

# The Union Institute

Office for Social Responsibility  
Center for Public Policy  
Center for Women

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October 6, 1997

## MEMORANDUM

**TO:** Bruce Reed  
Doris Matsui  
Melanne Verveer  
Tom Kalil

**FROM:** Mark Rosenman

**RE:** Nonprofits and Government

Given your particular interest in the nonprofit sector and its relationship with government, I thought that you might like to see the enclosed copy of *Building the Future Together*. It was developed by Great Britain's Labour Party and now guides the work of the Voluntary and Community Unit of the Home Office. My hope is that it might offer some ideas you find worthy of exploration here.

I accompanied Howard Webber, Head of the Unit, to a meeting with Doris a year or so ago. He remains ready to be of any possible assistance, if it is desired. Alun Michael is the relevant Home Office minister.

The paper references Nicholas Deakin's commission and the National Council of Voluntary Organisations; I can provide further information on them if you wish it.

Cc: Gary Bass

P.S. The Nathan Cummings Foundation will publish my response to Lamar Alexander's Commission on Philanthropy and Civil Society, once I elaborate on a current draft. I will send along copies when it is available since my piece challenges Alexander's efforts to separate the sector from government.

# **Building the future together**

***Labour's policies for partnership  
between Government  
and the Voluntary Sector***

***March 1997***

**Labour** 

## **Introduction**

Partnership with the Voluntary Sector is central to Labour's policy of achieving social cohesion in a one-nation society. Voluntary action and the act of volunteering are both essential to citizenship and to re-establishing a sense of community.

Voluntary Organisations provide a constant source of innovation, locally and nationally, while the sector provides continuity and many important high-quality services on an independent basis. At the most local level, self-help groups and volunteers demonstrate the enormous contribution of voluntary action to creating and maintaining healthy communities.

***Labour believes that these vital roles deserve recognition in a new settlement between Government and the Voluntary Sector.***

In rejecting the old arid split between "public" and "private", Labour has recognised the richness and diversity of independent organisations and their potential. In economic terms, there is an important third sector of mutual and co-operative organisations which is often under-valued. While voluntary organisations and charities exist for social and moral purposes, they too have are important to the economy and provide a significant number of jobs.

The need to balance **support** for voluntary organisations with respect for their **independence** has been recognised throughout our consultations and must be at the heart of any "new settlement". This includes the right to campaign for principles which are set out in their charitable objects and will be recognised by a Labour Government.

***A Labour Government's settlement with the Voluntary Sector must recognise the enormous range and diversity of the sector.***

- Systems which are appropriate for major independent organisations which manage large budgets - from housing associations, to children's charities and to international aid organisations - are vastly different from the systems required by volunteer organisations or those which employ only one or two staff.
- Some organisations take on long-term commitments - such as long-term care for specific groups of people - and need structured arrangements with agencies of Government or with local government. Other organisations and many informal groups respond to short-term

needs and require a different sort of support. Other organisations are concerned with developmental issues including community development and the recruitment, development and training of volunteers.

- Support for voluntary action comes from a variety of sources, including public subscription and individual giving, sponsorship and support from business and private trusts, public sector grants and contracts and - increasingly - strategic funds of a regional and European nature.
- Some individuals volunteer in response to specific and structured opportunities. Many others are "serial volunteers", moving on from one voluntary activity to another, making a contribution to different organisations and activities, and developing as individuals and community leaders as they grow in experience.
- For some people, voluntary activity complements the other elements in their lives while for others it is central to their whole life and sense of identity. It must also be recognised that some individuals - as carers or "good neighbours" - exhibit the characteristics of "volunteers" while simply getting on with their lives without links to formal organisations.

This diversity is multi-dimensional and defies bureaucratic constraint, yet it is the essential strength of voluntary action. That is why the Labour Party has undertaken a major exercise in consultation to identify the needs of the sector and the underlying responsibilities of Government.

We have concluded that there is a need for underlying principles to be established in order to define the most healthy relationship between Government and the Voluntary Sector.

These principles - set out in this paper - need to be put into practice through what will inevitably be a complex series of relationships between departments and agencies of Government - national, regional and local - and different groupings within the voluntary sector.

***Having consulted widely on the principles which should underpin the relationship between Government and the Voluntary Sector, the Labour Party is now preparing to put these principles into practice in Government.***

## **Building on firm foundations**

Labour's policies towards the Voluntary Sector are being built on firm foundations and this statement is an important staging post towards establishing a strong and creative relationship with the Voluntary Sector in Government.

In 1994, Tony Blair launched the Leader's Review of the relationship between Government and the Voluntary Sector. To be undertaken by Alun Michael MP and Ann Coffey MP.

In 1995, Labour adopted a new statement of aims (Clause IV) which puts the promise to work in partnership and co-operation with voluntary organisations at the heart of the Party's constitution.

Later in 1995, Labour held consultative meetings in every region of England and in Scotland, Wales and Northern Ireland.

Early in 1996 Labour published the consultation paper *Labour and the Voluntary Sector - Setting the Agenda for Partnership in Government*. Hundreds of thoughtful and detailed responses have been received, helping to inform this policy paper and helping to set the agenda for further work running up to the general election and into Government.

We have worked across departmental boundaries in our work with the voluntary sector. For instance, we examined the different needs of urban and rural areas and in October 1996 four Shadow Ministers from different Front-bench teams (education, health, home affairs and social security) met children's charities in a one day conference to discuss needs and policies for children.

Labour has also listened to the debate within the Voluntary Sector itself as part of the process of building a strong relationship. We have studied the findings of the Commission on the Voluntary Sector, established by NCVO but independent of it under the chairmanship of Professor Nicholas Deakin. The Deakin Report is an invaluable contribution to debate about the responsibilities of Government to the Voluntary Sector and we agree with many of its conclusions.

We will continue to listen to the views of the voluntary sector on the specific and detailed proposals contained in the Deakin Commission Report together with the follow-up recommendations on implementation which the Commission is basing on the response of voluntary organisations to the main report.

This report, together with the proposals published earlier this year by the Wales Council for Voluntary

Action have stimulated a healthy debate within the Voluntary Sector in which we have engaged. In Scotland, a commission on the Voluntary Sector is preparing a major report, while in Northern Ireland an ongoing review of the strategy agreed by the Northern Ireland Office and the Voluntary Sector is to reach conclusions by the end of 1997.

The involvement of such a wide range of voluntary organisations through a series of different structures provides a firm basis for the Labour Party's policies for Government.

*During the past two years, Labour in Opposition has broken new ground in its relationship with the voluntary sector. Labour has developed a new understanding of the responsibilities of Government in nurturing a vibrant and creative voluntary sector.*

## **The Role of Government**

Changes in Government policy and practice during the 1980s altered the relationship between Government and the Voluntary Sector and in some cases seriously damaged that relationship. In some cases, problems arose from the nature of change while in other cases it was lack of consultation and thoughtlessness which caused damage. Some Ministers and Departments of State treated the sector merely as a cheap provider of services. Government has often failed to listen to advice from the voluntary sector and has failed to understand the need to respect the independence of the voluntary sector. Examples in the fields of housing, employment, health and community care were spelt out in our consultation paper and clearly struck a chord with organisations all over the country.

## **A new beginning**

Tony Blair has set out personal vision of the role of Government in creating a "young country". Government has the ability to challenge people to work together; Government can give a lead, set priorities, work in partnership with private and voluntary sectors Government can "stand up for the majority and not just the few".

As the Labour Party's draft manifesto "*New Life for Britain*" makes clear, a new Labour Government will not be seeking to impose solutions from the top down. Instead we will be building partnerships to tackle the problems which afflict our society. Public, private and voluntary sector will be encouraged to work together both locally and nationally to provide solutions. Housing is a key example highlighted in that document:

"We should be far more imaginative in how we provide greater choice and security in housing. We support a three-way partnership between the public, private and housing association sectors to promote good social housing in rural as well as urban areas.

We need to redevelop the rented sector, promote a high-quality public sector, encourage more flexible mortgages with better consumer protection, introduce leasehold reform and allow local councils to invest capital receipts - on a phased basis - to build and renovate homes. It is absurd for money to be tied up as we step over homeless people sleeping under bridges and in doorways."

An independent and creative voluntary sector, committed to voluntary activity as an expression of citizenship, is the essential partner for a Government which shares the same values but which respects the independent nature of the Sector and its need to stand aside from Party politics. A Labour Government will work for the good health and continued growth of just such a voluntary sector, because it is right in principle and effective in practice. A Government which respects the creativity and independence of the voluntary sector and nurtures its power to change Society for the better will be in the strongest possible position to restore decency to British Society.

The voluntary sector is central to our vision of a stakeholder society. Financial discipline and a healthy respect for the use of cash and resources is vital for any charity or voluntary group - but no voluntary organisation or charity simply looks to the "bottom line" of profit or shareholder dividends. Creating a stakeholder society is about recreating a civic society in which "the rights we enjoy reflect the duties we owe, and where we live together, freely, in a spirit of solidarity, tolerance and respect."

All the responses we have received illustrate that while few voluntary organisations are free from financial pressures, they are virtually unanimous in being more concerned about being treated with respect by Government as partners.

Labour is committed to the hard work that is necessary to create a **real** partnership. **Building the Future Together** is important as a staging post in creating the promised partnership. In stating our beliefs, the Labour Party is now leaving plenty of scope for the voluntary sector to join us - in Government - in working out the details. In Government we wish to develop a consensus that will work.

## **Labour's Agenda for Change - Making Partnership a reality.**

Tony Blair has made it clear that creating a new partnership and co-operation will be a central task for an incoming Labour Government. The philosophical lead from the top will permeate Government, with the practical details worked through at departmental level and in each agency of government. Local authorities and other public bodies at a regional and local level will also be expected to adopt the partnership approach.

We have already demonstrated our commitment to such a process by asking voluntary organisations throughout Britain to join in setting Labour's agenda, by publishing our consultation paper and then moving on to joint work on implementation of that agenda.

### **Labour in Opposition has already demonstrated a commitment to Partnership in Government.**

Labour will, in Government, establish a **Compact with the Voluntary Sector** as a simple statement of the broad principles which will underpin the way every department and Agency of Government will work with Voluntary Organisations. Labour will determine the details of the national compact in partnership and consultation with the Voluntary Sector. Our emphasis will be on building strong, creative relationships, rather than a bureaucratic approach.

#### **The Compact Will:**

- Encourage good practice and co-operative methods of decision-making and for reviewing performance, particularly where organisations receive Government finance as service providers.
- Encourage volunteer organisations and charities through co-operation and training as well as through financial support.
- Encourage volunteering initiatives and the idea that voluntary activity is an essential part of citizenship.
- Encourage the work of umbrella organisations and co-operation between such organisations.
- Recognise specific needs and special contributions made by groupings within the sector. The contribution of the Black voluntary sector, the work of organisations of disabled people and the voluntary sector in rural areas are just three examples.

• Encourage a growth in the contribution of different age groups. Voluntary activity must be seen as a part of citizenship for young people while the contribution of older people, who bring to bear a lifetime's experience, should not be underestimated. While many organisations depend on the commitment of their older members and while many young people contribute zeal and energy, the fact is that the potential is not being realised to the full at either end of the age range.

• Ensure that Government is measuring and recognising things that really matter, both within Government and between Governmental and non-Governmental organisations.

• Review the co-ordination of Government relationships with the voluntary sector across departments.

• Carefully assess, in consultation with relevant Voluntary Organisations, the potential impact of policy changes upon the sector.

A Taskforce of Ministers, chaired by a senior Cabinet Minister, will oversee the way in which the principles of the Compact are put into practice and the way in which principles of partnership are implemented across the whole range of departments.

***Labour will put at the heart of Government the necessary mechanism to ensure that words are turned into deeds.***

Labour seek - with the partners - ways of recognising, measuring and rewarding partnership

Labour recognises that the work of voluntary organisations does not always fit neatly within the departmental structures of Government. The Government's move of specific responsibilities from the Home Office to the Department of National Heritage was done arrogantly and without consultation. The role of that Department is also unclear in respect to the Voluntary Sector other than in England. Labour will require cross-departmental co-operation in the relationships between Government and the Voluntary Sector. Members of the Labour Party's Wales, Northern Ireland and Scottish teams have been involved in our consultations and there is an acknowledgement that the setting up of a Scottish parliament and Welsh assembly would be significant in terms of relationship with the Voluntary Sector. Labour will keep the location of specific responsibilities relating to the Voluntary Sector under review.

In order to avoid creating new structures and additional expense, Labour will empower the Parliamentary Commissioner to consider the work of Government Departments and Agencies in

relation to the Voluntary Sector and to oversee the Compact. We will also give the Local Government Ombudsman a similar responsibility in relation to local government.

Labour will further the way to encourage the most effective possible interface between public and voluntary bodies and the way to deal with the resolution of complaints about and between voluntary organisations. We will consult widely on the suggestion that a system of arbitration established jointly by the statutory and voluntary sectors could complement the search for efficiency. Sensitivity to the independence of the voluntary sector should complement the use performance indicators as a means of evaluating effectiveness. Examples of good practice need to be shared between the statutory and voluntary sectors. For instance, the Central Council for Jewish Community Services appointed Dr Eric Livingstone - who is qualified in medicine and the law - as an ombudsman, allowing independent resolution of complaints about and between different organisations with a minimum of procedure and fuss.

## ***Preserving Independence***

Labour will ensure that Departments and Agencies of Government - and local government - respect the independence of the voluntary sector and the right of voluntary organisations to campaign and to voice the needs of those they serve within the terms of their charitable objects while considering the overriding responsibility of both to serve the public good. Partnership must involve the public sector and the private sector listening to each other in a responsible and mature way. Labour believes that it is not just the democratic right but also the duty of a charity to speak on behalf of those it exists to serve

### ***We will also:***

- Strengthen the role of the Charity Commission, which has specific responsibilities in relation to charities in England and Wales, especially in promoting best practice. We will expect the Commission to continue to review and update its own practice in consultation with the voluntary sector. We will also review the arrangements in Scotland and Northern Ireland and the relationship between the "four nations" of England, Scotland, Wales and Northern Ireland and the UK dimension.
- Review charity law in the light of current developments in Europe and the work undertaken by the Charity Law Association and others. The legal definitions available to organisations in England and Wales are now

seriously over-stretched and while we are not convinced that it will be easy or practicable to come up with a single definition of charity as suggested in the Deakin report, we do accept that there need to be simpler ways of keeping charity law under review as well as giving consideration to the situation in Scotland and Northern Ireland. We will initiate discussion aimed at having practical solutions to hand when legislative time becomes available.

- Review the legal status and obligations on Trustees. Many people have raised the comparatively onerous obligations on Trustees of Charities compared with the obligations of company directors.
- Ensure that, where voluntary organisations deliver a service paid for from public money, the quality of service received is of the highest. Agreements between a public body and a voluntary organisation, will be set out in a document which defines what each will contribute, what each will perform, and what standards are to be met.
- Recognise the value of a clear and simple agreement between funding bodies and organisations which receive funds. In many instances the "contracting" has become too legalistic and bureaucratic. Labour will change the nature of the "contract culture" in order to establish a "partnership culture". In particular we will ensure that voluntary organisations are involved in the development of the strategies in which their participation is sought.
- Review the mechanisms through which voluntary organisations are funded by Government and examine the terms on which funds are made available from public sector and other sources to take account of concerns such as the increasing extent to which all sources of finance ask for "match funding".
- Tackle the problems of access and bureaucracy experienced by many voluntary organisations in regard to European funds. Problems of delay in receiving funds are encountered far too often by small organisations, while the White Paper on Associations and Foundations will shortly cause a major debate at European level. In view of the different profile and traditions of the sector in Britain, it is important to ensure that an incoming Government takes a vigorous part in that debate.
- Seek ways of improving the availability of lottery money to the Voluntary Sector, including the need for money to reach the most local community groups, as has been recognised in the recommendations of Rt. Hon. Jack Cunningham's review of the National Lottery. Labour recognises widespread concern about the impact of the national Lottery on charities and voluntary organisations and will try to respond to them objectively and positively.
- Recognise that support from funds other than those of the public sector, including business as well as private and individual donations, is an essential strength of the Voluntary Sector. Organisations at a local and national level have recognised the importance of social and economic regeneration to all sectors of the economy as well as to the community at large. We will place a particular premium on tripartite partnerships involving public, private and voluntary organisations working together for the public good. Labour will encourage the private sector to work closely with the Voluntary Sector and will play an active part in developing close working relationships between the three sectors.
- Many charities have brought attention to the effect of changes in tax, for instance VAT on fuel. Gordon Brown's commitment to lower VAT on domestic fuel to 5% - the lowest rate to which it can be cut - in his first Budget is a promise which has great significance to the sector. The Shadow Chancellor has also expressed a willingness to listen to the views and experience of charities, to be sensitive to the needs of the sector and to consider practical cost neutral ideas which might simplify financial administration of the sector.
- Encourage a recognition of the interests of all the stakeholders and study the lessons from the introduction of "Social Audit" in the private sector.
- Recognise that it is vital to involve those who receive the service from voluntary organisations in the oversight and management of the service wherever that is practicable. We will ensure that agreements generally encourage or require the participation of those who receive a service from voluntary organisations.
- Labour recognises the importance of nurturing a variety of sectors in the complex grouping of organisations which together make up the "Third Sector" and which offer so much potential for social and economic regeneration of Britain.

## **Volunteering**

Labour sees the voluntary sector as providing the essential partners in restoring civic society and regenerating community. There is also a need to recognise the contribution that individual volunteering makes to society.

Labour believes that voluntary action is an essential element in citizenship. We believe that volunteering as individuals and as groups is not only worthy of respect and recognition by Government, but is essential for young and old alike if we are to restore a sense of citizenship and community, matching rights and responsibilities in a "young country" and a New Britain.

While a great deal of volunteering takes place in the voluntary sector, there is volunteering too in the public sector which must be recognised. Foster parents, school governors, magistrates, prison volunteers, those who give time as "mentors" in our schools and many others are contributing to social cohesion.

Both the personal commitment and the activities undertaken are important, in either sector.

### **Labour will:**

- Encourage volunteering amongst young people whether they are in work, in full-time education or training or unemployed. Through offering accreditation and recognition we can improve peoples opportunities and readiness for work.
- Recognise the importance of Government as an employer leading by example. Government has been quick to encourage the employer to recognise the value to society of the voluntary activity of employees and to the development of their skills. We will encourage that process and ensure that Government as an employer develops best practice.
- Ensure that Government and the Voluntary Sector develop a good understanding of each other's needs and responsibilities, including twinning, exchange and work experience opportunities for staff in both sectors.
- Recognise the need to be inclusive of all sections in Society. We have already recognised that many groups feel excluded or operate outside the traditional structures and umbrella organisations which have served the Voluntary sector well over the years. A separate exercise has already started

on consulting the Black Voluntary Sector to ensure that the talents of the African, Caribbean, Asian and other communities in Britain are not overlooked.

- Actively encourage volunteering by unemployed people and those unable to work. It is recognised that voluntary activity helps build a sense of self-worth and develops personal talents as well as making a contribution to Society. It also helps people gain work-related experience, skills and contacts and encourages them into education and training opportunities.
- Encourage participation in Europe-wide Volunteering Schemes which provide exciting opportunities, particularly to young people.

**Labour will put voluntary action at the heart of restoring civic society.**

## **Other proposals from Labour**

The policies set out in this document have to be read in conjunction with other policy documents. A number of initiatives already proposed by the Labour Party are of great importance to the Voluntary Sector, including:

- The commitment to easing the barriers to volunteering for those who are unemployed or on benefit.
- Proposals for a local partnership approach to reducing crime and tackling its causes, particularly in respect of youth crime.
- The findings of the advisory group on the National Lottery published in December 1996.
- The proposal to make the Youth Service a statutory service - delivered by a partnership between statutory and voluntary youth organisations.
- Labour's plans for the under-25 age-group, launched by Tony Blair and John Prescott with Gordon Brown, David Blunkett, Jack Straw and a full team of their colleagues have launched Labour's New Life for Young People. One of the Party's five key pledges for early implementation is to get 250,000 under-25 year-olds off benefit and into work. The voluntary sector will be invited to play a key part in creating new opportunities for young people.

## ***Our Invitation . . .***

The policies set out in this document demonstrate the Labour Party's commitment to establishing partnership and co-operation between Government and the Voluntary Sector in a way that will stand the test of time.

These commitments respond to an agenda that has been set through a process which has offered a voice to the Voluntary Sector in all its diversity. We are giving firm commitments - not least through the Compact and its oversight by a Ministerial Working party, chaired by a senior Cabinet Minister - that Labour in Government will turn words into action.

But we have also set out a commitment to involve the Voluntary Sector in the detail. Arising from the submissions that we have received, and the programme of meetings throughout Britain in two successive years, Labour in Government intends to put into practice our Clause IV commitment to work in "partnership and co-operation" with Voluntary Organisations.

Having sought the views of the Voluntary Sector and responded to those views, we now invite voluntary organisations to join us in the continuing process of building a partnership through which Government and the Voluntary Sector can tackle the task of making Britain a caring, efficient pleasant and creative place to live.

There is no end to the process of building a relationship but this paper spells out the principles on which a Labour Government will seek to build its relationship with the Voluntary Sector. Having demonstrated its commitment while in opposition, the Labour Party stands ready to build a strong relationship of partnership in Government.

**If you have any comments on this document please contact Alun Michael MP,  
House of Commons, London, SW1A 0AA**

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THE WHITE HOUSE

WASHINGTON

March 4, 1997

*Diana/Cynthia/Kep  
Service Summit?  
Welfare?  
-BE*

MEMORANDUM TO BRUCE REED  
STEVE SILVERMAN

FROM: DORIS MATSUI *DM*  
RE: U.S. NONPROFIT GATEWAY

I. BACKGROUND

As you are aware, we are in the final stages of creating a one-stop Internet site for not-for-profit organizations. The project has created much excitement both at the agencies and in the White House. The U.S. NonProfit Gateway will be publicly announced in mid-March.

While the actual site remains in a test stage, the final product will be transferred and permanently "housed" at GSA. When this occurs, a working group comprised of the nonprofit liaisons, their designees and technical support from each of the departments and agencies will be responsible for working with GSA to maintain the timeliness and quality of the information posted on the site. This is primarily a shift in duties for the current task force working on the project, not a new entity.

II. PRESIDENT'S SUMMIT ON AMERICA'S FUTURE

The Summit offers a unique opportunity to highlight one of the President's greatest accomplishments for the not-for-profit community--the NonProfit Liaison Network. Many in the community see the network as a valuable achievement in the President's vision of working with the sector. However, because the liaisons were formulated primarily to discuss ways of improved communications between the agencies and nonprofits, there are some who have not seen tangible results.

Utilizing the Gateway at the Summit would highlight the work the President's liaisons have done, and also demonstrate his commitment to using technology to create new ways in which the relationship between the government and the sector can be strengthened. It is a visible demonstration of the Administration's commitment to go a step further in their commitment to communities.

As we discuss how citizens can become involved in their communities, the Gateway can be highlighted as a tool that can be utilized by many aspects of society. The Gateway offers easy access to information on many partnership and volunteer opportunities. The partnership aspects are a strong area to highlight as many nonprofits are wary of the summit taking too much of a focus on volunteerism.

If you would like to review the current test site, the address is: <http://www.rtk.net:80/comcat/nonprofit/>

I have attached some background material you may be interested in. If you have any further questions, please call me at 6-2930. Thank you.

# US NonProfit Gateway

Management Plan Summary Outline (Revised 2/15/97)

## ORGANIZATIONAL CONCEPTS -----

1. **Be consistent with other accepted Administration approaches:**  
"Better, faster, cheaper"  
Customer oriented (in this case, to nonprofits in all mission areas)  
Improve online access to government information and services.
2. **Focus on our unique or distinguishing concepts:**  
We have Dept/agency teams collaborating throughout the Administration.  
These teams are cross-functional (w/technical, program, and policy representatives).  
Central idea is "Gateway" as opposed to "one-stop" or "advisor."  
Theme: "Outreach, in-reach, and cross-reach" builds linkages in all three directions.  
White House sponsorship: The Office of Public Liaison

## PHASE 1: Create an Interagency Task Force. -----

*(Completed)*

3. **Create and manage the Task Force; create a prototype Gateway site.**
  - a. **Members: 25 Nonprofit Liaisons reporting to White House OPL**  
(representing all Cabinet Departments and several key agencies)  
Other Federal representatives -- ACE (Americans Communicating Electronically)
  - b. **Begin with a three-month self-education and planning process.**  
(Later, invite technical experts to join as members.)
  - c. **Develop prototype versions for the NonProfit Gateway Web site.**  
Identify nonprofit information stored within each Dept/agency.  
Create links to this information (as, to grants, regulations, budgets, etc).  
Experiment with search engines, starting with GovBot.
  - d. **Field test the prototype Gateway site with nonprofits. ("Outreach")**  
Hold two major meetings at the White House (200 nonprofits invited).  
Convene individual nonprofit focus groups in individual Dept/agencies.  
Use online survey for all visitors to the site.

**PHASE 4: Make the transition from "Task Force" to "Working Group."** -----  
*(Beginning in March, 1997 and overlapping Phase 3, above)*

9. **Make the transition from a "Task Force" to an ongoing "Working Group."**  
Create a standing committee to oversee the continued growth of the central Gateway site.  
(Revise format as needed; develop and test search engines; create taxonomy; etc.)  
Coordinate/support the individual Dept/agency nonprofit sites.  
(Identify problems; share solutions; develop standards; ensure collaboration.)  
Reach out to other partners in developing additional Gateways and related projects.
  
10. **Create an "incubator" project to discuss and develop other projects**  
Example: Create a "technical support team" for other start-up projects.  
Example: Create a project to track and deliver surplus/recycled computers to schools and to nonprofits nationally. (Builds on Executive Order 12999.)

**ONGOING ACTIVITIES** -----  
*(These activities are concurrent with the four phases described above.)*

11. **Bolster the nonprofit community as partners.**  
Encourage the creation of coalitions of nonprofits in similar mission areas.  
(as, those in education, environment, communities, families, etc.)  
Hold a conference with government, nonprofit, foundation, corporate representatives.  
(Identify common needs; available resources; mechanisms for cooperation.)
  
12. **Explore related "partnership" possibilities.**  
Generate opportunities for ongoing collaboration with nonprofits.  
Establish a White House Communications Fellows program for nonprofit leaders.

# WELCOME

- ◆ **The US NonProfit Gateway** was designed as a central starting point to help nonprofit organizations access online Federal information and services.
- ◆ **Our users** Potential users are any of the 1.2 million nonprofit organizations as defined by the IRS Tax Code, or any members or clients of these groups. Most Americans have been involved with nonprofits in many ways -- either as members, volunteers, contributors, or as recipients of their services.
- ◆ **Our Information** *The US NonProfit Gateway* links directly to all Cabinet Departments and many agencies for information about grants, regulations, taxes, budgets, and other services as well as information on a wide range of other topics and programs.
- ◆ **Growth and change** *The US NonProfit Gateway* is still under development. Next steps call for adding information within the categories already provided and, based on user feedback, continuing to adapt the design and content of the site to reflect the needs and priorities of nonprofit organizations.

# RESOURCES

- ◆ **The US NonProfit Gateway** is a one-stop site for locating Federal government information and resources of value to nonprofit organizations nationwide.
- ◆ Rapid access to :
  - ◆ Grants and funds
  - ◆ Laws and regulations
  - ◆ Facilities and equipment
  - ◆ Information updates
  - ◆ Press releases
  - ◆ Budget Information
  - ◆ Other Federal contacts

# YOU CAN HELP

*The US NonProfit Gateway* needs your suggestions for expanding its information so that we may provide you with the most efficient and useful information. Please submit your technical and content comments online

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SEND US YOUR FEEDBACK:

*feedback@nonprofit.gov*



# Who we are

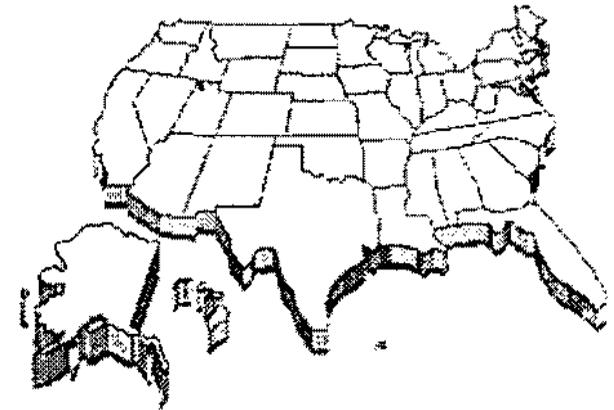
The President has assigned one person in each Cabinet Department and in many independent Federal agencies to serve as an official "Nonprofit Liaison." These Nonprofit Liaisons, or their designated representatives, are the members of the Task Force that created this site.

Cabinet Departments:	Federal Agencies:
Agriculture	Corporation for National Service
Commerce	Environmental Protection Agency
Defense	Federal Emergency Management Agency
Education	General Services Administration
Energy	Health and Human Services
Housing and Urban Development	Housing and Urban Development
Interior	National Endowment for the Arts
Justice	National Endowment for the Humanities
Labor	National Performance Review
State	Office of National Drug Control Policy
Transportation	Small Business Administration
Treasury	US Information Agency
Veteran Affairs	US Trade Representative

WHO TO CONTACT FOR MORE INFORMATION:

• [info@nonprofit.gov](mailto:info@nonprofit.gov)

# US NonProfit Gateway



[www.nonprofit.gov](http://www.nonprofit.gov)

ONE-STOP GOVERNMENT  
INFORMATION ON-LINE

THE WHITE HOUSE  
WASHINGTON

July 11, 1996

MEMORANDUM FOR BOB DAMUS  
JACK LEW  
DORIS MATSUI  
KATHY WALLMANFROM: STEVE NEUWIRTH  
SUBJECT: NON-PROFIT LABELING PROVISION  
IN PROPOSED WELFARE REFORM LEGISLATION

Nan Aron of the Alliance for Justice has forwarded to me the attached materials from OMB Watch, concerning proposed welfare reform legislation.

The Senate version of that legislation provides that "whenever an organization that accepts federal funds under this Act ... makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: 'This was prepared and paid for by an organization that accepts taxpayer dollars.'" According to OMB Watch, the House version of the bill contains a more limited variation of this provision, but it apparently could also apply to recipients of Medicaid funding if the House combines the welfare and Medicaid reform bills.

As you will recall, the Administration worked closely with the non-profit community last year to oppose the Istook amendment and its progeny, including provisions that would have required new disclosures by non-profit organizations that receive federal funds and engage in public advocacy. I understand that the non-profit community is now seeking White House and OMB assistance in defeating these new proposals.

*To Bruce [unclear]*  
*John Wiley*  
*FWD*  
*- KA*

## THE NONPROFIT LABELING PROVISION: DISCLOSURE WITH A SCARLET LETTER

Both the House and the Senate have taken action on welfare reform legislation that would require tax exempt recipients of funds covered by the reform bill to make a new public disclosure if they attempt grassroots efforts to influence public policies. Furthermore, since the Republican leadership supports linking welfare and Medicaid reform through the first of three budget reconciliation bills, the disclosure requirement could be extended to nonprofit organizations providing Medicaid services.

### The Senate Version

Under the Senate welfare reform bill (the Work Opportunity Act, S. 1795), any 501(c) organization that receives money "under this Act" and makes a communication intended to promote public support or opposition to any governmental policy -- federal, state, or local -- through "any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising" must state on the communication: "This was prepared and paid for by an organization that accepts taxpayer dollars."

The ACLU has pointed out, as the bill in the Senate moved, that the provision would chill nonprofit organizations that participate in welfare programs from expressing their views on policy matters. The provision would even affect the organizations' expression on issues completely unrelated to their work on welfare. This restriction, in the view of the ACLU, is unconstitutional because it imposes a First Amendment restriction on certain nonprofit organizations receiving federal funds.

On June 26, the Senate Finance Committee linked Medicaid and welfare overhaul on an 11-9 vote. Doing this made the disclosure requirement apply to tax exempt recipients of funds under the Medicaid reforms, since the disclosure requirements apply to all funds "under this Act." Although Senate Major Leader Trent Lott (R-MS) and House Speaker Newt Gingrich (R-GA) have stated that they support linking the Medicaid and welfare overhaul, and the GOP governors support the linkage, there is a movement to keep them separate. President Clinton has stated that he will veto a reconciliation bill that contains the Medicaid reforms, which would eliminate the entitlement status of Medicaid. Accordingly, Lott was quoted on June 27 as saying, "We're going to continue to look at what our options may be... At this point our intent is keep welfare and Medicaid together."

The Senate bill will now go the Budget Committee, which will either link or separate the reform efforts. It is expected that the Senate bill will be on the floor around July 15. Whether it applies to the Medicaid overhaul or not, the disclosure requirement will be on the bill.

### The House Version

In the House, the disclosure provision in the welfare reform bill was identical to the Senate's. However, at a mark-up in the House Ways and Means Committee on June

12. The Committee accepted an amendment to the Nonprofit Labeling Provision by Rep. Benjamin Cardin (D-MD). The Cardin amendment excludes tax exempt organizations participating in programs under Ways and Means Committee jurisdiction from the labeling requirement. Specifically, the amendment exempts those tax exempt recipients receiving money under Title IV (AFDC), Title XVI (SSI), and Title XX (Social Services Block Grant).

On June 19, the House Budget Committee combined the Ways and Means welfare bill with Medicaid changes from the Commerce Committee and changes from other committees, creating the first of three reconciliation bill planned in the House. The bill goes next to the House Rules Committee and then to the House floor shortly after the July 4th recess.

### Enforcement Under Both Bills

If a tax-exempt organization does not make the disclosure on a communication intended to create grassroots influence on a governmental policy, then *the organization will become ineligible to receive federal funds authorized under the Act.* The requirements would go into effect immediately upon enactment for non-printed communications, and one year after enactment for printed communications.

The bill provides no detail on these severe penalties. For example, it makes no distinction between a first time offense and multiple offenses. It does not indicate whether, after a period of ineligibility, the organization can again receive federal funds under the programs covered by the Act. The bill leaves to federal agencies how to monitor and enforce the requirements.

### Who Will Be Affected?

Depending on which version of the disclosure requirement is sent to the President (and whether it is linked with Medicaid reform), the following nonprofit organizations are among the many that could be affected:

- Nonprofit Hospitals
- Migrant Health Centers
- Community Health Centers
- Community Resettlement Agencies
- Child Care Providers
- Nutrition Centers
- Some Mental Health Centers
- Public Schools

### Next Steps

If the budget reconciliation bill contains both the welfare and Medicaid overhaul, it is likely the President will veto the bill. It is less clear what will happen if the reconciliation bill contains only the welfare reform provisions. There has been very little discussion of the Nonprofit Labeling Provision.

If the reconciliation bill is vetoed by the President, Congress will likely drop the Medicaid provisions and attempt to make some changes to the welfare reform sections to find a compromise that the President can sign. Since there has been little discussion of the Nonprofit Labeling Provision, it is not known whether this would be a negotiable item.

51795

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1           Executive and Judiciary of the Senate within 1 year  
2           after the date of the enactment of this Act.

3 **SEC. 11A. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

4           (a) **IN GENERAL.**—Whenever an organization that  
5           accepts Federal funds under this Act or the amendments  
6           made by this Act makes any communication that in any  
7           way intends to promote public support or opposition to  
8           any policy of a Federal, State, or local government  
9           through any broadcasting station, newspaper, magazine,  
10          outdoor advertising facility, direct mailing, or any other  
11          type of general public advertising, such communication  
12          shall state the following: "This was prepared and paid for  
13          by an organization that accepts taxpayer dollars."

14          (b) **FAILURE TO COMPLY.**—If an organization makes  
15          any communication described in subsection (a) and fails  
16          to provide the statement required by that subsection, such  
17          organization shall be ineligible to receive Federal funds  
18          under this Act or the amendments made by this Act.

19          (c) **DEFINITION.**—For purposes of this section, the  
20          term "organization" means an organization described in  
21          section 501(c) of the Internal Revenue Code of 1986.

22          (d) **EFFECTIVE DATES.**—This section shall take ef-  
23          fect—

24                  (1) with respect to printed communications 1

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1 (2) with respect to any other communication on  
2 the date of enactment of this Act.

3 **SEC. 111. MODIFICATIONS TO THE JOB OPPORTUNITIES**  
4 **FOR CERTAIN LOW-INCOME INDIVIDUALS**  
5 **PROGRAM.**

6 Section 505 of the Family Support Act of 1988 (42  
7 U.S.C. 1315 note) is amended—

8 (1) in the heading, by striking "DEMONSTRA-  
9 TION";

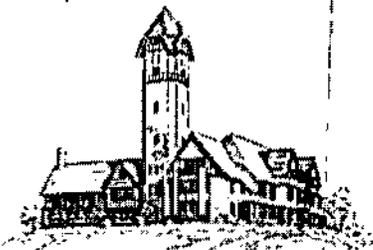
10 (2) by striking "demonstration" each place such  
11 term appears;

12 (3) in subsection (a), by striking "in each of  
13 fiscal years" and all that follows through "10" and  
14 inserting "shall enter into agreements with";

15 (4) in subsection (b)(3), by striking "aid to  
16 families with dependent children under part A of  
17 title IV of the Social Security Act" and inserting  
18 "assistance under the program funded part A of title  
19 IV of the Social Security Act of the State in which  
20 the individual resides";

21 (5) in subsection (c)—

22 (A) in paragraph (1)(C), by striking "aid  
23 to families with dependent children under part  
24 A of title IV of the Social Security Act" and in-  
25 serting "assistance under a State program



Non-profits

## The Union Institute

Office for Social Responsibility  
Center for Public Policy  
Center for Women

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July 19, 1996

Mr. Bruce Reed  
Assistant to the President  
Office of Policy Planning  
The White House  
Washington, D.C. 20500

Dear Bruce:

As you may be aware, there are a number of congressional proposals concerning the tax treatment of charitable contributions, including ideas to create an annual \$500 individual income tax-credit. Such notions are debated in the nonprofit sector -- many see them as exciting new ways to encourage contributors; others believe that such a tax-credit scheme will *not* increase individual giving, just increase the personal reward and federal subsidy for it. Some in the charitable community believe that these congressional proposals are just a hollow way to attempt to "sweeten the deal" as politicians try to transfer what historically have been government responsibilities onto the nonprofit sector -- in effect *privatizing the social contract*. Still others are concerned that the congressional efforts (related to tax-credit proposals) to establish criteria about *which* charities will or will not be worthy of a tax-credit donation represent an inappropriate intrusion of government into private philanthropic behavior. (There are clear public policy justifications on both sides of that issue.)

It is important that the Administration take public leadership on these tax issues and other policy matters of consequence to the nonprofit sector. Thus, I have been working with Doris Matsui's office to organize a discussion meeting for a small number of leaders from the Council on Foundations, Forum of Regional Association of Grantmakers, Independent Sector, National Council of Nonprofit Associations, and Let America Speak (OMB Watch and Alliance for Justice) with Carol Rasco and you -- please see the background memo which follows. Given welfare reform and other pressing matters, I am told that the date for this meeting (we had hoped that it would have occurred by now) needs to be postponed. In the face of that delay, I am contacting you now to urge that the Administration's policy alternatives to the charitable tax-credit *be formulated and promoted in emerging political debate on this and related issues*.

It is important that the President insist that government not walk away from its share of responsibility for correcting bad social conditions, *for maintaining a national baseline below which we as Americans cannot conscientiously and morally allow others to fall* -- especially children and those without any personal responsibility for conditions which necessitate assistance. The President can make clear that the charitable sector has long been in a partnership with government in addressing social, environmental and other needs

– but that nonprofits and philanthropy's role has been *to supplement and augment government, not to replace it*. With this in mind, the President could propose one or more policy actions and/or legislative recommendations characterized by such partnership.

For instance, as an alternative to the charitable tax-credit, the President could say that he wants the federal government:

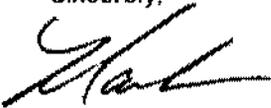
to match, one-for-one up to a ceiling amount, any dollars which taxpayers wish to donate -  
- using a checkoff on the IRS 1040 to either withhold a specified amount from a tax-refund or to add it to payment of taxes due — to help fund a new public/private national foundation (inappropriately called a "national community foundation" in my attached memo) which will make grants in support of local community improvement efforts.

A review of that memo will suggest other notions for possible collaboration.

While I believe that the meeting with nonprofit leaders ought to be scheduled as soon as is possible, with the press of passing weeks being felt, I wanted to bring these notions to your attention in a more timely manner.

I look forward to our meeting.

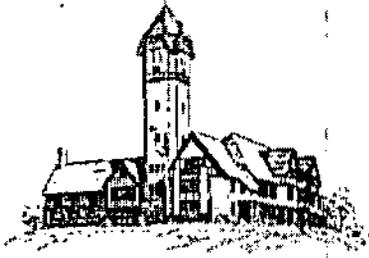
Sincerely,



Mark Rosenman  
Vice President, Social Responsibility

Attachment

cc: Doris Matsui



## The Union Institute

Office for Social Responsibility  
Center for Public Policy  
Center for Women

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### NONPROFIT/PHILANTHROPIC SECTOR ISSUES A Memorandum to the White House May 1996

President Clinton clearly has evinced an appreciation and an understanding of the charitable sector. In the 1992 *Democratic Platform*, his campaign *Statement on the Nonprofit Sector*, his subsequent appointment of "nonprofit-liaisons," his theme-setting speech at Georgetown University, the most recent *State of the Union*, and certainly through other material actions, he has addressed many of the issues pertinent to charities' ability to serve the Nation and to rebuild community. The President has demonstrated the knowledge that collaboration among the federal government, nonprofit organizations and philanthropic foundations serves the national interest and concurrently eases the burden that any alone would carry.

The purpose of this memorandum is to place before the President's advisors a number of themes through which he should further strengthen the Administration's genuine, inclusive partnership with America's nonprofit and philanthropic organizations. In doing so, the President could offset Congressional actions adverse to charitable concerns, and thus deleterious to democracy and civil society as a whole. He could also advance philanthropy and charities in ways essential to the American character and critically important to the millions of people who are contributors, volunteers, staff and trustees of these organizations.

Five themes (public interest advocacy, resource provision, streamlining procedures, service integration, and information access/public policy participation) are presented below in brief overviews; each then is followed by an elaboration on possible action items.

#### 1. Nonprofit Public Interest Advocacy

Our democracy depends on an informed and engaged citizenry. Nonprofit organizations serve as the principal mechanism -- beyond government itself -- through which people develop and express informed opinions about important public issues of the day. Furthermore, charities are vehicles which help give people an

effective voice in public discourse through communication with policy-makers. And they serve to provide our elected leadership with information necessary to wise and responsive decision-making.

The President should continue in his rejection of legislative efforts (such as the Istook Amendment) to restrict the free speech, advocacy and lobbying of charitable organizations. He should speak forcefully about the importance of *public interest advocacy*, as contrasted with the *special interests* which drive the Silence America efforts.

#### **Elaboration**

*Legislative* -- The President has indicated that he will veto legislation that has amendments attached, such as those proposed by Rep. Istook, which serve to inhibit public interest advocacy by nonprofit organizations. Congressional efforts have included attempts to broaden the definition of "lobbying" to include public education, nonpartisan research and analysis, and other activities essential to informed citizens and policy-makers. Additionally, legislation which extends and complicates nonprofits' record-keeping and reporting obligations, especially under various and conflicting definitions of "lobbying," "advocacy," etc., all have a chilling effect on American's democratic voice.

As a collateral problem, efforts which seek to silence government officials (such as Rep. Clinger's bill) also should be opposed as an attempt to deny Americans, as well as policy-makers, the basic information and wisdom necessary to effective and accountable public leadership.

*Administrative* -- Beyond remaining vigilant and consistent in opposing legislation which would Silence America, the President should speak forcefully about the importance he ascribes to hearing all voices, to the value in having nonprofits provide information to the nation's leadership on the problems of people of all circumstances and on the assets which they and their communities can represent. The President, through an Executive Order or otherwise, can also encourage various agencies and departments to reach out affirmatively to nonprofit and philanthropic organizations in order to gain the benefit of their experience on issues of shared concern (discussed more fully below).

## **2. Providing Adequate Resources**

Nonprofits depend upon charitable donations for a substantial portion of their funding. The federal tax code has a demonstrable and powerful influence on the extent and scope of charitable giving. By working to protect and extend those elements of the income tax system related to deductibility and exemption, the President can help nonprofits better serve the nation in these times of dwindling federal programs. This becomes critical in the context of various efforts at fundamental tax reform, such as a flat-tax or consumption taxes.

Beyond the tax system and at little or no cost to the fisc, the President can champion other creative ideas through which the federal government can facilitate charitable funding.

#### **Elaboration**

##### **• Tax-Related**

*Legislative* -- The President should work to advance the following policy agenda:

The current 3% floor on itemized charitable deductions -- now applied to families with incomes over \$117,000 -- should be repealed. There is a clear relationship between tax-deductibility and the donative behavior of Americans, and the floor sets a terrible precedent against charitable giving.

The charitable deduction should be restored for all taxpayers, not simply remain available only to wealthy itemizers. Based on Independent Sector data, charitable giving from nonitemizers would increase by \$4 billion annually (up about 40%), if they were permitted to deduct donations. Additionally, the deduction remains politically vulnerable as "a give-away to the wealthy" in its current form.

The full deductibility for gifts of appreciated stock should be restored permanently (as has been done of gifts of appreciated property) for those taxpayers subject to the Alternative Minimum Tax. The denial of full deductibility, enacted by Congress in 1986 and then expired in 1994, clearly decreases the ability of charitable organizations to solicit tangible and consequential support.

The deductibility of charitable contributions and nonprofits' exemption from taxes on organizational revenues derived from charitable activities should be protected in any effort at fundamental tax reform, such as the flat-tax. Progressivity in the tax code has a demonstrably effective social function which enjoys the support of the vast majority of those involved in the charitable sector. Additionally, the potentially devastating effect for charities of a consumption-based tax system ought to be understood and used as one of the bases for opposition to it.

*Administrative* -- The proposition that charitable tax-credits, or other contribution incentives, are an effective alternative to federal funding of social, environmental and other programs of consequence to nonprofit and philanthropic organizations ought to be exposed as the sham that it represents. Government program dollars support public services delivered through nonprofit organizations, and the enactment of a tax-credit would not offset the direct loss of revenue funding such services. Efforts to transfer responsibility for the "safety net" to private altruism and charitable endeavor should be exposed and opposed from the President's bully pulpit.

##### **► Other Charitable Funding and Resource Savings Mechanisms**

*Legislative* -- The President should advocate that the U.S. Postal Service adopt a "semi-postal stamp" program, now widely used in Europe, to generate nonprofit funding at no significant government cost.

By making available issues such as the "homeless stamp" or the "children's stamp," postal customers have the option of purchasing stamps (which include a charitable donation premium/surcharge) -- surplus revenues (beyond first class postage and USPS administrative fees) would be directed to nonprofit programs selected by a Presidentially-appointed distribution committee (or used in support of the suggestion immediately below).

The President should urge the creation of a "national community foundation" to which tax-payers could direct (using their income tax returns and otherwise) contributions in specific dollar amounts which would be deducted from any tax refund or added to their outstanding tax obligations -- a Treasury "match" of some minimal dollar amount could be established as a check-off incentive for such giving. Funds would be distributed to nonprofits working on *national community issues* (as suggested in the President's Georgetown "civil society" speech), with distribution by an appointed committee.

On a less ambitious level, the President should simply call for an income tax "checkoff" that would direct up to a modest dollar amount (say \$5 - \$10) to a charitable funding mechanism.

Through appropriate legislation and regulation, and at little or no public cost, the President should help nonprofits improve upon resource utilization. Allowing the creation of common capital pools, including those now under consideration for philanthropic foundations, will permit even relatively poor nonprofits to gain a much greater return on their limited assets. One model of such a fund used by higher educational institutions has demonstrated the dramatic efficacy of this approach to prudent nonprofit investments.

Beyond dollars, volunteers are the greatest nonprofit asset. Much can be done to increase the pool of energy and talent. President Clinton can make a major contribution in this regard by developing legislation to limit appropriately the liability of volunteers, trustees and nonprofit organizations themselves by revisiting the concept of charitable immunity, excepting those rare instances of conscious and intentional abuse.

### **3. Streamlining Federal Procedures for Nonprofits**

The federal government, directly and via state and local governments, provides services to the public through the intermediary of nonprofit organizations. In effect, charitable groups become agents of/delivery mechanisms for government-supported services (via grants and contracts). Given the variety of federal programs, demands made of nonprofits vary greatly. Furthermore, counter-productive restrictions obviate efficiencies of program integration.

The President (and Vice President) should continue in their "reinventing government" processes, and they should add to them collaborative efforts with charitable and

philanthropic organizations to improve program development and management, as well as service delivery.

#### **Elaboration**

*Administrative* -- President Clinton should mandate, by Executive Order, the development and use of standardized grant and contract application procedures by all federal agencies in their work with nonprofit organizations. This should be extended to include across-agency uniform accounting, financial reporting, and audit requirements in order to assure that grant/contract management procedures do not impinge unnecessarily on nonprofits' program activities. Attention should be directed to assurances that all nonprofits have equal opportunity to participate in federal contract and grant programs.

It is important that the President and Vice President continue to move federal agencies from their focus on bureaucratic iterations of performance requirements and toward an emphasis on mission-driven program outcomes that hold demonstrable long range consequence. Through various approaches, including his Assistant for Intergovernmental Affairs and the nonprofit liaison network, the President should encourage state governments to accept federal reporting formats and outcome-orientations as their own.

Federal procedures regarding public accountability by the nonprofit sector also should be improved under Presidential mandate. IRS Forms 990 and 990-PF should be redesigned to make them more "user-friendly," both by the nonprofits filing them and by the public using them to gain information. State and local governments should be encouraged to accept them for their own reporting purposes. Government use and public access to 990 data could be expedited by encouraging electronic filing and making form available on-line.

#### **4. Service Integration**

While the Administration has done much to foster innovation in service delivery through waiver of specific program requirements, it can go further in leveraging greater citizen engagement, horizontal service integration, program redesign and public accountability. As the President noted in his Georgetown University speech, the prevailing mind-set seems to have swung from a focus on structural problems to one which blames individuals -- as he said, people seem to think that a social problem is "when enough bad people do the same bad thing." Nonprofits can help change that, while helping to assure the maintenance of citizen safeguards, if empowered appropriately by the federal government. Additionally, the President can work to assure that all programs generate the information and data necessary to public accountability and informed decision-making.

### Elaboration

*Legislative* -- President Clinton should oppose legislative efforts that extend unnecessary and easily abused unilateral authority to waive federal laws and regulations. Such protections have been hard-won by nonprofit public interest advocates and should not be sacrificed in a headlong rush to the diminution of federal authority.

*Administrative* -- The President should direct federal agencies (as suggested in #3 above) to develop common program application and administrative/management procedures and forms across agencies, and -- to promote service integration -- direct that such procedures and forms be developed in coordination with state and local government. Further, President Clinton should ask all agencies to engage nonprofit and philanthropic organizations in an effort to identify and formulate recommendations for improving program integration while maintaining national standards and safeguards. Central to such an effort should be a focus on helping government move from a *deficit model* of program intervention (helping people to compensate for individual inadequacies) to a *developmental model* (which focuses on strengthening social structures and institutions to remedy the malfunctions which cause individual deficits).

The mechanism for granting waivers of federal program requirements should be modified, by Executive Order, to require that no waiver be granted unless the requesting (state or local) government authority has provided a detailed and acceptable plan through which it will achieve public participation (through and beyond the involvement of nonprofit organizations) in program planning, delivery, monitoring, evaluation and accountability activities.

It also is important that the President direct agencies, in association with waiver processes, to mandate that states and localities meet the minimum uniform and comparable data collection and statistical reporting requirements necessary to assure the satisfaction of national standards, and to provide both policymakers and the public with the information needed for wise to decision-making. This, too, could be achieved through an Executive Order.

The President should encourage systematic outreach efforts, such as those earlier explored by HHS officials, to seek collaboration with nonprofit and philanthropic authorities as both sectors address shared concerns, allowing each to gain from and be informed by the experience of the other. Through a public statement, building on the Georgetown speech, President Clinton should express publicly his appreciation of the importance of an active partnership with the nonprofit sector in serving Americans and rebuilding community, and note his understanding that effective voluntarism requires effective charitable organizations. He should note that effective organizations require broad public support for both the delivery of services and the representation of the public's interests through advocacy, and use his "pulpit" to encourage individual and corporate charitable contributions.

## **5. Information Access and Public Policy Participation**

The President and Vice President have provided commendable leadership with regard to telecommunications. However, much can be done easily and quickly to facilitate the flow of information and communications between federal agencies and the nonprofit/philanthropic community. Furthermore, a government-charitable organizations telecommunications system would provide a highly effective mechanism through which public engagement with government and in participation in policy discussions could be expanded and enhanced.

### **Elaboration**

*Administrative* -- The President, with the Vice President's involvement, should direct the establishment of a computer-based telecommunications system through which federal officials (including board and commission members) might obtain information, ideas and commentary from participating charitable organizations and others, and visa versa. Building on the U.S. Business Advisor (developed in great part by the National Performance Review staff) and using the White House "nonprofit liaison network" he established, the President could direct agencies to make available electronically program information and other data useful to nonprofit and philanthropic organizations in serving common purpose with the government.

Building on this telecommunications system, nonprofit organizations, public libraries and local government agencies could be gateways for public opinion, ideas, commentary, criticism, etc. solicited by the White House and agencies in regard to emerging policy issues, new initiatives and questions about existing programs. The President thus could extend dramatic new opportunities for democratic participation and pioneer in the use of telecommunications and information infrastructure in ways to reinforce the associative fabric of civil society's infrastructure.

THE WHITE HOUSE  
WASHINGTON

Non profits

February 10, 1994

Mr. W. Lucas Simons  
J.C. Bradford and Co.  
330 Commerce Street  
Nashville, Tennessee 37201

Dear Luke:

Great to hear from you!

Thanks for sending the information on Peter Drucker's ideas. I enjoyed looking over the literature and agree that they are good ideas worth considering. To that end, I have shared your letter and enclosures with the appropriate office and am certain that proper attention will be given to them.

Linda and I send our best wishes.

Sincerely,

*Phil*

Philip Lader  
Assistant to the President  
and Deputy Chief of Staff

*Please keep us  
posted - your  
mail*

✓ *Please copy all  
of attached  
to Bruce  
Reed - env.  
attached*

**J.C. BRADFORD & Co.**

Members  
New York Stock Exchange, Inc.

330 COMMERCE ST.  
NASHVILLE, TN 37201  
(615) 748-6000

*TH Good idea - for letter (friend)*

January 14, 1994

Mr. Phil Lader  
Renaissance Weekend  
2900 Chamblee Road  
Bldg. 4, Suite 200  
Atlanta, GA 30341-4128

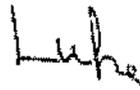
Dear Phil:

Renaissance was again, great! The weekend has meant a lot to our kids and to us over the years, particularly the chance to discuss things with them that were raised at Renaissance. We appreciate all the effort that goes into the weekend and we don't know how to thank you enough.

Enclosed is some information on an idea by Peter Drucker. Very simplistically, why not give charitable contributions a 110% tax deductibility since nonprofits can accomplish so much more than any municipal, state, or federal government agency can? I'm just passing this along, because since I first read about it over a year ago, I felt like it was an idea that made sense.

I know you've got a lot to handle, but I'm glad you are there because the President needs you and so do we. Good luck and best wishes in 1994!

Cordially yours,



W. Lucas Simons

bb  
Enclosure.

*→ Bruce Reed  
FYI - Phil*

# It Profits Us to Strengthen Nonprofits

by Peter F. Drucker

reprinted from:

Drucker on Management

*The Wall Street Journal*

December 19, 1991

America needs a new social priority: to triple the productivity of the nonprofits and to double the share of gross personal income—now just below 3%—they collect as donations. Otherwise the country faces, only a few years out, social polarization.

Federal, state and local governments will have to retrench sharply, no matter who is in office. Moreover, government has proved incompetent at solving social problems. Virtually every success we have scored has been achieved by nonprofits.

The great advances in health and longevity have been sponsored, directed and in large part financed by such nonprofits as the American Heart Association and the American Mental Health Association. Whatever results there are in the rehabilitation of addicts we owe to such nonprofits as the Alcoholics Anonymous, the Salvation Army and the Samaritans. The schools in which inner-city minority children learn the most are parochial schools and those sponsored by some Urban League chapters. The first group to provide food and shelter to the Kurds fleeing from Saddam last spring was an American nonprofit, the International Rescue Committee.

## Double Rehabilitation

Many of the most heartening successes are being scored by small, local organizations. One example: The tiny Judson Center in Royal Oak, Mich.—an industrial suburb of

Detroit—gets black women and their families off welfare while simultaneously getting severely handicapped children out of institutions and back into society.

Judson trains carefully picked welfare mothers to raise in their homes, for a modest salary, two or three crippled or emotionally disturbed kids. The rehabilitation rate for the welfare mothers is close to 100%, with many of them in five years or so moving into employment as rehabilitation workers. The rehabilitation rate for the children, who otherwise would be condemned to lifetime institutional confinement, is about 50%; and every one of these kids had been given up as hopeless.

The nonprofits spend far less for results than governments spend for failures. The cost per pupil in the New York Archdiocese's parochial schools—70% of whose students stay in school, stay off the streets and graduate with high literacy and salable skills—is about half that in New York City's failing public schools.

Two-thirds of the first-offenders paroled in Florida into the custody of the Salvation Army are "permanently" rehabilitated—they are not indicted for another crime for at least six years. Were they to go to prison, two-thirds would become habitual criminals. Yet a prisoner costs at least twice as much per year as a parolee in the custody of the Salvation Army.

The Judson Center saves the state of Michigan \$100,000 a year for each welfare mother and her charges—one-third in welfare costs and two-thirds in the costs of keeping the children in institutions.

Though the majority of the students in private colleges and universities get some sort of financial aid, their parents still pay more than do the parents of students in state universities and colleges. But the state-university student's education actually *costs* a good deal more than (in some states twice as much as) that of the student in a private nonprofit institution—with the difference paid by the taxpayer.

The nonprofits have the potential to become America's social sector—equal in importance to the public sector of government and the private sector of business. The delivery system is already in place: There are now some 900,000 nonprofits, the great majority close to the problems of their communities. And about 30,000 of them came into being in 1990 (the latest year for which figures are available)—practically all dedicated to local action on one problem: tutoring minority children; furnishing ombudsmen for patients in the local hospital; helping immigrants through government red tape.

Where 20 years ago the American middle class thought it had done its social duty by writing a check, it increasingly commits itself to active doing as well. According to the best available statistics, there are now some 90 million Americans—one out of every two adults—working as “volunteers” in nonprofits for three hours a week on average; the nonprofits have become

America's largest “employer.”

Increasingly these volunteers do not look upon their work as charity; they see it as a parallel career to their paid jobs and insist on being trained, on being held accountable for results and performance, and on career opportunities for advancement to professional and managerial—though still unpaid—positions in the nonprofit. Above all, they see in volunteer work access to achievement, to effectiveness, to self-fulfillment, indeed to meaningful citizenship. And for this reason there is more demand for well-structured volunteer jobs than there are positions to fill.

Some observers (such as Brian O'Connell, head of Independent Sector, the national association of the large nonprofits) believe that, within 10 years, two-thirds of American adults—120 million—will want to work as nonprofit volunteers for five hours a week each, which would mean a doubling of the man- and woman-power available for nonprofit work.

And the nonprofits are becoming highly innovative. When some friends and I founded the Peter F. Drucker Foundation for Non Profit Management a year ago, we planned as our first public event a \$25,000 award for the best innovation that would “create a significant new dimension of non profit performance.” We hoped to receive 40 applications. We received 809—and most were deserving of a prize.

The actual award went to the Judson Center, but the big nonprofits are as innovative as the small fry in many cases. With several billion dollars in revenue, Family Ser-

vice America—headquartered in Milwaukee—has become bigger than a good many Fortune 500 companies; it now is probably the biggest American nonprofit next to the Red Cross. It has achieved its phenomenal growth in part through contracting with large employers such as General Motors to help employee families with such problems as addiction or the emotional disorders of adolescent children.

**F**or the nonprofit's potential to become reality, three things are needed. First, the average nonprofit must manage itself as well as the best-managed do. The majority still believe that good intentions and a pure heart are all that are needed. They do not see themselves as accountable for performance and results. And far too many splinter their efforts or waste them on non-problems and on activities that would be done better—and more cheaply—by a business.

Second, nonprofits have to learn how to raise money. The American public has not become less generous—there is little evidence of the “compassion fatigue” nonprofit people talk about. In fact, giving has been going up quite sharply these past few years—from 2.5% of personal income to 2.9%. Unfortunately, a great many nonprofits still believe that the way to get money is to hawk *needs*. But the American public gives for *results*. It no longer gives to “charity”; it “buys in.” Of the charitable appeals most of us get in the mail every week, usually just one talks of results—the one that gets our check.

The nonprofits will have to get the additional money they need primarily from individuals—as they always have. Even if

there is government money—mainly via vouchers, I expect—and money from companies, they can supply only a fraction of what is needed.

Finally, we need a change in the attitude of government and government bureaucracies. President Bush has spoken glowingly of the importance of the nonprofits as the “thousand points of light.” If he really believes this, he should propose allowing taxpayers to deduct \$1.10 for each dollar they give to nonprofits as a cash donation. This would solve the nonprofits' money problems at once. It could also cut government deficits in the not-so-very-long run—for a well-managed nonprofit gets at least twice the bang out of each buck that a government agency does. Some of the voucher programs already enacted cut public school budgets, since some of the district's per-pupil spending moves with the child into the private sector.

Instead of such a policy, however, we have the IRS making one move after the other to penalize and to curtail donations to nonprofits—and the tax collectors of the big states are all doing the same. Each of these moves is presented as “closing a tax loophole”; in fact, none has yielded a penny of additional revenue and none is likely to do so.

#### First Line of Attack

The real motivation for such actions is the bureaucracy's hostility to the nonprofits—not too different from the bureaucracy's hostility to markets and private enterprise in the former Communist countries. The success of nonprofits undermines the bureaucracy's power and denies its ideolo-

gy. Worse, the bureaucracy cannot admit that the nonprofits succeed where governments fail. What is needed, therefore, is a public policy that establishes the nonprofits as the country's first line of attack on its social problems.

In my 1969 book "The Age of Discontinuity" I first proposed "privatization," only to have a every reviewer tell me that it would never happen. Now, of course, privatization is widely seen as the cure for modern economies mismanaged by socialist bureaucracies. We now need to learn that "nonprofitization" may for modern societies be the way out of mismanagement by welfare bureaucracies.

The Union Institute

Paul W  
Paul D  
Kuniki



WHAT DO YOU  
THINK?

-BR

Office for Social Responsibility  
Center for Public Policy  
Center for Women

October 14, 1993

Mr. Bruce Reed  
Deputy Assistant to the President  
Domestic Policy Council  
The White House  
Washington, D.C. 20500

Dear Bruce:

I am enclosing a draft concept memorandum on the "Public Participation Network." It is my initial effort to capture the sense of my conversation with you (and previously with the Welfare Reform Working Group) concerning a telecommunications link to nonprofit and philanthropic organizations.

As presented in this draft, the focus is on what I call Phase One -- the use of technology to facilitate communication between policy makers and the public through nonprofits. By testing this notion with charities, potential funders, and a possible corporate collaborator, I have become convinced that the idea has merit and likely can be implemented -- assuming White House interest and support.

It is important to note that there are several related government/nonprofit conversations going on in other quarters. Contacts with the Department of Housing and Urban Development, the National Information Infrastructure/Information Infrastructure Task Force, and explorations among those concerned with comprehensive, sustainable community development all are following parallel paths. These are more closely related to what I reference as Phase Two in my draft.

If you are interested in the PPN notion, it might be wise to convene a small meeting with some of the key actors in these other conversations, from both inside and outside government. If you think that it is worthwhile, I would be happy to summarize some of these other explorations and identify those leaders I believe ought to be invited to such a meeting.

I leave for the Independent Sector annual conference in San Francisco on Saturday (I can be reached at the Fairmont; 415/772-5000 [voice], 415/772-5086 [fax]), fly back on Wednesday, and will be in this office on Thursday. I expect to see a number of key funders at the conference, so if you have a positive initial reaction and would like me to test the notion further in terms of possible philanthropic support, please let me know as soon as possible.

Thanks for your interest and cooperation, and for your continuing efforts on behalf of the nonprofit and philanthropic sector.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Rosenman', written in a cursive style.

Mark Rosenman  
Vice President, Social Responsibility

Enclosure

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# The Union Institute

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Office for Social Responsibility  
Center for Public Policy  
Center for Women

**PUBLIC PARTICIPATION NETWORK**  
**A Computer-Based Telecommunications System**  
**for Exchange Between Policy-Makers and Communities**  
**on Empowerment Zones and, possibly, Welfare Reform**  
*A Concept Paper*

## **Introduction**

The Public Participation Network (PPN) will be a computer-based telecommunications system through which federal officials (including board and commission members) can obtain information, ideas and commentary from participating charitable organizations and others. In order to assure that information is provided in the most useful form, participants will be organized into "conferences" that develop and refine information and recommendations internally before they are reported out to government personnel. Additionally, PPN will allow federal officials access to organizations which might conduct related public-outreach efforts, conduct rapid opinion polling, and engage groups in continuing dialogue on identified issues. Ultimately, PPN also will serve as a mechanism to provide access and increase utilization of government information in collaborative efforts among nonprofit organizations and public agencies.

PPN, initially, will focus on only one or two areas of federal concern: (a) the establishment of empowerment zones and related community development initiatives; and, possibly, (b) welfare reform. If successful, it would later be institutionalized with the capacity to address a very broad range of domestic issues and concerns.

PPN, with philanthropic and government support, will be established as a two-phase pilot project reflecting the National Information Infrastructure/Information Infrastructure Task Force concern for "Civic Networking: Technology in the Public Interest." It would be created and operated by a politically-neutral nonprofit organization serving as its administrator, working in close collaboration with designated federal officials with responsibility for empowerment zones (and possibly welfare reform).

Phase One is intended to facilitate communication on the identified topics between and among federal officials, nonprofit organizations, philanthropic foundations and corporate social responsibility programs. Additionally, nonprofits and foundations will extend the PPN by responding to specific requests made of them by federal officials to conduct and report on public outreach efforts to people at the community level (through forums, meetings, polls, case examples, testimony, etc.).

PPN's principal purposes in Phase One will be to provide federal officials with organized and accessible information, program models, commentary, and creative wisdom on policy and program ideas related to

empowerment zones (and possibly welfare reform initiatives) under development and in implementation; and to provide a mechanism to engage the general public in discussions of the identified federal initiatives, obtain their guidance, and build their popular engagement and investment.

Phase Two will extend PPN to allow effective dissemination, access and utilization of government information as necessary to effective programmatic collaboration between and among government, nonprofits and foundations on empowerment zones (and possibly welfare reform). The important purpose in this stage is to provide community-based organizations and others with the multitude of separate databases and datasets, and the tools to aggregate, integrate, analyze, and employ that information to advance sustainable development in all areas of domestic concern.

Additionally, PPN will be developed initially with only federal involvement. However, the system would have the capacity to be extended to specific state and local governments wishing to participate with separate conferences of their own design focused on the identified topical concerns.

The development and testing of Phase Two capacities will be undertaken only after the efficacy of PPN is demonstrated successfully in Phase One.

### **The System: Phase One**

#### **■ Overview**

PPN would be established, housed and operated by The Union Institute, an independent, nonprofit university which itself would remain nonpolitical/nonideological/neutral regarding empowerment zones (and possibly welfare reform) programs and policies. It would administer the entire system and serve as secretariat and facilitator for each of the various conferences.

As is elaborated below, conferences would be organized around topically-focused subsets of issues related to empowerment zones (and possibly welfare reform) on which federal officials desired input. Conference topics would be defined and established by PPN, as requested by the government, and would be initiated with a question or call for deliberation. PPN members (see "Membership and Access" below) interested in the subject would then sign-on to the conference, download any relevant documents, and then contribute remarks, information, etc. to the conference. Other conferees would read those entries, add comments to them, and the cycle would continue. When, in the judgment of the PPN administrator, a conference had reached some interim conclusions, they would be reported out to the involved federal officials, and summarized for all PPN members.

Federal officials would review conference reports, comment on them, make new requests and/or ask new questions of the conferees, and the entire cycle would repeat itself. Additionally, federal officials might ask PPN members in any or all conferences to respond to questionnaires or polls, conduct and report on public outreach activities or otherwise assist the government in its efforts at relevant policy and program development. The PPN administrator would organize and report the results of all such activities.

■ Details

PPN would be a multi-level conferencing system. All members would have automatic access to a top-level menu which offered:

- ▶ brief instructions on navigating the PPN system
- ▶ bulletins about new system developments
- ▶ memoranda from federal empowerment zone (and possibly welfare reform) officials which focus on particular issues and generally reference longer documents
- ▶ relevant documents, reports, etc. which might be downloaded
- ▶ summaries of important related national news and developments
- ▶ alerts about opportunities and deadlines for public comment, testimony, etc.
- ▶ questionnaires and polls used to solicit immediate commentary and opinion from members (generally in the form of files that would be downloaded, completed, sent/uploaded to the administrator, automatically tabulated, and quickly reported
- ▶ community outreach requests and report-back forms (which would ask members to organize and conduct meetings, forums, interviews, etc. with people in their local area, report back key results using a downloaded/completed/uploaded form, and which would be summarized and reported by the PPN administrator
- ▶ electronic mail to other PPN members
- ▶ membership lists, organized by geography and conference participation
- ▶ lists of the various topically-focused on-going conferences, and
- ▶ recent reports from each separate conference.

Beyond PPN generated entries, top-level material could be initiated by any member and sent to the PPN administrator -- to assure a minimum of "junk-mail" and parochialism, the administrator would use predefined criteria to decide which were to be broadcast.

Each member could register for active participation in a limited number of conferences (depending on how many are established) and make occasional changes among them. Conferences would be private and participation limited to those registered for them. Each member could send messages to any conference convener and ask that they be brought to the attention of the conference participants. As noted above, each conference would regularly report to all PPN members.

The various conferences to be organized would be identified in discussion between federal officials and the PPN administrator. They would be defined in terms of major topical-subsets of the principal theme. For example, under empowerment/enterprise zones, they might include: creative uses of tax incentives; community development financing models; microenterprise development; job development and training schemes; sweat equity programs; programming by outcomes; etc. Special closed conferences, limited to participants invited because of special criteria, might be established occasionally.

Each conference would have a second-level menu which would inventory key questions around which there was discussion. Members would be expected to participate in a number of these discussions,

adding information and opinion to what had already been posted. As the conversation on each question reached some initial findings or recommendations, it would be reported out to the involved federal officials through the administrator, and summarized as an item on the menu (to be accessed and reviewed by those joining the conference later on). Federal officials would offer commentary on these preliminary findings/recommendations which would be reported back to conferees through the administrator. That then would lead to a second cycle of conferencing on the particular subtopic, repeating the entire pattern of operation.

The advantages of this conferencing process is that it allows federal officials to define themes on which they desire input, encourages PPN users to discuss these issues among themselves in ways which allow the best of analyses and wisdom to emerge, and then organizes information and reports it to federal officials in ways which are much more easily accessible and manageable than a large number of responses communicated independently of one another.

#### **Membership and Access**

On application, any nonprofit organization, philanthropic foundation, corporate-giving and social responsibility program, or recognized individual expert would be given PPN membership. There would be no charge or fee associated with use of PPN.

The system would not require members to have special hardware or software beyond a computer, modem and a regular telecommunications program. Public libraries and other community-based facilities would be allowed participation if they provided access to members without their own computers.

Members would be recruited in a number of ways: notices on existing nonprofit- and foundation-serving bulletin boards, announcements in relevant publications, special mailings and conference presentations, and news stories in mass media. "On-line" membership applications would be made available.

All new members would be mailed an information packet providing an orientation to PPN and instructions on how to connect with it. PPN workshops also would be offered at relevant nonprofit and related conferences and meetings.

Recognized experts and community-based nonprofit organizations with financial need would be provided with a toll-free telephone number to access PPN; all others would be required to pay their regular long-distance telephone charges to gain access.

PPN would allow direct access and gateway connections through Internet (a high-speed line would be employed) and any established telecommunication system principally serving nonprofit organizations (such as HandsNet). It would be modeled on the well regarded Right-to-Know Network (RTK NET serves community-based nonprofit organizations and others in cooperation with the Environmental Protection Agency and currently is developing a working relationship with HUD).

The system would have the capacity necessary to allow contemporaneous access by multiple members. The number of such access points would be increased as membership and participation grows.

#### **Financing**

It is estimated that approximately \$300,000 would be needed to establish and operate PPN under Phase One for a year; this assumes dedicated use of a portion of an established host system, such as RTK NET. Phase Two would involve higher levels of expense, as would establishment of PPN as an unhosted independent system during and subsequent to Phase One.

Ideally, PPN could be underwritten through a combination of federal funding and philanthropic grants. Additionally, one or more corporations in the computer and telecommunications industries might be enlisted to provide loaned staff, technical assistance, software development, and in-kind hardware contributions. It might even be possible to obtain computer and modem contributions to be distributed to eligible prospective members without sufficient resources to allow their participation.

The Union Institute has tested the PPN idea with both foundations and a potential corporate collaborator; it has found significant interest in exploring the possibility of supportive participation.

<u>October</u>		<u>October</u>
Friday, 10/15,	9-10	Consultations with key members
Monday, 10/18,	9-5:30 (off site)	
Friday, 10/22,	9-10:30	Orientation for new members: Fri, Oct 29, 10:30-12, Rm 415F, HHH
Friday, 10/29,	9-10:30	
<u>November</u>		<u>November</u>
Friday, 11/5,	9-10:30	Monday, 11/1 All-day mtg (?)
		Monday, 11/8 Tenn. Hearing Tuesday, 11/9 Tenn Hearing
Friday, 11/12,	9-10:30	Clear outline ready
		Working Group meeting: Fri, 11/19, 3-5:30 (?)
Friday, 11/19,	9-10:30	Consultations with members, advocacy groups, states
		Meet with working group
Friday, 11/26:	no meeting	Meet with President
<u>December</u>		<u>December</u>
Friday, 12/3,	9-10:30	Meet with working group
Friday, 12/10,	9-10:30	Decision documents to President
Friday, 12/17,	9-10:30	Meet with President
Thursday, 12/23,	9-10:30	President makes key decisions, integrated with budget process
Thursday, 12/30,	9-10:30	
<u>January</u>		<u>January</u>
Friday, 1/7,	9-10:30	Preview meetings with members, groups, states?
Friday, 1/14,	9-10:30	Summit????
Friday, 1/21,	9-10:30	Tues, 1/25, State of the Union
		<u>February</u>
		Coordinated rollout of plan involving cabinet-level

OCT 20 1993



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Office for Social Responsibility

**FAX MEMORANDUM**

09/17/93

TO: Bruce Reed

FROM: Mark Rosenman

RE: White House Meeting

I thought that you might like to see the text of a memo on Tuesday's meeting which is being sent to select nonprofit/philanthropic leaders. It follows this cover sheet.

You might also wish to be aware that the meeting is mentioned in the cover story ("Clinton and Non-Profits: a Mixed Record") in the current issue of The Chronicle of Philanthropy.

I will follow-up with White House personnel and keep you informed of developments.

September 17, 1993

**MEMORANDUM**

**TO:** Interested Nonprofit and Foundation Leaders

**FROM:** Mark Rosenman, Vice President for Social Responsibility  
The Union Institute

**RE:** Report on White House Meeting

There were very positive outcomes from a recent (September 14th) White House meeting with approximately twenty representatives of the nonprofit/philanthropic sector's infrastructure -- those concerned with cross-cutting issues of consequence to the charitable community. The session, hosted by Doris Matsui (Deputy Assistant to the President & Deputy Director, Office of Public Liaison), was organized in part as a response to The Union Institute's request that the White House continue and extend its prior efforts to strengthen collaboration with the sector. Others including high-placed officials from the Office of the First Lady, the Domestic Policy Council, and the Cabinet Secretary participated in the discussion.

In relation to the themes outlined below, a number of important commitments were made:

- Each Secretary is being asked to appoint an official, at the level of Assistant Secretary or above, to serve as principal contact/raison for nonprofit organizations and foundations. It was suggested that the appointed individuals from all of the Cabinet departments be brought together for an orientation, and to develop common processes to improve collaboration with the sector; leaders from the sector might assist in that initiative.
- The White House officials involved in the meeting, with the addition of a representative from the Office of the Vice President, will explore ways to better address the sector's cross-cutting policy concerns. They also will propose mechanisms to facilitate and institutionalize continuing White House and agency collaboration with the sector. A report of their deliberations will be made to the sector's representatives.

The meeting itself was broad-ranging and focused on several themes and specific ideas for:

- Increasing nonprofit and public participation in governance -- facilitating two-way communication between the White House and its agencies/departments and the sector; involving nonprofits more directly in the "reinventing government" efforts of the National Performance Review; working with nonprofits for "putting people first" and "putting customers first" by using them as outreach organizing, evaluating and monitoring vehicles; exploring computer-based telecommunications systems; etc.

- Removing barriers to collaboration -- encouraging nonprofit advocacy and lobbying by proactive statement and the monitoring of legislative and policy initiatives which might have an adverse impact; increasing White House attention to cross-cutting nonprofit issues; etc.
- Institutionalizing collaboration -- establishing formal responsibilities in the White House and agencies for continuing nonprofit/foundation involvement; engaging nonprofit and foundation leaders in the design and operation of such mechanisms; etc.

The discussion was highly positive in tone and, for the first time, reached beyond the White House in thinking about ways in which Cabinet departments might be involved in parallel initiatives.

People and organizations interested in the sector's relationship with the White House and who wish to be kept informed of developments should provide full contact information (Name, Title, Organization, Address, Telephone, and Fax) to:

Mark Rosenman  
The Union Institute  
1731 Connecticut Avenue, N.W. (Suite 300)  
Washington, D.C. 20009-1146  
FAX: 202/265-0492

*Non Profits*

THE WHITE HOUSE  
WASHINGTON

September 15, 1993

MEMORANDUM TO BRUCE REED

FROM:

Doris Matsui *DM*  
Deputy Assistant to the President  
White House Office of the Public Liason

SUBJECT:

List of attendees of the September 14, 1993  
Non-Profit Sector briefing.

---

Per your request, enclosed is the list of people who attended the Tuesday, September 14, 1993 Non-Profit Sector briefing.

Ms. Nan Aron  
Executive Director  
Alliance for Justice  
1601 Connecticut Avenue, NW  
Suite 601  
Washington, DC 20009  
202/332-3224

Mr. Gary Bass  
Executive Director  
OMB Watch  
1731 Connecticut Avenue, NW  
4th Floor  
Washington, DC 20009  
234-8494

Ms. Christine Benero  
Director of Washington Office and  
Director of Governmental Affairs  
Association of Junior Leagues  
International  
1319 F Street, NW  
Suite 604  
Washington, DC 20004  
393-3364

Ms. Kathleen Bonk  
Co-Director  
Communications Consortium  
1333 H Street, NW  
Washington, DC 20005  
202/682-1270

Ms. Lauren A. Cook  
Assistant to the President for  
Public Policy  
Council on Foundations  
1828 L Street, NW  
Washington, DC 20036-5168  
466-6512

Mr. Arnie Coraf  
Industrial Areas Foundation  
Baltimore, MD  
410/750-1556

Ms. Suzanne Feurt  
Program Officer  
Charles Stewart Mott Foundation  
1200 Mott Foundation Building  
Flint, MI 48502-1851  
(313) 238-5651

Mr. Ronald Field  
Senior Vice President  
Family Service America  
1319 F Street, NW  
Suite 204  
Washington, DC 20004  
202/347-1124

Mr. Arnie Graf  
Industrial Areas Foundation  
410/750-1595

Ms. Leslie Harris  
Director of Public Policy  
People for the American Way  
2000 M Street, NW  
Suite #400  
Washington, DC 20015  
467-2390

Ms. Linda Lancaster  
The National Assembly of National  
Voluntary Health & Social Welfare  
1319 F Street  
Suite 601  
Washington, DC  
202/393-2080

Mr. John Michael McCloakey  
Chairman  
Sierra Club  
408 C Street, NE  
Washington, DC 20002  
(202)547-1141

Ms. Emily Gautz McKay  
National Council of La Raza  
810 First Street, NW  
Suite 300  
Washington, DC 20002  
202/289-1380

Ms. Ann Mitchell  
Executive Director  
National Council of Nonprofit  
Associations  
1828 L Street, NW  
Suite #505  
Washington, DC 20036  
202/785-3208

Mr. James Parkel  
Director of Corporate Support  
Programs  
IBM Corporation  
Old Orchard Road  
Armonk, NY 10504  
(914)765-5242

Ms. Diana Pearce  
Women and Poverty\Wider  
Opportunities for Women  
Director of Women and Poverty  
Project  
1325 G Street  
NW  
Washington, DC 20005  
202/638-3143

Mr. Mark Rosenman  
Vice President, Social  
Responsibility  
The Union Institute  
1731 Connecticut Ave, NW  
Suite #300  
Washington, DC 20009-1146  
202/667-1313

Mr. Michael Seltzer  
Executive Director  
Fundurs Concerned About AIDS  
310 Madison Avenue  
Suite 1630  
New York, NY 10017  
(212)573-5533

Ms. Kathleen Sheekey  
Co-director  
Advocacy Institute  
1730 Rhode Island Avenue, NW  
Washington, DC 20036  
202/659-8475

Ms. Hildy Simmons  
Mangaing Director, Community  
Relations & Public Affairs  
J.P. Morgan & Co. Inc  
60 Wall Street  
New York, NY 10260  
(212)648-9664

Ms. Susan Smith  
Public Policy Associate  
Red Cross  
17th & D Streets, NW  
NW  
Washington, DC 20006  
639-3165

Mr. Robert Smucker  
Senior Vice President  
Independent Sector  
1828 L St., NW  
Washington, D.C. 20036  
202/223-8100

Ms. Linda Tarr-Whelan  
President and Executive Director  
Center for Policy Alternatives  
1875 Connecticut Ave, NW  
Suite 710  
Washington, DC 20009  
202/387-6030

Jo Sachiko Uehara  
Interim National Executive Director  
YWCA of the USA  
726 Broadway  
5th Floor  
New York, NY 10003  
212/614-2868

# The Union Institute

Office for Social Responsibility  
Center for Public Policy  
Center for Women

COPY

September 14, 1993

*Bruce  
Thanks for your participation  
& cooperation.  
MHR*

Ms. Doris O. Matsui  
Deputy Assistant to the President  
& Deputy Director, Office of Public Liaison  
The White House  
Washington, D.C. 20500

Dear Doris:

I would like to thank you for your time and effort in organizing and conducting the meeting of White House officials with representatives of the nonprofit/philanthropic sector. Your leadership during the discussion was appreciated and has, I believe, taken us in very positive directions.

The nonprofit/philanthropic leaders with whom I spoke following the session were quite pleased with the conversation and are genuinely excited about the potential to move forward in ways which will better institutionalize and advance collaboration. You can count on our support and involvement in those efforts.

On a personal note, I am grateful for the role you allowed me to play in helping to prepare for the meeting. I would be honored to provide any assistance I might offer as your colleagues and you work to realize the potential for greater partnership.

Sincerely,

Mark Rosenman  
Vice President, Social Responsibility

cc: Melanne Verveer  
Bruce Reed ✓  
Anne Bartley

THE WHITE HOUSE  
WASHINGTON

September 3, 1993

MEMORANDUM FOR BRUCE REED

FROM: DORIS MATSUI  
RE: NONPROFIT MEETING

---

On Tuesday, September 14th from 2:00 - 3:30 p.m. in room 100, I have coordinated a meeting with nonprofit organizations. This meeting was originally scheduled in July, but was postponed because I was ill. Please let Wendy Nishikawa know at x2930 if this can be added to your schedule.

Dr. Gwendolyn Calvert Baker  
National Executive Director  
YWCA of the USA

Mr. Gary Bass  
Executive Director  
OMB Watch

Ms. Christine Benero  
Director of Washington Office and  
Director of Governmental Affairs  
Association of Junior Leagues

Mr. Nicholas Bollman  
Program Officer  
The William and Flora Hewlett  
Foundation

Ms. Kathy Bonk  
Communications Consortium

Dr. Norman Brown  
President and Chief Executive  
Officer  
W.K. Kellogg Foundation

Mr. Emmett Carson  
Program Officer of the Governance  
and Public Policy Program  
Ford Foundation

Mr. David Cohen  
Co-Director  
Advocacy Institute

Ms. Lauren A. Cook  
Assistant to the President for  
Public Policy  
Council on Foundations

Mr. Pablo Eisenberg  
Executive Director  
Center for Community Change

Ms. Suzanne Feurt  
Program Officer  
Charles Stewart Mott Foundation

Mr. Ronald Field  
Senior Vice President  
Family Service America

Ms. Leslie Harris  
Director of Public Policy  
People for the American Way

Ms. Geneva Johnson  
President and Chief Executive  
Officer  
Family Service America

Mr. Jim Joseph  
Chief Executive Officer  
Council on Foundations

Ms. Ann Marshal  
Executive Director  
National Council of Nonprofit  
Associations

Mr. Michael McCloskey  
Chairman  
Sierra Club

Mr. Brian O'Connell  
President  
Independent Sector

Mr. James Parkel  
Director of Corporate Support  
Programs  
IBM Corporation

Ms. Diana Pearce  
Women and Poverty/Wider  
Opportunities for Women  
Director of Women and Poverty

Mr. Gordon Raley  
Executive Director  
The National Assembly of National  
Voluntary Health & Social Welfare

Mr. Mark Rosenman  
Vice President, Social  
Responsibility  
The Union Institute

Mr. Michael Seltzer  
Executive Director  
Fundors Concerned About AIDS

Ms. Mildy Simmons  
Mangaing Director, Community  
Relations & Public Affairs  
J.P. Morgan & Co. Inc

Ms. Susan Smith  
Public Policy Associate  
Red Cross

Ms. Linda Tarr-Whelan  
President and Executive Director  
Center for Policy Alternatives

Ms. Emily Tynes  
Deputy Director  
Communications Consortium Media  
Center

Mr. Raul Yzaguirre  
President  
National Council of La Raza

To Bruce / Cathy  
Date 9/2 Time 10:20am

**WHILE YOU WERE OUT**

M Ann Bartley  
of HRC's off.

Phone X6266  
Area Code Number Extension

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	URGENT	<input type="checkbox"/>
RETURNED YOUR CALL		<input type="checkbox"/>	

Message  
- wanted to confirm info  
Sept 14th 2-3-30pm.  
Rm 100-060B  
w/ HRC  
Also - Melanne & Ann <sup>lead</sup> set up <sup>to</sup> <sub>MT</sub>

## The Union Institute

Office for Social Responsibility

### FAX MEMORANDUM

08/27/93

TO: Bruce Reed  
FROM: Mark Rosenman  
RE: White House/Nonprofit Meeting

By now you should have been faxed an invitation to a White House meeting of nonprofit and foundation leaders with Dorsi Matsui, Deputy Assistant to the President and Deputy Director, Office of Public Liaison. Joining her and invited participants will be Melanne Verveer (Deputy Assistant to the President and Deputy Chief of Staff, Office of the First Lady), Bruce Reed (Deputy Assistant to the President, Domestic Policy Council) and Anne Bartley (Assistant to the Deputy Chief of Staff, Office of the First Lady). The meeting will begin at 2:00 p.m. and continue for at least an hour on Tuesday, September-14th.

Ms. Matsui will set the agenda for the meeting, which is convened at least in part as a response to others' and my suggestions that the White House extend its previous efforts to increase collaboration with nonprofit organizations and foundations. You likely received materials from me earlier this year regarding some of those prior activities; if you did not or if you would like another set, please contact Ruby Crichton at this Office.

The page which follows outlines some key points covered in previous conversations with White House staff. While I do not presume to anticipate participants' interests and perspectives, I think that we might focus profitably on some of the suggested items listed under "Specific Recommendations for Action." If you would like to discuss any of these points in advance of the meeting, please do not hesitate to contact me.

It is my understanding that invitations have been extended to many of those I recommended for participation, including: Gary Bass (OMB Watch & Coalition on Human Needs), Nick Bollman (James Irvine Foundation), Norman Brown (W.K. Kellogg Foundation), Gwendolyn Calvert Baker or Jo Uehara (YWCA of America), Emmett Carson (Ford Foundation), David Cohen (Advocacy Institute), Pablo Eisenberg (Center for Community Change), Suzanne Feurt (C.S. Mott Foundation), Leslie Harris (People for the American Way), Geneva Johnson (Leadership 18 & Family Services America), James Joseph or Lauren Cook (Council on Foundations), Ann Marshall (National Council of Nonprofit Associations), Mike McCloskey (Sierra Club), Brian O'Connell or Bob Smucker (Independent Sector), James Parkel (IBM), Diana Pearce (Wider Opportunities for Women), Gordon Raley (National Assembly), Michael Seltzer (Fundors Concerned About AIDS & Nonprofit Management Association), Hildy Simmons (J.P. Morgan & Co.), Susan Smith (Red Cross), Linda Tarr-Whelan (Center for Policy Alternatives), and Paul Yzaguirre (National Council of La Raza).

White House Office of Public Liaison  
Meeting with the Nonprofit Sector

BACKGROUND

Overview of Relationship with the Nonprofit Sector

Prior to Clinton Administration

Campaign and Transition Activities

White House Activities

Levin – Lobbying Disclosure

Reconciliation Bill -- Lobbying Disclosure

Postal Rate Revenue Foregone

Individual Taxation and 3% Floor on Deductions

Findley NEA citation of *Rust*

Future Treasury Positions -- Hearings on Tax-Exemption and Accountability

How the Sector and Government can Help One Another on Policy and Program Initiatives

Wisdom, Experience and Innovation of Nonprofits and Foundations

For particular policy and program areas

For reinventing government -- National Performance Reviews (NPR)

Sector as Communication Vehicle for Putting People First

Provide in-put on policy initiatives from local organizations

Organize and conduct public meetings on policy initiatives

Gather and provide comment and suggestions from people based on

| specific Presidential requests

Conduct citizen outreach and help generate Public Will for change

Use of computer-based telecommunications systems

Research and Development Crucible

Develop and test policy and program alternatives

Provide seed-money and other resources for R&D

Presidential Leadership

Bully pulpit to advance appreciation of nonprofits and foundations

Calls and action to "reconstruct community in service to commonwealth"

SUGGESTED DISCUSSION ITEMS

Specific Recommendations for Action

Presidential Action

Use bully pulpit appropriately

Use Executive Order to increase nonprofit and public participation in agency decision-making

Use Executive Order to prohibit broader application of *Rust v. Sullivan* authority

Institutionalize Relationship

Establish formal and continuing White House mechanism/position to relate to nonprofits and foundations

Cooperate with sector in establishing external secretariat functions in support of collaborative efforts

Establish Collaborative Mechanisms

Create formal NPR and other mechanisms to advance collaboration in reform efforts -- especially streamlining grants/contracts -- and replicate at community level

Conduct a systematic review of White House policy positions relevant to the sector

Create opportunities for continuing direct participation in relevant policy formation

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# The Union Institute

Office for Social Responsibility

## **FAX MEMORANDUM**

08/27/93

TO: Bruce Reed

FROM: Mark Rosenman

RE: White House/Nonprofit Meeting

I want to let you know that I am sending a fax regarding possible discussion items to those I suggested participate in the White House nonprofit sector meeting.

A copy of my fax will be sent to you as if you are one of those participants

THE WHITE HOUSE  
WASHINGTON

*Will be  
Rescheduled*

July 14, 1993

MEMORANDUM FOR BRUCE REED

FROM: DORIS MATSUI *DM*

RE: NON PROFIT MEETING

\*\*\*\*\*

Due to a scheduling conflict, the Non Profit Meeting will be held on Thursday, July 22nd at 2:00 p.m. in room 476. If there are any additional questions, please do not hesitate to contact me at x2930.

Those organizations invited include:

- |                   |                                       |
|-------------------|---------------------------------------|
| Gary Bass         | OMB Watch                             |
| Christine Benero  | Association of Junior Leagues         |
| Norman Brown      | W.K. Kellogg Foundation               |
| Emmett Carson     | Ford Foundation                       |
| David Cohen       | Advocacy Institute                    |
| Pablo Eisenberg   | Center for Community Change           |
| Suzanne Feurt     | Charles Stewart Mott Foundation       |
| Leslie Harris     | People for the American Way           |
| Jim Joseph        | Council on Foundations                |
| Gerry Kaufman     | National Council of Non Profit Assoc. |
| Brian O'Connell   | Independent Sector                    |
| Mark Rosenman     | Union Institute                       |
| Linda Tarr-Whelan | Center for Policy Alternatives        |
| Diana Pearce      | Opportunities for Women               |
| Susan Smith       | Red Cross                             |
| Raul Yzaguirre    | National Council of La Raza           |

June 29, 1993

MEMORANDUM

TO: BRUCE REED  
DEPUTY ASSISTANT TO THE PRESIDENT  
DOMESTIC POLICY COUNCIL

FROM: DORIS MATSUI *DM*  
DEPUTY ASSISTANT TO THE PRESIDENT  
DEPUTY DIRECTOR OF PUBLIC LIAISON

RE: NONPROFIT SECTOR MEETING  
JULY 15, 1993  
2:00 - 3:00 PM  
476 OEOB

Per our conversation yesterday, I am providing you with a list of suggested invitees to this meeting.

Doris Matsui  
Melanne Verveer  
Bruce Reed  
Gary Bass (OMB Watch)  
Norman Brown (W.K. Kellogg Foundation)  
Gwendolyn Baker (YWCA of the USA)  
Pablo Eisenberg (Center for Community Change)  
Suzanne Feurt (Charles Stewart Mott Foundation)  
Leslie Harris (People for the American Way)  
Geneva Johnson (Family Services America)  
Jim Joseph (Council on Foundations)  
Gerry Kaufman (National Council of Nonprofit Associations)  
Brian O'Connell (Independent Sector)  
Diana Pearce (Women & Poverty/Wider Opportunities for Women)  
Susan Smith (Red Cross)  
Linda Tarr-Whelan (Center for Policy Alternatives)  
Raul Yzaguirre (National Council of La Raza)  
Christine Benero (Association of Junior Leagues)

Please advise about any additions, deletions or changes. Please call me at X2930.

*Mark Rosenman?*

## The Union Institute

Office for Social Responsibility

### FAX MEMORANDUM

07/19/93

TO: Bruce Reed

FROM: Mark Rosenman

RE:

I am contacting you in conjunction with an invitation you should have received to a White House meeting with nonprofit and foundation leaders scheduled for July 22nd. It is organized by Doris Matsui, Deputy Director, Office of Public Liaison, at least in part as a response to my request that the White House follow-up and extend previous efforts to increase collaboration with nonprofit organizations and foundations. In the past you should have received material from me regarding these prior activities. If you have not, please call Ruby Crichton in my office (202/667-1821) and request them; I am on vacation and can be reached at 207/276-3308 if you need to speak with me.

Although I am unsure about the format that Ms. Matsui wishes to use on the 22nd, I thought that it might be helpful if I reviewed some of the key points we might wish to discuss. These are outlined on the page that follows this cover sheet. It is likely that the White House will add to them.

I am told that Melanne Verveer and Anne Bartley (Office of the First Lady), and Bruce Reed (Domestic Policy Council) will join Ms. Matsui. I have suggested that at least the following be invited: Gary Bass (OMB Watch and Coalition on Human Needs), Nick Bollman (Hewlett Foundation), Norm Brown (Kellogg Foundation), Gwen Calvert Baker (YWCA), Emmett Carson (Ford Foundation), David Cohen (Advocacy Institute), Pablo Eisenberg (Center for Community Change), Suzanne Feurt (Mott Foundation), Leslie Harris (People for the American Way), Geneva Johnson (Leadership 18 and Family Service America), Jim Joseph or Lauren Cook (Council on Foundations), Gerry Kaufman (National Council of Nonprofit Associations), Mike McCloskey (Sierra Club), Brian O'Connell or Bob Smucker (Independent Sector), Jim Parkel (IBM), Diana Pearce (Wider Opportunities for Women), Susan Smith (Red Cross), Linda Tarr-Whelan (Center for Policy Alternatives), and Raul Yzaguirre (National Council of La Raza).

I look forward to seeing you on the 22nd.

White House Office of Public Liaison  
Meeting with the Nonprofit Sector

Overview of Relationship with the Nonprofit Sector

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Conduct a systematic review of White House policy positions relevant to the sector

Create opportunities for continuing participation in policy formation

From the desk of

ANNE BARTLEY

Bruce -

Any comments or  
suggestions, please  
call me -

Thanks,

Anne

X 2398 direct line

X 6266 Messages

*Non Profits*

M E M O R A N D U M

December 13

TO: Kumiki Gibson  
Doris Matsui  
Bruce Reed  
Stephen Silverman  
Christine Varney

FROM: Melanne Verveer and Anne Bartley

RE: Suggested Next Steps for the Non-Profit Sector

-----  
There is good groundwork laid for the Administration working with the Non-Profit Sector, however, it is extremely important that we continue to move forward as there is some discontent with our plans but no public results as of yet. Following are some suggestions:

1. Non-Profit Sector Liaisons in the Agencies/Departments

16 agencies and departments have appointed Non-Profit sector Liaisons. There are only 4 remaining to be designated. Since Eli Segal announced the Liaisons in a speech October 19 to the Independent Sector, there has been inquiry, most recently, Christine Goss, a reporter with the "Chronicle on Philanthropy," asking questions about its purpose and implementation.

Since the Liaison network should be made public as soon as possible, we are exploring publishing an article in the "Chronicle of Philanthropy" and other newsletters that would communicate quickly into the non-profit sector.

The article could be simple and contain the following:

- \* a statement from the President reflecting his campaign statements that the non-profit sector is important
- \* the purpose and function of the Liaisons, how to use them in the agencies/departments
- \* the list of liaisons with numbers, addresses, and other pertinent information
- \* the purpose and function of the Public Liaison Office in the White House, how to use it, its limitations

Since making this public will most likely create increased demand on the Liaisons, they must be sufficiently prepared. In order

for adequate communication with them, a projected publishing release date would be mid to late January, 1994.

At the same time our office will take the lead on convening a small working group of representatives of the non-profit sector for the sole purpose of creating a directory for the Non-Profit Sector Liaisons that would contain the following:

- \* the purpose and function of the Liaisons, the history of our administration with the Non-Profit Sector, the President's campaign statements, recent remarks, etc.
- \* a description of the infrastructure of the foundation world and the contacts for:
  - \* Council on Foundations
  - \* Foundation Center
  - \* Regional Association of Grantmakers
  - \* Association of Community Foundations
  - \* Any Other Such Organization
- \* a description of the infrastructure of the non-profit organizations and the contacts for:
  - \* Independent Sector
  - \* Any Other Such Organization
- \* a list of the publications of the sector
- \* other pertinent information

If you have suggestions of groups who should be included, please let Anne Bartley know as soon as possible (direct line x2398, messages x6266).

## 2. Executive Order

During the Transition an Executive Order was drafted by members of the non-profit sector at the request of Transition officials. The purpose of the Order was to increase the participation of the nonprofit/philanthropic sector and beneficiaries of government programs. The draft they presented was modified during the Transition, but since then there has been no response to it. The Executive Order was mentioned at the September 14th meeting and

two of the authors recently had a meeting with Kumiki and me in an attempt to get some movement for agreement and the President to sign it. There is strong sentiment by some in the non-profit sector that the administration needs to acknowledge publicly and with some teeth, an institutional role of this sector, especially after the previous administrations' undermining it and our mixed signals.

However, at our pre-meeting on September 14th, we came to a consensus that the effort to create the Executive Order was not the best use of our time. Instead, we should concentrate on the Liaison Network as the real vehicle in each department and agency where the non-profit sector would get increased participation and representation which was a partial goal of the E.O. It was also agreed that the President and the First Lady should make speeches on the importance of the non-profit sector, especially with many of the administrations' policies and efforts needing this sector to implement them since there are scarce funds and staff. Depending on this sector for service delivery and partnering with the federal government has been a transition of necessity and not always smooth or acknowledged. Their speeches could paly this important function.

### 3. Sector Wide Issues

There are some issues that affect the whole sector. Some of these are:

- \* Lobbying Disclosure Act
- \* Charitable Tax Deductions
- \* Postal Rate

At the September 14th meeting there were requests that the White House know how certain legislative and OMB provisions affect this community as a whole and that it be more proactive and protective of them. We will designate the appropriate point person for each of the major pieces that the sector is concerned with. Bob Smucker of Independent Sector appears to be the best beginning contact person for the Non-Profit side. If you have additional suggestions, please contact Anne.

### 4. Immediate and Long Term Next Steps

1. A Meeting with Brian O'Connell of Independent Sector, Alexis Herman, Doris Matsui, Melanne Verveer, and Anne Bartley. (Doris is taking the lead on this. She is also having lunch with Mr. O'Connell, a public critic of the Administration's approach to the Non-Profits on 12/14.)

2. Preparing the Liaison Network for the Publication of their role and publication of pertinent information by mid to late January.
3. Facilitate with Legislative Affairs and OMB for Person on Sector Wide Issues and Identification by the Sector System For Communication
4. Speeches from the President and First Lady on the Importance of the Sector and Its Roles as Funder, Implementer, or Partner
5. Creation of Directory on the Non-Profit Sector for the Liaisons' Network
6. Meeting of the Liaisons at the White House Only for Administration People
7. Series of Meetings on Selected Topics with Appropriate Cabinet Liaisons and Non-Profit Sector
8. Identification of Telecommunications System for Non-Profit Sector and Contact People in Administration to Communicate via Computer