ARNOVA

ASSOCIATION FOR RESEARCH ON NONPROFIT ORGANIZATIONS AND VOLUNTARY ACTION

Fourth Annual Symposium on Public Policy for Nonprofits

Wednesday, May 13, 2015

THE KRESGE FOUNDATION

Table of contents

Takeaways for Researchers, Funders, and Policymakers

Notes from the 2015 ARNOVA Policy Symposium

The 4th ARNOVA Symposium on Public Policy for Nonprofits convened on Wednesday, May 13, 2015. In attendance were nearly thirty nonprofit policy-practitioners and researchers representing a diverse group of organizations and entities. The event was organized by the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA), and hosted at the Urban Institute in Washington, DC.

Convened by Symposium co-chairs, Chao Guo and Dennis Young, the Symposium was introduced as an opportunity to engage nonprofit researchers and the nonprofit public policy community along topics of mutual interest and inquiry. Alan Abramson, President of ARNOVA and Shariq Siddiqui, Executive Director of ARNOVA, welcomed the attendees and outlined the purpose of the gathering. Guo and Young facilitated the Symposium's agenda, which was structured around the presentation and discussion of seven briefs that were prepared prior to the Symposium. Each presentation was followed by remarks from two discussants and general discussion from those in attendance.

The following report summarizes these presentations, remarks, and discussions in order to disseminate the Symposium's proceedings to nonprofit researchers, funders, and policy professionals. Each summary includes the overall purpose of each brief as presented and the main points raised by the authors, discussants, and symposium participants. Finally, key questions and/or takeaways that were raised in each discussion are highlighted for each topic and coded based on their relevance to researchers **(R)**, funders **(F)**, and policymakers **(P)**.

Full versions and commentary of the briefs presented at the Symposium will be published in a forthcoming edition of the *Nonprofit Policy Forum* journal, expected by late 2015, which will be made available with open access.

Brief 1: The Volunteer and the Organization: Immunities, Discrimination, and Worker Protection

Joseph Mead, Cleveland State University

Purpose

To frame and discuss legal considerations of nonprofit volunteer management programs

Overview

- Nonprofit employees are protected under various federal and state statutes, but questions emerge if these same protections (such as anti-discrimination or protections from sexual harassment) apply to nonprofit volunteers.
- Congress has not provided clear guidance; federal agencies have issued relevant guidance, but there are no binding rules to-date; and states have not uniformly adopted regulations.
- Among critiques of additional legal protection of volunteers are several recurring themes:
  - Unlike with paid employees, organizations lack control over volunteers' paychecks – which some use to suggest that the impacts of organizations' decisions on volunteers hold less relevance than behavior toward paid employees.
  - Unlike paid employees, volunteers do not suffer the same economic injury if they stop volunteering or their position is eliminated.
  - Any discrimination or harassment protection for volunteers will have associated compliance costs for nonprofits, which along with greater potential legal liability may prompt some nonprofits to stop using volunteers.
  - The voluntary sector, and the use of volunteers, is traditionally insulated from government regulation, and introducing regulations could alter the character of the sector.

Discussion

- Organizations' volunteer management capacity and accountability *to* volunteers were identified as important issues to address in research and practice.
- Some inconsistencies in the sector (by organizations, funders, and government) were highlighted: measuring and reporting volunteer efforts are highly valued but managing and protecting volunteers themselves are devalued; and financial donations to organizations receive significantly greater protections than donations of time and effort.
- Blurred lines between paid and volunteer employment make these issues more complex. In practice, volunteers often do the same or similar work as paid employees (or substitute paid employment). Many paid employees also volunteer for the organization in their unpaid time. If left unchecked, employees' "volunteer" efforts could be abused.
- Volunteer management and the use of volunteers are often crowded out by pressures to comply with performance measurement, evaluation, and other professionalized practices. Volunteer training may be supplanted by management training, both of which require distinct competencies.
- Social media introduces opportunities but also greater complexity and difficulty in managing and controlling volunteers who can initiate fundraising appeals, post reviews, or otherwise represent the organization without organizational consent or approval.
- While some of the issues raised in this brief may require regulatory changes, it may be better to resolve other issues by the nonprofit sector itself through accrediting bodies and self-regulation.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(R)** How do varying legal protections and requirements affect nonprofits and their volunteers? What is the cost per intervention, in-terms of implementation and lost/gained volunteers? Example of child-services that require background checks or full-year/full-time private volunteer programs. How severe are the "chilling effects" of regulations on volunteer use and participation?

- **(R,P)** Federal guidance exists for internships related to the business sector but not for the treatment of nonprofit volunteers. Nonprofits have legal guidance for the process and use of donated funds, but none for donated labor. Also, there is no clear responsibility for developing such guidance among federal entities. Any development of such guidance should also consider an "impact statement" of how such regulations affect the nonprofit sector and organizations.

- **(R,P)** We need clarity on organizations' perspectives on these issues. How do views of regulation vary across the nonprofit sector? Do all nonprofits want formal guidance or just a few?

- **(P)** Questions raised by this brief will have different implications for different types of volunteers, such as volunteers providing direct human services, nonprofit board members, religious volunteers, youth sports volunteers (e.g., little league coaches), corporate volunteers, employee volunteers, or court-ordered volunteers. Individuals in government may lack sufficient perspective on these issues without outside guidance.

- **(R,F)** The claim that volunteering is on the decline (and is being replaced by professionalization) needs to be clarified or confirmed through updated research on volunteering trends. Such research could be useful to frame the importance of volunteer management and regulation.

- **(R,F,P)** Liability (and especially board member liability) is an important issue to document more fully, especially relative to current practice and how it affects participation and management.

- **(R)** The outcomes of volunteering are important to understand beyond the measurement of volunteer participation or value to organizations. For instance, what are the economic impacts of volunteering in terms of employment gains and career prospects for current/full-time volunteers?

- **(P)** How should the Affordable Care Act and Department of Labor (Fair Labor Standards Act) regulations concerning health coverage for full-time employees and rules on overtime work be applied to nonprofits that have employees operating between a paid and volunteer status?

Brief 2: Nonprofit Organizations' Involvement in Participatory Processes: The Need for Democratic Accountability

Jennifer Mosley, University of Chicago

Purpose

To assess if and how nonprofit organizations legitimately represent communities through participatory processes

Overview

- Participatory processes are intended to make government more accountable and increase legitimacy and representation in the policy process.
- Vulnerable groups are commonly represented by nonprofit organizations in such processes, but questions arise about the legitimacy of such representation:
  - Some organizations have internal processes to ensure representation of community stakeholders, but others do not,
  - Large, professionalized nonprofits are easily identified but may not adequately represent citizens in communities, and
  - Churches and other religious groups historically represent communities, but urban population shifts have led to congregations that are less connected to the communities around them (e.g., greater commuting to church).
- Findings from Chicago indicate that residents (1) trust nonprofits more than elected officials, (2) want nonprofits to include democratic processes to represent community interests, (3) view concrete benefits/outcomes as an important part of legitimate representation (instead of just talk), and (4) trust organizations that meet process and outcome goals to a greater extent.
- Findings from nonprofits indicate involvement in participatory processes is very common, but organizations differ in their view of whom they represent; and most nonprofits have no process in place to engage residents.
- Three policy recommendations emerged from this research. Government administrators should:
  - (1) prefer nonprofit partners that engage community participants through democratic / representative processes,
  - (2) involve more diverse organizations (instead of the same ones repeatedly), and
  - (3) hold nonprofit partners accountable to democratic principles by requiring them to return information to the community and involve community representatives in their processes.

Discussion

- While participatory processes are viewed positively in the U.S. and many Western countries, other countries have less favorable government-civil society relations. It is important to recognize cultural factors (even within the U.S.) that may influence perspectives of participatory processes and trust of organizations to represent community interests.
- Adequate representation may be hampered by self-selection in (or out) of participation by specific community members. The engagement of individuals may be crowded out by active participation of organizations. Conversely, active engagement of individuals (even through informal means) may lessen the need for organizational engagement in specific local contexts.
- The need for efficiency (or short timelines) may influence government actors to favor specific community representatives (such as elites or organizations they have always included). Public

administrators may prefer easy, rather than inclusive, processes.

- The research reviewed in this brief tests an implicit assumption that nonprofit organizations represent the communities they serve. More research on this issue is needed to adequately inform policy recommendations.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(F,P)** Community representation has been formally encouraged under public policy since Johnson's War on Poverty, but requirements lack teeth. Organizations also lack capacity to engage in policy issues and engage the public in their work. Greater funding for civic engagement in nonprofits could encourage organizations to test strategies to increase community representation and lead to more concrete requirements for publicly funded initiatives.
- **(R,P)** What mechanisms do nonprofit organizations use to understand community interests, how do those mechanisms work, how do they vary by organizational attributes and context, and to what extent are they used? Do organizational efforts vary by type of organization and population/interests served? Which participatory mechanisms work better than others, and how does the effectiveness vary across contexts and intentions?
- **(R,P)** What contextual factors may explain the utility or effectiveness of participatory processes? For instance, are they more necessary to resolve collective action problems, such as natural resource management, than other issues governments address? What local factors matter, such as the presence and strength of neighborhood associations or other contextual factors? What is the nature of adequate representation and how does it vary across contexts and circumstances?
- **(R,P)** What are the motives for government and nonprofits to engage in participatory processes? Outcomes may depend on expectations, such as whether nonprofits believe they are providing representation vs. contributing their expertise vs. learning about policy developments. Greater clarity is needed to define and communicate the specific priorities and intended outcomes of participatory processes from government, nonprofit, and community perspectives.
- **(R,F)** What is the link between community participation/representation and effectiveness? Does engagement/participation really make a difference, and in what ways?
- **(R,F,P)** What are the opportunities (or barriers) that the government imposes on community participation? How can these be encouraged (or reduced)?
- **(R,F,P)** What is the role of technology in participatory processes and civic engagement?
- **(R,F,P)** What are the characteristics of organizations that are most commonly involved in participatory processes? What are the characteristics of organizations that are most commonly overlooked and what methods can effectively bring overlooked organizations to the table?
- **(R,F,P)** To what degree are participatory processes about funding? To seek funding? Is participation limited by funding or capitalization?
- **(R,F,P)** How is information returned to the community from these participatory processes? What happens when this information is returned?

Brief 3: The Changing and Challenging Environment of Nonprofit Human Services: Influences of an Open, Sharing Economy on Public Policy

Steven Rathgeb Smith,
American Political Science Association
Susan Phillips, Carleton University

Purpose

To describe the changing context of nonprofit human service subsector, new challenges, and policy considerations

Overview

- Changing context of human services is marked by increasing number of nonprofit organizations; increased demand; blurred boundaries between health and human services; shift to per-client / client-based funding (e.g., Medicaid/Medicare instead of grants), and competing pressures to satisfy clients vs. comply with funder demands to evaluate and demonstrate broader outcomes.
- Many pressures on organizations: increased competition from for-profits for clients (and client-based funding); increased emphasis from funders on collaboration, network integration, and collective impact; push to include clients in service delivery (co-production); greater governance expectations; and strong professionalization pressures.
- Implications of this changing context include:
  - Advantage to large, professionalized nonprofits while smaller nonprofits are pushed into niche, peripheral fields,
  - Large increases in for-profit providers and market share, even in traditionally nonprofit fields such as hospice care,
  - Changing landscape of nonprofit management: need to collaborate with for-profits in networks; increased competition for talent across sectors; pressure to comply with funder expectations rather than respond to client/community-level interests (potential loss of legitimacy and representation); increased complexity of evaluation beyond program outputs to collective impact; demand for greater professionalization; and shift of volunteers from direct services to administrative support, fundraising, and governance.
- Shifting roles of government and funders:
  - Growth of third party intermediaries (e.g., foundations) that emphasize collective impact
  - Focus on performance, data collection, and evaluation (performance management regime)
  - Increased government oversight and regulation
  - Policy attention and funding is shifting to measurable services, potentially neglecting hard to measure services for homelessness, mental health, and other chronic issues.

Discussion

- These issues point to the increasing interdependence between nonprofits and government to provide adequate human services.
- This may require reframing notions of the human services sector and require the development of an integrated human services system similar to the development of the health care system.
- While much has been invested into health research, less has been invested in human service research, which has produced a fundamental imbalance in the knowledge base on this subsector.
- Greater knowledge is needed, but the complexities of these issues also need to be effectively translated to policymakers. This presents greater need for organizational advocacy, the

integration of community perspectives in decision-making, and collaboration between researchers and infrastructure organizations in the sector (such as National Council of Nonprofits, Independent Sector, and other associations) to adequately inform and motivate policy action.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(R,F,P)** Does the Affordable Care Act (or similar legislation) present opportunities for system-building, rationalization, and coordination of a national human services network? What other opportunities exist for systems-level changes? How do these issues translate to non-U.S. contexts, and what is the role of funders in developing such systems in those contexts?
- **(R,F)** What are the specific ways that funders, umbrella organizations, and networks of organizations can help nonprofits respond to these changes in their operating environments? Which are most effective, and what contextual issues are important to consider?
- **(R,F,P)** What processes or solutions already have been used to address the issues presented in this brief? What effective solutions have organizations used? Funders? How have governments responded to these trends? What lessons can be drawn from these experiences?
- **(R,P)** In the face of the changing context, does nonprofit-ness matter? What are the distinctions between nonprofits, social enterprises, and for-profits in human services? Are there differences for employees, volunteers, and services across these contexts?
- **(R,P)** Does the performance management regime introduce biases against organizations from minority or marginalized communities that have less capacity to engage in evaluation?
- **(R,F)** Tools exist for knowledge sharing about performance management but there is little interest and investment among funders and nonprofits. What can be done to increase participation and effectiveness of knowledge-sharing tools, such as the Urban Institute's PerformWell tool?
- **(R)** Given the importance of nonprofit size in navigating some of these trends, more research is needed on nonprofit 'deaths' and what can be learned from right-sizing vs. growth alone. Care is needed to get these answers right - many nonprofit studies overlook the role of small grassroots organizations due to their sampling methods, which may bias results to larger nonprofits.
- **(F)** What is the role of funders in creating spaces for nonprofit collaborations and funding collaboration and mergers?
- **(R,F)** What is the role of mega-foundations in setting policy agendas, popularizing funding priorities, and spurring diffusion?
- **(R,P)** In the human service subsector, are organizations getting closer or further away from the community? What is the role of the government in incentivizing community engagement and what is their incentive?
- **(R,P)** Which challenges in this brief are best confronted on the local, state, or national levels?
- **(R,F,P)** How can nonprofit research increase its rigor of evidence for human service nonprofits? Would greater funding for randomized control trials and experiments (such as in the health sector) lead to greater scientific evidence and outcomes?

Brief 4: Policy for Nonprofit Organizations: The Values Dilemma

David Hammack, Case Western Reserve University

Purpose

To revisit the founding values of the nonprofit sector to provide context for current policy issues facing the sector

Overview

- The origins (and founding values) of the nonprofit sector in the U.S. are rooted in religious / church-based organizations that were developed to fill gaps in social services from womb to tomb: including health care, orphanages, childcare, education, higher education, and graveyards. Tax benefits are rooted in colonial funding of churches, but the historical development of the nonprofit sector (including which organizations received tax exemptions or were even legally allowed to form) varied state-by-state.
- Nonprofit sector has provided means for public services while maintaining a "government out-of-sight" (Balogh, 2009). The fragmented development of the sector prevented a uniform system-level approach to nonprofit and social services. Organizations and their services were just as segregated and siloed as the institutions that started them. This persisted through time and was supported by government leaving accreditation and oversight responsibility to organizations themselves through non-governmental associations.
- The recent push to implement uniform, scientific performance evaluation should be viewed with an understanding that disparate values that drove the nonprofit sector throughout U.S. history, which introduces challenges to commonly agreed upon performance criteria across organizations and contexts.

Discussion

- The nonprofit sector cannot be understood today without understanding its grounding in the expression of moral values. These values are a fundamental aspect (and even a strength) of this sector, but the diversity of values leads to a values dilemma.
- Values are important to develop standards and measures, but the plurality of values impairs the development of uniform or cohesive standards to base performance upon.
- Tax policy plays a role in providing a common set of standards for organizations to meet in order to comply with tax benefits. However, the emphasis on short-term, financial, and quantifiable measures under this approach potentially crowds out qualitative approaches to identifying common values-based standards that define or distinguish the sector.
- There may not be a common, simple solution to the values dilemma across the sector. Recognizing the complexities and finding balance across divergent values may hold greater importance.
- Values-driven organizations lead to Salamon's nonprofit "failures" – but philanthropic particularism may also be a strength of the sector in addressing multiple demands across society. Efforts to standardize, regulate, or systematically evaluate nonprofits should recognize this complexity and allow for differentiation and self-regulation as an alternative to government-driven and uniform oversight mechanisms.
- However, certain values (such as free speech) are commonly held and others (such as racial discrimination) are detrimental to society if allowed to persist unchecked. We may never fully balance the competing demands for standardization and values, but the recognition of commonly

held values can help move the sector to a more commonly held values framework.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)
- **(R,F,P)** Pluralism may be compatible with philanthropy, but it is inefficient from a government funding perspective. This disconnect is important to understand more fully from funding, government, nonprofit, and public/societal perspectives.
- **(R)** Possible research areas linked to this brief's discussion include: issues of self-regulation; limits of when nonprofits can legitimately discriminate; board diversity; and public policies / regulations regarding philanthropy, such as foundation payout policies or the use of donor advised funds.
- **(R,P)** What roles do values play in standard setting? Do standards entrench the status quo and create barriers to entry in specific fields of activity or contexts? Does this create path-dependence and impede innovation?
- **(R,P)** How can research and policy engage the values of the nonprofit sector to back policy priorities – both in terms of explaining why a policy priority matters and how it works or how we got to the result? Values can be framed as a competitive advantage that helps facilitate the desired outcome on behalf of the government.
- **(R,F)** What is the role of organizations (and funders) in promoting values in the sector and influencing approaches to evaluation that account for values frameworks in the sector?
- **(R,F,P)** Despite the connection between values and measurement, there is a common focus on documenting outcomes and not the process or underlying values that facilitated those outcomes. Research on these processes could help clarify the role of nonprofits and the values they embody or promote in policy implementation.

Brief 5: Beneficiary Based vs. Evidence Based Approaches: Impeding or Supporting a Balance for Nonprofits

Teresa Derrick-Mills, Urban Institute

Purpose

To consider bottom up (i.e. beneficiary based) and top down (i.e. evidence based) service delivery approaches and their respective strengths and challenges to form policy proposals

Overview

- Top-down evidence based approaches are driven by efficiency priorities, rely on experts to design service mechanisms, and are infused by certain values. Beneficiary based approaches are focused on clients, often as an empowerment tool.
- A random control trial is the gold standard approach for evidence based evaluation, but the context of the study is not always taken into account. It can be challenging in practice to design internally consistent evaluations that adequately account for a program's broader context.
- At the intersection of beneficiary and evidence based approaches, evidence in some fields indicates that beneficiary based approaches support evidence based outcomes.
- Requests for proposals and grant funding windows do not generally provide adequate time to consult with beneficiaries or include them in the process and design of studies; it is also a challenge to fully fund the financial costs of beneficiary participation.

Discussion

- This brief identifies tensions between trends of evidence based evaluation and community based approaches to nonprofit accountability.
- Theory-based perspectives on the appropriateness or feasibility of evidence based approaches in specific nonprofit contexts are also important to consider. Certain types of programs, which nonprofits tend to provide, such as trust goods, are inherently difficult to evaluate. This is one reason nonprofits provide those services rather than for-profits. This also makes appropriate measurement of nonprofit effectiveness difficult, costly, or even impossible in some cases.
- The intended *use* of evaluation also matters when identifying the appropriate approach:
  - If evaluation is used to decide whether to continue or cut a program (e.g., federal funding for Head Start), the goals and outcomes need to be clarified relative to the underlying values embodied in the program in order for evaluation to adequately inform policy decisions. That is to say, the logic model used to evaluate the program should match the program intent. It is important to fully understand the beneficiary based perceptions of these values as well.
  - If evaluation is used to decide whether to continue funding for particular sites / organizational partners / contracts, other factors are also important – including whether there are adequate substitute organizations in the market. While there has been rapid growth of nonprofits in many markets, other markets are characterized by being "thin," particularly within specific service areas. Is it better for service recipients to be served by a low performing organization or not at all? Is it better to keep switching contracts and providers or to develop the capacity and effectiveness of low performing organizations?
  - Such decisions require a balance of evidence based and beneficiary based perspectives.
- Evidence based and beneficiary based approaches are not mutually exclusive – however a divide often arises in practice. This raises important considerations of the capacity of nonprofits to both

incorporate client input and performance data in program evaluation.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(R,F,P)** Need to assess under what circumstances a beneficiary based approach conflicts with or complements the evidence based approach. Research should identify what approaches work, for whom, and under what conditions. Can beneficiary research help make evidence based approaches more honest or effective?
- **(R,P)** How can organizations maintain fidelity to evidence based models even while engaging beneficiaries and incorporating their feedback into service delivery? Cases or effective designs could inform policy and practice.
- **(R)** Need to distinguish between beneficiary involvement and civic engagement. Is it client centered practice or a hybrid?
- **(P)** Who should define problems for communities / individuals and which activities and services are appropriate for specific populations? What are the specific roles of beneficiaries in this?
- **(R,F,P)** What are the costs and barriers of engaging beneficiaries in service delivery design?
- **(R,P)** What is the role of evidence in the beneficiary based movement?

Brief 6: Efforts by Local Government to Collect Payments-in-Lieu of Property Taxes from Charities

Kirsten Grønbjerg, Indiana University

Purpose

To explore the attitude of local government officials toward payment in lieu of taxes since nonprofits may be significant landholders in some areas and property taxes are a primary source of local government incomes

Overview

- Nonprofits are exempt from income taxes and typically exempt from property taxes, but some nonprofits are significant landholders, such as educational institutions and hospitals. With property tax as a primary income of local government, this brief explored the perspectives of local government officials regarding nonprofits making payments in lieu of taxes.
- Findings indicate fairly widespread support for payment in lieu of taxes (PILOTS) and services in lieu of taxes (SILOTS).
- Economic and political conditions do influence local government officials, and the opinions of local government officials vary based on the type of NP industry (e.g., more support for payment by education or health nonprofits compared to religious entities); and involvement with a nonprofit related positively to support of PILOTS.
- Future research could include additional nonprofit subsectors; compare PILOT/SILOT preferences between nonprofit and government property; explore how preferences relate to trust in nonprofits; explore whether rationale for one's position on PILOTS relates to PILOT preferences; and include comparative data for other states.

Discussion

- This brief raises interesting questions about how government officials make decisions and that in at least this example, the issue at its core is a need for revenues.
- Property taxes and PILOTS/SILOTS pose opportunities to negotiate the relationship between nonprofits and local government officials.
- Service in lieu of taxes may be fulfilled by nonprofits by accepting terms of contracts or grants that do not sufficiently cover the nonprofit's cost of providing the service. The implications of adding PILOTS on top of this reality should be considered.
- Caution was encouraged in exploring issues like this where data and evidence has potential to be interpreted by policymakers in ways that lead to detrimental impacts on organizations without a full appreciation for the nuances that exist in the sector. Effectively translating findings from this research to policymakers was stressed.
- Inequality exists across the sector because much of the sector pays property tax through rent.
- Tax incentives to for-profits (e.g., to locate in a particular area) should also be considered instead of just focusing on nonprofits.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(R)** Findings of an unexpected relationship between support for PILOTS/SILOTS and involvement with a nonprofit should be further explored.
- **(R,P)** What other factors or nonprofit characteristics contribute to PILOTS/SILOTS favorability, such as diversity of staffing, subsector, or the nature of population served?
- **(R,F,P)** The brief identifies the lack of expertise among nonprofits and religious communities as important issues relative to effectively navigating PILOTS/SILOTS. What organizational characteristics or strategies lead to effective outcomes regarding these negotiations?
- **(R,P)** PILOTS receive limited use in the state of this study (Indiana). What is the experience or lessons from other states?
- **(R,P)** Tax exemptions are given as an incentive to lure business. The considerations of this study could be enlarged to understand favorable tax policies that support businesses compared to nonprofit organizations.
- **(R)** Research should include stronger policy recommendations and perspectives from the field / organizations to better inform government officials.

Purpose

To assess U.S. and global efforts towards institutionalized regulatory and relationship structures that have oversight of the nonprofit sector

Overview

- Compacts between nonprofits and governments have been agreed upon in the UK, Canada, Australia, and other countries to outline a common framework to guide the development of government-nonprofit regulatory structures, oversight, and relationships.
- The U.S. does not have equivalent structures or agreements at the national level, but efforts at state and local levels exist, such as developing specific government positions to liaise with nonprofits.
- Advantages of such agreements and structures include: reducing uncertainties regarding potential government or nonprofit actions toward the other, fostering horizontal relationships and networked governance; creating a collaborative mindset for government and nonprofit partners; and encouraging consultation, dialogue, and alignment of government-nonprofit interests.

Discussion

- Such agreements and governance structures could be helpful for guiding government contracts and grants to nonprofits.
- Even in the absence of such compacts, there are initiatives to improve relations, but these efforts heavily rely on advocacy from nonprofits.
- Such agreements and structures have to consider the diversity of the nonprofit sector, both in terms of mission areas, but organizational characteristics, such as size.

Questions and Issues for Researchers (R), Funders (F), and Policymakers (P)

- **(R,P)** What are the underlying motivations of such collaborations and agreements at state and local levels from government and nonprofit perspectives? Do compacts introduce greater government control? Do they represent adequate mechanisms to recognize the role of nonprofits in governance? Given the diversity of the sector and fragmented government-nonprofit relationships in the U.S., what are potential alternatives to accomplish the same goals?
- **(R,P)** How do nonprofits use their voice in government relations (beyond compacts)? What are the formal and informal mechanisms to give feedback to government partners that fund nonprofits and how are they used?
- **(R,P)** What is the role of national nonprofit associations in development of compacts in countries that have these compacts? Why have compacts developed in other countries and not in the U.S.? What factors have led to successful compacts in other contexts that could be replicated elsewhere?
- **(R)** Are compacts a temporary trend? Do they in fact reduce uncertainties in government-nonprofit relationships, foster networked governance, or create a collaborative rather than regulatory mindset?
- **(R,P)** What are the potentially negative consequences of compacts? What are the criticisms of these arrangements, and are they justified?