frequently in the western states. We will discuss public policymaking in those two alternative venues, and how foundations might seek influence there, in a separate section below.

Foundation's Position	Strategic Choices	Policymaking Process

Given Objectives & Constraints, & Choice of Jurisdiction(s)...

How to Seek Influence?

Problem Definition

Agenda Setting

Resources

Policy Adoption

Implementation

Evaluation

Problem Definition. Public policies are typically developed to address particular social problems that have been identified as significant. However, just because a problem is significant, it is not always clear that action on the part of government could contribute to its alleviation. For this reason, several scholars of the policymaking process have observed that policy problems cannot be separated from the solutions that are proposed to address them. According to Aaron Wildavsky (1979), it is only when people have an understanding of a potential solution that they come to define a phenomenon as a problem that calls for a policy response. Those who seek to represent a social phenomenon as a policy problem must present their ideas in ways that hold intuitive appeal to others, many of whom might not have noticed or previously thought about the "problem" (Mintrom 2000).

Foundations seeking to influence public policymaking have the potential to significantly affect problem definition within particular areas of public policy. For example, funding basic research that involves developing information and statistics about particular social phenomena is one way to start the process of problem definition. In its annually-updated "Kids Count" data book, the Annie E. Casey Foundation has sought to draw attention to the conditions faced by America's children. This project tracks the status of children in the U.S. It is designed to give policymakers and citizens benchmarks of child well-being, and hence promote local, state, and national discussions concerning ways to secure better futures for all children. Likewise, some of the early research on AIDS was funded by foundations for the purpose of drawing attention to a social problem, which could be construed as calling for a public policy response. It is also the case that foundations can draw attention to problems and their potential solutions by funding projects that help individuals or communities in need. The very action taken by foundations can be construed as defining a problem and providing a "model" program or policy showing how it might be solved.

Foundations can also work more explicitly in the realm of ideas. Foundations with strong beliefs in conservative principles have gained much attention for their work in recent decades to shape ideas about public policy. These efforts include the funding of university professorships and programs with the expectation that recipients of the funds will formulate and promote conservative ideas about government, markets, and society. But these efforts do not simply target the lecture hall. Research undertaken by university faculty with conservative sympathies is also widely disseminated. For example, the work by Murray (1984) on welfare delivery was funded by the Manhattan Institute. There, Murray argued that government welfare programs were themselves the source of problems, since they bred dependency behavior on the part of recipients. Murray's ideas helped set the agenda for the welfare reform efforts undertaken by the federal and state governments in the mid-1990s. Similarly, the work of Paul Peterson on education vouchers and their effects has been underwritten by a variety of foundations, such as the Thomas B. Fordham Foundation. Among his many activities in this area, Peterson has recently established a glossy journal for public consumption, *Education Next*. It is designed for a popular audience, appearing in large bookstores, such as Barnes and Noble. Clearly, the journal is designed to change public discourse concerning public education and the nature of the policy reforms that would be most effective for addressing problems of student achievement.

Many foundation efforts to fund basic research can be seen as holding the potential to contribute to problem definition and, hence, to public policymaking. However, targeting the problem definition stage is likely to hold few rewards for foundations that want to see quick and demonstrable results from their grantmaking. Problem definition emerges primarily by the accretion of evidence and by careful efforts to sift through that evidence and present the findings in coherent and convincing ways. This is how advocates of policy change come to develop what Stone (1997) refers to as "causal stories" about problems and how they might be solved.

Agenda Setting. Once a problem has been defined and feasible policy solutions identified, it is possible for agenda setting to begin. Agenda setting can be thought of as taking two distinct forms. First, there is agenda setting in the broader policy community. Second, there is agenda setting within government (driven primarily by key members of the legislature and the leader of the executive branch, such as the president or governor). Typically, items must be on the broader policy agenda if they are to gain the attention from political influentials necessary to get them placed on the government agenda. The process of agenda setting in the broader policy community is typically quite open. Given this, political outsiders engaged in savvy efforts to promote their ideas for policy change can have considerable influence (Mintrom 2000). According to Kingdon (1995), items get elevated onto government agendas when links are made between three distinctive "streams" of activity: political, policy, and problem. The political stream is punctuated primarily by elections and changes of administration. The policy stream is where ideas formulated in the broader policy community emerge. The problem stream is comprised of emerging crises or focusing events that attract popular attention. Actors in the policymaking process who seek to have particular issues placed on the government agenda must be able to connect problems with policies in ways that are sufficiently compelling to attract interest from politicians, who can then go on to promote ideas for government action.

Foundations face many opportunities to contribute to broad agenda setting in policy communities. Using their grantmaking abilities combined with their relationships and knowledge

networks, foundations can work to forge coalitions and build a critical mass of advocates pressing for policy change. This can be particularly helpful for agenda setting activities when the coalitions create linkages among research organizations, analysis shops, and advocates. Greenberg and Laracy (2000) highlight the importance of foundations "...creating an 'echo chamber,' through which public policymakers repeatedly hear, understand, and retain messages educating them about policies..." (p.18). These authors argue that the release of one or two reports, even when they represent very good work, is not sufficient to create an echo chamber. Rather, foundations need to engage in "effective social marketing," just as businesses do through advertising campaigns. Foundations can leverage their knowledge and ideas through effective message development and communication strategies. Beyond coalition-building efforts and the development of an echo chamber, Greenberg and Laracy list the following strategies that foundations can use for agenda setting.

- Disseminating findings from evaluations and assessments
- Synthesizing previous research
- Using Websites to disseminate research knowledge
- Briefing congressional staff
- Striving for a bipartisan convergence
- Organizing the grassroots
- Creating a public will for policy change
- Focusing on single issues, but linking them to broader issues

Most of these strategies for agenda setting involve the packaging of information. Thus, efforts to develop bipartisan convergence might include the running of regular lunch time seminars where the featured speakers are experts who approach the issue of interest from different ideological perspectives. These efforts might also include the holding of a conference on a broad issue, such as welfare reform, and providing opportunities for presenters and attendees to engage in discussions that have the potential to lead to greater consensus about the key policy concerns that need to be resolved, and how such resolution might be achieved.

Policy Adoption. The policy adoption stage of the policymaking process can be thought of as starting with legislative committee consideration of a bill and ending with government adoption of a new policy. Although the policy adoption stage is heavily influenced by political insiders such as elected officials and their staff, outsider influence can still be critical for guiding the actions of decision makers. For example, advocates will often organize key constituents and ensure that members of that group are in the public gallery of the legislature when representatives are debating or set to vote on a particular legislative change. In addition, advocates can take steps to "educate" representatives and their staff about issues on the government agenda. This can be done in a variety of ways, including the circulation of policy briefs, legislative analyses, and the giving of testimony during committee hearings. Foundations can contribute to efforts of this sort. However, it is at this stage in the policymaking process that foundations and other nonprofit organizations must take care to keep within the laws regarding lobbying.

Implementation. Once a new policy has been adopted by legislators and the political executive, it must be implemented. Policy implementation involves transforming ideas into actions. This

process of taking legislative intent and making it happen inevitably opens spaces for additional, derivative policymaking. This micro-level policymaking frequently gets devolved to people on the ground. As Lipsky (1980) has documented, implementation of human services like police work and teaching require the service providers to continually make judgments that bear upon their relations with their clients, and the quality of the service that is provided. Thus, in many ways, police officers and teachers can be seen as exerting ongoing influence on public policy through the choices they make on a daily basis. Certainly, the choices made by people in these positions can greatly affect citizens' impressions of government.

Foundations can influence policymaking at the implementation stage. McKersie's (1999) documentation of the role foundations played in the implementation of Chicago's school reforms demonstrates how such influence can be achieved. In that instance, ongoing foundation funding allowed analysis shops to provide technical assistance to schools and district personnel. The efforts of the Woods Foundation are useful to consider in this regard. The foundation has had a long-standing interest in community empowerment. The school reforms in Chicago were designed to increase community involvement in the schools. The Woods Foundation paid special attention to this matter during the implementation phase. The approach taken was two-fold. First, the foundation took care to ensure that one of the agencies being funded to provide technical support for the reforms was indeed following an agenda that reflected what a diverse group of Chicagoans wanted. Second, the foundation led several collaborations among Chicago foundations to fund community and school-level reform activity and convened several citywide meetings of school reform stakeholders.

In general, foundations have the potential to weigh in at the implementation stage with both funding and advice. Foundations may build partnerships among stakeholders to smooth the implementation of policy reforms. During implementation, foundations can follow a strategy of working in collaboration with government agencies. Thus, we commonly find examples of foundations providing funds to new school programs or to community health initiatives. But in addition to such efforts, foundations can also choose to work with nonprofit organizations, providing funds to temporarily address gaps not appropriately anticipated during policy design and adoption.

Evaluation. Once a new item of public policy has been adopted and implemented, it is important to know how well it actually works. Yet politicians are often somewhat reluctant to fund studies evaluating the effectiveness of new public policies or programs. The main reason for this is that politicians like to be able to claim credit for having put a new program in place. Solid evidence that the new program is working well could provide further grounds for credit-claiming. However, it is also the case that evaluation studies might point to problems of policy design and implementation or shed light on unintended consequences of the policy change.

The information generated by program evaluations is potentially of great value to policy analysts and program designers. However, for politicians, this new information can be a source of danger. Opponents of a new policy might seize upon the results to prove that they were right to resist it. Supporters of the policy might seize upon the results to show that more needs to be done to address the issues that concerned them in the first place. For the politicians who lent their support to the policy, funding evaluation work can be seen as inviting trouble. Given the

risks, the question of "Does the policy work?" often goes unanswered within government. This is a stage where foundations can have a great deal of scope for policy influence. It is also true that a lot of evaluation work can feed into new efforts concerning problem definition and agenda setting for additional policy change.

Alternative Venues

Our discussion of the stages of the policymaking process indicate that there are many potential "pressure" points for foundations to have policy influence within the legislative process. However, other entry points also exist in venues that are deliberately separate from the legislative and executive branches of government. Here, we discuss the opportunities that the courts and the initiative process provide for foundations to influence policymaking.[5]

The Courts The courts are important venues for policymaking in the United States because frequently individuals and groups will question the constitutionality of new policies that have been adopted through the legislative process. For example, charter school laws in several states, including Michigan, have been challenged in state courts. Likewise, public voucher programs in Wisconsin and Ohio have been challenged in state and federal courts. These challenges can lead to rulings against the laws in question. They can also force legislatures to make new or amended laws regarding the policy issue in question, with the purpose of addressing problems raised in the court challenges. These changes can sometimes be made before the legal challenges are fully dealt with in the court system.

Aside from adjudicating on the constitutionality of new laws, courts are also important venues in which individuals can file suits against other individuals, organizations, or governments for actions that they believe to violate their rights. Judgments in disputes of this sort can have important implications for the interpretation of laws and, thus, for policymaking and policy implementation.

Since taking legal action is time consuming and expensive, foundations can be important resources for individuals and groups seeking to use the courts to protect or promote their interests. Covington (1997, 23) has reported how conservative foundations have funded "...a core group of pro-market law firms and other law-related institutions actively seeking to overturn affirmative action, environmental regulations, rent control laws, and other government programs or statutes deemed inconsistent with the principles of economic liberty, freedom of contract or association, and private property." Meanwhile, Drabble and Abrenilla (2000, 14) have reported on the ways that progressive foundations in California have assisted individuals and groups in the venue of the courts. According to these authors, "[i]n recent years, California legal advocacy groups ... defended affirmative action and immigrant rights in the face of hostile ballot initiatives, protected teen abortion rights, worked on redistricting to increase Latino political

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[5] Most conceptual work concerning stages of policymaking has been developed on the assumption that the legislature is the focal point for policymaking. But, on reflection, thinking in terms of policymaking stages can also be helpful for analyzing what happens in alternative venues for policymaking – such as the court and the initiative process. The mapping of appropriate stages for these alternative venues, and the drawing of comparisons between those stages and stages in legislative policymaking, is yet to be done.

representation, and fought court battles to defend the rights of people with disabilities to health care, education, and employment, and physical access." They also have noted that legal advocacy organizations are often involved as leaders or collaborators in litigation to advance or defend the rights of groups.

The Initiative Process. As an alternative way of making public policy, many states and localities in the United States allow for citizen initiatives to be placed on the ballot. These citizen initiatives – sometimes referred to as direct democracy – have been important in recent years as venues for making public policy regarding a range of measures including the rights of immigrants, education policy, tax policy, environmental regulation, and the regulation of insurance companies. Initiatives can only be included on the ballot after petitions have been circulated and a sufficient number of signatures have been collected in support of the initiative. Thus, to place an initiative on the ballot requires a high degree of political coordination and, hence, financial resources.

Initiatives are viewed, in the context of legal limits on foundations, as legislation where the public in the jurisdiction acts as the legislative body (Colvin 1995). Foundations are prohibited from engaging in lobbying directly, or funding the lobbying of their grantees. Nevertheless, foundations can fund activities that support ballot measure work but which do not meet the definition of lobbying, or that qualify under exceptions, such as nonpartisan research and analysis or when the amount of the grant is less than a charity's non-lobbying budget.
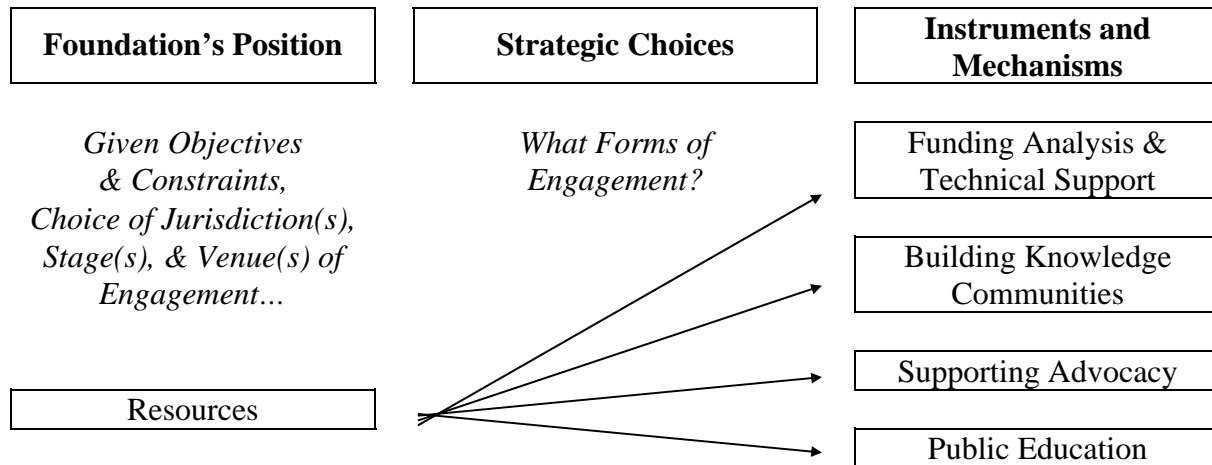
Of course, there are stages in the initiative process just as in the case of legislation. There are three critical periods: the period prior to the circulation of signature petitions; the period when signatures are being collected to place it on the ballot; and the campaign after it is placed on the ballot. There is considerable latitude for foundation activity in the pre-circulation phase, but it is diminished in the later two phases (Fei 2001). But, it is still possible for foundations to act to impact the campaign. For example, The California Wellness Foundation undertook an effort to provide information to the public on Proposition 188 in 1994 – a statewide initiative in California that was viewed as undoing the stringency of anti-smoking laws that had been passed locally in many communities across the state (Colvin 1995). The foundation chose to make a grant to the Public Media Center, a nonprofit media agency serving the nonprofit sector, which mounted a media-based public education campaign. The campaign did not rely on nonpartisan analysis, but rather offered information on the positions of those on both sides of the issue, and identified the major contributors.

Forms of Engagement: Instruments and Mechanisms

In our discussion to this point, we have frequently mentioned various forms of engagement that foundations can choose among when seeking to influence public policymaking. However, it is important that we lay out the instruments and mechanisms of engagement in a somewhat more systematic fashion. Here, we do just that. We discuss forms of engagement under four broad categories: funding policy analysis and technical support; building knowledge communities; supporting advocacy; and public education. As the following figure indicates, we view the foundation's strategic choices concerning forms of engagement as deriving from its other choices

concerning the jurisdiction to focus on, the stage of the policymaking process to target, and the venue to work within. Of course, the foundation mission, philosophy, and context will also frame the choices. A well-resourced foundation with a national reputation that is interested in shaping welfare policy is likely to make very different strategic choices than a family foundation interested in improving the educational performance of students in local schools. We expect that foundations will make more or less use of each of these instruments and mechanisms depending upon the stage of the policymaking process in which they choose to seek influence. But we do not have strong theoretical reasons for ruling out, at any given stage in the policymaking process, any given instrument or mechanism.

Foundation's Position	Strategic Choices	Instruments and Mechanisms

Given Objectives & Constraints, Choice of Jurisdiction(s), Stage(s), & Venue(s) of Engagement...

What Forms of Engagement?

Funding Analysis & Technical Support

Building Knowledge Communities

Resources

Supporting Advocacy

Public Education

Funding Policy Analysis and Technical Support. A common and obvious way that foundations can contribute to public policymaking is through the funding of the intellectual work and research that can guide policymakers and practitioners. Funding these kinds of activities can create opportunities for foundations to have influence at every stage of the policymaking process. Policy analysis and research is most important at the early stages of the process, such as problem identification and agenda setting. Funding technical support is most critical for foundations that seek to have influence during the implementation stage of the process. Often, funding technical support makes it possible for policy shops to collaborate with bureaucrats and others who have been charged with policy implementation. And since many micro-level policy decisions must be made as policy ideas are transformed into actions, there is a wide scope for foundations to have influence through supporting this kind of policy work. Funding program evaluations is important for filling knowledge gaps about the workability of policies. Since program evaluations will often identify weaknesses in current policies, they can be especially important as starting points for new rounds of agenda setting for policy change.

Foundations also have opportunities to develop new policy knowledge through the funding, development, and monitoring of pilot programs. Such initiatives can have a variety of benefits for those who seek to influence public policymaking (see Mintrom 2000, Ch. 10). First, they can demonstrate that policy ideas are, in fact, able to be transformed into working programs. This is important for demonstrating to risk-averse politicians that policy change is possible and that the resulting program will not create unintended consequences. Second, pilot programs can help with coalition-building efforts. By providing services to a group of individuals who were previously unknown to one another, pilot programs can solve an important collective action problem, and allow people to come together and recognize their shared interests. Involvement in the programs can be a starting point for advocacy for broader, government-inspired policy change. Finally, pilot programs can generate important information about policy design and

potential implementation problems. This information can be of value to policymakers and practitioners when government programs that take the pilot programs to scale are introduced.

Building Knowledge Communities. Through their grantmaking activities, foundations develop contacts and generate information flows. In the language of network analysis, foundations come to represent nodal points, creating weak ties across a range of individuals and organizations, past and present grantees. But a network of weak ties does not, in itself, constitute a knowledge community. Foundations can achieve increased influence by being pro-active in creating and maintaining such communities, and orienting them in ways that comport with the public policymaking interests of the group. One way to do this involves hosting ongoing policy workshops that bring foundation grantees and other interested members of the policymaking community together for focused discussions. Hosting conferences is another way that foundations can influence the structure and help to promote the cohesion and growth of knowledge communities. Another mechanism that can help to build knowledge communities involves finding ways to have researchers, policy analysts, and practitioners work together on common problems. Making collaborative efforts a criterion for grantmaking is one way that foundations can create incentives for diverse groups of individuals and organizations to find common ground and begin working together. With the development of Internet tools, the opportunities for foundations to contribute to the development and maintenance of knowledge communities have now expanded significantly.

Two examples are the Welfare Information Network (WIN) and the Research Forum for Children, Families, and the New Federalism. According to Greenberg and Laracy (2000, 22), "WIN is an information clearing house that serves as an intermediary and facilitator between organizations and individuals generating data, knowledge, and lessons about welfare, welfare reform, and poverty; and policy-makers, administrators, the media, and advocates using such information. The primary means through which it facilitates the dissemination of knowledge is its award-winning Web site." The Web-based Research Forum fulfills a similar function. "The Research Forum promotes rigorous and policy-relevant research to monitor and evaluate the new welfare law. Working closely with WIN, the Research Forum supports collaboration among and between researchers and policymakers, with a particular emphasis on the need for researchers to address questions relevant to the interests of policymakers and practitioners."

Supporting Advocacy. Foundation support for advocacy is typically achieved through grantmaking to other nonprofit groups, such as policy analysis and advocacy shops. But support for advocacy can also be provided through support for legal defense funds and funding of other legal initiatives designed to protect and promote the rights of individuals and groups. Support for advocacy can be provided through grants to grass-roots citizen groups for their activities.

There is considerable room for creativity on the part of foundations seeking to promote policy advocacy while still ensuring that their grantmaking provides financial support to those in need. Drabble and Abrenilla (2000, 27) quote Christina Regalado of the Los Angeles Women's Foundation on this matter:

> One of our biggest barriers to overcome in policy-related grantmaking is the notion of when you do "policy work" it requires a certain expertise. That is a

barrier, even among our grantees, that often feel, "Policy work? Oh, that's work done by specialists, by people that have been working in Sacramento." Demystifying what policy work means is critical for community organizations.....[O]rganizations can overcome the myths attached to policy and believe "this is do-able, I actually have access, and I have a lot to say because I work out there in the community."

Public Education. Foundations can support public education on policy issues in at least two important ways. First, they can fund media campaigns concerning particular issues of the moment. Just as efforts can be made to create "echo chambers" that direct targeted messages at legislators and other policymakers, so too efforts can be made to embed important ideas in the minds of citizens. Public education media campaigns are most likely to be effective during the agenda setting stage of policymaking and in the time leading up to legislative votes, elections, or ballot initiatives.

Public education can also be supported through grants to university-based teaching and research programs. For example, a group of foundations have provided resources for the development of conservatively-oriented campus societies for law students. In addition, they have endowed professorships and new programs in the areas of public policy, law, economics, and political science (Covington 1997). Do these university-based initiatives promote policy change? Writing of the changes made in regulation policy, Wilson (1980, 393) observed, "we must be struck at every turn by the importance of ideas." In saying this, Wilson noted the ways that ideas and arguments presented in lecture halls during the 1960s had come to gain dominance in the policy discourse in the late 1970s. Of course, what happens in the lecture halls is not all that counts. But, clearly, academics with particular points of view regarding public policy can make important contributions to the "echo chamber" of public ideas, especially when a long-term perspective of policy change is adopted.

Deploying Assets and Grantmaking

We have argued that foundations have assets in the form of money, knowledge, and connections. Given an aspiration to influence public policymaking, how might a foundation deploy these assets to get the most leverage? Foundations face choices concerning what activities to fund and how to fund them. Of course, issues of uncertainty and risk come into play here, and are likely to seriously shape the choices that foundations make. In general terms, foundations can be thought of as having control over the scope and duration of funding. Funds can be provided to other nonprofits in the form of general operating grants. Such funds place few constraints on the expenditure choices made by the recipients. For example, conservative foundations have now been providing general operating grants to the American Enterprise Institute (AEI) for several decades. With this funding, the Institute's leaders are free to make their own choices about the research projects and policy analysis work that they will fund. However, in 1986 the Olin and Smith Richardson foundations withdrew their support from AEI citing disagreements with some of its policies. Since that time, the Institute has assumed a more aggressive and conservative policy role. This change has been seen as a direct response to the wishes of foundation funders (Covington 1997, 15). The change suggests the influence that foundations can have when it
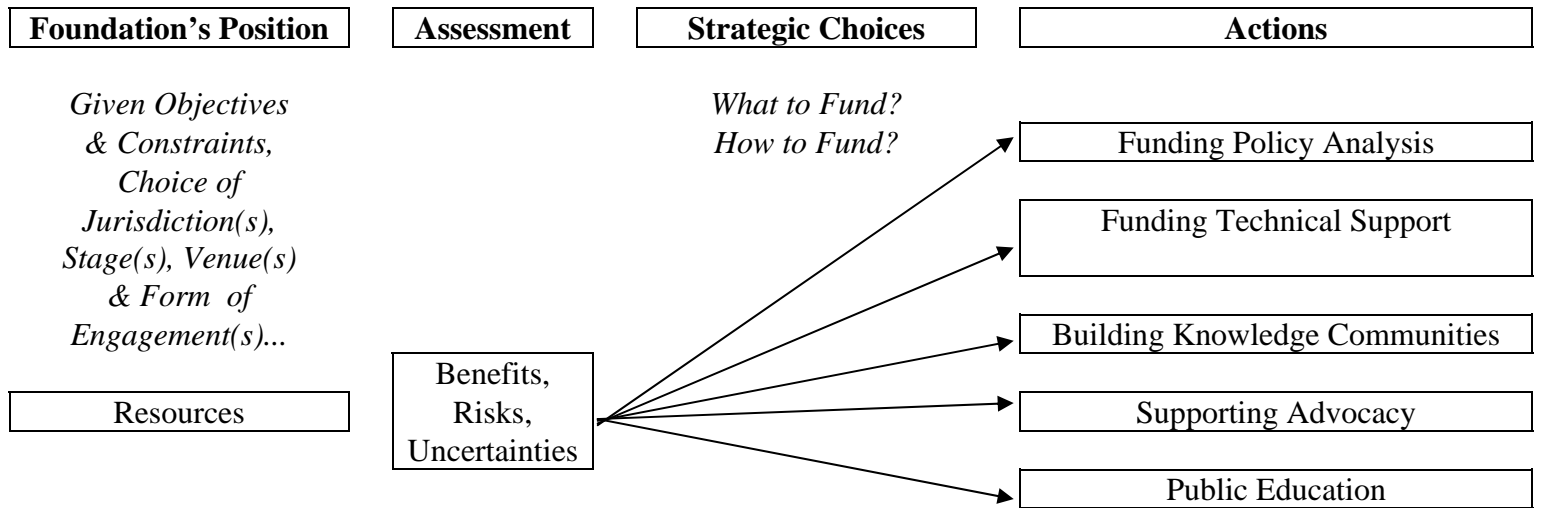
comes to shaping policy analysis, building knowledge communities, and supporting advocacy and public education.

Foundations seeking greater control over the activities of those they fund can do so by designating how grants will be spent. This is why foundations often make program grants or the even more limited project grants. Such grants can be short-term or long-term in nature. Inevitably, foundations with larger endowments are better placed to make large, long-term commitments to their grantees. From the perspective of grant recipients, the nature of the grants being made can significantly affect their operations and the choices they make with respect to engaging in activities that could influence public policymaking. Drabble and Abrenilla (2000, 24) suggest that foundations are often ineffective in promoting policy change because they lack familiarity with policy activities and the role of policy in helping individuals and specific communities. In addition, foundation efforts are sometimes constrained because of "the appeal of short-term success and measurable outcomes of service grantmaking."

Advocates and researchers who are familiar with public policymaking often express frustration at the preference that foundations exhibit for funding short-term projects. Drabble and Abrenilla (2000, 25) report the following comments from a grantee: "[F]oundations move on to new programs after one to three years... Supporting member agencies is not sexy or new.... To obtain new funding [for ongoing programs] you have to dress it up so that it looks like a new project and eventually it does become a new project." When looking to influence public policymaking, foundations need to think strategically about what they really want to achieve and how they can organize their grantmaking to maximize the likelihood that they will realize their policy objectives.

In Figure 4, we present an approach to categorizing foundations' choices when it comes to deploying their assets. The figure is designed to link foundations' choices with features of the broader public policy environment. Actions taken in the policy environment are expected to yield benefits, such as the shaping of public policy in accordance with the foundations' objectives. However, uncertainty characterizes the policy environment. For this reason, foundations deploying assets in pursuit of policy goals are forced by the nature of the situation to embrace some amount of risk. Inevitably, on some occasions grants are made or conferences are held, and the outputs yield little or nothing in terms of movement toward desired policy changes. Foundations engaged in the policy work must be willing to accept that risk.

Foundation's Position	Assessment	Strategic Choices	Actions

Given Objectives & Constraints, Choice of Jurisdiction(s), Stage(s), Venue(s) & Form of Engagement(s)...

What to Fund?
How to Fund?

Resources

Benefits, Risks, Uncertainties

Funding Policy Analysis

Funding Technical Support

Building Knowledge Communities

Supporting Advocacy

Public Education

Conclusions

Our goal in this paper has been to develop a conceptual framework useful for understanding foundation roles in public policy and the options foundations have when they choose to seek to influence public policy.

The policymaking process is made up of complex social interactions. When seeking influence in that process, foundations need to find productive ways to work with others to define and achieve common goals. Like other policy players, foundations are forced to act within well-defined formal institutional structures and more informal, but nonetheless important, social conventions that serve to delimit what actions are possible and feasible. Nevertheless, foundations have considerable assets that they can potentially leverage to impact public policy: money, knowledge, and connections.

To be effective players in public policymaking, foundations must be strategic. They need to make critical decisions as to where to engage the policy process, how to engage it, and how to deploy their assets.

Foundations face choices concerning where to engage public policy: what *stage(s)* of the policymaking process – problem definition, agenda setting, policy formulation, policy adoption, and/or policy implementation; what *venue(s)* – the legislative process, the initiative, administrative rulemaking, and/or the courts; and, what *jurisdiction(s)* – local, state, and/or national. Those choices emerge from a set of feasible options given the organizational imperatives and the environmental context of the individual foundations and the institutional structure of the policy domain (e.g., schools, health, and smart growth).

Foundations face choices concerning how to engage public policy. Foundations may choose to fund work of policy relevance: policy analyses, pilot programs, and technical support; build stores of knowledge and create networks; and to engage in the policy process through support of those directly involved in policymaking. They have the options of becoming involved in the policy process at different levels of intensity, duration and commitment.

Foundations, then, can choose how to deploy their grantmaking assets, given their decisions concerning what activities they want to support. Foundations that select the funding of policy-relevant work are likely to do programmatic grantmaking of limited duration. Foundations that decide to go beyond such policy-relevant work, and to put that work into play to shape the policy environment are likely to commit resources that are more general (i.e., operating support) and of longer duration. And, some foundations may become more directly involved by choosing to support advocacy organizations and/or to engage with policymakers directly by devoting resources to their own activities such as convening policymakers and policy experts and distributing reports.

There is risk and uncertainty in public policy engagement. Foundations work from the outside, often through nonprofit partners. And there is a considerable amount of chance in getting the various policy forces to align. But there is not likely to be a big payoff unless foundations are willing to take such calculated risks. Yet, it is not always clear what foundations choose to

pursue and why they do so. This raises a series of research questions about foundations and the policymaking process:

- What are the factors that encourage or inhibit foundations from becoming involved in the policy process — mission, resources, legal restrictions?

- For foundations that do engage in the process, what are the strategic choices they make regarding leverage points in the policy process; form of engagement; and asset deployment? And why?

- How might foundations work together to increase their joint effectiveness — in terms of greater leverage, policy innovation and diffusion, and risk pooling?

These are questions that are critical to understanding the role of foundations in public policymaking and to developing strategies that expand foundation capacity to advance public problem solving.

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