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A STUDY OF CHARITABLE NONPROFITS' POLITICAL ADVOCACY

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Deborah S. Sturtevant

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SPECTATOR OR PARTICIPANT?
A STUDY OF CHARITABLE NONPROFITS' POLITICAL ADVOCACY

By

Deborah S. Sturtevant

A DISSERTATION

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ABSTRACT

SPECTATOR OR PARTICIPANT?
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In this era of devolution, public policy advocacy is important for survival and growth of nonprofit organizations which are increasingly positioning themselves to implement charitable social services in our society. At the same time, nonprofit organizations are struggling to maintain a balance between government-funded partnerships and community-based support.

This exploratory/descriptive study seeks to answer the broad research question, "How active are Michigan charitable nonprofit organizations in their public policy advocacy role and what features are related to this level of advocacy activity?" Based upon three theories--interest group politics, resource dependence, and new institutionalism-- this study seeks to gain a greater understanding of the relationships among the levels of resource dependency, levels of agency autonomy, levels of professionalization, and political advocacy. Thirty-five executive directors of nonprofit organizations from rural and small urban areas of Michigan were interviewed at length for the study.

The dependent variable in this study is advocacy strategy. Political advocacy strategies are classified into three categories--collaboration, campaign, and contest. Two

intervening variables are agency autonomy and professionalization. Levels of autonomy are measured by examining agency control, mission stability, and program fit. Levels of professionalization are measured by examining staff education, agency affiliations, and the number and use of paid staff vs. volunteers. The independent variable is resource dependence which is defined as the proportion of the total agency budget derived from government sources.

Results of this study suggest that: 1) there is a relationship between levels of government funding and agency autonomy; 2) there is a relationship between levels of government funding and agency professionalization; and 3) there is a relationship between levels of government funding and use of multiple advocacy strategies. The relationships among levels of government funding, autonomy, professionalization, and advocacy strategy choice are less clear. Limitations of the study come from the small convenience sample with limited generalizability.

Implications for theory and research are discussed including practice lessons for nonprofit providers as they adapt to the changing social, economic, and political environments.

Dedication - To all of my students,
that they will achieve their
fullest academic potential.

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Most of all, thanks to my family: my parents who support me and are proud of my accomplishments; my children, Joshua and Sarah, who have grown up to become responsible, caring, and independent while I have been working to juggle my multiple roles; and lastly Dennis, my husband, who promised to be there for me throughout and kept his promise. My sincere love and appreciation to all.

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CHAPTER ONE: NONPROFITS

Nonprofits and Public Policy

<u>Why Study this Issue?</u>

The nonprofit or independent sector has experienced
tremendous growth in the past thirty years. Broadly
speaking, there are over 1.2 million nonprofit boards in the
United States, and in the 1990's, the nonprofit sector
employs one-tenth of the US workforce. But contemporary
nonprofits are increasingly dependent upon government
funding, and the continuous growth in this sector
intensifies the need to develop a more effective proactive
stance in the policy process. Working independently and
through state and national affiliate organizations,
political advocacy in all stages of public policy formation,
from the more traditional role of implementation to the
broader roles of agenda setting, formulation,
legitimization, and evaluation, is an important means to
ensure the survival of the nonprofit sector. Political
advocacy is identified as a critical area for ongoing
scholarly research in the nonprofit sector (Ben-Ner & Van
Hoomissen, 1990; Houle, 1989; Salamon, 1987; Weisbrod, 1988;
Jenkins, 1987; Aspen Institute, 1995).

In her analysis of the welfare state, Wolch (1990)

effectively argued that the increasing importance of government funding has been accompanied by deeper government involvement in nonprofit organizations. Wolch charged that more government funding does not guarantee more policy decision-making control but may simply serve to coopt the nonprofit sector. She argued that government funding has created a shadow state, a para-state comprised of nonprofit organizations. The shadow state carries out the service-delivery function previously held by the public sector, yet remaining within government control. According to Wolch, this transformation of the nonprofit sector could obstruct its potential to create progressive social change, an historic hallmark of nonprofit organizations.

Wolch's analysis is important in light of current policymaking. "Devolution" or the nonprofitization of public welfare services is a product of Welfare Reform which is a major contemporary public policy issue. Charitable nonprofit organizations serve as providers of public services which are predominantly paid for with public funds (Nathan, 1996; Salamon & Abramson, 1996; Goldberg & Stewart, 1996).

The Welfare Reform Bill signed into law on August 22, 1996, is having an impact upon the nonprofit sector, implementors of public welfare policy. Peter Goldberg, President of Family Service Association, in calling for political action by nonprofit advocates, notes that, "What happens in Washington and in the state capitals over the

next two years is going to have an enormous impact on what nonprofits do at the local level. Nonprofits have got to understand that and act accordingly" (cited in <u>The Chronicle of Philanthropy</u>, January 26, 1995, p.26).

The nonprofit tradition is rooted in US history and has grown out of a belief in democracy and pluralism. Nonprofits represent many political interests in a democratic society. Unlike corporate lobbies representing the interest of shareholders, nonprofit lobbies serve diverse and minority interests in a society where majority rules. Certainly not all nonprofit organizations advocate for more services for low-income people, but preserving the tax-exempt status, considering its altruistic historic intent, and honoring the opportunity for special interests to have a voice may serve to protect the vulnerable in our society (Jenkins, 1987).

In this era of devolution, it is important to come to a better understanding of the <u>nature</u> and <u>role</u> of nonprofits' participation in public policy and their ability to be effective advocates. Based on theories of interest group politics, resource dependence, and new institutionalism, this study will examine the relationships between government funding, nonprofit autonomy, nonprofit professionalization, and political advocacy.

<u>Organization of Dissertation</u>

This first chapter begins with an introduction of the broad research topic, "nonprofits and public policy" and considers the reason for studying this issue. Next, it

examines the nature of nonprofits, describes their niche, and explains a typology of nonprofit organizations. Finally, it discusses the Michigan nonprofit sector and lays the contextual groundwork for this research.

Chapter Two explains the policy process, considers the policy cycle and the history of nonprofit policy. It explores the nonprofit role in public policy beginning with its traditional implementation role and uses theoretical perspectives to explain the interdependent nature of the nonprofit role.

Chapter Three moves into the specific research topic, "political advocacy." It cites extant research, defines and describes nonprofits' political advocacy, and demonstrates that nonprofits have increased their participation in public policy. Finally, this chapter summarizes the literature which forms the basis of this study.

Chapter Four outlines the research design. The Methodology section includes discussion of the broad research question, research model, definitions, and the hypothesis. The Data Collection section considers the research context, survey instrument, sampling method, research limitations, and coding scheme.

Chapter Five examines the data for the responses of the participants using Ethnograph v4.0, SPSS for Windows, and hand calculation.

Chapter Six explores the theoretical relationships between government funding, autonomy, professionalization,

and advocacy. The research hypotheses are tested and analyzed.

Chapter Seven interprets the findings and results of the research and their implications. It summarizes the results of this study, proposes further research on the topic, and ends with lessons for nonprofits in their advocacy role.

Nature Of Nonprofits

Nonprofit Niche

The economy of the US includes the for-profit, public, and nonprofit sectors. A sector refers to a domain identified by similarity of service, product, or function and the nonprofit sector responds to the need for collective goods of the minority in a democratic society that is generally responsive to the median voter. Nonprofits tend to produce particular services, those characterized by "contract failure," because consumers prefer to deal with nonprofits in purchasing them. Contract failure is described as the inability to monitor producers by ordinary contracts. Typically, consumers believe that nonprofits can be trusted not to exploit the consumer and this trust forms the foundation of the sector. Another distinction between nonprofit and for-profit organizations is that for-profits distribute profits to shareholders. A key concept in the nonprofit literature is the nondistribution constraint, which protects consumer interests when consumers cannot make

informed choices because: 1) donors are buying services for unknown third parties; 2) known beneficiaries are seen as unreliable witnesses to service quality; 3) pooled donations cannot be tracked to specific services; or 4) services are so complex that potential consumers cannot evaluate their quality, and low quality poses unacceptable risk. By definition of the nondistribution constraint, nonprofits are unable to issue stock to raise capital but therefore have more difficulty in raising capital. This is one argument to justify tax exemption (Hansmann, 1980; DiMaggio & Anheier, 1990).

There are several theories to explain the nonprofit niche. The Public Goods Theory defines the role of the nonprofit sector as private producers of public goods. The marketplace is unable to supply collective goods because they are used at the same time by many people, and no one can be excluded from enjoying them. An individual has an economic incentive to make full use of such goods without paying for them and without contributing a fair share of the effort required to supply them, to become, then, a "free-rider." A political process decides how much each user must pay and who gets to consume the public good. Often referred to as the "third sector," nonprofits are seen as residual producers supplementary to the government's public domain (Weisbrod, 1988; Salamon, 1987; Olson, 1965; Wamsley & Zald, 1973).

Avner Ben-Ner and Theresa Van Hoomissen (1990) posed

another theory that explains the nonprofit sector in relation to the public and for-profit sectors. They argued that the demand for nonprofit organizations arises when there is some market or government failure that prevents satisfaction with or demand for a certain product. The supply of nonprofits depends on the cost of running a nonprofit organization and on the feasibility of forming a group of 'stakeholders' who value the net benefits flowing from a nonprofit organization more than those that could be derived by purchasing from alternative sources. Thus the very existence of nonprofit organizations is determined by joining the attributes of a product and the characteristics of stakeholders interested in its provision. The main points of their synthesis theory are: 1) the emphasis that market and government failures constitute only a demand for the nonprofit form 2) that additional factors are necessary to draw nonprofits into existence, and 3) the characterization of nonprofits as organizations controlled by a subset of stakeholders.

In an empirical study of this theory the findings suggest that the nonprofit, for-profit, and government sectors will often co-exist but that they will occupy separate niches along product or demand group lines. Nonprofit organizations specialize in the provision of non-rival services with above average demand and trustworthy services that recognize the existence of asymmetric information. In this theory the nonprofit organization is

still a response to two problems that arise in the other sectors: taking advantage of uninformed consumers by for-profit firms, and insufficient provision of services by for-profit firms and government organizations relative to the demand of high demand stakeholders (Ben-Ner & Van Hoomissen, 1990).

Salamon (1987) and James (1987) argued revised theories of the nonprofit sector that characterize it as a residual set of institutions formed because of the failure of either the market or the government to meet social needs. Salamon (1987) described nonprofit organizations as the "preferred" mechanism for providing public goods. Government action becomes the alternative theory only after voluntary organizations have failed to meet the needs of a growing population during times of economic decline. Voluntary failure theory is consistent with the historic development of public welfare in the 1930's.

Salamon (1987, 1995) identified several voluntary sector failures that justify government intervention in the provision of public goods. First, philanthropic insufficiency is the inability to generate resources on a scale both adequate and reliable enough to cope with human problems in an advanced industrial society. Second, philanthropic particularism is the tendency of voluntary organizations and their benefactors to focus on particular subgroups of the population, while at the same time establishing barriers for other subgroups of the community.

The sector intended to be responsive to diversity thus discriminates. Third, philanthropic paternalism occurs when nonprofits place the definition of community needs in the hands of those commanding the resources, the ruling elite. Notions of the "worthy cause" and value judgments come to the table where resource decisions are made. Finally, philanthropic amateurism has its roots in the charity-philanthropy movement that originated in churches. Living well was just reward for righteous behavior, and the "elect" held court over the poor with the primary goal of moral inculcation and religious salvation. This approach lost favor in the "scientific era" of the 1930's. Salamon's model thus centers the nonprofit-government relationship in theorizing about the nonprofit sector.

In the past, the distinction between the public and private sectors was marked by the boundary between government and nonprofit agencies. Government social welfare policy referred to decisions established by the government; voluntary social welfare policy referred to those created by nonprofit agencies; corporate social welfare policy referred to decisions by for-profit firms. In any case, social welfare policy regulated the provision of benefits to people who required assistance in meeting basic needs, but these traditional boundaries are much less clear today (Karger & Stoesz, 1990; Smith & Lipsky, 1993).

Scholars will continue to try to define the ever changing nonprofit niche. It is clear that market failure

theories, which predict inherent limitations of the private market and government in producing collective goods, and contract failure theory simply are not adequate to describe the contemporary nonprofit niche. The call in the early 1980's for the three economies to form partnerships to work together toward the same end, forming "third party government," is seen by some theorists as the basis for legitimizing the privatization of public services and a means to transform the nonprofit sector as an agent of government policy. This view of the role of the nonprofit is an expression of "private federalism" or governmental support as an avenue of public good provision. The "reluctant welfare state" supported private/public partnerships under the rubric of efficiency and local control. It is the entwining of the sectors that Wolch (1990) questioned in her analysis of the nonprofit niche in public welfare policy (Salamon, 1987, 1995; Weisbrod, 1988).

Typology of Nonprofits

The nonprofit organization is identified as "a body of individuals who associate for any of three purposes: 1) to perform public tasks delegated to them by the state; 2) to perform public tasks for which there is a demand that neither the state nor for-profit organizations are willing to fulfill; or 3) to influence the direction of policy in government, the for-profit sector, or other nonprofit organizations" (Hall, 1987, p. 3).

Lohmann (1989, 1992, 1995) spoke to the general

confusion over sector terms. There is a similar lack of clarity in the literature regarding classification of nonprofit organizations. Researchers commonly attempt to clarify their definitions by identifying particular organizations or groups of organizations as examples. The inconsistencies in this practice over time have simply compounded the confusion when seeking a common language. Classification schemes have helped shed some light on resolving this problem.

Douglas (1987) identified three classes of nonprofit organizations. One class, the mutual benefit organization, is established to provide collective benefits to its members. Another class, the political action organization, aims to persuade government to do so. The third class of nonprofits, charitable human services, has more than 850,000 members and these organizations are the primary interest of this study. Also referred to as social services, human services, voluntary social services, charities, and various other labels, these nonprofits are considered to be alternatives to government. This class is also referred to as the independent sector, an interesting title considering that it is this independence that is questioned in the literature (Wolch, 1990).

In 1987, a new national classification system for tax-exempt organizations was developed by the National Center for Charitable Societies at Independent Sector to develop a common language to define and describe the diversity among

nonprofit organizations. This new National Taxonomy of Exempt Entities (NTEE) identifies organizations by primary purpose, major program, type of governance, area of service, and clientele, beneficiaries or members served (see Appendix A).

Table 1.1 shows the distribution of charitable nonprofits in the United States by NTEE major group in 1992. When using the NTEE typology, Major Group E: Health, General and Rehabilitative; Major Group F: Mental Health, Crisis Intervention; Major Group I: Crime Legal Related; Major Group J: Employment, Job Related; Major Group K: Food, Agriculture, Nutrition; Major Group L: Housing Shelter; Major Group M: Public Safety, Emergency Preparedness, Relief; Major Group O: Youth Development; Major Group P: Human Services; and Major Group S: Community Improvement, and Community Capacity Building nonprofits are the focus of this study (Hodgkinson et al., 1992-93, 1996-97).

The evidence indicates that nonprofit organizations exist within a complex and constantly changing public policy context. The size, scope, and dimensions of the independent sector have experienced significant change in recent years. The number of charitable 501(c)3 organizations doubled from 1977 to 1992. Current trends reveal a slowing of the sector in growth rates, employment, and revenues.

Table 1.2 shows the total employment in nonprofits in 1987. The independent sector increased employment at an

Table 1.1

*CHARITABLE NONPROFITS BY NTEE GROUP, 1992

NTEE Group	1992
Arts, culture, humanities	17,047
Education	23,552
Environmental	4,393
Health	28,290
Human Services	54,783
Crime, legal related	(3,011)
Employment, job related	(2,770)
Food, nutrition	(1,760)
Housing, shelter	(7,042)
Public safety, disaster	(1,706)
Recreation	(8,710)
Youth development	(4,611)
Multipurpose	(25,173)
International	1,515
Public benefit	10,514
Religion related	6,716
Mutual benefit	323
Unclassified	12,178
Other	4,936
Total	164,247

*excludes religious organizations and budgets
 under $25,000
Source: Nonprofit Almanac, 1996-97
( ) included in Human Services total
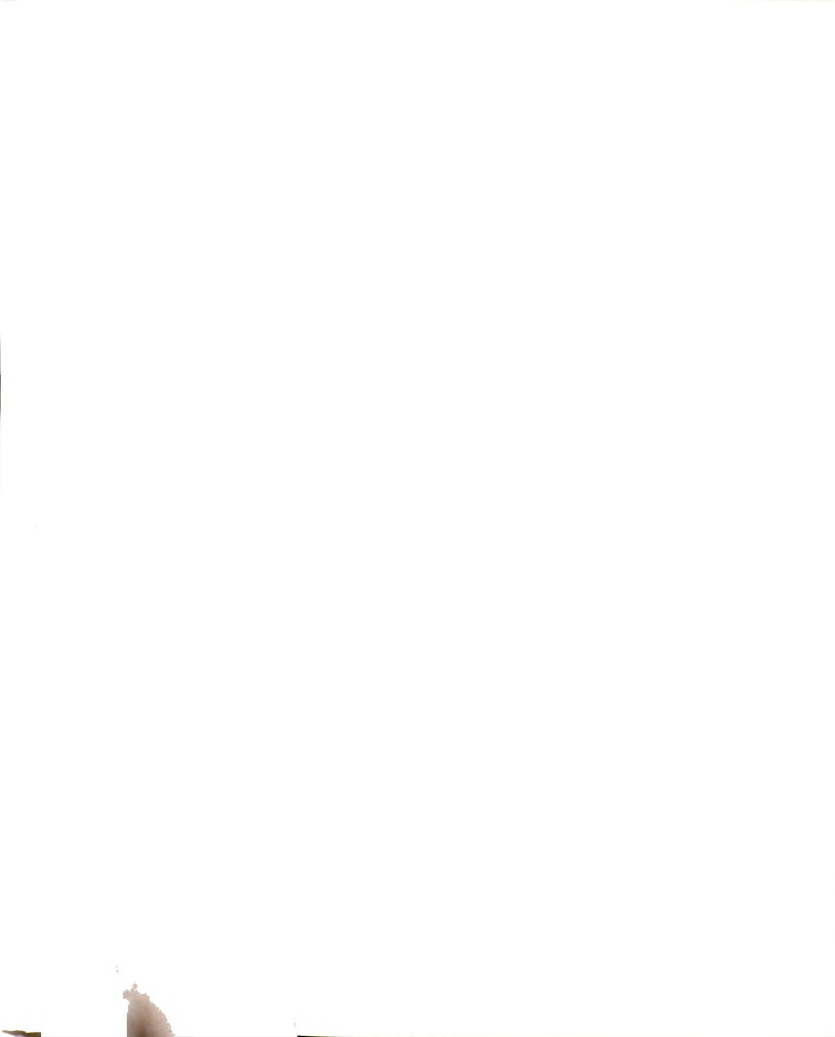
Table 1.2

NONPROFIT EMPLOYMENT, 1987

Agency Type	Number employed	Percent
Recreation	25,080	3.75
Health	4,684,435	69.00
Education	49,278	0.73
Social Services	1,109,536	16.48
Membership	538,868	8.00
Other	137,491	2.04
Total	6,736,688	100.00

Source: Nonprofit Michigan Project, 1991

annual rate of 3.3 percent from 1977 to 1994 and it slowed
to 2.9 percent from 1992 to 1994. Table 1.3 shows the growth
in revenue sources for charitable nonprofit organizations.
From 1977 to 1992, total revenue for nonprofit organizations
increased by 5.1 percent per year with social services
experiencing a growth rate of 6.3 percent.

Further examination of the social and legal services
subsector illustrates the changes that have occurred in the
past 20 years. From 1977 to 1989 the social and legal
services revealed the most substantial changes in funding,
employment, and operating expenditure trends. Government
funding as a proportion of this subsector's total annual
funds steadily declined from 54.3% in 1984 to 41.4% in 1987,
then increased to 42% in 1990 and 50% by 1992. Total
employees increased 49% between 1984 and 1990. This growth
rate was higher than that of the nonprofit sector as a whole
which grew at 30% during the same period (Hodgkinson et al.,
1992-93, 1996-97).

Projected trends include shifting responsibility for
services to the poor to state and local governments,
increasing competition between nonprofit and
for-profit organizations, and increasing accountability for
nonprofit organizations in their service implementation role
(Hodgkinson et al., 1996-97).

Michigan Nonprofits

In Michigan, nonprofits may be incorporated under the
Nonprofit Corporations Act to "carry out any lawful purpose

Table 1.3

NONPROFIT REVENUE GROWTH, 1977-1992

Subsector	Private Contributions	Payments	Government	Total Revenues
Health	0.5%	5.7%	7.5%	5.9%
Education	5.7%	3.7%	3.8%	3.2%
Religious	2.7%	NA	NA	3.3%
Social Service	3.0%	10.6%	5.7%	6.3%
Civic	3.9%	7.0%	0.5%	3.3%
Arts	5.3%	6.8%	7.0%	5.5%
Other	3.0%	4.8%	4.4%	4.4%
All Nonprofits	2.7%	5.4%	6.3%	5.1%

Source: Nonprofit Almanac, 1996-97

or purposes not involving pecuniary profit or gain for its directors, officers, shareholders, or members." Recognition by the Internal Revenue Service or Michigan incorporation is necessary for nonprofits to claim exemption from Michigan tax liabilities. If nonprofits wish to seek donations they must satisfy the requirements of the Charitable Organizations and Solicitations Act, which defines a charitable organization as "a benevolent, educational, philanthropic, humane, patriotic, or eleemosynary organization of persons which solicits or obtains contributions solicited from the public for charitable purposes" (cited in Wilson, 1991, p. xiii).

Table 1.4 shows the distribution of charitable nonprofit organizations by states in 1993. Michigan's nonprofit sector employed 229,274 workers, or 5.9% of the state's work force. In social services alone, Michigan has over 2,469 nonprofit organizations employing over 43,000 workers. Social services comprises individual and family services, job training, child day care services, and residential care services. Clearly, the Michigan nonprofit sector is a viable economic force and potentially a viable political force. Studies, such as this, which seek to understand the nature of the nonprofit sector relationship with government and characterize the nonprofit public policy role are important for describing the state's political, economic, and social climate.

Table 1.4

NONPROFITS BY STATES, 1993

State	N=
Alabama	1,598
Alaska	629
Arkansas	1,129
Arizona	1,850
California	17,855
Colorado	2,599
Connecticut	2,707
Delaware	538
District of Columbia	2,303
Florida	5,599
Georgia	2,853
Hawaii	736
Idaho	518
Illinois	6,289
Indiana	3,083
Iowa	1,830
Kansas	1,590
Kentucky	1,715
Louisiana	1,566
Maine	1,103
Maryland	3,134
Massachusetts	5,427
Michigan	4,531
Minnesota	3,448

Table 1.4 (cont'd)

Mississippi	870
Missouri	3,041
Montana	782
Nebraska	1,110
Nevada	465
New Hampshire	931
New Jersey	4,025
New Mexico	1,008
New York	12,373
North Carolina	3,769
North Dakota	579
Ohio	6,563
Oklahoma	1,626
Oregon	2,113
Pennsylvania	7,751
Rhode Island	785
South Carolina	1,468
South Dakota	586
Tennessee	2,388
Texas	7,615
Utah	578
Vermont	747
Virginia	3,913
Washington	3,263
West Virginia	920
Wisconsin	3,216
Wyoming	403
Total	147,518

Source: The Urban Institute, 1997

CHAPTER TWO: PUBLIC POLICY

Chapter Two explains the policy process, considers the
policy cycle and the history of nonprofit policy.   It
explores the nonprofit role in public policy beginning with
its traditional implementation role and uses theoretical
perspectives to explain the interdependent nature of the
nonprofit role.

Policy Process

Policy Cycle

Problems, politics, and participants contribute to
successful policy agenda setting.   Problem recognition is
critical to agenda setting, which includes many
participants, such as the political elite, members of
congress, the president, and political appointees.
Generally speaking, political action nonprofits have been
more involved in agenda setting than charitable social
services (Dye, 1978; Kingdon, 1984; Douglas, 1987).

Public officials in administrative departments, both
career and appointed, often begin policy formulation which
involves developing proposed courses of action for dealing
with public problems.   Legislators, influenced by lobbyists
representing public, private, and increasingly nonprofit

interests, then formulate preferred or satisfactory policy
alternatives and seek to win their approval (Dye, 1978).

Legitimacy is an important factor in developing public
support and acceptance for government policies. The power of
government and its authority influence legitimacy in the
policymaking process (Dye, 1978; Smith & Lipsky, 1993;
Wolch, 1990).

Over time, charitable human service nonprofits have
gained policy implementation legitimacy. Federalism helps
explain the process of nonprofit implementation. Federal
dollars flow through a complex system of state bureaucracies
and by sub-contracting, to local nonprofit agencies. This
system is an interdependent maze of services and programs
designed to carry out the will of government. Nonprofit
policy implementation, as a partner in public service, has
expanded in scope and depth over the past thirty years,
changing the nature of the independent sector and creating
an interdependence (Salamon, 1987, 1995; Saidel, 1991).

Evaluation of policy is concerned with assessment and
accountability of policy implementation. Evaluation may
occur throughout the policy process which may start over
from the beginning in order to continue, modify, strengthen,
or terminate a policy. Some analysts are critical of
nonprofit sub-contracting because corresponding public
mechanisms to hold contractors accountable have not kept
pace. Others are concerned that government accountability

measures threaten the autonomy of the sector (Smith & Lipsky, 1990, 1993; Wolch, 1990).

Obviously, public policies have an effect on society. Regulatory policies involve imposing restrictions or limitations on the behavior of individuals and groups. Self-regulatory policies are similar in that they involve restricting or controlling some matter or group, but they are usually sought and supported by the regulated groups. Distributive policies involve allocation of services or benefits to particular segments of the population and usually involve use of public funds to assist particular groups, communities, or corporations. Redistributive policies involve deliberate efforts by the government to shift the allocation of wealth, income, property, or rights among broad classes or groups of the population (Lowi, 1966).

Political ideology influences the policy decision-making process. Traditionally, liberals favored using government to bring about social change, and conservatives opposed using government expansion. Today ideological support for the use of nonprofits comes from both the right and the left. The right sees the nonprofit as a cornerstone of freedom and democracy, preferring its expansion over an increasingly unresponsive massive state bureaucracy. They stress the importance of the nonprofit promoting self-sufficiency and individual initiative which in turn promote conservative values, capitalism, and economic growth in all

segments of society. On the other hand, the left sees the nonprofit as promoting grassroots participation, decentralization of power, economic development, self-determination, and social change (Wolch, 1990; Berger & Neuhaus, 1977).

Regardless of political ideology, the nonprofit sector is considered by government officials and the public to be efficient. It allows the government to fund and monitor programs delivered at the local level, and it expands social welfare services without expanding the size of government. Government affects nonprofits and nonprofits affect government, a relationship that can be described as interdependent. Saidel (1991, 1994) considered resources from government agencies which are revenues, information (including expertise and technical assistance), political support and legitimacy (in the sense of external validation), and access to the policy process. Nonprofits in turn offer their service delivery capacity, information, political support, and legitimacy to government agencies. The corresponding nonprofit growth and organizational change increase the likelihood that these groups will seek to participate in the public policy process (Wolch, 1990; Berger & Neuhaus, 1977).

History of Nonprofit Policy

Regulatory policy, such as tax policy, affects all nonprofits and provides the best historic accounting of nonprofit involvement. As providers of public goods,

nonprofits benefit from federal tax exemption status, and most states also exempt them from property, sales, and corporate income taxes. The Tariff Act of 1894 was the first major tax legislation enacted by Congress that specified the entities subject to taxation. It provided tax exemption for nonprofit charitable, religious and educational organizations, fraternal beneficiary societies, certain mutual savings banks, and mutual insurance companies (Scrivner, 1989).

Prior to the New Deal Era of the 1930's, the federal government's role in the provision of charitable redistribution was almost nonexistent. The Community Chest (known today as the United Way) was solidly established as a philanthropy, but after the New Deal, the nonprofit social welfare sector experienced a loss of purpose, leading to major confusion about its role. The Community Chest had a harder time fundraising with the increased tax burden upon its donors in a depressed economy, and it lobbied the government to allow for a charitable tax deduction. Their success helped keep the organization going, an early milestone in nonprofit advocacy impacting upon public policy (Brilliant, 1990).

Tax laws influence the separation of the public, private and nonprofit sectors. For example, a major restructuring of the tax code in 1954 forbade 501(c)(3) nonprofit organizations from participating or intervening in any political campaign on behalf of any candidate for public

office. The 1969 revisions of the Tax Reform Act then

expanded the definition of 501(c)(3) nonprofit organizations

and redefined the percentage limitations for deductions of

charitable contributions, providing for a higher limit

(Scrivner, 1989).

The rules change in 1976 by Congress clarified the

legality of lobbying by nonprofit tax-exempt organizations,

particularly those under 501(c)(3) status. Not only did

Congress recognize the validity of lobbying by such groups,

but it also used the very terms "lobby" and "lobbying." The

legislation, Section 1307 of Public Law 94-455, recognized

lobbying as an entirely proper function of nonprofits and

ended the uncertainty about lobbying by tax-exempt groups

(Smucker, 1991; Harvard Law Review, 1992).

A recent conservative attack on political advocacy, the

Istook or "Silence America" Amendment, threatened nonprofit

political influence by prohibiting nonprofit groups from

using privately raised funds for advocacy lobbying. This

bill threatened the vitality of the nonprofit sector and, in

its original version, could have had a profound effect on

the nonprofit's ability to thrive in an era of government

cutbacks. Certainly the introduction of such a bill

indicates the deepening nature of the relationship between

nonprofits and the government. The Istook Amendment

provided nonprofit interests with another opportunity to

demonstrate their willingness and ability to influence

public policy by successfully advocating to "water it

down," thereby dampening its potential impact and eventually ensuring its demise (NASW NEWS, 1995; Action Alert, 1995, 1996).

Nonprofits as representatives of the public thus express their policy preferences through lobbying. Citizens' combating shared problems and finding solutions through collective action are inherent in the nature of American societal structure. Lobbying and legal cases are tools that some nonprofit organizations use in pressuring government and the courts. On occasion more direct tactics, such as demonstrations and protests, are used to influence policy agenda setting, which move the nonprofit sector into less traditional roles. In general, nonprofits have been more effective in raising issues and educating the public, the first steps in policymaking, and also in their traditional implementation role, rather than in shaping details of particular public policies or formulation (Jenkins, 1987).

In addition to federal laws that regulate lobbying activity by nonprofits there are also state laws. In addition to registration and reporting requirements, the State Lobbyist and Registration and Disclosure Act absolutely prohibits lobbying and lobbyist agents from engaging in certain activities. It is illegal to make gifts over $25 or make a loan or extend credit to a public official. Michigan's definition of lobbying is "any direct communication with a specified public official in either the

executive or legislative branch of state government to influence legislative or executive action" (Michigan Nonprofit Management Manual, section 3.0).

In addition to federal income tax-exemption and charitable tax deduction, most states also exempt nonprofit organizations from property, sales, and corporate income taxes. One limit on nonprofits' efforts to influence policy is a fear of losing income tax-exempt status. On a cautionary note, Pawlak and Flynn (1990) suggested that most agency executive directors make extensive use of both lobbying skills and engagement in electoral politics in order to maintain support from government and other external funding sources. Federal regulations, such as The Internal Revenue Code and the Hatch Act, that dictate the political activities of nonprofit agencies and federal employees are often unknown. Pawlak and Flynn estimated that many nonprofit directors do not understand the legal codes and may extend their activities beyond legal limits.

According to Hansmann (1985), tax exemptions significantly increase the market share of nonprofit firms as compared to for-profit competitors. If, then, the nonprofit sector is a response to providing social needs which incur economic costs to society, it makes sense that lawmakers have the responsibility to review and reform the laws that apply to nonprofits. Historic evidence shows that nonprofits in turn have a role in expressing their preferences regarding regulatory public policy, enabling

them to preserve their traditional role (Brilliant, 1990;

Scrivner, 1989; Lowi, 1966, 1972).

Nonprofit Role in Public Policy

Implementation

Welfare policy is a governmental effort to re-

distribute wealth and income between classes and this

affects the nonprofit organizations responsible for their

implementation. The public sector entered the welfare arena

in response to the economic crisis of the late 1920's, while

the Social Security Act of 1935 and New Deal policies are

cited as the foundation of the contemporary welfare state in

the US. Growth rates for social welfare spending increased

dramatically during the Great Society programs of the

1960's, and nonprofits were beneficiaries of this growth.

By the 1970's, the US economy was experiencing international

competition, declining productivity, and rising welfare

costs, resulting in higher unemployment and increasing

poverty rates. Subsequently, increasing demands on public

resources, a huge federal deficit resulting in fiscal

crisis, and growing public sentiment of dissatisfaction

with poverty-based welfare policy led to government

retrenchment in the 1980's. The nonprofit sector found

political favor in this conservative era enhancing their

implementation role in public policy (Salamon, 1987; Wolch,

1990).

Conservative fiscal federalism helps explain the

nonprofit role in public welfare implementation. The
federal government, through a complex system of grants-in-
aid allocates money through state bureaucracies. The state
then either delivers services through its own system at the
local level or sub-contracts with either for-profit or local
nonprofit agencies to deliver social services. This
emerging inter-organizational environment has been described
as "nonprofit federalism." This arrangement between federal
government and nonprofit agencies has permitted the delivery
of social services without resulting in government growth
(Kramer & Grossman, 1987; Salamon, 1987; Kramer, 1994).

In the late 1980's and 1990's, privatization,
conservatism, budget reductions, and a growing demand for
services represent the changing conditions in
nonprofit/governmental relations. Today the nonprofit sector
is solidly established as an implementor of public policy,
its traditional role. Over 850,000 charitable human service
nonprofits exist, receiving up to 90 percent of their
resources from the government, as a group averaging 56
percent. Nonprofit policy implementation will continue to
grow through public policy reform in the 1990's because it
is considered an economically efficient and politically
acceptable mechanism for implementation (Savas, 1982;
Salamon, 1987, 1995; Wolch, 1990; Saidel, 1991, 1994).

Salamon (1989, 1995) and Salamon, Musselwhite and
Abramson (1984) have argued that this charitable human
service nonprofit/ government relationship is essentially a

"partnership" that both recognizes the diversity of needs and preferences of US society and is stressed by changes in federal spending priorities, social changes, and challenges to the tax-exempt benefits of nonprofit organizations. According to Billis (1992), the term "partnership" has the considerable political advantage of being expandable to include most policy stances. It can serve then to shroud the underlying instrumentalism of government and the organizational consequences of government policy. Instrumentalism is a governmental strategy of moving to the "margins," assuming that nonprofits then will behave more like traditional bureaucracies. Certainly, nonprofits are at the center of public service today. Challenging the assumption that nonprofits will behave like traditional bureaucracies under such circumstances, Billis, like Wolch, cited the highly politicized government/nonprofit relationship in the United Kingdom as an example (Scharkansky, 1980; Saidel, 1994).

Salamon (1995) identified several issues concerning government sub-contracts with nonprofits: 1) loss of autonomy or independence, particularly the dilution of the sector's advocacy role; 2) "vendorism" or the distortion of agency missions in pursuit of available government funding; and 3) bureaucratization or over professionalization and a resulting loss of the flexibility and local control that are the nonprofit sector's strengths. The difficulty then, lies in maintaining a balance between the government's need for

economy, efficiency, and accountability, while at the same time considering the nonprofit sector's desire for independence. The government needs to achieve equity and ensure that public resources are used as intended through nonprofit implementation (Salamon, 1987, 1995; Kramer, 1987; Gronbjerg, 1986; Wolch, 1990).

The challenge, then, is to allow nonprofit agencies to perform their public role without decreasing protection or control. Program monitoring and auditing are policymaking functions of government in the contracting process. Accountability is at issue in the government/nonprofit relationship, because lines of authority are blurred and thus problematic in an indirect service situation, making management issues complex. Several other critical factors, including demographic trends and shifts in public policy will alter the balance among public, nonprofit, and for-profit provision of human services in the years ahead (Leazes, 1993).

Citing the important role of nonprofits in setting the social welfare policy agenda, Lipsky and Smith (1989-90) called for a balance between government and nonprofit organizations that secures the legitimate public interest in fairness and accountability, while minimizing the negative impact of government influence on community initiative, motivation, and identity. Focusing on the role of the government, Lipsky and Smith provide a rationale for the increasing nonprofit role in public policy.

According to Wolch (1990), the recent government retrenchment has led both to increasing resources for nonprofits and significant influence in shaping welfare policy. Wolch asserted that nonprofit influence is often directed at fighting funding cutbacks, thereby strengthening the sector's ability to impose limits on governmental autonomy. She argued that the expansion of the implementation role has enabled nonprofits to gain political and economic resources with which to influence the shaping of public policy, in turn strengthening their public policy role. Government sub-contracting, which gives away responsibility for important decisions, raises the issue of relinquishing government power to nonprofit providers who are asserting their influence in the public policy arena, and demonstrates a new and deeper interdependent relationship between the two sectors (Salamon, 1989; Smith & Lipsky, 1993).

Interdependence

Three theories--interest group politics, resource dependence, and new institutionalism--are key to understanding the interdependent nature of the nonprofit role in public policy. Interest group politics helps explain the philosophy of nonprofit political participation in a democratic society. Resource dependence helps us to understand the deepening relationship between the government and charitable human service nonprofits. New institutionalism provides the conceptual context for

understanding the internal and external environments in which policymaking occurs.

Interest Group Politics

Interest group theory contends that interaction and struggle among groups are the central facets of political life and that public policy is their product. A main concept in group theory is access. Lobbying, then, can be understood as one type of effort to create access for a particular group (Olson, 1965; Dye, 1978).

Alexis de Tocqueville, in 1835, described voluntary associations in civil life as uniquely American and influential for promoting America's democratic character. He was one of the first to recognize the relationship between democratic institutions and a pluralistic society. Pluralism is the political philosophy which argues that private associations of all kinds should have a role in society and that the government should not have unlimited control over the plurality of these private associations. The pluralistic structure of the US government encourages sharing responsibilities between public and private institutions, and nonprofit organizations are among the groups competing in this pluralistic setting. Dahl (1982) presented a balanced picture of the merits of a pluralist democracy, in which more or less autonomous nonprofit organizations play a part in the provision of public goods and in the development of public policy. Nonprofits, then, are a means through which conflicts of values, interests,

and views can be, if not resolved, then accommodated (Block, 1987; Dahl, 1985; Dye, 1978).

The traditional pluralist perspective is that the nonprofit sector allows a greater diversity of social provision than does the government. The pluralist argument for diversity is important for understanding political theory of the nonprofit sector because it addresses an issue in our society, that diverse people are sovereign and thus have contradictory wills. Similar to the diversity argument is the experimentation role of the nonprofit sector. Experimentation not only tries things that have not been proven but discontinues experiments when the results are poor. The experimental role has been increased recently through government welfare reform initiatives and the tendency of nonprofit organizations to be more sensitive to public opinion than in the past (Dye, 1978; Douglas, 1987; Ostrander, 1987; Wolch, 1990).

Wolch (1990) claimed that pluralist treatments of nonprofits are deeply deficient. Arguing from a Marxist political economy approach, she states that few nonprofit groups are commonly considered political, and she excludes charitable human services as nonpolitical organizations and thus from the realm of group theory. This exclusion, however, is no longer entirely applicable. Wolch (1990) cited Wilson's (1973) assertion that charitable human services are described as nonpolitical. Confusion may lie in the problem of defining types of nonprofits described

earlier and may also stem from changes within charitable nonprofits over time.

Wolch (1990) also pointed out that in pluralist treatments of the nonprofit the government is not interpreted as having an independent agenda or as constituted in the interests of any particular segment of the social formation, hence ignoring the bureaucratic and class basis for government policy toward voluntary organizations. Wolch claimed that the government is weakly theorized citing Alford and Friedland's (1985) managerial perspective of government as a complex mix of formal organizations in conflict with one another over the collective allocation of scarce societal resources. The government and interest groups use power relations within interorganizational networks and mobilize political resources that shape public policies beneficial to their organizations. From their managerial perspective, the nation/state is not the structure for capitalist class rule that it is from Wolch's Marxist perspective (Perrucci & Potter, 1989; Scott, 1992).

In today's political environment more players take part in the public policy process, including members of congress, the president, the courts, experts, concerned citizens, and those directly affected by public policies. The old notion of "iron triangles," or a limited number of powerful key players in policymaking, has been replaced by the concept of "issue networks," which are particularly relevant in welfare

policy. All types of nonprofits participate in policy
networks, including charitable social service organizations
(Heclo, 1984; Peterson, 1993).

As nonprofits adapt to the environment and form
supportive networks, the policy process is changing. Many
national affiliate associations are evolving with national
offices having the ability to sanction and control to some
degree the operations of local affiliates and to lobby on
their behalf. An important indication of this
nationalization trend in the nonprofit sector is the
formation in 1978 of the Independent Sector, an association
representing the interests of the nonprofit sector as a
whole in national forums. It was formed to enable
nonprofits to address national policy issues affecting them,
such as provision of the federal tax code, and to engage the
support of national corporations and foundations in
addressing nonprofits' needs. Economic and political
activities have moved to the national stage, enhancing the
capability of local nonprofits to participate in the policy
process (Scrivner, 1989; Young, 1989).

Wolch (1990) challenged the changing nature of the
government/nonprofit relationship, labeling it a shadow
state apparatus, and asserted that increased nonprofit
political influence has led to a "corporatist" arrangement
with the government. It is important to consider the
contrast between corporatist and pluralist philosophies.
Pluralism envisions society with many voluntary competitive

groups; corporatism by comparison is a limited number of
noncompetitive groups with peak groups which monopolize the
representation of functional sectors. Pluralism assumes
that groups will compete with one another for access to
government decision makers; corporatism is based on
recognition of functional representatives and on formal
incorporation of groups into the policy process. Pluralism
occurs in a free market economy, while corporatism occurs in
a cooperatively planned economy (Chubb, 1983; Wolch, 1990).

From a comparative perspective Germany has a
corporatist model of the government/nonprofit relationship.
This relationship is defined as collaborative as opposed to
co-optational. In a collaboration the government consults
with nonprofits on the development of policies which they
will implement and guarantees that major nonprofit networks
participate in policy formation. Such an approach contrasts
with the US model of pluralism, in which the relationship is
much less formal and nonprofits may, through issue networks,
participate in an ad hoc fashion. While corporatism may
stifle innovation, pluralism may not provide a coherent
formal structure for policy participation (Chubb, 1983;
Wolch, 1990).

Government sub-contracting encourages a collective
identity, leading then to statewide associations that lobby
for their member agencies. Considering these associations
as key players in policymaking, government officials may
invite them to consult on policy issues. The tendency in

this case is for associations to become self-serving rather than constituency serving, representing the agencies on regulatory issues rather than addressing broader policy issues. Umbrella organizations walk a tightrope in their role as advocates representing competing constituencies in redistribution issues. While corporatist elements exist in the current nonprofit/public partnership, pluralism is the dominant model in public policymaking for charitable nonprofits. Incorporating an understanding of resources in the political process sheds light on the relationship (Wolch, 1990; Peterson, 1993; Smith & Lipsky, 1993).

Resource Dependence

It is fitting to note that nonprofits have become more influential in public policy, while at the same time becoming more dependent upon government resources to achieve their public policy goals. To maintain acceptable dependency relationships, Thompson (1967) suggested that organizations maintain alternatives, seek prestige, seek power relative to those on whom they are dependent through contracting, coopt, seek broader power bases if necessary, and seek to enlarge their organizations' task environments. In nonprofits this could occur through networking; creating cooperative associations that seek to strengthen power bases through lobbying; increasing use of board members for the exercise of power in both fundraising and in the broader political arena; increasing media coverage and public attention; and developing active political involvement by working through

political action committees. Each of these actions
potentially impacts the organizational mission, operations,
autonomy and ultimately the nonprofit "raison d'etre,"
implementation (Thompson, 1967; McMurtry, Netting, &
Kettner, 1990).

Interdependence occurs when one organization both
provides resources to and depends on resources from another
organization. This stimulates reciprocal resource supply
and, as resource dependence illustrates, at the
organizational level, the definition of reciprocal power,
"the power of A over B is equal to, and based upon, the
dependence of B upon A" (Emerson, 1962). Reciprocal power
can be understood as interdependence. Organizations seek to
attain favorable positions relative to providers of
resources on which they depend. Charitable human service
nonprofits demonstrate this tension in their relationship
with government funders (Saidel, 1989).

Pfeffer and Salancik (1978) discussed how organizations
faced with unmanageable interdependence seek to use the
greater power of the larger social system and its government
to eliminate difficulties or provide for needs. They
observe that politically constructed environments have two
characteristics: political decision makers often do not
experience directly the consequences of their actions; and
political decisions are applied across the board to entire
classes of organizations, thus making such decisions less
adaptive and less flexible. Pffefer and Salancik argued that

organizations will attempt to use the larger social power of
the government to benefit its operating environment.
Organizations then are likely to become involved in
political activity when governmental intervention begins to
affect their economic well being. Pffefer and Salancik have
also argued that not only are organizations constrained by
their environments, but law, legitimacy, and political
outcomes somewhat reflect the political actions taken by
organizations to modify their environments in the interest
of survival. These organizational actions result in resource
interdependence among all three sectors.

    While it has been commonly assumed that government and
human service nonprofits are in an unbalanced relationship,
weighing in on the side of government, mutual dependency has
also been recognized. The government is dependent upon
nonprofit organizations for their service capacity, and
nonprofits in turn depend upon the government for funding.
The dynamics of this relationship and its consequences are
not fully understood. Hasenfeld (1983) asserted that strong
dependence on external environments generates uncertainty
for an organization, making it vulnerable to external
pressures that threaten its internal integrity and survival.
In the past, organizational theory described agencies as
either dependent or independent. A new understanding of the
interdependent relationship examines the interaction of both
internal and external environments leading to a new
institutional context in which policymaking occurs (Smith &

Lipsky, 1993; Saidel, 1991, 1994; Ostrander, 1989).

New Institutionalism

The problems that Wolch (1990) identified as inherent in pluralist treatments of nonprofits lead, she claimed, to both an insufficient recognition of the political resources on which nonprofit groups may draw and an inadequate characterization of the institutional context of voluntary action. Wolch, though claiming a new institutional perspective, draws more upon an older version of institutionalism when she conceptualizes the environment and when she describes her understanding of co-optation. The older version of institutionalism (Selznick, 1948) focused on the "shadowland of informal interaction" and defined co-optation as "the process of absorbing new elements into the leadership or policy determining structure of an organization as a means of averting threats to its stability or existence" (cited in Shafritz & Ott, 1992, p. 120).

In old institutionalism, elite theory understands policy formation as the preferences of the ruling elite who have access to public officials. Elites have been prominent historically in nonprofit governance as board members. Evidence suggests that such activities promote and maintain upper-class solidarity and permit elites to monitor and control nonprofit policies. The character of elite influence is changing, due to declining dependence on donations, increasing support from government, increasing emphasis on diversity representation (including non-elites),
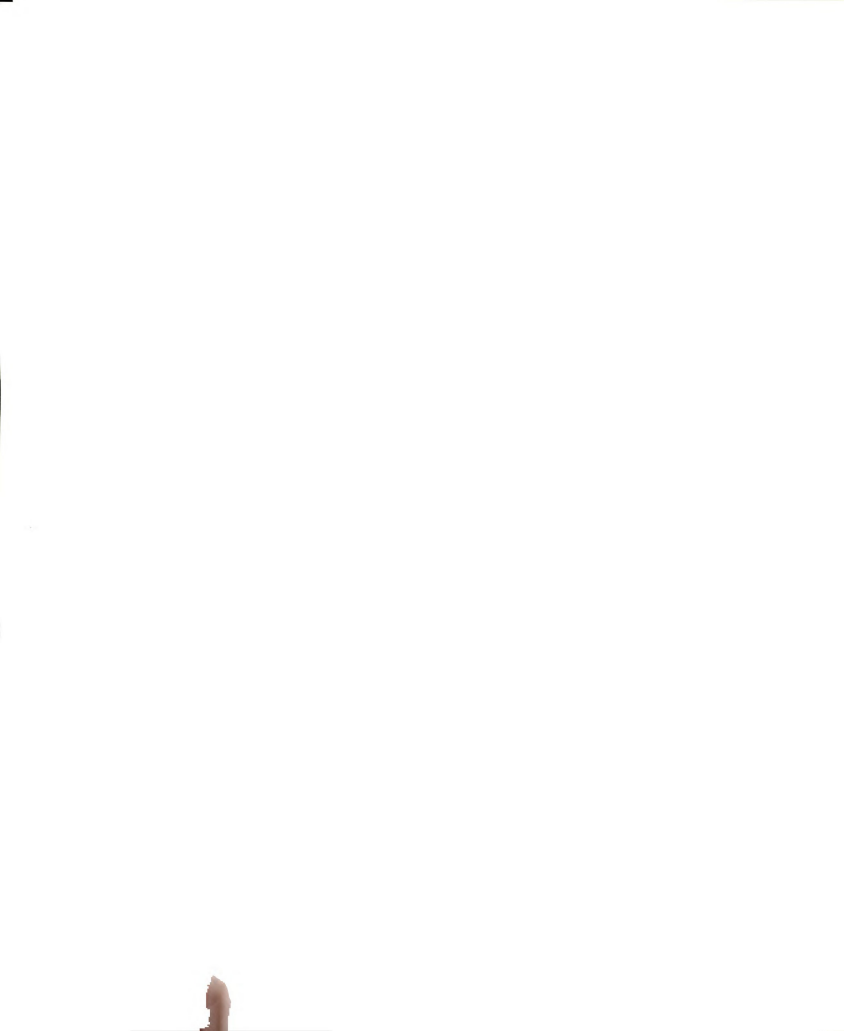
and managerial professionalization. The central role in elite participation has moved from local upper classes to corporate managers recruited on the basis of company affiliation. These board members support professionalization, while corporate giving can help sustain revenues and provide legitimacy for nonprofits (Dye, 1978; DiMaggio & Anheier, 1990).

New institutional theorists March and Olsen (1983) considered nation-states and their organizations as key players in explaining organizational structures. New institutionalism is concerned with political decision making, especially the ways in which political structures shape political outcomes, helping then to explain organizational and political change. It emphasizes the relative autonomy of political institutions. New institutionalism stresses an interdependence between relatively autonomous social and political institutions. New institutionalism downplays conflicts of interest within and between organizations and stresses the relationship between stability and legitimacy and the power of "common understandings." New institutionalism considers the historic relationships between organizations. The significance of the concept of co-optation is that, though this is an adaptation to change, the change itself has consequences for the nature and role of the nonprofit organization. In the newer understanding then, environments are more subtle in their influence; rather than being

co-opted by organizations, they penetrate the organization (Wolch, 1990; DiMaggio, 1991).

Wolch (1990) argued that the emergence of the shadow state is linked to the transformations in the welfare state. While nonprofits have gained resources and political clout, as a result they are also subject to more government regulation. It can be argued that as government takes on more regulatory functions, group interests outside the government seek to secure new centers of power. DiMaggio and Powell (1983) argued that rationalization and bureaucratization have moved from the competitive marketplace to the government and the professions. As nonprofit organizations emerged as a field they became more similar. Isomorphic processes led to this outcome, which impacts on theories of organizations and social change. Both formal and informal pressures are exerted on organizations by other organizations upon which they are dependent, and by cultural expectations in the society within which organizations function. Nonprofit organizational change, then, is in part a direct response to government regulation, legal requirements, budget cycles, etc. Nonprofit organizations have tended to model themselves after similar organizations in their field that they consider successful. This tendency perpetuates homogeneity through consulting services which encourage the development of businesslike processes, such as marketing and board development. Professional accreditation processes, training

seminars, and graduate education also impact on professionalization. Nonprofit directors continue to seek professional networking at the organizational level in their leadership role (DiMaggio & Powell, 1983; Swanson, 1995).

Relating to professionalization, Wolch (1990) cited Wilson (1973) who distinguishes between paid staff and volunteers' lack of political action in nonprofit organizations in her theory of excluding nonprofits from engaging the political realm. In the 1990's, with increased government funding, charitable human service organizations are more likely to have primarily paid staff rather than volunteers. Wolch herself points out that this group of nonprofits is more likely to influence public policy as a result. Increased government funding and resulting regulation has led to charitable nonprofits' tendency to professionalize, with this in turn changing the nature of their public policy role. The appropriate unit for analysis in policy formation then becomes the policy arena, which encompasses both the government and interest group professionals and provides then the "new" institutional context for a more appropriate analysis of nonprofit participation in public policy. This is the context in which the present study was conducted (Wolch, 1990; Chubb, 1983; Parsons, 1969; Perrucci & Potter, 1989).
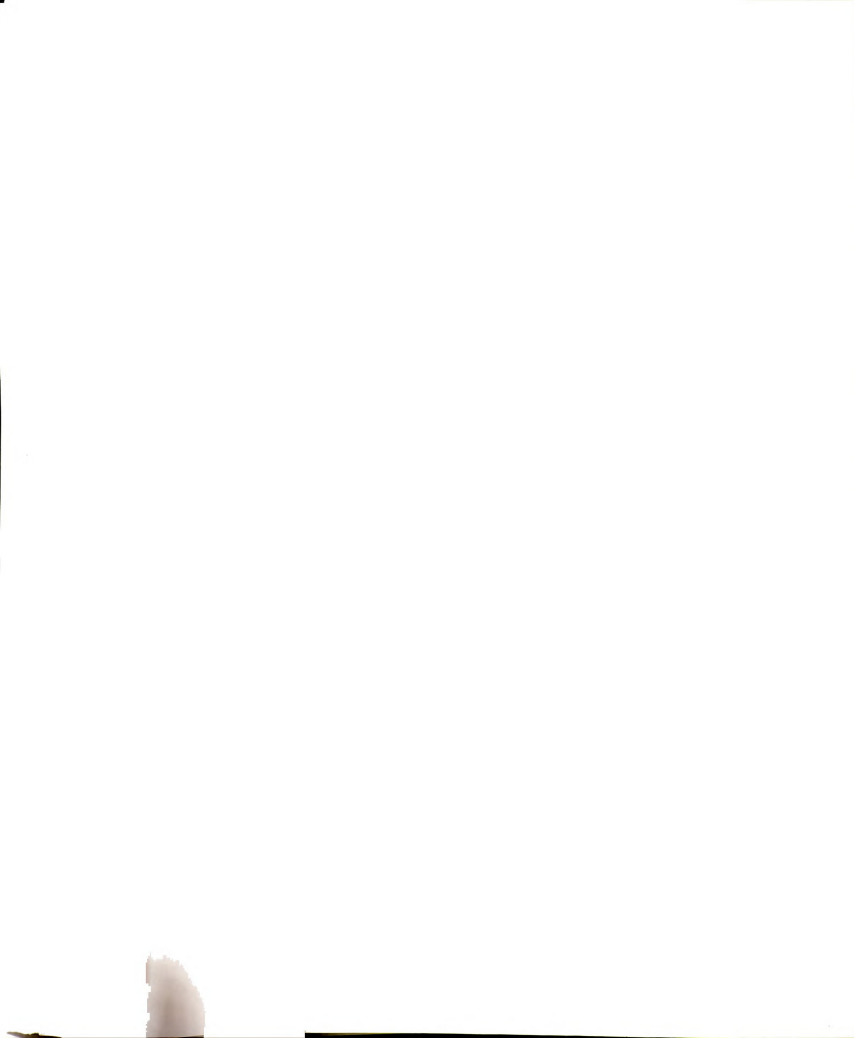
CHAPTER THREE: POLITICAL ADVOCACY

Chapter Three moves into the specific research topic,
"political advocacy." It cites extant research, defines and
describes nonprofits' political advocacy, and demonstrates
that nonprofits have increased their participation in public
policy. Finally, this chapter summarizes the literature
which forms the basis of this study.

Literature

Nonprofit Advocacy

Charitable nonprofits have positioned themselves
politically to advocate their role. Charitable nonprofits
have moved from being spectators to active participants in
public policy. Today's professional nonprofits will strive
to mobilize their constituencies to support and advance
their interests (Kramer, 1987; Schuck, 1977; DiMaggio, 1991;
Saidel, 1989, 1991, 1994; Scott, 1992).

In the social work literature, there are three broad
categories of political advocacy--collaboration, campaign,
and contest. Collaboration strategy implies a working
relationship between two systems. Collaboration strategies
include implementation, capacity building, participation and
empowerment. Campaign strategies are used when the target

must be convinced of the importance of change and when
communication is possible between two systems. Campaign
strategies include education, persuasion, cooptation,
lobbying, and media appeals. Contest strategies are used
when two systems are in opposition. Contest strategies
include bargaining, and negotiation, legal and illegal civic
actions, and lawsuits (Brager & Holloway, 1978; Brager et
al., 1987; Netting, Kettner & McMurtry, 1993).

Organizational relationships are at the heart of
understanding political advocacy. The relationship between
the government and nonprofits changed dramatically in the
1980's and 1990's. A conservative political culture
influenced public policy resulting in government funding
cutbacks and in a role shift for nonprofits. Researchers of
bureaucratic politics such as Rourke (1984) Allison (1981)
Yates (1982) and Chubb (1983) raised questions about the
political interactions between the sectors. Government
bureaucracies engage in politics as they seek to build
public support for particular policies. Through alliance
building and bargaining they strive to mobilize their
constituencies to support and advance their interests.
Nonprofit organizations are often both constituency and
clientele to public agencies and they may be willing
participants in the political process as a result. The
policy requirements of public agencies may, then, structure
the interaction between the sectors more than the influence
attempts of interest groups (Wolch, 1990; Saidel, 1994).

Within the sector, organizational success in public
policy through political advocacy has varied. Using
Douglas's (1987) classification scheme, mutual benefit
organizations which are established to provide collective
benefits for its membership (such as unions and social
clubs) draw on several sources of power for gaining access
and influence in the public policy arena. Their strength
lies in membership numbers, elite participation, and
financial resources. This class of organizations has
successfully used lobbying, bargaining and negotiation and
legal tactics to influence public policy. Arts
organizations which have a liberal base have suffered to
some degree in the current conservative political
environment but the elite influence of some of their members
has served to counter act cutbacks in government funding
(Douglas, 1987; Jenkins, 1987).

Political organizations such as environmental action
organizations are by their very nature actively engaged in
advocacy activities. This class of organizations has
successfully used a wide range of strategies, including
pressure tactics such as legal battles and strong lobbies,
to influence public policy. In the recent conservative
political environment, actions such as the Istook Amendment
have been taken to limit the ability of these organizations
to influence government (Douglas, 1987; Jenkins, 1987).

The largest classification of nonprofits, charitable
human services, encompasses a wide scope of organizations.

Foundations and umbrella organizations have demonstrated successful influence in tax policy. Using a variety of strategies, the sub-fields in social services including health/mental health, religious organizations, and social services, also seek to be influential in redistributive policy on behalf of the clients that they serve. Health organizations, the largest employer in the sector, have vast resources to draw upon in public policy advocacy. Health/mental health organizations have successfully lobbied to influenced health care legislation related to medicare/medicaid, and they have participated in activities to influence national health care reform (Jenkins, 1987; Clotfelter, 1992; Peterson, 1993).

Grassroots community-based social service organizations have often employed conflict-oriented tactics which may be successful in placing items on the agenda, but may have a negative effect in further stages of policy formulation. Many larger social service delivery organizations have been successful in influencing the details of public policy through informational lobbying, drawing on their resource dependence and service capacity for influence. Smaller human service organizations have little of their own political/economic resources. Increasingly, they join forces and attempt to influence public policy through affiliations and umbrella organizations. Coalitions and organizational affiliations are an increasingly important political influence mechanism for smaller nonprofit service

organizations (Jenkins, 1987; Clotfelter, 1992).

Executive Directors

In the nonprofit research literature there is a broad range of thought concerning the level of responsibility for political advocacy held by the board of directors and the executive director (Middleton, 1987; Drucker, 1990; Herman & Heimovics, 1991; Harlan & Saidel, 1995). Ostrander (1987) talked about the conservatizing effect of the board on nonprofit political advocacy. Saidel (1994) found that executive leadership with respect to boards of directors is an important component in nonprofit/government relations. Drucker (1990) clarified the role of the executive director maintaining that the political challenges facing a nonprofit organization are often beyond the scope of the volunteer board of directors and Young (1987) treated the executive director as the entrepreneur of the organization. Young noted the substantial dependence of many nonprofit organizations upon government programs and policies. He charged the executive director with the critical role of managing this dependency.

Executive directors are responsible for informing the public about the needs and problems of clients, interpreting the goals and programs of the agency, seeking funds for the agency, and building political and moral support for the agency and its clients. In so doing, executive directors may have to inform and influence contributors, board members, funders, interest groups, clients, and elected and

appointed officials. Executive directors, as representatives of the agency, engage in political activities on behalf of their organization to carry out these functions. However, there are several conflicting demands placed on directors in their political advocacy role and there are organizational and legal constraints placed on political activity. Executive directors thus have to evaluate their professional political advocacy skills, their knowledge of political advocacy strategies and their relationships with the target of the political activity (O'Neill & Young, 1988; Pawlak & Flynn, 1990).

Nonprofit executive directors/CEO's represent their nonprofit agency in political advocacy (Saidel, 1994). Executive directors of nonprofits need to demonstrate their willingness to engage in political advocacy. Heimovics, Herman, and Jurkiewicz-Coughlin (1993) examined the actions of fifty-two effective chief executive officers to find resources for their organizations. Their hypothesis was that a group of executives who are considered to be effective is much more likely to think and act according to a political frame than chief executives not so designated who were in a comparison group. The political frame (Bolman & Deal, 1991) assumes ongoing conflict or tension over the allocation of scarce resources or the resolution of differences, most often including bargaining or negotiation to acquire or allocate resources.

Politically oriented leaders not only understood how

interest groups and coalitions evolved, they also influenced
the impact of these groups upon the organizations. Those
who used the political frame exercised their personal and
organizational power, and were more sensitive to external
factors that influenced internal decisions and policies than
leaders in the comparison group. From the findings of their
research the authors proposed that given the relevance of
diverse government agencies and officials to most nonprofit
organizations, as regulators, funders, and policy makers,
effective nonprofit executives have learned to think and act
politically. They act in relation to external resource
dependencies in terms of mobilizing constituencies, forming
coalitions, creating obligations, and negotiating and
bargaining. In short, effective nonprofit chief executives
recognized that their organizations are in part
interdependent actors in policy and political processes and
behaved accordingly (Heimovics et. al, 1993).

Hoefer (1995) studied nonprofit group influence on
social welfare program regulations in Texas. The survey
instrument drew on the interest group research of Walker
(1991). In his political framework five factors of influence
are considered: policy positions, access, conflict,
strategy, and resources. In measuring influence Hoefer
looked at three areas: enumerating influence attempts,
reputational studies, and objective measures of interest
group impact. Using a limited snowball technique, Hoefer
contacted 295 organizations to participate in this study,

and 43% responded. Using bivariate and multivariate statistical analysis, Hoefer's findings conclude that strategies indeed do matter. His other hypotheses were not confirmed. Further research is indicated to determine the relationships between influence and resources, conflict, access, or positions. Hoefer called for similar studies to occur in other states for a comparative analysis of group influence in public policy.

In a study by Dawes and Saidel (1988) both interview and survey responses addressed the dynamic interactions between state agencies and nonprofits. In this field study, twenty state agencies and twenty nonprofit organization directors were included in the exploratory part of research on resource interdependence. They found that bargaining and negotiating between the sectors occurred at all points in the policymaking process, from problem identification and agenda setting, through formulation and legitimation, to implementation and evaluation. Under these circumstances political interactions were both formal and informal, through the planning process, request for proposals, hearing schedules, testimony invitations, and advisory body appointments (cited in Saidel, 1989).

Building alliances through technical assistance also occurred. Informal relationships then did open the lines of communications between the sectors that were useful in political interactions. Viewed from the perspective of nonprofit influence on government, all sources in the study

agreed that nonprofits were active at all stages in the policymaking process. Nonprofits exercised influence by their memberships on advisory boards and task forces as advocates for program changes. Informal feedback from nonprofits on operating programs and the informal exchange of ideas were important in the process. Respondents agreed that nonprofits exercised less influence in the more formal stages of planning and evaluation (Saidel, 1989).

Pawlak and Flynn (1990) studied the political activities of executive directors. Nineteen political activities were selected, encompassing activity both on and off the job. Structured interviews were used with 63 closed and 31 open ended questions. The open-ended questions were subjected to content analysis. A convenience sample of 57 directors selected from community services directories located in four cities in Michigan was used. Eighty percent of the organizations were human service nonprofits that received their funding from multiple sources including the government.

Virtually all of the participants reported some political activity on the job. Approximately 85% also participated in off the job political activity. The participants reported both positive and negative outcomes based on political activity, though the negative aspects were often personal in nature and related to off the job political activity resulting from role confusion and conflicts of interest. It is important to note that some

directors were concerned about off the job activities,
pressure to join political parties and support candidates
who had significantly helped the agency but with whom
directors differed on political matters.

The Internal Revenue Code for 501(c)(3) organizations
prohibits agency participation in political campaigns and
limits the nonprofit agency's use of resources to influence
legislation (Michigan Nonprofit Management Manual, section
3.3, section 3.8). Though Pawlak and Flynn's study
demonstrated active participation on the part of nonprofit
directors, it clearly pointed to some larger issues in the
need to improve the knowledge and skill of nonprofit
managers and the need for a broader understanding about
their advocacy role public policy on behalf the
organizations they direct.

Strandberg and Marshall (1988) have argued that all
social workers (as managers and providers of service through
nonprofit organizations) should engage in political action
to increase the power of the social work profession to
influence government policymaking. Reeser and Epstein
(1990) conducted a 1984 national survey of National
Association of Social Workers' (NASW) members to examine the
prevalence of social action behavior including lobbying,
class advocacy, and electoral politics. Reeser and Epstein
characterized one or more political activities in the past
year as "frequent." They found that community organizers
(often representatives of nonprofit organizations) were more
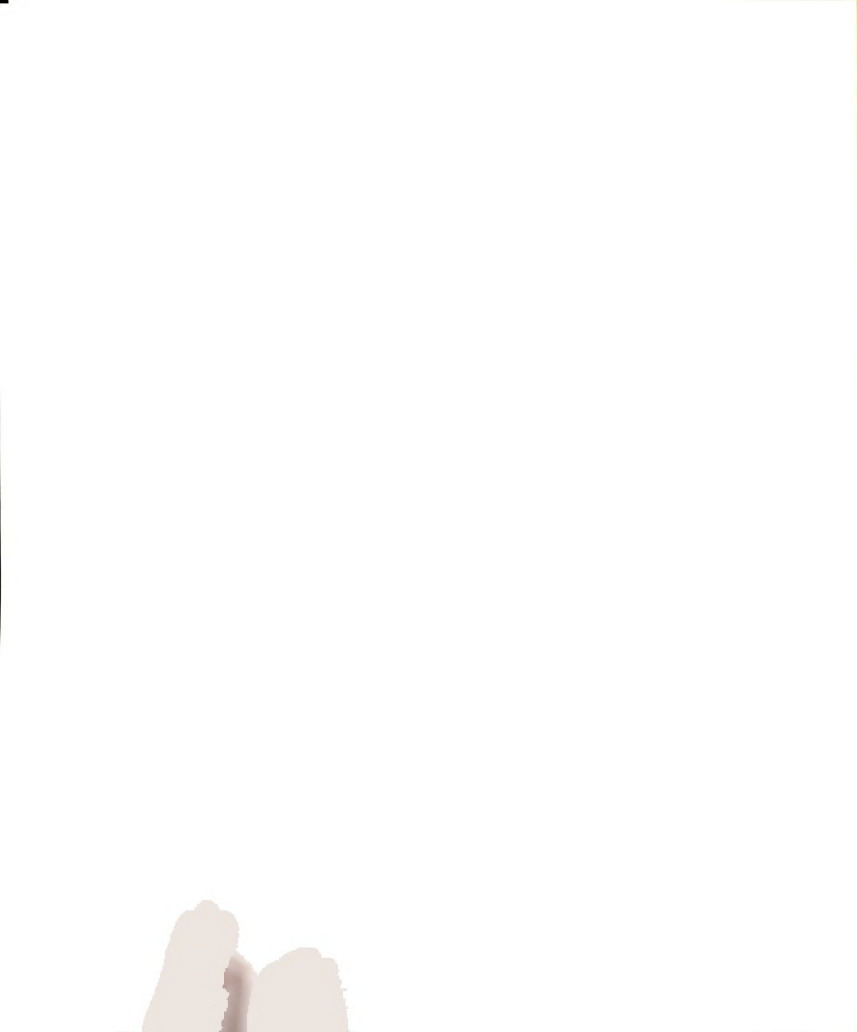
likely to engage in social action than case and group workers who are in direct practice. Agency sanctioned social action and lobbying for social work legislation increased with age in their study. Social workers affiliated with left wing political parties were substantially more activist than Republicans or Democrats.

A study by Hardina (1994) found that gender and political party participation were associated with social worker participation in political action. Men and macro practitioners were more likely to remember instruction in social action in graduate programs than women and micro practitioners along which lines graduate education are stratified. Wolk (1981) surveyed members of the Michigan Chapter of NASW to assess the degree of social worker involvement in the political process. Respondents were asked if they had participated in a number of activities during the previous five years. Sixty-three percent of the respondents were found to be active in political activity. Both administrators and community organizers were more likely to be involved in political activity than were direct service workers. He also found that as social workers mature in life and in the profession, their involvement in political activity increases. Wolk asserted that the social work profession plays a minimal role in shaping policies and decisions at the local, state, and national levels, citing reasons such as insufficient political skills.

Mathews (1982) found that although social workers may

be politically active, they are not politically influential.
Mathews surveyed 24 legislators from southwestern Michigan.
The findings indicate that legislators do not have an
accurate image of who social workers are, and they rate
social workers as having little political influence.
Political influence is defined by the respondents as
visibility, expertise, and reputation.

Board Members

Ostrander (1985) examined the theory that the nonprofit
sector can influence contemporary welfare reform policy
considering four important questions in her research. 1)
What would be the balance of governmental and non-
governmental funds? 2) What types of services would be
provided by the different sectors? 3) What clientele would
be served? and 4) What would be the structure of decision
making and policy direction? She found that the nonprofit
sector as a base for reforming the welfare state is
applicable in four ways.

First, her data supported the claims of program
specialization in nonprofit agencies, which can serve to
inform decisions about sector service delivery. Second,
nonprofit agencies appeared to have the capacity for
identifying community needs and providing for a substantial
portion of local services and can then contribute to
democratizing and decentralizing the welfare state. Third,
nonprofit agencies had a vested interest in advocating for
expanded government supported welfare services since they

received government funding to provide services. Fourth, nonprofit agencies appealed to and contained appropriate constituencies for building cross-class political alliances in support of welfare services (Ostrander, 1985).

An empirical study by Ostrander (1987) considered the political advocacy role of elite board members in three nonprofit Child and Family Service organizations which are highly dependent upon government funding. Many board members were uncomfortable with political advocacy. The advocacy role was "legitimized" in the study through education and national affiliated professional organizations. The board members in the study were asked to "represent the agency" with the governor or key legislators. Her study found that issues that could not be legitimized, bargained about, dealt with by putting opponents on the spot, or depoliticized - were dropped or tabled.

Board members sometimes expressed opposition to the agency's becoming involved in a particular issue. Most frequently opposition took the form of a challenge to the organizational forms and structures that enabled advocacy to occur, such as participating in coalitions or paying for advocacy work. Opposition to the social change function was expressed while the function of social control was supported. This study showed how ideology is a factor in shaping public policy, and it illustrated how elite power becomes institutionalized into policies and practice. In this case it also demonstrated the conservative policymaking

influence of elites. Non-elites also serve on charitable human service nonprofit boards. These members can serve as a locus for creating cross-class alliances in support of the welfare state (Ostrander, 1985).

Further study on this research by Ostrander (1989) confirmed that it is not enough simply to participate in political advocacy. Facing the withdrawal of state funds, nonprofit agencies move toward greater political advocacy in favor of welfare services and benefits, seeking a greater voice in state policies and programs. Her eighteen-month field study of three Child and Family Service organizations combined observations, interviews, and document reviews to conclude that adaptation to funding cutbacks by the use of more conservative fiscal policies led to declining services for the poor. However, her study also revealed that agencies directed more intense political advocacy efforts at changing and expanding state welfare policies and programs for the poor, moving beyond their own self-interest.

In an empirical study of the relationship between professionalization, advocacy, and services for the poor, Salamon (1992) found that agencies with more paid staff focus more heavily on the poor than do agencies staffed entirely by volunteers or by only a small number of paid staff. Thus extensive reliance on volunteers instead of professional staff was no guarantee of attention to the poor at least in this study. Overall the study concluded in agreement with the work of Ostrander (1987) that there is a

strong relationship between professionalization within the
nonprofit sector and attention to the needs of the poor
(Wolch, 1990; Salamon, 1992).

These works challenges Wolch's (1990) claim that
nonprofit advocacy is simply directed at staving off funding
cutbacks. Ostrander's in-depth case study approach more
successfully got at a broader understanding of the dynamics
of the interdependence and the nature of political advocacy
within such an environment. Ostrander's study also
challenged Wolch's view that social service nonprofits have
a role in advocating for fundamental social change in the
economic and social institutions of society. Their mission
is not representative of a radical agenda in contrast to
other types of nonprofits with more advocacy oriented
purposes. However, her work does support their advocacy role
in influencing state welfare reform policy.

In a study of eighty nonprofit organizations and
seventy-three state agencies in four service areas of New
York state, Saidel (1991) examined the interdependent
relationship between state agencies and nonprofit
organizations based upon resources. Saidel found that
resources that flow from public agencies to nonprofit
organizations were: revenues, information (including
expertise and technical assistance), political support and
legitimacy (in the sense of external validation), and access
to the policy process. Nonprofit organizations supply their
service delivery capacity, information, political support,

and legitimacy to state agencies.

In Saidel's analysis of New York State agencies, political support and legitimacy were included as resources because of the public arena in which resource relationships between state agencies and nonprofit organizations are forged. In their dealing with the legislature, governor's office and budget division, nonprofit organizations were influential actors on behalf of the interest of state agencies. Saidel found that state agencies reported 61% dependence on nonprofit agencies for resources. Nonprofit organizations reported that they were 62% dependent on state agencies for resources. In summary, her research found that public sector agencies and nonprofit sector organizations describe in the aggregate a similar relationship of reciprocal dependence. Her issues concurred with now familiar concerns that symmetrical resource dependence may not allow sufficient nonprofit or public organizational autonomy. While this concern is valid, Saidel described the dependence as reciprocal, leaving the door open for a collaboration based upon mutual benefit and theories of exchange (Saidel, 1991).

Research by Harlan and Saidel (1995) considered contracting and patterns of nonprofit governance. Using data from Saidel's earlier research, Harlan and Saidel (1995) looked at how government contracting affects governance in nonprofits. The survey of four hundred nonprofits measures the participation of staff and board

members in activities that encourage political advocacy and
protect the nonprofit interest. Four governance roles--
facilitator, political advocate, buffer, and values
guardian--were identified in earlier resource dependence
research (Saidel, 1991).

By examining the relative involvement of directors and
boards as political advocates and buffers in relations with
government Saidel found that contracting governance
activities were undertaken jointly, though directors do more
than board members on both dimensions, demonstrating
"leadership centrality" of chief executives as compared with
boards of directors. Furthermore, affiliation with an
influential statewide association also contributes to
explaining which organizations are more likely to exhibit
joint participation by board and staff in governance.
Statewide associations strengthen professional ties and
contribute resources in the form of networks, information,
and knowledge and strategies for influencing state funders.
Board members, on the other hand, exert their influence
through connections to decision-makers. Harlan and Saidel
(1995) developed a typology of governance patterns finding
that shared governance between the staff and board is the
most frequent pattern for buffering. Also significant is the
finding that fully one third of the nonprofits are
bystanders in political advocacy. The bystander finding
suggests that local individual organizations have difficulty
gathering the necessary resources to influence government

such as knowledge, networks, and strategies. Harlan and
Saidel (1995) called for further research into the nonprofit
public policy role of political advocacy.

<u>Summary</u>

Charitable human service participation in public policy
has increased in the past fifteen years. Having carved
their niche as primary implementors of public welfare
policy, nonprofits have strengthened their ability and
resources, enabling them to advocate in public policy.
Welfare reform will only continue to expand their potential
for public policy advocacy. How effective charitable human
service nonprofits are in public policy advocacy has serious
implications for the future welfare of many American
citizens.

A key adaptive mechanism for enhancing the capacity and
ability for charitable human service nonprofits in shaping
public policy and participating in policy networks is
through affiliate organizations. Networks are emerging as
centers of power and influence in society, and participation
in networks increases the ability of these nonprofit
organizations to pool their resources for the purpose of
influencing policy formation. Whether working alone or with
other organizations, these nonprofits, then, must be
successful in asserting their public policy positions
(Perrucci & Potter, 1989).

Concerning their relationship with government, Wolch
(1990) questions the willingness of nonprofits to "bite the

hand that feeds them." Her "shadow state" caution that costs may outweigh benefits is warranted when understood from a conflict perspective. I would argue, however, from a more functional perspective that the charitable human service nonprofit should strive to be a key player in public policy advocacy. Nonprofits by virtue of their implementation role do collaborate with government. Collaboration implies working together and results in easier, faster, and more coherent access to services and benefits. This relationship includes a commitment to success, shared responsibility, and sharing of resources as well as rewards (Winer & Ray, 1994, p.7).

At the same time, while sub-contracting for public policy implementation, nonprofits need to maintain a balance in the relationship, securing a reasonable degree of autonomy from government. This can occur when both the government and nonprofits have their own sources of power and support to bring to the policy table. The ability of a nonprofit organization to assert a reasonable degree of autonomy, maintain its unique voluntary nature, and retain the integrity of its mission, may be determined by the relative strength of supportive relations in which the organization is embedded. For example, the government has coercive power of taxation, expertise, and policymaking legitimacy while charitable human service nonprofits have implementation legitimacy and multiple sources of funding including foundations, churches, and community-based

support. Indeed multiple sources of funding and the proportion of each source to the whole budget may be a critical factor in determining their strength (Saidel, 1991; Gronbjerg, 1993; Harlan & Saidel, 1995).

Clearly, government and charitable human service nonprofits need one another. Their mutual dependence may then provide the very source of power and control which enables the charitable nonprofit to assert its broader policymaking role. Co-optation, viewed more positively, may lead ultimately to some level of cooperation. Nonprofit organizations must be true to their mission, retain a reasonable level of autonomy, and retain their unique connection to volunteerism. Maintaining a level playing field will require vigilance on the part of all of the policy players. While democracy creates an environment welcoming of nonprofit organizations' participation in the policy process, nonprofit sector growth and the need for more government regulation leads to a deeper nonprofit/government relationship. Resource dependence encourages nonprofit professionalization. Professionalism increases the likelihood that nonprofits will engage in the policymaking process. This is the dynamic cycle of interdependence that captures the context of the nonprofit role in public policy (Saidel, 1991; Harlan & Saidel, 1995; Perrucci & Potter, 1989; Galaskiewicz, 1985; Scott, 1992; Wolch, 1990; Smith & Lipsky, 1993).

CHAPTER FOUR: RESEARCH DESIGN

Chapter Four outlines the research design. The
Methodology section includes discussion of the broad
research question, research model, definitions, and
hypotheses. The Data Collection section considers the
research context, survey instrument, sampling method,
research limitations, and coding scheme.

Methodology

Research Question

This exploratory/descriptive study seeks to answer the
broad research question, "How active are Michigan charitable
nonprofits in their public policy advocacy role and what
features are related to this level of advocacy?" If
nonprofit organizations are too assertive politically,
government agencies may be uncomfortable. If nonprofit
organizations are insufficiently active, their own existence
may be threatened. Nonprofit scholars seek to learn more
about political advocacy boundaries.

Research Model

Several considerations which are critical in public
policy advocacy can be identified through the political
advocacy experiences of nonprofit organizations. If

nonprofits are going to advocate, they must be able to
advocate effectively in order to continue to bring about
social reform and to preserve their place in public policy.
At the same time they must assert their autonomy, yet
maintain their unique voluntary nature by not becoming
overly professionalized. If a nonprofit organization seeks
to change public policy, the advocacy strategy is important.
One of the most salient questions in nonprofit research is
whether their level of government dependency affects this
choice (Hoefer, 1995; Ostrander 1989; Walker, 1991; Wolch,
1990; Lipsky & Smith, 1993).

Based upon three theories--interest group politics,
resource dependence, and new institutionalism--this study
will examine nonprofit public policy participation. Its
objective is to gain a greater understanding of the
relationships among the levels of resource dependency,
levels of agency autonomy, levels of professionalization,
and political advocacy.

Variables

Political advocacy is defined as "the attempt to speak
for or on the behalf of a specific position so as to
influence government decisions" (Jenkins, 1987, p. 297).
Political activity is the approach taken such as writing a
letter, calling a legislator, or giving testimony at a
public hearing. These and other political activities are
grouped and categorized into strategies in the social work
literature. The dependent variable in this research is

political **advocacy** strategy. Political advocacy strategies are defined as, "any skillful method used to gain an end" (cited in Netting et al., 1993, p. 249). There are three broad categories of political advocacy strategies-- collaboration, campaign, and contest. Collaboration strategies include implementation, consultation, capacity building, and empowerment such as participating on planning collaboratives. Campaign strategies include educational lobbying, persuasion, lobbying, and media appeals. Contest strategies include bargaining and negotiation, legal and illegal civil actions, and lawsuits. This definition of political advocacy strategies is shown in figure 4.1 (Brager et al., 1987; Netting et. al, 1993).

Two intervening variables are identified in the literature review as government sub-contracting issues. They are agency independence or **autonomy**, and bureaucratization or over **professionalization.** Resource dependence theory explains the concern over agency independence. Level of autonomy can be measured by examining the decision-making control of the agency, the stability of the agency mission, and program fit. New institutionalism explains the changing public policy environment and the tendency for nonprofit organizations to become more bureaucratic. Professionalization can be measured by examining staff education, agency affiliations, and number and use of paid staff vs. volunteers.

The independent variable is resource **dependence.**

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┌─────────────────────────────┐
│                             │
│     POLITICAL ADVOCACY      │
│                             │
└─────────────────────────────┘

┌──────────────┐   ┌──────────────┐   ┌──────────────┐
│  Strategy 1  │   │  Strategy 2  │   │  Strategy 3  │
│              │   │              │   │              │
│ Collaboration│   │   Campaign   │   │   Contest    │
└──────────────┘   └──────────────┘   └──────────────┘


┌──────────────────┐ ┌──────────────────┐ ┌──────────────────┐
│Political Activities:│ │Political Activities:│ │Political Activities│
│                  │ │                  │ │                  │
│   Consulting     │ │    Lobbying      │ │  Demonstrating   │
│ Implementation   │ │     Media        │ │    Lawsuits      │
│   Planning       │ │   Education      │ │  Civil Actions   │
└──────────────────┘ └──────────────────┘ └──────────────────┘
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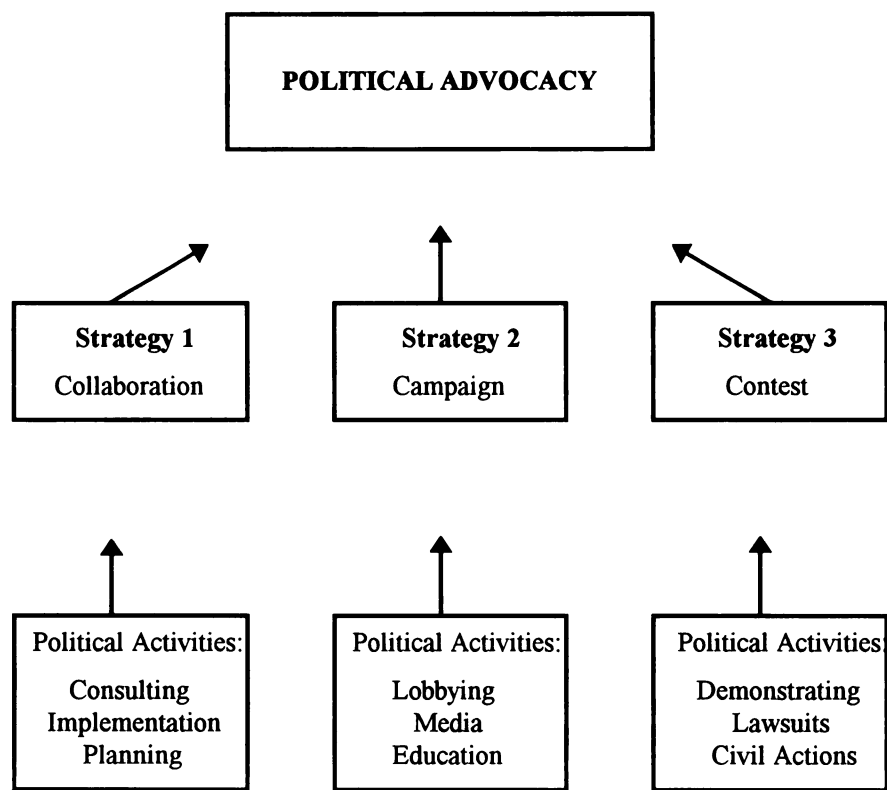
Figure 4.1
ADVOCACY STRATEGIES

Resource dependency theory is described in the literature review. Resource dependence explains the nature of the interdependent relationship between the charitable human service nonprofit organization and government which is operationally defined as proportion of government funds.

The unit of analysis in this study is the organization. The unit of observation is the executive director. This study asks executive directors directly about their political advocacy activity. Their responses relating their political advocacy activity experiences are based upon perception.

Definitions

1. high dependence = govt. $ 67% or more

2. moderate dependence = govt. $ 34% - 66%

3. low dependence = govt. $ 33% or less

4. collaborative strategies = contracting, consultation,

5. campaign strategies = education, lobbying, media

6. contest strategies = legal action, demonstrations

7. autonomy = local control, stable mission, program fit

8. professionalization = staff education, organizational affiliations, number and use of paid staff vs. volunteers

Hypotheses (see Figure 4.2)

Hypothesis 1: Levels of government funding affect the amount of agency autonomy.

H1a: Nonprofits that demonstrate high dependence are less autonomous.

Hypothesis 1
Government Funding Leads to Autonomy

67%-99% Government Funding →	Less Autonomy
34%-66% Government Funding →	Moderate Autonomy
0%-33% Government Funding →	More Autonomy
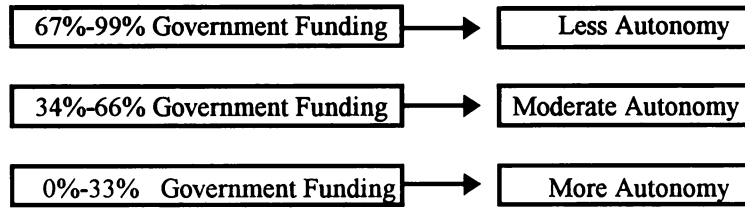
Hypothesis 2
Government Funding Leads to Professionalization

67%-99% Government Funding →	More Professionalization
34%-66% Government Funding →	Moderate Professionalization
0%- 33% Government Funding →	Less Professionalization
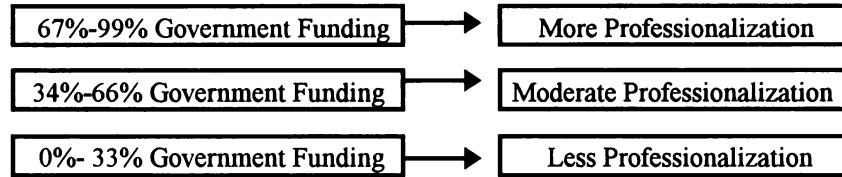
Hypothesis 3
Government Funding Leads to Advocacy Strategy

67%-99% Government Funding →	More Advocacy
34%-66% Government Funding →	Moderate Advocacy
0%- 33% Government Funding →	Less Advocacy
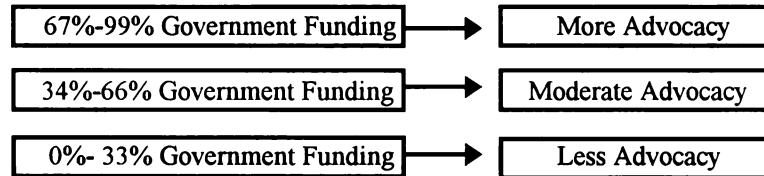
Hypothesis 4
Government Funding Leads to Autonomy Which Leads to Advocacy Strategy

67%-99% Government Funding →	Less Autonomy →	Collaborate Advocacy
34%-66% Government Funding →	Moderate Autonomy →	Campaign Advocacy
0%-33% Government Funding →	More Autonomy →	Contest Advocacy
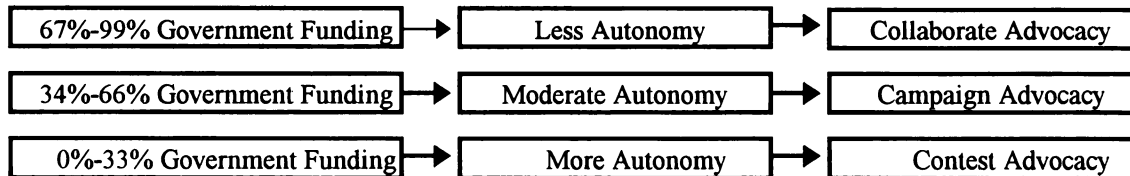
Hypothesis 5
Government Funding Leads to Professionalization Which Leads to Advocacy Strategy

67%-99% Government Funding →	More Professionalization →	Collaborate Advocacy
34%-66% Government Funding →	Moderate Professionalization →	Campaign Advocacy
0%-33% Government Funding →	Less Professionalization →	Contest Advocacy
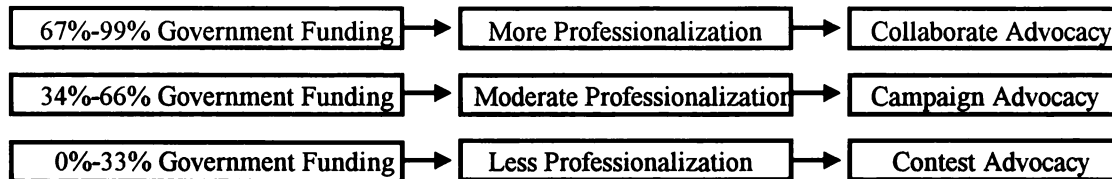
Figure 4.2
RESEARCH HYPOTHESES

H1b: Nonprofits that demonstrate moderate dependence are moderately autonomous.

H1c: Nonprofits that demonstrate low dependence are more autonomous.

Hypothesis 2: Levels of government funding affect levels of agency professionalization.

H2a: Nonprofits that demonstrate high dependence are more professionalized.

H2b: Nonprofits that demonstrate moderate dependence are moderately professionalized.

H2c: Nonprofits that demonstrate low dependence are less professionalized.

Hypothesis 3: Levels of government funding affect political advocacy strategy.

H3a: Nonprofits that demonstrate high dependence are likely to engage in multiple advocacy strategies.

H3b: Nonprofits that demonstrate moderate dependence are likely to engage in some advocacy strategies.

H3c: Nonprofits that demonstrate low dependence are likely to engage in fewer political advocacy strategies.

Hypothesis 4 and 5: Levels of government funding affect levels of autonomy and levels of professionalization which then affect political advocacy strategy choice.

H4a: Nonprofits that demonstrate high dependence are less autonomous and thus more likely to engage in collaborative advocacy strategies.

H4b: Nonprofits that demonstrate moderate dependence are moderately autonomous and thus more likely to engage in campaign advocacy strategies.

H4c: Nonprofits that demonstrate low dependence are more autonomous and thus more likely to engage in contest advocacy strategies.

H5a: Nonprofits that demonstrate high dependence are highly professionalized and thus more likely to engage in collaborative advocacy strategies.

H5b: Nonprofits that demonstrate moderate dependence are moderately professionalized and thus more likely to engage in campaign advocacy strategies.

H5c: Nonprofits that demonstrate low dependence are less professionalized and thus more likely to engage in contest advocacy strategies.

Data Collection

Research Context

The sample population is drawn from a mailing list of the Michigan League for Human Services. Some of the organizations are not current members but may have been members in the past. A member services nonprofit organization, the Michigan League for Human Services began in 1912 as a statewide association of citizens concerned with a broad range of human services issues and interested in the needs of the nonprofit agencies delivering the services (Michigan League for Human Services Brochure).

Formally structured in 1938, the League's Articles of Incorporation state the organization's dual purpose, which is: 1) the promotion of social well-being in Michigan through information dissemination, public discussion, and concerted action to "produce practical results;" and 2) assistance to charitable organizations "to insure their efficiency on behalf of the public." Today, the League's activities and programs continue to have as their dual purpose: 1) the improvement of human services in Michigan's communities through research, information dissemination, planning and advocacy activities; and 2) enhanced functioning of the state's nonprofit charitable organizations through provision of technical, management and financial assistance, group purchasing of insurance, and information on available public and private programs and services (Michigan League for Human Services Brochure).

The League is governed by a widely representative fifty-four member Board of Directors selected by the members from throughout the state. Over 1100 organizational and individual members belong to the League. The League's members tend to be typical poverty-based charitable human service organizations. A 1995 membership study found that member organizations are generally small, half reported fewer than 10 full-time staff, one-third employ five or fewer persons on a full-time basis.

Generally speaking the member organizations have limited budgets, with widely divergent reliance on any

particular fund source. Government grants were a source of funding for 53.8% of the responding participants in the membership study. Among these organizations the average share of their budget from government sources is 58% and this is the highest reported source dependence. Agencies are 25% dependent upon United Way funding.

Generally speaking Michigan League members are either programmatically unconnected to other statewide associations or unable to afford their memberships and services. The study also found that a large majority (two-thirds) of the survey respondents (33% of total membership) joined the League to get information on human services issues, programs, and legislation and that access to such information is a major factor in why they stay on as members. Three of four joined to support the League's work on behalf of needy populations (Michigan League for Human Services Membership Study, 1995).

Funding for the Michigan League for Human Services is provided by local United Ways, the United Way of Michigan, membership dues, foundation grants, publication sales, service fees, and contributions. The organization has a 501(c)(3) status (Michigan League for Human Services Brochure). The Michigan League for Human Services, which has identified public policy advocacy as one of its priorities, has graciously expressed its willingness to support this study (personal communication).

Survey Instrument

A research advisory committee was developed for the purpose of aiding in devising the research design and survey instrument. The membership includes a representative from each of the following agencies: The Nonprofit Forum (David Egner), The Direction Center (Barbara Greene, David Medema), the Frost Research Center (Chuck Green), and The Michigan League for Human Services (Ann Marsten). Each of the Dissertation Committee members are also participants on this committee (Paul Freddolino, Carol Weissert, Mark Wilson, Margaret Nielsen).

The survey instrument was developed by the principal investigator with input from the advisory committee. Questions from surveys used by Saidel (1991), Hoefer (1995), and Pawlak and Flynn (1990) are also included.

Pilot

The survey was piloted with the executive directors of several local agencies that met the research sample criteria described below. The purpose of this pilot was to test the language, clarity, and time length of the instrument, as well as to gain interview experience. In the original research design there were two components, a mailed survey and an interview. The return rate for the mailed survey was 20% after four follow-up contacts. The interview response rate was 100% in the pilot. It was decided that due to the sensitive nature of the questions and the length of time that it took to fill out a mailed survey that in-person
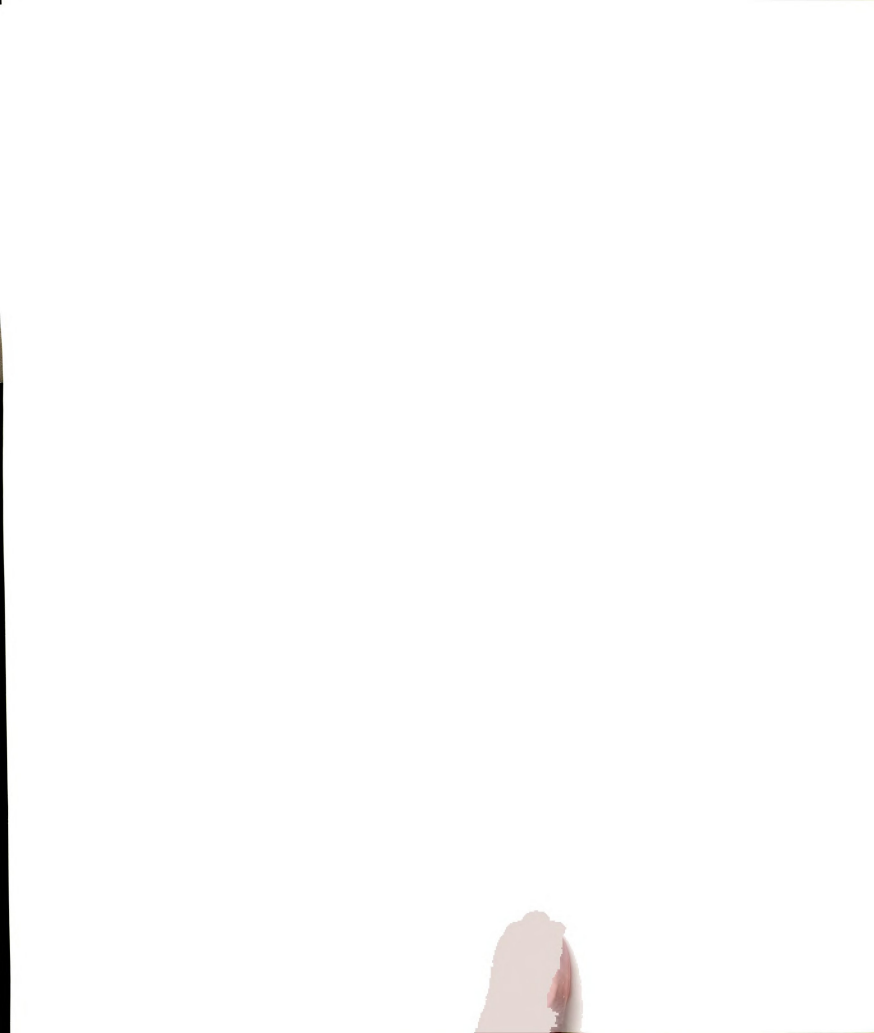
interviews were the most appropriate method for data collection even though almost two hours would be required. Revisions to the instrument were made based on the findings from the pilot experience. All revisions were approved by the dissertation chair.

Generalizability and Contribution

The generalizability of this study is limited to the sample population and similar charitable human service nonprofit organizations. These organizations are comparable in size and scope to the national sample. According to the Nonprofit Almanac, there are 4,531 similar organizations in Michigan. This estimate is based upon IRS 990 data. Approximately one-third of nonprofits file their IRS forms. No organization with a budget under $25,000 is required to file nor are religious organizations required to file (Hodgkinson et al., 1996-97; Wilson, 1991).

Earlier research has considered the connection between resource dependence and autonomy (Gronbjerg, 1993; Saidel, 1991, 1994) and resource dependence and professionalization (Smith & Lipsky, 1991; DiMaggio & Powell, 1991). This research seeks to make the link between dependence, autonomy professionalization, and political advocacy strategies.

Sampling Method

A minimum of thirty member organizations were selected using a convenience sample of all the member agencies from a broad geographic region which fit the basic criteria. Ideally, the sample would have included all areas of the

state but Detroit and the Upper Peninsula of Michigan were omitted due to professional scheduling conflicts. To meet the criteria requirements the agency's primary mission has to be poverty-based service delivery (no individual members). The agencies selected are from the state of Michigan and they must have 501(c)(3) status. The executive directors of the selected organizations were asked to participate in an extended in-person interview.

Thirty-five organizations were initially selected for participation in this study and a letter describing the research was sent to the executive director of each. A phone call follow-up confirmed that thirty-two of these organizations were willing to participate in the study and a mutually agreed upon time for the interview was established. This was followed by a postcard confirming time and date for an in-depth interview. Of those who could not participate, one executive director was unable to participate due to a death in her immediate family; one executive director confirmed that his organization did not meet the research criteria; and one executive director had just been laid off from her job. One interview had to be canceled due to bad weather. There were thirty-one interviews completed in the initial round. One was omitted from the sample after the interview because the organization was a for-profit organization. Thirty interviews remained in the sample.

The interview contained demographic questions, rating questions, and open-ended questions. The average interview

was completed in approximately one hour and thirty minutes.
The shortest interview was forty-five minutes and the
longest interview was two and a half hours.   All of the
executive directors signed a consent form for their
interview to be tape recorded and all agreed to further
contact if needed.   The participants were given a choice of
incentives, either a book or audio tape on leadership, at
the completion of the interview.

A review of the data found that a few of the
organizations were less than five years old and one of the
organizations had difficulty locating any records, which
meant that there was missing data in up to five cases.
Missing data is also a reflection of time running out during
the interviews. A few executive directors could not find
the requested information but no one refused to answer any
questions. In the end, five more cases were added to
compensate for missing data. The same process of contact
and reminder was followed. All five agreed to participate
resulting in a final sample of thirty-five organizations.

Limitations

The population is drawn from a self-selected group of
organizations that belong to an affiliate organization that
has advocacy as a part of its mission. The study is
exploratory and descriptive in nature with a small sample
size of thirty-five organizations. A self-reporting method
relies on the perception and memory of the respondent. The
order of the questions in the survey instrument is a

critical factor and in this case respondents would sometimes anticipate questions. The time factor was a limitation in some interviews where items were skipped or hurried through. Generally speaking, human service nonprofits are more dependent upon government funding than other nonprofit organizations, thus the generalizability of this study is limited to similar types of human service nonprofits of which there are approximately 4,500 in Michigan and approximately 59,000 in the US (Urban Institute, 1997).

<u>Coding Scheme</u>

All thirty-five interviews were transcribed and then coded using "The Ethnograph v4.0" computer software. The Ethnograph allows for line-level coding, showing coded text, and retrieving coded segments (Weitzman & Miles, 1995). The forty question interview has forty primary codes that identify each question and response, one hundred-twenty secondary codes that identify sub-questions, and twelve tertiary codes that are used to interpret the open-ended responses and stories. In many cases several of these codes identify the same passage or overlap.

The Research Assistant at the Carl Frost Social Science Research Center at Hope College agreed to code interviews to test for inter-coder reliability. Five cases were selected, one easy (short, followed the structured interview), three average (average length, added examples), and one difficult (long, stories added). Coding was compared on the five cases. There was close agreement on all five cases on the

primary, secondary, and tertiary coding scheme. The
Research Assistant did discover inaccuracies in coding, such
as missing codes, or mistakes in start-stop lines.

An agreement to review the remaining thirty cases for
inaccuracies was made. The principal investigator and
research assistant met and agreed on the coding scheme for
each of these additional thirty cases. All cases were re-
coded and cleaned accordingly. SPSS for Windows and hand
calculation were used for quantitative data analysis.

Funding

This research is being funded by the Nonprofit Sector
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CHAPTER FIVE: RESEARCH RESULTS

Chapter Five seeks to answer the broad research
question, "Are charitable nonprofits actively engaging in
public policy advocacy?" In this chapter the data are
examined for the aggregate responses of the participants.
Questions were asked about the organization's finances,
executive director, staff, board, and volunteers. Questions
were also asked about the organizations's relationship with
government policymakers and about the organization's
political activities and advocacy work. Data collected which
are not related to the research model are located in
Appendix C.

Data Analysis

Findings

A mission statement should be a clear and concise
statement which describes and defines the purpose of the
organization and in turn gives direction for agency
decision-making. In this study the agency mission is
examined for stability and program fit, which partially
defines autonomy. Thirty-four agency mission statements
(97%) were collected and reviewed; one (3%) was not
available.

Generally speaking the agency mission statements focus on the target population, programs and services, and the role of the agency in service implementation. These thirty-four mission statements are consistent with the programs and services of the agencies.

Changes to agency mission in the past five years were discussed. Of the thirty-two who responded, nineteen (59%) reported that the agency mission has changed in the past five years and thirteen (41%) reported that missions have not changed. Of the nineteen who reported their mission changed in the past five years, five (26%) reported that the changes are minor editing changes, ten (53%) reported moderate changes reflecting either a more focused or broader understanding of programs and services and/or target population, and four (21%) reported major substantive changes to reflect changing trends and public policy priorities. These organizations are positioning themselves for increasing their funding through new mechanisms such as managed care.

Five of the thirty-five agencies (14%) have either merged, are in the process of merging, or are considering a merger. Four of these agencies' comments about mission changes are based on mergers and organizational survival issues such as:

> "We have been working with them for about a year and looking at the possibility of a merger. Our boards signed a letter of intent to merge last week. We are going to merge and take the strengths of both agencies."
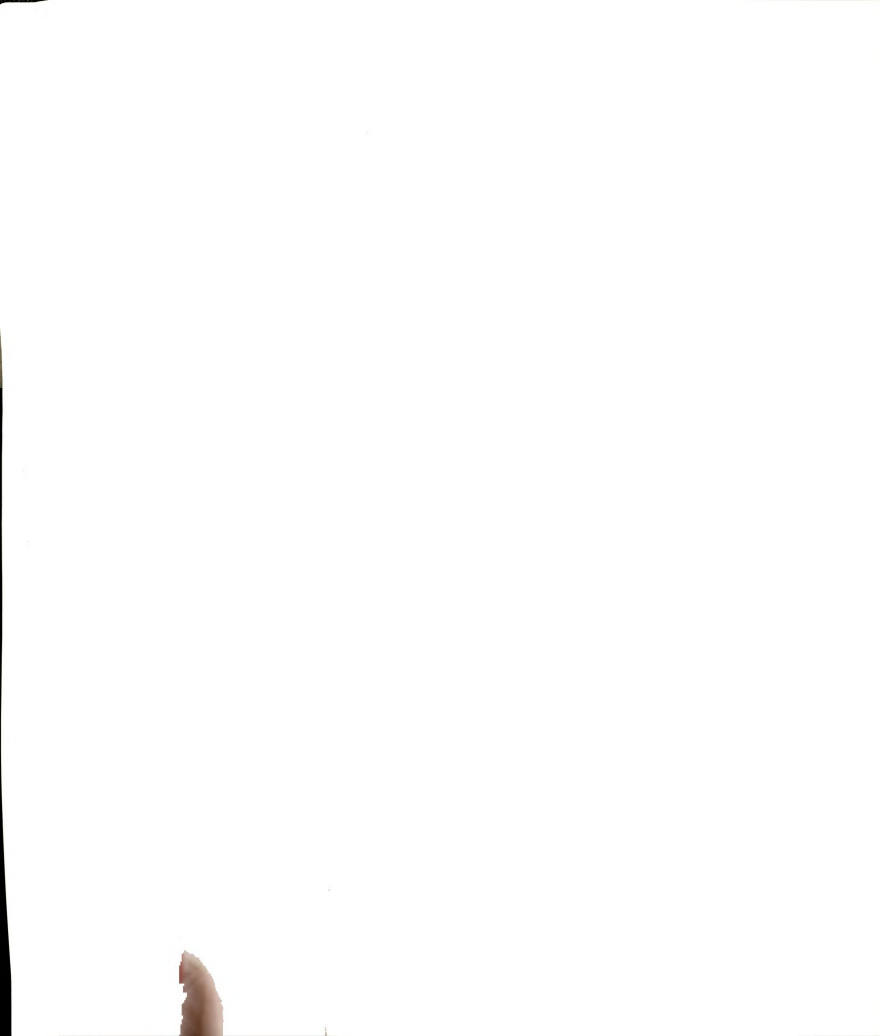
> "I believe it is in the best interests of our
> clients to merge. There's also ego involved in
> getting bigger. Managed care is part of the
> strategy for us to merge."

> "We are looking at potential mergers. We have a
> reconfigured board to look at it. When it comes
> down to losing the identity or in any way altering
> the mission of the organization we have one board
> member who becomes very emotional about it. It is
> a negative for him and I agree."

> "We're in an environment where unless you change
> you're not going to survive."

Projected changes to mission were discussed by thirty-two respondents. Twenty agencies (62%) said that their mission would not change in the next five years. Twelve (38%) said that they did expect the mission to change. Of the twelve (38%) who said that the mission would likely change again, seven (58%) of these organizations have changed their mission in the past five years already. Of these seven who both changed and plan to change, three have experienced major changes, three moderate changes, and one minor changes. Of the twenty who do not anticipate any changes, nine (45%) of these organizations have experienced change in the past five years, four minor changes, five moderate changes, and none have experienced major changes. The agencies that anticipated change in the next five years gave explanations including being open to change, standing review process, and changing public policy trends. An insightful response:

> "In the high velocity change environment we're in,
> if we're not guided by that mission, then we're
> going to get lost in the woods."
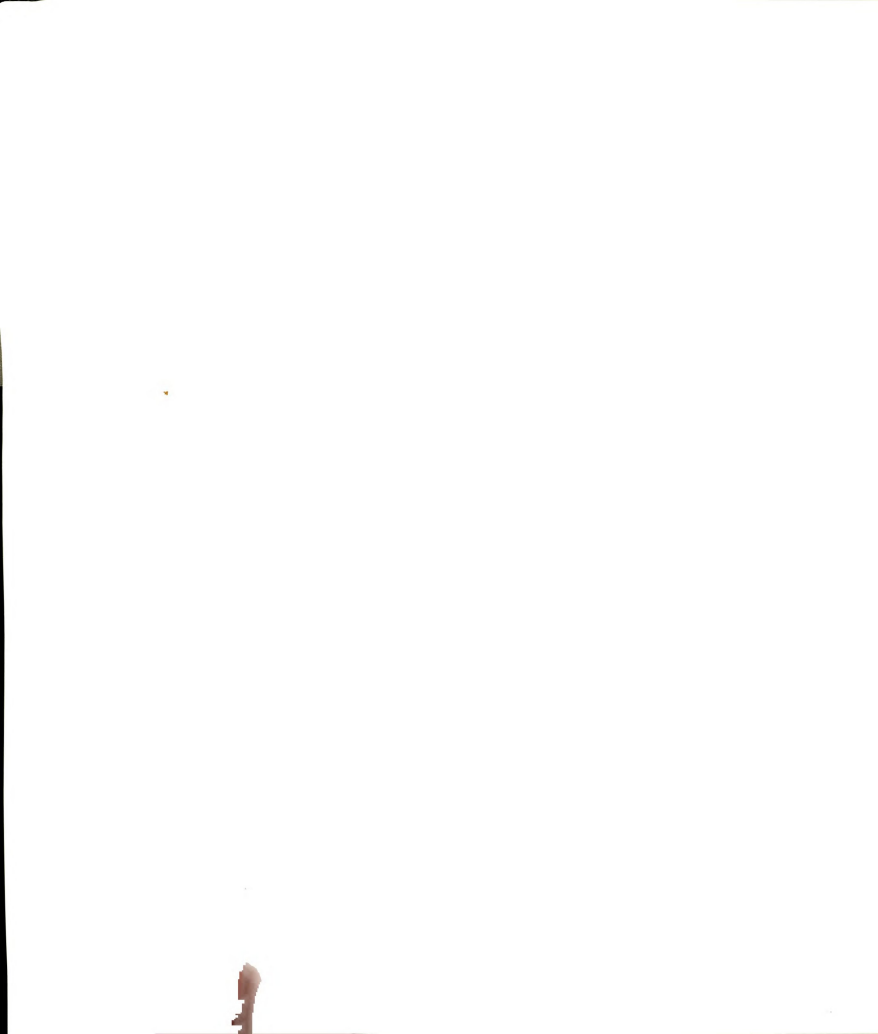
Organizations were asked to identify their organizational affiliations with state and national associations and if they paid dues to these affiliate organizations. All of the organizations in this study belong to at least one affiliate organization, either state or national. On average, the sample population belongs to 3.3 state and national affiliate organizations. The majority of these affiliate organizations require dues, while in a few cases dues were voluntary. Many of the affiliate organizations are associations of similar agencies who carry out similar services. While most of the affiliate organizations perform an advocacy function for member agencies, some do not.

Table 5.1 shows information about each organization's percentage of government funds and the percentage of change in government funds over a five year period. Federal, state, and local sources of funding were identified and discussed. These organizations have either federal/state funds passed through state agencies or through county government sub-contracts. Eight (23%) have local city government funding. The range of percentage of government funds is from 0% to 99%. On average the sample population is 54% dependent on government funding.

Proportional levels of government funding do not necessarily reflect losses or gains in total government contracts but may reflect losses or gains from other fund sources. Of the thirty-two who responded, fourteen of the

Table 5.1

*GOVERNMENT FUNDING, 1996 and % CHANGE SINCE 1991

Agency	% Govt. Funds	% Change
01	0%	0%
02	78%	+ 49%
03	49%	+ 3%
04	73%	no change
05	34%	+ 16%
06	28%	- 17%
07	11%	+ 7%
08	67%	- 8%
09	51%	- 9%
10	68%	NA
11	50%	- 47%
12	10%	+ 1%
13	76%	+ 13%
14	79%	NA
15	90%	+ 90%
16	80%	- 20%
17	95%	- 5%
18	87%	+ 3%
19	63%	NA
20	3%	+ 3%
21	89%	+ 2%
22	81%	+ 1%
23	91%	+ 2%
24	28%	- 15%
25	35%	+ 3%

* varies by fiscal year

Table 5.1 (cont'd)

26	87%	- 2%
27	84%	no change
28	99%	- 1%
29	40%	- 35%
30	9%	+ 9%
31	25%	- 14%
32	21%	- 5%
33	49%	- 31%
34	67%	+ 3%
35	4%	- 1%
Median	63%	+ 1%
Mean	54%	- .17%

*varies by fiscal year

agencies (44%) have lost government funding proportionally over the past five years. Losses range from 0% - 47%. Fifteen of the agencies (47%) have gained government funding over the past five years. The gains range between 0% - 90%. Two (6%) have remained the same. One (3%) does not receive government funding. When pooled together the data show an average loss in government funding of -.17% over the last five years which is notable at less than 1%. This comment from the executive director of an organization that lost a significant government grant:

> "When we lost the contract, we had exceeded our
> goal in every category. To me that stated two
> things, our staff maintained their integrity to
> deliver the services for which they were
> contracted to do and more importantly, we lost a
> contract but we know it wasn't because of a lack
> of performance or effort. On a cost per placement
> basis we could not and did not do as well as the
> public organization, but we also recognized that
> we could not compete against a public
> organization. Cost of placement is what it boiled
> down to. I think the competitive process was an
> attempt to weed out the bad delivers of service,
> not so much punish the good ones and so if you had
> an agency that was delivering the service
> well...there were sacred cows and sacrificial
> lambs this year."

In Table 5.2 information on the importance of a variety of a fund sources is compared to their projected importance. Organizations were asked to rank the importance of funding sources now and to project their importance five years in the future on a five point scale with 1 being not important and 5 being very important. The listed sources were corporations, fees, foundations, fund-raising events, government funds, direct mail, unsolicited donations,

Table 5.2

FUND SOURCE IMPORTANCE
(N=35)

Fund Sources	1996 N=	1996 Mean	1996 Rank	2001 N=	2001 Mean	2001 Rank
Corporations	31	2.16	7	31	2.77	7
Fees	31	2.64	4	31	3.67	2
Foundations	31	2.80	3	31	3.48	3
Fundraising	31	2.32	6	31	3.03	5
Government	31	4.03	1	31	3.90	1
Mail	30	2.07	8	31	2.83	6
Unsolicited	31	2.39	5	31	2.61	8
Membership dues	29	1.65	9	28	1.89	9
United Way	27	3.22	2	26	3.30	4

membership, and United Way. A few mentioned other sources as important or very important for the future such as commercial sources of income and church funding. These responses were hand calculated and examined for projections of change.

The most important fund source for 1996 is government funding and though expected to decline, it retains the highest ranking for the future. All other sources are expected to grow, with fees for service and corporate funding increasing the most, and showing slight increases for other sources of funding over time. United Way is holding steady, and there is a split decision mean near the midpoint of the range on the importance of fund-raising events in the future.

Agency directors talked about their fund-raising experiences. Some are more successful at raising private funds and fund-raising events than others. Executive Directors spoke of raising from $500 to $775,000 at a single event although only two agencies reported making a large amount at a single event. Most often the comments were about the high cost of raising funds:

> "There's a lot of cost in raising dollars. You
> look at the gross amount you raise, but really
> need to look at the net, by the time you pay
> salaries and consider employee time, unless you
> have a wonderful volunteer group, and then you
> need a volunteer coordinator to handle that."

Most poignant-this comment:

> "We do not have a diverse funding base and it is a
> little scary to have so much dependent upon two

fund-raisers. If we have a major snowstorm on
that event day, we could lose $50,000 just like
that."

When it comes to United Way funds, organizations valued

the flexible use of funds, though some reported that the

fund-raising restrictions United Way imposes is limiting,

prohibiting their participation in the United Way system.

One executive reported having to come up with a rationale

for the United Way staff for not establishing an endowment.

One organization said that the United Way needs them as a

partner because their name gives the United Way legitimacy

and credibility and thus draws donations. The range of

United Way funding by percent is 0% to 40%.

Regarding foundation grants, one executive commented:

"I think that an organization that depends heavily
on foundations is no better off than an
organization that depends significantly on
government. You're in an unstable situation."

When speaking about government grants an executive said:

"The cost-benefit is diminishing greatly. For the
amount of dollars we get relative to the cost of
complying with their jive, it is gone."

Another said:

"Typically government is viewed by nonprofits as
being undependable, unreliable, fickle, and cheap.
I think that's fairly true."

Several agencies reported seeking to comply with regulations

to compete for managed care dollars. Though they saw this as

an important source of revenue in the future one commented:

"Managed care pushes us, fewer dollars are raised
by restrictions. We experienced a reduction in
bed usage from 93% capacity to 75% this year."

Table 5.3 shows information on agency consultation with government. Organizations were asked about whether they are asked to consult with legislators and/or state government agency staff. They were also asked if their consultation had increased or decreased in the past five years. Thirty executive directors responded to this question. Some reported that they consult rarely, sometimes, or only through their affiliate organizations. Of the others who responded that they consult, nine do so at the local level with local government agency staff and local legislators. Those who reported a decline attributed that decline to a lesser role in their agency state level associations.

Organizations are asked if they have formal public policy goals and whether they discuss public policy issues at the board level. Of the thirty-one (89%) agencies that responded to this question, five (16%) reported that they have a formal committee to discuss and review public policy, either a policy committee or a legislative committee. The remaining agencies said that they do discuss public policy issues and this occurs as an item of information with the executive director informing the board about the potential impact of public policy on the agency.

When asked to identify the public policy issues that they are concerned about most responded to program specific issues that are delivered by their agency while others listed broader public policy issues such as health care reform and welfare reform. A few mentioned regulatory

Table 5.3

CONSULTATION ACTIVITY
(N=35)

Engage in Consultation Activity N= %	Increase N= %	Decrease N= %	Same N= %
No 7 23			
Yes 23 77	18 78	2 9	3 13
Level of Consultation Activity	Rarely/ Affiliates N= %	Local only N= %	Federal/State N= %
No 7 23			
Yes 23 77	18 78	2 9	3 13

issues such as contracting issues, compliance with
accountability measures, and funding changes such as managed
care.

Some of the executive directors wanted to discuss the
issue of board involvement in advocacy work at this point.
Many felt that the role should be shared while others
thought that the executive carries the majority of
responsibility for advocacy work stating:

> "The board wants to talk about operations. It's
> my job to worry about what's going to happen in
> policy."

A few said that they would like to increase the board's
role:

> "We are considering a new board model which would
> increase their advocacy role."

Another executive said:

> "I think if we had a structure where they could
> talk about issues, they would, to see how they as
> a board can effect change. A legislative committee
> would be good."

Finally, one executive expressed a need for support from
board and staff:

> "There are all of these fears out there. You have
> to pay attention to those things but so far it
> hasn't been threatening to us. As long as the
> board's out there. That's a key piece. The board
> has to take the lead, staff have to be supporting,
> with information, they are the front runners for
> the board."

Table 5.4 reports information given when organizations
were asked about their public policy activity over the past
year or two. These activities include directly working on
policies with government agency staff or legislators, legal

Table 5.4

POLITICAL ACTIVITY
(N=35)

Political Activity	Yes		No	
	N=	%	N=	%
Agency staff	24	80	6	20
Legislators	24	83	5	17
Sub-contract	34	97	1	3
Legal Action	5	16	26	84
Media	30	94	2	6
Demonstrations	2	6	30	94
Letters	34	100	0	0
Testimony	26	87	4	13
Task force, committees, coalitions	32	100	0	0
Lobbyist	0	0	34	100

action, media, demonstrations, letter writing, testimony,
committee work, task forces, coalitions, hired lobbyist,
affiliations, and other activities. The political activities
were discussed and examples given.

Thirty agencies responded to the question about working
with government agency staff; twenty-four agencies (80%)
said "yes" and gave examples about direct work through local
and state level committees, resulting from their sub-
contracts with government funders. Many reported that their
contact with government agencies occurs through their state
associations. Six (20%) said "no" that they did not work
with government agency staff.

Several responded that they do pursue policy change
through legal action but then gave individual client's
rights advocacy examples such as fighting eviction or access
to services; these were counted with the twenty-six (84%) no
responses since they were not larger public policy issues.

When asked about their use of the media in public
policy issues, one respondent who said no gave an example
of "bad press" and the other who said no expressed fear of
negative repercussions from her board. The remaining thirty
agencies spoke of their relationship with the media as one
where the media typically initiates the contact seeking
their response to public policy changes and the effect that
these changes could have on their agencies. Most described
their relationships with the media as a "working
relationship," one which has public relations benefits to

the organization. Thus the media seems to be used not as a tool for proactive advocacy, but rather as a forum for reactive response.

When asked about participation in public demonstrations, two agencies gave responses that are protest in nature such as a collective response to fighting funding cutbacks. The remaining agencies who responded "yes" gave examples of planned annual rallies such as "Senior Power Day" or "Take Back the Night" marches. A few have marched on Washington through their associations.

Most have not participated in demonstrations or rallies. A few of these respondents gave strong responses, saying that demonstrations are an ineffective or inappropriate way to advocate such as:

> "I feel that we are not going to get anything by being angry, like a bull in a China shop."

> "We don't believe that militancy gets you anything, to tell you the truth."

> "I am a believer in the fine tradition of advocacy. I think our public likes us to do that rather than get out with a bullhorn."

All of the respondents had written letters regarding public policy issues, and one said:

> "I truly believe that legislators say that if five people write, there are 100 behind each. Not standardized letters, just writing from the heart, taking the time and effort to do so."

Some had written letters addressing broad policy issues such as welfare reform, others addressing program issues resulting from government re-structuring, and a few

addressed funding concerns.

Regarding giving testimony, this has occurred at state
and local public hearings and through committees. The
topics of testimony relate both to program issues and
funding concerns. Most executives responded that agency
staff have participated on task forces, committees, and
coalitions regarding public policy. This has occurred
through multi-regional planning collaboratives at the
regional level and through affiliate organizations.

> "We always try to work with coalitions because
> there's strength in numbers and its been quite
> effective."

> "We have a larger voice as collective members in
> the legislature."

> "You can have a lot more influence as a state-wide
> group than as one small agency."

No agency reported hiring their own paid lobbyist,
though several have done so through their affiliate
organizations and all agencies reported working through
these affiliate organizations to communicate policy
positions.

Table 5.5 reports information given when organizations
were asked to assess their own success in achieving their
public policy goals and to compare their frequency and focus
of advocacy as compared to five years ago. One (3%) answered
"don't know" and three (9%) did not assess their success.
The data show that those who were more successful were more
likely to consult and to engage in a broader range

Table 5.5

ADVOCACY SUCCESS
(N=35)

Success	Very Successful N= %		Moderately Successful N= %		Minimally Successful N= %	
Yes	13	42	10	32	8	26
Consult*	11	(85)	7	(70)	2	(25)
average # of activities	11		10		8	

* ( ) percentage of those who said very, moderately, minimally who also say they consult with policymakers

(larger number) of different activities.

When asked to compare the frequency of participation over the past five years twenty-nine responded. Twenty (69%) said that they are more active now, five (17%) said that their activity is the same, and four (14%) said that they are less active. Two of the less active respondents are in new agencies where they have less of an advocacy role than in the former agency. One commented that it is harder to get to know policymakers now saying:

> "It is just more difficult to influence public
> policy now. There's a machine running that is
> tough to penetrate. Ideology and political
> expedience are driving decisions."

Many agencies said the focus of their advocacy is on programs and services at the local level. Many see their advocacy role as one of educating policymakers about needs and services. New technology and communications has increased local agencies' awareness of policy issues. Some reported receiving informational faxes on legislative issues from their affiliate organizations on a daily basis. Two talked about more advocacy directed towards funding, one said:

> "It's 75% survival funding and maybe 25% client
> public policy."

One agency executive talked about building relationships and included discussion of polling association membership about these relationships.

Table 5.6 reports information given when organizations were asked about their advocacy activities related specifically to legislation. They were asked whether they communicated with legislators, agency staff, or the governor. They were also asked if they had ever offered drafts of legislation, participated in coalitions with other nonprofits, spoken to the media, provided information to other organizations, or challenged legislation in court. These legislative activities were discussed and examples given.

All except two of the twenty-eight respondents reported involvement in coalitions related to legislative activity. All have spoken with the media about legislative issues but only after being approached by the media, not as a tool to influence legislation. Many have given testimony at public hearings and reported serving as a source of information to other nonprofits through their newsletters or at meetings. In addition to the activities included in Table 5.6, one agency executive director reported paying an advocacy group to aid in a specific legislative proposal defeat. None of the organizations had ever challenged enacted legislation in court though two reported that they could have but backed out after consulting with their boards.

Agency executives were asked assess their success in legislative activity and to compare their frequency of activity and focus of activity with five years ago. Eighteen of the respondents estimated their success related

Table 5.6

LEGISLATIVE ACTIVITIES
(N=35)

Legislative Activity	Yes		No	
	N=	%	N=	%
Communicate about legislation	23	82	5	18
Governor's office	17	60	11	40
Submit drafts	18	64	10	36
Coalitions	26	93	2	7
Media	28	100	0	0
Testimony	19	68	9	32
Information	23	82	5	18

to specific legislation. Some had already responded to this
question on the general item of public policy. A few said
it is too difficult to estimate, responding "don't know."
One cited an example of successfully advocating as finding a
sponsor for a legislative proposal. A few cited particular
bills they had successfully advocated for either
individually or through their associations. According to
one respondent:

> "If one measure of success is how often people
> look to us for a position on something, then I'd
> say we're pretty successful."

Of the twenty-two who responded to a separate question
on activities five years ago, fifteen agencies (68%)
reported they are more active now than then. Two (10%) said
they were less active, and five (23%) said that their level
of activity is the same as five years ago. The other
thirteen (37%) of the agencies did not estimate their level
of activity. Most reported their focus to be the same as
their response in question fourteen when asked about general
public policy advocacy--namely, legislative issues that
affect their own programs and services such as health care
reform, welfare reform, domestic violence, child abuse,
adoption, managed care, housing, and juvenile corrections.
A few talked about regulatory issues and the Istook
Amendment at the federal level.

Organizations were asked to choose one of three
responses (they routinely act alone, sometimes act with
others, normally act only with others) when engaging in
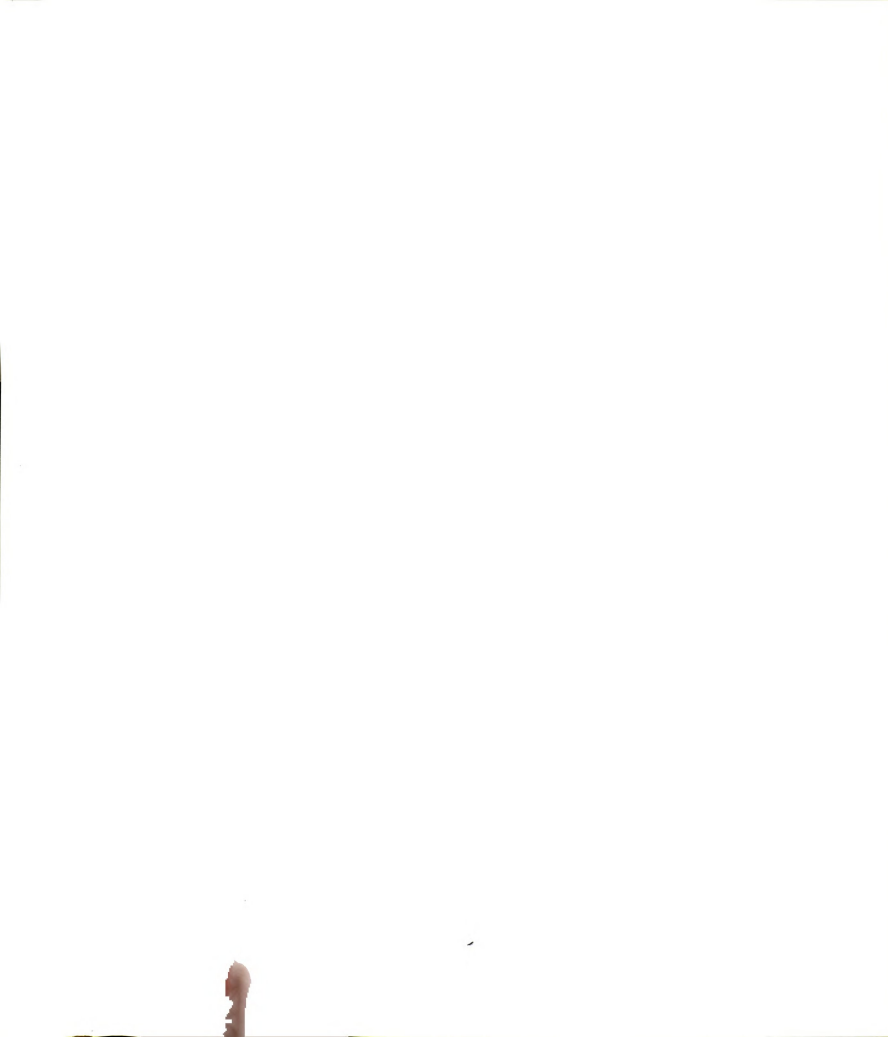
public policy advocacy. No agency reported that it normally operates alone when engaging in public policy. Of the thirty-three agencies that did respond to this question, eighteen agencies (55%) reported that they operate alone some of the time but sometimes join coalitions, and fifteen agencies (45%) said that they normally work through other organizations such as affiliates when engaging in public policy advocacy.

Table 5.7 shares the information gathered when organizations were asked to rate their agreement from strongly disagree to strongly agree with fourteen statements on public policy advocacy that were taken from the literature on the topic. These items are included for interest only in checking agreement with some of the issues related to policy and political advocacy that have been identified in the literature. A factor analysis was not conducted with these items because they were not theoretically designed as a scale. Also, there are only fourteen items and thirty-five respondents.

In addition to the Likert scale responses, some agencies provided comments on the statements. For example, when asked if advocacy takes too much time away from the everyday operation of the agency, one director talked about the tension between advocacy and service delivery:

> "I guess I'm trying to understand what advocacy
> is. There is no discussion of a public policy
> about hunger. We are just so busy feeding people
> that we haven't had a chance to advocate and I
> think that we'll have to. Certainly we should

> step up to the plate. I often feel like we are
> going to continue to be feeding people regardless
> of who is in government, who gives us money, or
> who is not or whatever the solution is now. It is
> a really complicated issue."

When asked about fear of losing their agency tax-exempt status or government funding, many said that they are not "fearful" but several agreed at the same time that it is a very real concern and that either they or others they knew have been threatened with this sanction based on their advocacy activity.

When asked to clarify the responses to who has the primary responsibility for advocacy work, most said that they felt that the responsibility for advocacy should be shared between executive and board, though they didn't feel that their boards often do so. A few felt this is clearly the responsibility of the director.

The strongest agreement was with the need to maintain personal relationships with state and local policy makers. Least agreement was with the statement, "this organization does not really need government funds to implement its goals" meaning of course that most agencies did demonstrate a degree of dependence on government funds.

In the survey, organizations were asked if their programs had changed over time in response to public policy change. Twenty-one agencies (60%) reported that "yes" their programs have changed in response to public policy changes. These agencies cited new federal/state funded programs such as Families First, Transitional Housing, and Weed & Seed.
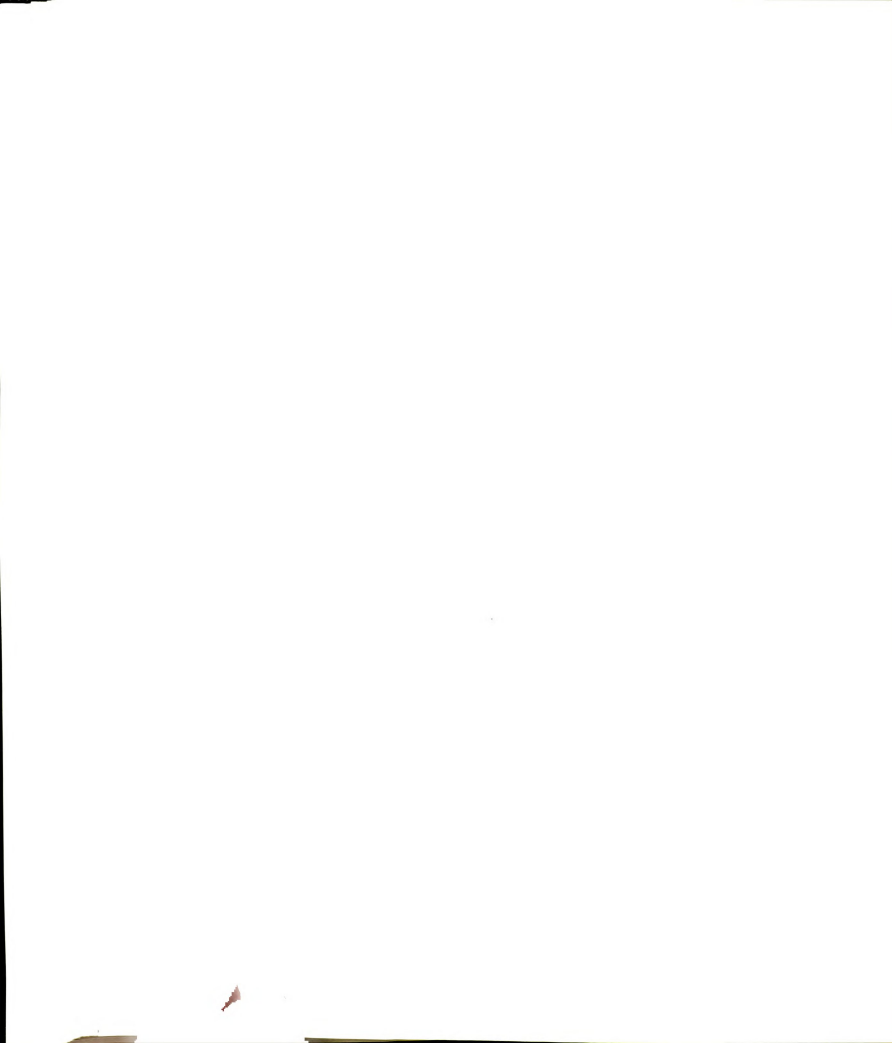
Table 5.7

STATEMENTS RELATED TO POLICY AND POLITICAL ADVOCACY
(N=35)

Statements Key: 1=strongly disagree to 5=strongly agree	N=	Mean	SD
This organization does not need government funds to implement goals.	31	1.97	1.49
A government grant or contract gives the organization legitimacy that it could not gain in any other way.	32	2.94	1.34
This organization is overly dependent upon government funding.	30	3.07	1.51
I can be relied upon by government agencies to offer my support for their legislative proposals.	31	2.90	1.11
I think that public policy advocacy takes too much time away from the everyday operation of the organization.	33	2.24	1.00
I am fearful of engaging in political advocacy for fear of losing my government funding.	31	2.35	1.05
I think that it is important to appoint board members who will participate in public policy advocacy.	32	3.75	0.95
I am aware of the laws governing political advocacy for a nonprofit.	31	4.26	0.63
I am fearful of engaging in political advocacy for fear of losing tax-exempt status.	33	2.55	1.09
I think that the primary responsibility for public policy advocacy lies with the board.	32	2.32	1.00
I think that it is important to maintain personal relationships with policymakers.	33	4.48	0.67
I think that the primary responsibility for public policy advocacy lies with the executive director.	33	3.73	0.98
This agency will probably need to be even more involved in advocacy in the next five years.	32	4.44	0.56
This agency works in a policy area marked by intense public conflict.	33	3.55	1.18

They also cited changing public policy priorities such as increased funding in corrections, substance abuse, and emergency services. In most cases the agencies believed these program changes are consistent with their agency mission though a few agencies' mission changes actually reflect the changing programs.

Organizations were asked their number of staff and volunteers and changes in numbers over the past five years. Agency staff sizes range from only one full-time staff to two hundred and fifty full-time staff. Part-time staff also range from two part-time to one hundred seventy-five part-time staff in residential agencies. Numbers of volunteers range from none to hundreds, "I couldn't possibly count them all." The agency volunteers perform a variety of roles from fund-raising, clerical, food preparation and distribution, companions, mentors, educators, supportive services, grant-writing, speakers' bureau, and receptionists.

Organizations were asked about the education levels of their staff. Some agencies had staffing reports, others estimated this information. Agencies reported that support staff either have high school, associates, or bachelors degrees. Professional staff have associates, bachelors, or Master's degrees, depending on the requirements of the grant sources or accrediting bodies. Administrative staff have bachelors and Master's degrees and one has a Ph.D..

Agencies were asked about the number and expertise of their boards. The number of board members ranges from three

to thirty-five board members. Expertise is broadly representative on each board including, accounting, business/labor, community leadership, consumers, educators, government workers, lawyers, managers, elected politicians, medical staff, and clergy. Despite their potentially valuable expertise, public relations and fund-raising experts are infrequently represented on the sample boards.

Organizations were asked about whether they or the government have control over policy decisions related to government funded programs. Most respondents thought that the government retains the majority of the control in policy decisions related to government funded programs. One stated:

"There is no question about it, they have it all."

Another memorable comment:

"Very little. It's like an elephant contracting with a mouse."

Some felt that the control is shared and that the agency retains some control through contracting, first by deciding whether to contract at all and secondly in the negotiating process. One individual stated that:

"The government is dictating it much more now than they once did."

A few others expressed their control as driven by their philosophy or agency mission.

"We try to maintain our own sense of integrity and reputation no matter what."

Another director said:

> "Well they tell us how to spend the money, but we
> have some leverage."

And finally:

> "We won't accept government funding if certain
> conditions are not met."

Organizations were asked to identify the positive benefits and negative consequences of their public policy advocacy. Thirty agencies identified positive benefits including developing relationships with policymakers and other agency professionals, providing information and gaining knowledge in the process, benefits to clients, making a difference by bringing about social justice and change, having influence in the policy process, increasing financial benefits for the agency, workers, and clients. Making a difference was a common theme:

> "I let staff know what is coming down the pike, it
> is important. You don't work in a vacuum and I
> really believe that people can make a difference,
> doggone it does work."

> "The positive consequence is making a difference
> in the lives of people you advocate for. That
> their lives have changed because of our input."

> "I feel good that we've gotten funding to meet
> unmet needs."

> "If you have the visibility and the expertise you
> can effect change, you can be an agent of change.
> When you're dealing with issues of public policy
> and advocacy you have to be careful not to offend.
> You have to approach it very delicately, finding
> that fine line."

Gaining knowledge was also important to executive directors:

> "We have more knowledge now about what's happening
> in our community at the government level."

"The education piece for the organization, to yourself and the board is certainly a strong benefit. The relationships you build during the process is a good benefit. The benefit for the clients hopefully is a primary thing. The clients you serve can see that you have their best interests in mind."

"I think that as you do this kind of work you gain confidence, you gain the ability to articulate issues clearly, you learn what legislators need to know and you become more adept at procuring that in advance. You begin to better anticipate their questions. I think it is a learning process. I think for many people it is very intimidating to talk to legislators. One thing you learn is that they want to hear from the people who actually receive the services. But it is not enough to hear a story. They also want data."

Benefits to the organization are also derived:

"The positive has been the increase in our sphere of influence. We clearly are looked at and called upon in terms of major issues at the local level and also some at the state level."

"Advocacy gives us influence and control, it's fun and feels good. It gives us visibility."

"It gives the agency credibility. We take a professional approach."

"It's been positive both to the organization and the consumers."

"It has helped us a lot. You can't have any skeletons in the closet. You have to be very careful, you can't take pot shots or shoot from the hip, it could hurt the agency."

"Our advocacy work benefits other organizations too. The more we learn the better we do our work in advocacy."

Building relationships with policymakers was also a theme:

"We have pretty good working relationships with government departments and our legislators. We just pick up the phone and call them."

"Personal relationships as well as professional
relationships are important. I never know when
I'm going to need them and I need to be on a first
name basis."

There were nineteen comments on negative consequences

including a lack of trust of public officials, negative

repercussions on private fundraising, competition,

partisanship, feeling left out, and stress. Lack of trust

is identified as an issue:

"They don't always listen and then they'll tell
you whatever you want to hear at the time and so
you don't really trust that they are going to do
anything with what you say to others."

The potential impact on fund-raising was identified as a

concern:

"In some cases our advocacy efforts have affected
our private fund-raising efforts. For two
reasons. One is that people perceive that we are
so big and heavily funded by government that we
don't need private support and the second reason
is that with some of our advocacy work, our
potential corporate or private donors think we're
too conflict oriented."

"The downside of advocating is that you step on
toes and those toes sometimes go back to your
board or funders and then you begin to realize
some of the unintended negative consequences of
advocacy."

"There are some funding issues, definitely with
government departments. We haven't always been
successful."

"Sometimes people get pissed at us. It happened
recently at a fund-raising event."

"Our most negative is where they use United Way as
a kind of whipping board, they withhold funds to
your organization by not contributing to United
Way."

Broken relationships and negative repercussions were

considered:

> "If you take a strong stance against the current
> power structure, you pay the price sometimes."
>
> "Some people including legislators may not like
> you because of what you say. A 'department head'
> didn't care for our advocacy."
>
> "We make enemies sometimes. We would never want
> to advocate in such a way that we're perceived as
> self-serving."
>
> "I'm quite willing to call a spade a spade and
> that can be both good and bad."
>
> "The negative is that I don't believe that we have
> much impact beyond the local level. 'The
> Governor's' tactics and strategies, I mean he does
> what he wants."

Highlights and Summary

Some of the data referred to in this section can be

found in Appendix C. Charitable nonprofits in this study

are affiliated with associations at the state and national

level, in part as an advocacy function and in part a

reflection of their professionalism. All agencies in this

study have a mission that guides and directs agency

decision-making. Mission statements do change over time,

often as a positive response to strategic planning and also

as a routine process. They sometimes change in response to

changing public policy priorities. This may or may not be

regarded as a healthy practice, but it is certainly a

pragmatic one in response to changing environments.

Agencies in this sample are located in nine areas of

the state, both urban and rural. Rural agencies are

struggling to survive. They reported difficulty competing with urban agencies for government funding and they have fewer alternative resources. Some rural area agencies did have local foundation support but this did not compensate for losses in other fund sources.

As a group, nonprofits in this sample are 54% dependent on government funding, ranging between 0% and 99%. One agency, heavily dependent on government funding, is in crisis and has lost all of its state and federal funds in the past year. Agencies which specialize in a particular service area (such as corrections, emergency services, substance abuse, and mental health) have gained additional dollars from government over the past five years. Five of these agencies have merged or are discussing a merger. Larger agencies are gaining funds and smaller agencies are struggling to compete.

The agencies in this study rate government funding as the most important source of funds but many express a desire to reduce their dependence on government citing that government is "unpredictable" and "fickle." Agencies are optimistic that other sources of funding will become more important in the future, citing fees for service and in some cases fund-raising.

The data reported here suggest that charitable nonprofit organizations are actively engaging in public policy advocacy and in so doing, attempting to influence public policy. Some said that policymakers do indeed come

to them on occasion seeking their opinion on public policy. All of the agencies have engaged in political activities, especially letter-writing, giving testimony, and responding to media inquiries. They also participate on task forces, committees, and collaboratives, more often at the local level but also at the state level, with less frequency at the national level. These agencies are less likely to engage in contest strategies such as legal action or demonstrations.

Agencies reported involvement at all stages of the policy making process, though often they find themselves reacting to policy formulation or implementation rules and regulations. Agencies gave mixed responses on their estimation of success, though they did think they are more successful at advocating for policy in general than for particular pieces of legislation. No agency reported acting alone as their routine mode of operation. They either normally only work with others, or reported they sometimes work with others, citing the advocacy role of their affiliate organizations or collaborations with other nonprofits.

When it comes to their advocacy role, agency executives reported that they themselves did the most, followed by staff, and then their board of directors. Some also expressed a belief that the job should be shared between board members and executive directors and that they should appoint board members who engage in public policy, at the

same time recognizing that it does not occur very commonly in practice. Agency estimates on spending are varied depending on if they account for the executive portion of salary in time estimates. Aside from that expenditure, amounts are minimal and conservative estimates with two exceptions who estimated that 16% or more of their budget is spent on advocacy activities.

The respondents in this group are well educated and highly experienced. There are both women and men in the group, three of whom are minorities. Many are involved in their professional associations though few had other outside political experience. The organizations range in age from founding in the 1800's to founding in the 1990's. Older organizations tend to be larger and have a wide array of stable funding sources, of particular note is private fund-raising. Newer organizations founded since the 1970's tend to be more dependent upon government funding. These organizations deliver a wide array of services. All of the agencies reported that they serve either mostly poor or some poor.

Advocacy and information was given as the main reason for joining the Michigan League and this is consistent with an earlier study conducted by the League in 1995.

Staffing patterns are commensurate with requirements by funders and accrediting bodies. Staffing issues are related to location, with rural areas reporting more difficulty in recruitment of professional staff and agencies expressing

concern with retention of para-professional staff based on wages and competition for employees. Numbers and use of volunteers vary from agency to agency. Some organizations have volunteer coordinators, long-standing committed volunteers, and use volunteers for fund-raising events, office duties, and client supportive services. Volunteer boards range in size from three to thirty-five and they have high levels of expertise with the notable exceptions of fund-raising and public relations.

Many agencies felt that government retains most of the control in the contracting process though they retain a certain level of control as well just by deciding whether or not to contract and by remaining faithful to their mission in the process.

Most agencies were able to express positive benefits of engaging in public policy both to themselves and their organizations, such as making a difference in the lives of others, gaining knowledge, and developing personal relationships. Some have experienced negative repercussions in fund-raising as a result of their political advocacy.

CHAPTER SIX: THEORY-BASED FINDINGS

In this chapter, the relationships among levels of dependence, autonomy, professionalization, and advocacy strategies are examined. Based on a review of the literature the research question is, "Do levels of government funding affect agency autonomy and agency professionalization, and does this in turn affect agency advocacy?" All of this information is summarized in Table 6.5.

Findings

Dependence

Agencies have also been divided into three groups according to the percentage of total funding coming from government sources. Ten agencies (29%) demonstrate low dependence (0-33%), eight agencies (23%) demonstrate moderate dependence (34%-66%), and seventeen agencies (49%) demonstrate high dependence (67%-100%). More detail about these characteristics was reported in Chapter 5 above.

Attitudes on funding source importance vary among the groups as shown in Table 6.1. On corporate funding, highly dependent agencies anticipate growth, as do moderate and less dependent agencies. On average, moderately dependent

Table 6.1

FUND SOURCE COMPARISONS
(MEAN SCORES)

Source	High Govt. Dependence out of 17 N=14		Moderate Govt. Dependence out of 8 N=7		Low Govt. Dependence N=10	
	1996	2001	1996	2001	1996	2001
Corporate	1.79	2.36	2.71	3.43	2.20	2.70
Fees	2.43	3.93	2.57	3.00	2.80	3.50
Foundation	2.50	3.64	3.00	3.57	2.80	3.40
Fundraise	1.93	3.00	2.14	2.71	3.00	3.30
Government	4.50	4.50	4.71	4.28	2.90	2.70
Mail	1.50	2.07	2.43	3.14	2.40	3.50
Unsolicited	2.60	2.57	2.57	2.71	2.60	2.70
Membership	1.42	2.14	1.57	1.71	1.40	1.60
United Way	3.29	3.64	3.14	3.00	3.10	3.80

agencies rate corporate funding higher than the others. On fees for service, each group anticipates growth, with highly dependent agencies ranking fees higher in the future than the others. Foundation funding is expected to increase in importance for all three groups. Fundraising is expected to increase most for highly dependent agencies. These organizations have not typically been engaged in fundraising because of their reliance on government funds. The other two groups expect fundraising to increase but only slightly.

Government funding is ranked very important by highly dependent agencies and they expect it to remain so. In the sample there are seventeen agencies (49%) that receive 67% or more of their funding from government sources. Of the fifteen in this group who responded to a question on changes in funding since 1991, seven (47%) have gained governments funds proportionally, six (40%) have lost, and two (13%) have remained the same over the past five years.

Moderate and less dependent agencies expect a slight decrease in importance. In the sample there are eight agencies (23%) that receive between 34% and 66% of their income from government sources. Only one of these agencies receives more than 50% from one single source which is 55% from dues/fees. Of this group seven of the eight responded to a question about changes in funding. Three (43%) have gained government funds proportionally while four (57%) have lost government funds.

In the sample there are ten agencies (29%) that receive

from 0% to 33% of their funds from government sources. No agency receives more than 50% of its funding from any one source, though they do receive between 40-49% from other sources mainly United Way, private donations, and fees for service. Of this group five (50%) have gained government funds proportionally since 1991, four (40%) have lost, and one (10%) has stayed the same over the past five years.

All groups, especially less dependent agencies, expect to see an increase in importance in direct mail. Unsolicited donations will remain steady at slightly less than important. Membership is expected to increase in importance for all groups, especially highly dependent agencies.

United Way funding is expected to remain important for all groups with a slight increase for highly and less dependent agencies and a slight decrease for moderately dependent agencies.

Hypothesis 1

This research project seeks to answer the question, "Is there a relationship between levels of government funding and the amount of agency autonomy?" Hypothesis 1 speculates that levels of government funding affect the amount of agency autonomy. The sub-hypotheses speculate that highly dependent agencies have less autonomy, moderately dependent agencies have moderate autonomy, and less dependent agencies have more autonomy. Autonomy is measured by mission stability, program fit, and local control. The more

autonomous the agency, the more stable the mission, the better the program fit, and the more local control.

Agencies are grouped by percent of government funding. Mission statements are reviewed and programs examined for program fit. Statements about control and local control are reviewed. The research findings generally support hypothesis 1 as shown in Table 6.2.

In the highly dependent group, the two agencies who reported making major changes to their agencies' missions are preparing to merge with one another and position themselves for managed care funding. The four agencies making moderate changes are re-focusing their missions on a particular target population. The four minor changes are editing and routine revisions.

When asked if they expected to change their mission in the next five years, seven of the fifteen responding highly dependent agencies (47%) said "yes" and eight (53%) of these agencies said "no." Of the agencies that expect their mission to change, most have not reviewed the mission recently and see change as an on-going process.

In the moderately dependent group, the one and only report involving major change reflects a change to position the agency to capture managed care funds. The moderate change involves re-writing for potential program expansion.

Of the seven who responded from the moderately dependent group, when asked if they expected the mission to change in the next five years three (43%) said "yes." Four

Table 6.2

HYPOTHESIS 1

Dimensions of Autonomy	High Govt. Dependence N=	N=17 %	Moderate Govt. Dependence N=	N=8 %	Low Govt. Dependence N=	N=10 %
Mission Stability	2 major change 4 moderate " 5 no change 6 missing data	18 36 45	1 major change 1 moderate " 1 minor " 4 no change 1 missing data	14 14 14 57	1 major change 5 moderate " 4 no change	10 50 40
Local Control	2 shared 15 government	12 88	6 shared 1 government 1 agency	75 13 13	8 shared 1 government 1 agency	80 10 10

* If not 100%, due to rounding error.

** Program fit is a constant across all these agency types and thus not included in the table.

(57%) said "no." Of the agencies that expect to change, responding to changing trends and regular review were given as reasons not following government funding.

The major mission statement change in the less dependent group reflects program expansion enabling the agency to capture additional government funding. The moderate changes reflect broadening agency mission and/or modification for clarity and focus.

When asked if they expected the mission to change in the next five years seven (70%) said "no" and three (30%) said "yes." Of the agencies that expect to change, responding to change and routine were given as reasons.

Agency mission statements were compared with agency programs and services to test for program fit. All services delivered are consistent with mission statements in all of the organizations in the research sample.

When asked if programs and services have changed in response to public policy priorities highly dependent agencies who said "yes" gave reasons such as, in response to a new funding stream, based on changes in population eligibility, or to keep up with funding that becomes available or what it becomes available for. Others said, "yes" to respond to changing government priorities for funding particular populations and programs, to respond to state requirements for funding, and to respond to welfare reform changes. Three responded "no;" one said:

"We try to stay with the original mission, not running out and developing something because there happens to be some money."

When moderately dependent agencies were asked if programs and services have changed over time to fit with changing public policy priorities some responses in this group were:

"Yes, but that it had more to do with reimbursement for service than actual service changes."

"To respond to new funding streams and public policy priorities."

"Yes, when new programs are emphasized, yes, the whole climate has changed."

"Everything is short-term care now, our models of service delivery have changed".

Of the less dependent agencies that have changed missions in the past five years, one has also recently received government funding for a new program and the change in mission reflects the broader range of programs and services that the agency is delivering. The additional programming is not inconsistent with the historic mission of the agency but does reflect a new role for the agency in the community. Responses from this group were similar:

"Yes, to respond to demographic changes in our community."

"Yes, to respond to research at the national level."

"Yes, we are customer driven and we add new programs to respond to them."

"Yes, they have changed in size and outcome measurement criteria."

When executive directors from highly dependent agencies were asked about their perceptions of control over government funded programs, a few said the control is shared but more said that government is in control. Their comments on control show this trend.

"We have some but they have more."

"The government is controlling more now than in the past."

The organization retains some control by deciding whether or not to contract.

"When you contract with us, we put what we stand for out there and if you want to contract with us, fine, if you don't fine."

A memorable quote from someone in this group:

"Control is interesting, you can not be demanding or they may hold it against you in future negotiations."

In the moderately dependent group several responses were similar:

"We maintain control by our decision to contract or not."

"We retain some control through the bargaining and negotiating process, we retain the majority of control."

Still one said:

"The government retains control and we just form ourselves around that."

Yet another said:

"We have more discretion at the local level."

And finally:

"If it doesn't fit our mission, then we shouldn't be bidding or trying to get that contract."

Summing up local control issues one director in this group said:

> "It's all being pushed by one breath down to the local level, how much control is the state going to continue to exercise while they voice the rhetoric, 'We want local control.' Most of the decisions around manage care are going to be regional decisions. You have to begin to work with the locals, get the locals to talk to each other across their county borders."

In the less dependent group, one executive felt that the government retained all of the control and a contrasting opinion was that the agency retained full control the majority of the responses in this group talked about shared control:

> "They give you some parameters within which to work."

> "They look to you to determine the needs."

> "It's a combination the government doesn't run us and tell us what to do and how to do it."

Hypothesis 2

This research seeks to answer the question, "Is there a relationship between levels of government funding and agency professionalization?" Hypothesis 2 speculates that levels of government funding affect level of agency professionalization. The sub-hypotheses speculate that highly dependent agencies are more professionalized, moderately dependent agencies are moderately professionalized and less dependent agencies are less professionalized. Professionalization is measured by number and use of paid staff vs. volunteers, staff education

levels, and agency affiliations. As organizations develop staff sizes grow, volunteers decline, and board sizes tend to grow larger. Volunteers participate more in supportive roles and less in direct practice, and board roles become more institutionalized requiring higher levels of expertise.

The number of full time staff, part time staff, and volunteers were reviewed as well as the use of volunteers. Staff education levels were reviewed. Some of the agencies had staff reports to review. Others estimated the number of staff, volunteers, and education levels. Comments about staff, volunteer, and the use of volunteers were reviewed. Agency affiliations at the state and national level were counted, averaged, and reviewed. The agency boards were also reviewed for size and expertise. Hypothesis 2 is generally supported as shown in Table 6.3.

Staff education levels are commensurate with funding source and accrediting body requirements. One of the highly dependent agencies has recently received a large government grant reflecting the trend in government to fund emergency assistance.

Volunteers in highly dependent agencies perform a variety of roles including, food preparation and distribution, education, support services, speaker's bureau, grant-writing, phone crisis intervention, and personal client assistance. Volunteers in the moderately dependent group of agencies perform a variety of roles including, donations, crisis intervention, child-care, maintenance,

Table 6.3

HYPOTHESIS 2

Dimensions of Professionalization	High Govt. Dependence N=17	Moderate Govt. Dependence N=8	Low Govt. Dependence N=10
# of Affiliates	2.7 Michigan 1.0 national	3.0 Michigan 0.5 national	1.4 Michigan 1.0 national
# of Employees	92 full-time 20 part-time 5-850 full-time 2-175 part-time	46 full-time 10 part-time 1-250 full-time 1-250 part-time	24 full-time 13 part-time 2-84 full-time 2-37 part-time
Executive Director Education	1 PhD. 5% 12 MA 70% 4 BA 25%	5 MA 63% 3 BA 37%	8 MA 80% 2 BA 20%
Board Size Range	15 average 3-30	19 average 11-33	20 average 7-35
# of Volunteers Range	44 average 2-250	233 average 40-1000	205 average 20-450

meals, client support, and mentoring. Volunteers in the less dependent group of agencies perform a variety of roles including, meals preparation and food distribution, disaster relief, fund-raising, and supportive services.

Hypothesis 3

This research seeks to examine the relationship between levels of government funding and advocacy. Advocacy is defined as, "the attempt to speak for or on the behalf of a specific position so as to influence government decisions" (Jenkins, 1987, p. 297). Hypothesis 3 speculates that nonprofits that demonstrate high dependence are likely to engage in multiple advocacy strategies. The sub-hypotheses speculate that highly dependent agencies are likely to engage in multiple advocacy strategies, moderately dependent agencies are more likely to engage in some advocacy strategies and less dependent agencies are more likely to engage in fewer advocacy strategies.

There are three types of advocacy strategies: collaborative, campaign, and contest. Collaboration is defined by consultation and cooperative efforts. Campaign is defined by educational lobbying and media. Contest is defined by demonstrations and use of the courts. The research findings support hypothesis 3, that levels of government funding affect political advocacy strategy as shown in Table 6.4.

All of the agencies in the highly dependent group sub-contract with one or more government agencies. When asked

Table 6.4

HYPOTHESIS 3

Dimensions of Advocacy	High Govt. Dependence N=		%	Moderate Govt. Dependence N=		%	Low Govt. Dependence N=		%
Change in Consultation/yes	6	increased	75%	2	increased	100%	4	increased	67%
	2	decreased	25%				1	decreased	17%
							1	same	17%
Advocacy Routine	6	others	35%	2	others	29%	4	others	40%
	11	sometimes	65%	5	sometimes	70%	6	sometimes	60%
				1	missing				
Political Activities	17	average		10	average		9	average	
Advocacy Success	8	very	53%	3	very	43%	3	very	30%
	4	moderate	27%	3	moderate	43%	3	moderate	30%
	3	minimal	20%	1	minimal	14%	3	minimal	30%
	2	missing		1	missing		1	don't know	10%

*If not 100%, due to rounding error

about consultation some of the agencies in this group
responded by saying:

> "Yes, on occasion they will call us for
> assistance."

> "Yes, that does happen and also through our
> association."

> "Yes, I know these people personally, I think we
> see it from a provider point of view."

> "At the county level we're involved in initiatives
> with state agencies."

> "It doesn't happen very often, when it does it is
> with legislators."

> "We get involved in legislative reviews on rules
> and regulations."

Given the opportunity to identify public policy issues
that the board has identified, five agencies identified
program issues, one agency identified internal issues, three
agencies have a legislative committee or a public policy
committee. The other boards do not discuss public policy
issues except on a "for your information" basis whereby
agency directors communicate public policy issues to the
board at board meetings.

General political activity in this group varies and
encompasses multiple strategies including working with
government agencies and legislators; working with the media,
letter-writing; servicing on task forces, committees, and
coalitions; and working through affiliate organizations.
Two agencies in the highly dependent group have never given
testimony. Four of the agencies have participated in
demonstrations or rallies. Four reported court activity but

only one of these relate to public policy--state funding
formulas.

All of the eight agencies in the moderately dependent
group sub-contract with one or more government agencies.
When asked if they were ever called upon to consult with
government agencies or legislators some of the responses
were:

> "Yes, both and we also hold a legislative forum
> through our association."

> "Yes, local legislators and state agency directors
> have called us for advice."

> "City officials do, not state level."

> "Yes, but I wouldn't say it is frequent."

When asked about board discussion of public policy
issues, four agencies discussed program issues and one
discussed internal issues. One of the moderately dependent
agencies has participated in a rally and two reported client
based court activity.

Nine of the ten agencies in the less dependent group
(90%) sub-contract with one or more government agencies.
When asked about consultation some of these organizations
answered:

> "No, not really."

> "Yes, agency staff call us."

> "Yes, we have a state relations staff person in
> our association."

> "Yes, we have done surveys that they send about
> candidates. Our association has a legislative
> department."

When asked about board discussion of policy issues, one agency identified program issues and one agency is developing a policy committee. The others said no or only as information items brought to the board from the director. Two of the less dependent agencies have never given testimony. Several have not worked with government agencies or legislators on policies. One of the agencies has participated in a rally and one reported client based court activity.

Hypotheses 4, 5

This study seeks to answer the question, "Is there a relationship between levels of funding, autonomy, professionalization, and advocacy strategy?" The hypothesis speculates that levels of government funding affect levels of autonomy and levels of professsonalization which then affect political advocacy strategy choice. The sub-hypotheses speculate that highly dependent agencies will be more likely to engage in collaborative strategies, moderately dependent agencies will be more likely to engage in campaign strategies, and less dependent agencies will be more likely to engage in contest strategies. The results are mixed on hypotheses 4 and 5 as shown in Table 6.5.

Early in the analysis it was evident that all agencies are using multiple advocacy strategies and that the relationships between dependence, autonomy, professionalization, and advocacy strategy choice are less clear.

Table 6.5

HYPOTHESES RESULTS

Hypotheses	Support	Refute	Mixed
H1	*		
H1a	*		
H1b	*		
H1c	*		
H2	*		
H2a	*		
H2b	*		
H2c	*		
H3	*		
H3a	*		
H3b	*		
H3c	*		
H4			*
H4a	*		
H4b		*	
H4c		*	
H5			*
H5a	*		
H5b		*	
H5c		*	
Total	14	4	2

Discussion

The findings in this study support hypothesis 1 on some
measures and are less clear on others. The charitable
nonprofit organizations in this study are on average 54%
dependent upon government funding and as a result sacrifice
a degree of agency autonomy not only to government, but also
to each of the shareholders that fund the organization,
including their members, private funders, foundations,
corporations, churches, and the United Way. In each case
they are required to accommodate funder demands and measures
of accountability.

In highly dependent agencies, government imposes the
most demands upon the structure and practices of the
organization and retains the majority of the control in the
contracting process. Moderate and low dependent agencies,
who do have strong traditions of alternative sources of
revenue, appear to have more flexibility in the contracting
process, by deciding whether or not to agree to the terms of
the contract and by maintaining their commitment to their
individual philosophies in the process. One such agency
states:

> "With welfare reform we will be looked at to
> provide a lot of service that was at one time
> provided by the government. Somehow, we've been
> able to jealously guard our autonomy."

Stable mission as another measure of autonomy reveals
that some highly dependent organizations will comply with
the will of government and even merge to secure their

stronghold with their primary funding source, even those who believe that they were overly dependent upon government funding. In some cases, moderate and low dependent agencies are also willing to position their agencies for increasing their government funds, even agencies that expressed reluctance to respond to government demands. Missions are altered in such cases to respond to the changing public policy environment. Some feel that mission change is healthy and others said it is necessary to pay the bills. In contrast, others have a strong tradition of not seeking a highly dependent government fund base, preferring instead to seek alternate privately raised dollars.

Local control is the order of the day, but the jury is still out on whether this is "real" control or government manipulation, the pushing down of responsibility for services from the federal to the state and local levels. Many agencies want to be a part of the action and participate in government sponsored coalitions and task forces regardless of, or indeed because of, their suspicions of government motivations. These organizations talk about maintaining their autonomy through their associations and through the contracting process.

Finally, there is a relationship between levels of government funds and autonomy in this group of nonprofit organizations. Highly dependent agencies are more likely to respond to the will of the government in the contracting process and a few have merged to retain their relationship.

The clearest indicator of autonomy is control. Highly dependent agencies have less control than moderate and less dependent agencies.

The findings support research hypothesis 2 on all measures except board size and role. Larger organizations in the sample are more likely to have professionalized, hiring more paid staff with increasing government grants. Education levels are determined by funding requirements, accreditation bodies, and pools of eligible applicants in various areas of the state. In some cases agencies are down-sizing and de-professionalizing to respond to recent public policies and competition. Volunteer use reflects services delivered, agency history, and funding sources. Typically, highly dependent organizations are less likely to use a high number of volunteers. Church affiliated organizations and those with their origins in churches use more volunteers. Small organizations are dependent upon community volunteers for more integral functions such as grant-writing and support services.

The findings also suggest that the more professionalized an organization is, the more affiliations the organization has. Board size does not appear to be a function of agency size or professionalization. In fact, several highly professionalized organizations are downsizing their boards and undergoing board restructuring.

The findings support hypothesis 3. All of the agencies reported using multiple strategies when it comes to

political advocacy strategy and do not limit their
activities with the exception of caution on contest tactics
such as demonstrations and the use of the courts. Highly
dependent agencies used more strategies than moderately
dependent agencies who used more strategies than less
dependent agencies.

One common theme among all agencies is working with
others. A few of the comments relate to working
cooperatively with other organizations to advocate:
Some of those with high dependence said:

> "We try to advocate that with restructuring it is
> not just bureaucratically driven or driven by some
> outside force like managed care, but by those in
> the provider network."

> "I think we have had more of an impact by working
> with other agencies, networking."

Many agencies discuss the competitive public policy
environment:

> "Some organizations are locked into county pay
> schedules. They may be priced out of the market.
> They may be too high and they may not be able to
> compete."

> "I have been focused on the survival and on the
> development of our organization rather than
> advocacy. Now with more stability after the
> merger, I can focus on policy and legislative
> issues."

> "Organizational survival is not important.
> Survival of services is, and that is dependent on
> the director and their expertise."

> "Small organizations are really concerned about
> their survivability."

"We just went through a funding change and just
got killed. The rural areas just got killed,

because the state wanted to put money in the urban
areas."

"It's a real dilemma because we don't want to
abandon rural America. But it is hard to do
business there."

Agencies reported working together cooperatively while

at the same time competing with one another for scarce

resources.

"Everybody wants a piece of the pie. There is
always this infighting that occurs, so there is
never enough money to go around. We really do
believe that if you can all fight together for the
same thing you are much more likely to get it than
if you splinter off and get sidetracked."

"I tend not to advocate as much as I could or
should because I am part of that government
system, because I am part of that funding stream.
Some of my colleagues take a different approach
and are vehement and active and always
challenging. They are more arrogant in their
belief that nothing is gonna change."

"Advocacy has to consider three people, the
consumer, the staff, and the taxpayer. The
question to ask at the end of the day is, 'Did the
taxpayers get their dollar value from you today?'
Most people don't think that way. They get their
job then forget that they are a public servant."

No agency said that they routinely operate alone. All

agencies either work with others most or some of the time in

their political advocacy efforts. Most organizations rely

on their associations for some or all of their advocacy

work. This is reported as an increasing trend in a complex

policy environment. Several comments on the trend to work

through associations in their advocacy role are summed up by

this executive director:
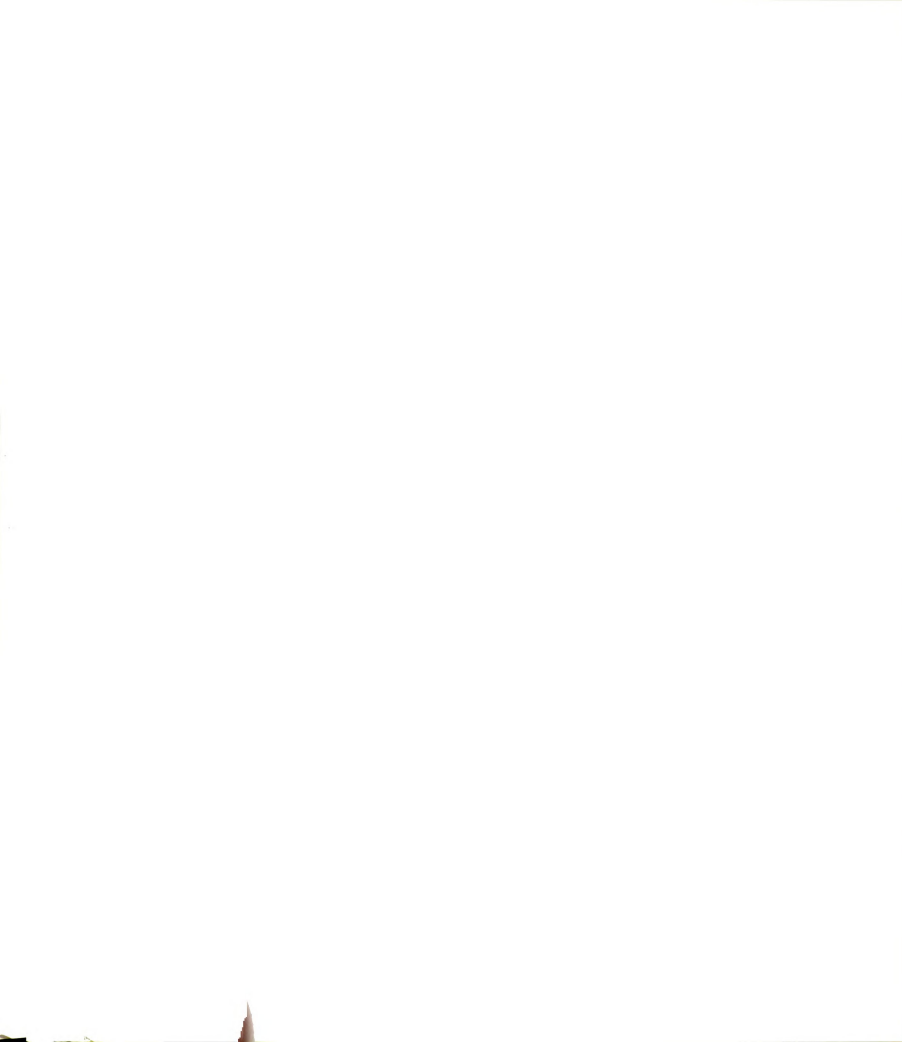
> "I don't want to jeopardize my paycheck or this
> organization. Most advocacy is done through
> associations. No one wants to pay for it. There
> is a lot of state and federal language that says
> agencies are supposed to advocate for the poor.
> Then they say you are lobbying. The hardest part
> of the whole advocacy piece is that we are pitted
> against each other."

High dependence agencies are likely to consult with

government departments but then moderate and low dependence

agencies consult with policymakers as well. All agencies

reported using campaign strategies such as letter writing,

the media, and educational lobbying. Few agencies reported

using contest strategies such as demonstrations or use of

the courts. Most demonstrations are actually rallies which

are less contest oriented and more a show of support. Most

court cases are actually client based. One is funding

based. Political advocacy occurs most frequently and

successfully at the local level, then the state level, and

less often is directed at the federal government.

All of the agencies reported that their staffing

patterns reflect requirements from funders and accrediting

bodies. Agency type, service, and history accounts for the

use of volunteers and their role. Government funding seems

to drive professionalization.

> "We have a manual of positions on public policies.
> So, when I am called about my position, I can
> speak for the entire organization."

> "You are right as rain about professionalism. You
> have to have the resources and experience to
> survive in this new competitive environment public
> policy wise."

"It is not an issue of liberal or conservative.
This is an issue of what government should be
about. My frustration is that the board doesn't
take it further."

Others commented about the role of consumers in advocacy:

"In my opinion consumer groups have been a very
powerful influence in public policy."

"Our mission allows us the opportunity to
encourage consumers of service to provide them
information so that they can speak out."

"If there are state funds it gives legitimacy to
the services. It gives the consumer a sense of
knowing that someone is pulling for them."

Most agencies reported positive benefits of the
advocacy work though some have experienced negative
repercussions. Many talked about the politics of advocacy
and the changing nature of the political environment.

"The world is changing. There is more competition
for volunteers. There is more competition for
funding."

These findings suggest that there is a relationship
between levels of government funding and levels of autonomy,
between levels of government funding and levels of
professionalization, and between levels of government
funding and advocacy strategies. The relationship between
levels of government funding, autonomy, professionalization,
and advocacy strategy _choice_ is less clear. The results are
mixed for hypothesis 4 and 5.

In this research, highly dependent agencies which are
less autonomous and more professionalized are like other
agencies in that they use multiple advocacy strategies,

however, they are more likely to use collaborative strategies than moderate and less dependent agencies. Clearly these organizations have a more corporatist relationship with government policymakers. At the same time, these highly dependent agencies may have to respond to the will of their government funders and even merge in order to secure their stronghold.

Moderate and less dependent agencies also use multiple strategies including collaboration, campaign, and occasionally contest strategies. When these organizations have secure finances, stable missions, local control, and professional staff, they might also have a strong voice in public policy but without sacrificing their identity.

CHAPTER SEVEN: SUMMARY AND CONCLUSIONS

Chapter Seven discusses the theoretical and research implications of these findings. This chapter also considers comparisons to the extant literature and recommends areas for further research. The dissertation concludes by offering some practical lessons for charitable nonprofits regarding their political advocacy role. Limitations to this study have already been noted. Nevertheless, within these limits we can still consider a number of important implications.

Theory and Research

Dependence

Human service nonprofits are more dependent upon government funding than other nonprofit sub-sectors. Salamon (1995) found that social service nonprofits were dependent upon government for 56% of their funding, Gronbjerg (1993) cited 50% dependence for similar organizations, and Saidel (1991) found that nonprofit organizations were 62% dependent upon state agencies.

In comparison, the organizations in this research are on average 54% dependent upon government funding. While some predictions about organizational autonomy can be based

upon this statistic, there are limits. A snapshot at any
given point--or even two given points as this study reports-
-does not give a full picture of the dependency patterns
over time. Some of the organizations have experienced
dramatic changes in government fund dependence. One
organization has gone from 0% to 90% government funding in
the past five years, experiencing rapid growth and new found
dependence. Another organization in this sample was over
90% dependent upon government funding five years ago and
recently lost a major government contract. This
organization is experiencing the fallout of dependence and
the rapid decline that follows.

A stable fund mix enables an organization to adapt to
funding changes. Moderate dependence is considered to be the
ideal state in this research, allowing for a secure
charitable funding base and a reasonable amount of
independence. Several agencies talked about strategies to
reduce their dependence on government funding; one agency in
this study cited a maximum figure of 65% government funds as
a benchmark for maintaining independence. Many respondents
were guardedly optimistic about the increasing importance of
fund sources other than government such as fees for services
and in some cases private fund-raising activity.

These findings suggest that when organizations
experience rapid growth or decline in government funding
they may continue to behave according to pre-established
patterns and the adaptation period may lag behind expected

dependency norms. Several factors may contribute to
organizational behaviors related to dependence and warrant
continued research: 1) the rate of change (either growth or
decline) in total resources or particular fund sources; 2)
the history and age of the organization and its experience
with changing resources patterns; and 3) the mix of funds
and their relative stability (Gronbjerg, 1993).

Autonomy

This research explores the relationship between levels
of government funding and the amount of agency autonomy.
According to the extant literature on the topic the more
autonomous the agency: the more stable the mission, the
better the program fit, and the more local control.
Successful nonprofit organizations must be able to adapt to
changes in their environment. A stable mission provides a
solid foundation for making organizational decisions.
Control over organizational decision making and local
support are keys to successful adaptation. Also, newer
agencies sponsored by government may lack extensive
community support and radical mission change or "vendorism"
could signal an unstable agency's search for funding.
Dependent organizations may try to reduce their dependency
on a fund source or they may seek to manage it by increasing
their control because these strategies help organizations to
stabilize their funding over time (Smith & Lipsky, 1993;
Salamon, 1995; Gronbjerg, 1993).

In this research, attitudes on mission change varied

from routine change to a more pragmatic response to changing public policy priorities. No clear evidence of "vendorism" was found though several agencies were willing to merge or were considering a merger. In contrast, a few agencies had a strong tradition of adhering to mission, preferring not to change or to seek more government funds in order to fulfill their mission. These few agencies have a stable fund mix and strong local support. The data from most of the respondents in this research suggest that mission flexibility is seen as a healthy response in a changing public policy environment and that mission rigidity is thought to limit organizational adaptation.

Control defined as a perception of discretion in decision-making and local support is identified as a key factor in maintaining autonomy. The data reported here suggest that highly dependent agencies have less flexibility and control over their own resources. Agencies with low dependence are more autonomous from government but may not be willing or able to compete for government funds. Moderately dependent agencies with a stable funding mix have a reasonable amount of autonomy and seem to have more discretion about decisions over subcontracts with government. It is consistent with current literature that agencies in this study sponsored by government are more dependent on government funds and thus less likely to have community support, evidenced in part by fewer privately raised dollars and fewer community volunteers.

Many agencies try to increase their control by participating in government sponsored coalitions and task forces regardless of, or indeed because of, their suspicions of government motivations. These organizations talk about the importance of "being part of the action." They assert that they maintain their autonomy through other organizational affiliations and by remaining true to their mission in the contracting process.

Clearly, there is a relationship between levels of government funding and autonomy by definition; the higher the government funding the less the autonomy. However, the level of dependence is not the best indicator of autonomy because of the fluidity of funding. A snapshot in time does not necessarily capture the whole picture. Major changes in funding over a five year period such as the loss or gain of a major government grant fail to capture with any reliability the relative relationship between levels of government funding and autonomy. Agencies with a stable, yet flexible, mission and strong base of local support appear to have more control over organizational decision making and are thus able to adapt more successfully to changes in their environment. Their ability to adapt to changes in turn enables them to remain truly autonomous over time.

Professionalization

This research explores the relationship between levels of government funding and levels of professionalization.

Ideally, an organization is professionalized to the degree
that it adheres to standards required by external
accrediting bodies and funding source requirements. At the
same time organizations need to retain their unique
voluntary nature and not become overly professionalized or
bureaucratic.

Generally speaking and according to the extant
literature on the topic, as organizations develop staff
sizes grow, volunteers decline, and board sizes tend to grow
larger. Volunteers participate more in supportive roles and
less in direct practice and board roles become more
institutionalized requiring higher levels of expertise
(Smith & Lipsky, 1993).

Thompson (1967) found that positive growth leads to
more political activity, networking, affiliations with
associations that lobby, and more board member involvement
in fund-raising and advocacy in order to manage dependency.

In this current research, the data suggest that
positive growth through government funding is associated
with political advocacy, networking, and affiliations. One
respondent emphasized the importance of nonprofit
associations as a major player in the advocacy role:

> "You need things like our affiliation or other
> groups in order to create some political
> strength."

The trend to join affiliations is supported by this research
data.

The findings in this research do not substantiate the

conclusion that positive growth is associated with more board member involvement in fund-raising and advocacy, but suggest that positive growth through government funding may in fact lead to a greater reliance on professional staff for these functions. In this study, some of the less dependent agencies with fewer professional staff relied more heavily on their boards for these functions.

Wolch (1990) argued professionalization alters the voluntary nature of nonprofit organizations. Piven and Cloward (1979) argued that as organizations increase in size volunteerism decreases. In contrast, Swanson (1995) found that professionalization measured by paid staff led to increased membership and increased volunteers based on the organizations increased ability to recruit and manage volunteers.

These findings suggest that moderate and low dependence agencies do tend to rely more on volunteers than highly dependent organizations. However, professionalization has led to a trend for organizations to hire volunteer coordinators and this may in fact increase volunteerism in some organizations. Another issue in professionalism is geographic location and the difficulty in recruiting that exists in rural or less populated areas of the state. Recruitment of volunteers is made more difficult in these same areas where a major current market for volunteers and professional staff is limited by the lack of institutions for higher learning. Some executives in rural

areas cited the increasing trend for distance learning as a potential remedy for this problem.

A contrasting concurrent concern in the current policy environment is the trend to de-professionalize. Smith and Lipsky (1993) discussed the issue of de-professionalization of traditional social service agencies based on minimal standards of care. One component of welfare reform is de-professionalization in some service areas. One executive brought home this point saying:

> "It's going to be all paraprofessionals so all of
> a sudden there's this new shift, it is called
> dollar driven, and so you have professionals
> supervising paraprofessionals. We're using fewer
> professionals now."

Another component of the new welfare reform experiment ties social services to cash assistance which may encourage sub-contracts with newer smaller faith-based nonprofit organizations. These mentoring programs focus on volunteer services and support systems for dependent individuals. Elected government officials stress the lower costs of these social experiments while at the same time failing to recognize that government regulation led to the professionalization of traditional charitable nonprofits in the first place.

According to one executive who happens to be a director of a faith-based organization:

> "I think there's a feeling that somehow there's a
> credibility or a legitimacy with faith-based
> organizations that they're gonna do a better job

for people than somebody else. That I think is a mixed
bag. Because there's gonna be some faith based
organizations that don't know what the h___ they are
doing that will be called upon to do things by
government when faith isn't enough. I think there's got
to be professional competence to do what's being done
and being faith based isn't inherently being
professional."

Another issue in professionalization is executive/board
relationships in organizational advocacy (Saidel, 1994).
Harlan and Saidel's research efforts (1995) sought clarity
on the board's advocacy role. Smith and Lipsky (1993) found
that government contracting shifts control from board to
executive and to a more corporate political style of
leadership. Others such as Drucker (1990) and Young (1987)
stressed the central role of the executive in managing
dependency and advocacy.

The literature would suggest that the advocacy role is
shared between the executive director and the board. These
current research findings suggest that though this may be so
in theory, in practice it is not a 50/50 proposition.
Without exception, executive directors in this sample are
largely responsible for advocacy, followed by staff, and
then boards. There is disagreement about the board advocacy
role. Some directors felt that advocacy was primarily the
responsibility of the executive and so they expressed
satisfaction with the involvement of their boards. Others
felt that while the executive was largely responsible for
advocacy, the role should be shared. These directors
expressed dismay that their boards are not more engaged in

advocacy work. A few executive directors felt that the advocacy role was primarily the responsibility of the board and there was both satisfaction and dissatisfaction among these few that the board was carrying out their responsibility for advocacy.

In a stable organization the executive director may be largely responsible for carrying out this role on behalf of the board. In less stable organizations the board role shifts to a more "hands on" approach, and in such cases the board may directly take on "management" responsibilities including advocacy. In any case, some board members have political connections which enhance their potential for success and they may wish to take a more active part in advocacy. Some members will be more comfortable than others in the advocacy role just as some are more comfortable with finance than others.

Executive directors in the sample population suggested ways to enhance the board role in advocacy. Some talked about a board structure or model that emphasized the advocacy role of the board, such as a legislative or policy committee. Others suggest paying more attention to the advocacy role through the appointment process and considering it as a positive attribute in the same way other areas of expertise are taken into account.

Ostrander (1987) cautioned that board advocacy takes on a conservative perspective. These current research findings suggest that this may be true. In this sample,

boards dissented when executives sought to join in class action suits or engage in contest strategies to pressure change. These boards were concerned about organizational image and liability.

Boards made up of community elites may serve as a conservatizing force, preserving the private fund-raising potential of the organization. In contrast, board training programs sponsored by the United Way stress diversity. Ostrander (1987) suggested that diverse membership on boards may serve as a bridge for creating cross-class alliances. Diverse members from all social strata may also play an important role in buffering the dependency effects of co-optation, an area for further research.

A relationship is apparent between levels of government funding and professionalization on all measures except board size and role. As organizations in this sample grow in government funds they professionalize and hire more paid staff. However, education levels are commensurate with funder and accreditation requirement in all cases. Geographic location is a barrier in recruitment and retention of volunteers and professional employees in rural areas. Typically, highly dependent organizations are less likely to use volunteers.

The concern of over professionalization contrasts with the recently emerging issue of de-professionalization in welfare reform policy. The more professionalized an organization is the more affiliations the organization has.

In this research board involvement in advocacy lags behind the executive and staff. Executive directors expressed mixed opinions on their board's advocacy role.

Advocacy

Advocacy is defined as, "the attempt to speak for or on the behalf of a specific position so as to influence government decisions" (Jenkins, 1987, p. 297). Three types of advocacy strategy are identified; collaborative, campaign, and contest.

Organizations adapt to change through their advocacy role. Charitable nonprofits in this research advocate to maintain services on behalf of their consumers using professional expertise, board members, volunteers, and consumers. They also enlist support for their advocacy role by participating in associations of like members and affiliate advocacy organizations.

Ostrander (1985) examined the theory that nonprofits can influence welfare reform policy. Her data on the nonprofit role suggest increasing nonprofit specialization, identification of community needs, nonprofit advocacy, and broad constituent support for services. Government sub-contracting reveals that in some fields such as health, mental health, corrections, and substance abuse, bigger is better and this is resulting in agency re-organization, increased competition, and mergers.

These data demonstrate a trend towards government support for specialization in the areas of health and mental

health, and substance abuse. Managed care, as a driving force in the sub-fields of health and mental health, spurs competition leading to specialization and merger. These larger, stronger organizations have more power to advocate for their position in the market. Traditional multi-service organizations which serve a targeted population group struggle to compete in the current environment. The impact of this phenomenon warrants further study.

Smith and Lipsky (1993) pointed out that government funding strengthens ties between board, agency, and communities and that government cutbacks have encouraged nonprofits to be more aggressive politically.

Some of the agencies in this current study expressed a more aggressive stance than others. Attitudes ranged from apathy to activism, and these attitudes are not clearly linked to the theoretical underpinnings of this research, indicating a need for further research in the relationship between leadership style and advocacy.

Wolch (1990) saw nonprofit advocacy as increasingly directed at fighting cutbacks as opposed to advocacy for the poor. These research findings do not necessarily bear this out, though this may be more a matter of interpretation than disagreement. The social justice mission of charitable nonprofits and their social change function in advocacy is discussed by some executive directors:

"Part of our mission is to seek social change,
it's a piece we haven't done real well. We do

have a voice out there and I think we need to exercise it more."

"We have the experience and the ability to influence public policy. We have to exercise our advocacy potential even if we aren't successful. It's like keeping secret. It doesn't do any good."

"We are engaged in advocacy because of our understanding, our interpretation, of certain public choices that amount to many different manifestations of justice. Our mission is to right injustices."

Salamon (1995) found that 27% of similar nonprofit organizations serve mostly poor, 20% some poor, and 53% few or no poor. In contrast, albeit with a much smaller sample, all of the government funded organizations in this study reported either serving mostly poor (69%) or some poor (31%).

In this research, advocacy emphasis is on meeting the needs of the community, service delivery, and funding. Traditional implementors express their dual advocacy role as inseparable and when asked to distinguish between advocacy for the poor or funding one agency director said, "They go hand in hand."

The state is an important force in shaping organizational demography (Singh, Tucker, and Meinhard, 1991). Another component in welfare reform is the rapid growth of government funding in agencies which offer emergency assistance and basic services, food, clothing, and shelter. These organizations, which traditionally had operated on private and church donations, have gained

government resources. Many of these organizations who shunned government resources in the past now embrace their new partnership with government. Though less comfortable with their advocacy role, several executive directors in this group cited scripture and talked about their advocacy as apolitical on behalf of the poor.

Reeser and Epstein (1990) described one or more political activities per year as "frequent" activity. The findings in this current research suggest that Michigan charitable nonprofits are frequently engaged in political activity. Highly dependent agencies participated in more activity than moderately dependent agencies who were more active than less dependent agencies.

When it comes to advocacy strategy Hoefer (1995) found that strategy matters when it comes to political influence. His findings suggest that organizations work within the system rather than outside the system. Hoefer found that 70% of those who said they consulted with government rated their success higher than those who did not consult. He also found that self-reporting of success is correlated with frequency.

If strategy matters, the agencies in this study are using a wide variety of activities to advocate for public policies. All agencies are involved in writing letters, giving testimony, and making their positions known though they rarely employ tactics such as use of the media or courts to influence decision makers. Highly dependent

agencies were more likely to consult with government officials, though moderately dependent and less dependent agencies all consulted on occasion. Highly dependent agencies used more advocacy strategies than moderately dependent agencies who used more advocacy strategies than less dependent agencies. Agencies who reported success consulted more than moderately successful agencies and these agencies consulted more than those who rated their success as minimal.

Mathews' (1982) research cited the importance of visibility, expertise, and reputation. Most respondents in this research recognized the importance of organization visibility, knowledge, and image or reputation. One lamented on this issue:

> "First of all the barrier was perception. We
> never felt that we would have an impact. I'm
> seeing it as critical for our image, the image of
> the organization. Our ability to have greater
> influence with legislation that affects how we do our
> mission in our area of the state."

Most gave their agencies mixed reviews on their perceptions of influence, citing style, expertise, and experience as factors of success in influence, all areas for further study. One executive reflected:

> "I've been at it long enough that I'm a little
> more cynical about the prospects of influencing
> someone."

Heimovics, Herman, and Jurkiewicz-Coughlin (1993) found that executive director's who used a political frame were more effective in their advocacy role. Those who use a

political frame exercise personal and organizational power. They are sensitive to external factors that influence internal decisions and policies. The politics of advocacy is apparent in the comments by respondents:

"I strike a very apolitical pose, if I can."

"Partisanship matters a lot and they look at it in terms of services. Conservatives like privatization."

"I'm a card carrying Democrat. I have to be very careful in my position."

"The whole process is politics. The message is less government, no new taxes, it's inconsistent with advocating for more services. Everything has gotten so complex."

"I think they (legislators) view us as kind of bleeding hearts, crying liberals."

on relationships and influence:

"It's one thing to know politicians and another to influence their policy."

"We are actually more successful with elected than non-elected officials in terms of influencing their point of view or getting a response."

on terms and term limits:

"Politically everything is in two and four year terms and it is hard, so short-sighted."

"We are heavily dependent on the politics of geography in state funding formulas. There's been a real change with term-limits. It puts power in the hands of the bureaucracy. The departments have more power and influence over policy now."

"With term limits, the executive has more power now through executive orders. It is quicker, but quicker is not long lasting and the next governor could come through and reverse it all."

"It's the other side of term limits. The kind of folks getting elected are more conservative and come in with chips on their shoulders. They are

not going to have the ability over a long period of time to really know what a human service network is all about. You have to rely more on state and national associations to keep you up on what's happening. It is important for us to continue to fund them even when we encounter funding cuts. We just have to be creative in the way we pay for it."

One respondent talked about how lobbyists have more power in the current political environment than political parties and said the election occurred at the political primary now, citing this as new point of influence for associations.

"Term limits is a huge issue, lobbyists are grinning like Cheshire cats. They have more influence now. In the future legislators will be run by associations. Elections occur at the primaries and political parties won't have as much influence there and so if an association wants to elect somebody they will fund that person. And so if you put together the right kind of coalition outside the party, the parties have no choice but to support them after the primary."

All of these comments on the politics of advocacy point to a turbulent public policymaking environment and to a more active role for charitable nonprofits in public policy. The findings in this study substantiate the idea that government funded charitable nonprofit organizations are indeed actively participating in a variety of political advocacy activities. All agencies reported that they increasingly engage in collaborative efforts, join affiliations, and network with other agencies. They employ campaign tactics when they educate policy makers on policy issues by writing letters, giving testimony at public hearings, and engaging in informal conversations. They

avoid contest tactics such as lawsuits and protest demonstrations. A few executives were able to identify negative repercussions from their political advocacy but most were quicker to identify positive benefits.

This research culminates now by sharing some lessons that have been learned by charitable nonprofit organizations in their political advocacy role.

Practice

Lessons

Salamon (1989) described the relationship with government as a "partnership." Billis (1992) cautioned that the term "partnership" serves to cover up the use of nonprofits as an instrument of government.

In this research one of the respondents was keenly aware of this reality when he said:

"They're (state government) using nonprofits as a marketing strategy."

The same respondent added:

"A state representative said to us, that's where we are going to put the dollars, if you can't make it on this kind of money, go find a friend, merge with somebody."

It is clear to the author that one of the lessons of this study is that charitable nonprofit organizations are active participants in the public policy process. Contrary to "biting the hand that feeds them," nonprofits must eat across the table from their government partners. One executive talked about the need to enhance the partnership

at the state level:

> "At the local level, we're extremely active with
> our government funding sources, and we're looking
> at statewide level with those same funding sources
> in terms of looking at partnerships, statewide
> partnerships."

At the same time, the relationship demands mutual respect and clear expectations from both partners. Further development of the partnership paradigm can enlighten the relationship. The charitable nonprofit as a "limited partner" more accurately describes the government/nonprofit relationship. In a limited partnership the general partner, government in this case, retains the majority of control. In this relationship, as in all partnerships, there are barriers to overcome. There are regulatory barriers, competition barriers, trust barriers, control barriers, skill barriers, and complexity barriers. Both the general partner, government, and the limited partner, nonprofits, have responsibilities to one another and should seek to overcome these barriers (Ashkenas et al., 1995).

The lessons from this study for government are that it has a responsibility to its partner, to assure fair and just regulatory practices with accountability connected to policy goals. It needs to provide role clarity through the contracting process and provide a framework for policy decisions. It must seek to build trust and be trustworthy, thereby building strong on-going relationships. A formal legislative committee on nonprofit relations is one avenue of building these relationships.

The lessons for charitable nonprofits are that they are stronger partners when they have a budget rich in resources from multiple sources. Each organization must be vigilant not to rely on a single funding source and build a strong community base of support. Local community organizations must balance cooperation and competition. They cooperate with other similar organizations through coalitions and affiliations which build strength. They also need to maintain a positive community image and strong reputation.

Charitable nonprofits are also challenged to provide skilled, professional services and at the same time hold down costs. They are asked to be professional without becoming bureaucratic, while also retaining their unique voluntary nature. They are also required to understand the complexities of the environment in which they operate and to translate these complexities to their multiple constituents.

Charitable nonprofits must retain some autonomy through local constituents: their governing boards, advisory boards, and local donors. They must make decisions which are mission directed, striking a balance between a too flexible mission, called vendorism, and a too rigid adherence to mission. A board committee on public policy and government relations is one avenue for promoting relationships with policymakers.

Finally, they must strike a balance between advocacy and service implementation. Charitable nonprofits have a

responsibility to maintain their strong social justice voice by actively participating in advocacy. In the end the government/nonprofit relationship, with its inherent limitations, must be strong in order to respond to the needs in our society. It is a question of balance.

<u>What works?</u>

Nonprofit researchers and practitioners often ask the question about advocacy, "what works?" This dissertation concludes with lessons from several executive directors who revealed their insights.

Individualized letters:

> "Not standardized letters, just writing from the heart, taking the time and effort to do so."

Knowledgeable, research based advocacy:

> "You've got to have the facts, the data, you have to be familiar with the research. A case study puts flesh on the data but you have to have the hard cold numbers. That is essential."

Consumer involvement:

> "One thing you learn is that they want to hear from the people who actually receive the services."

Board involvement:

> "As long as the board's out there. That's a key piece."

Positive agency reputation:

> "It gives the agency credibility. We take a professional approach."

Relationships with policymakers:

> "Personal relationships as well as professional relationships are important."

Networking with other agencies:

> "I think we have had more of an impact by working
> with other agencies, networking."

Client-focused advocacy:

> "We know our clients and what they are facing and
> what the issues are."

Local control:

> "We won't accept government funding if certain
> conditions are not met."

> "I've developed a whole theory on how we need to
> do this. I think we need to communicate on a
> regular basis what we're planning on the local
> level with state and federal legislators. That's
> where we are missing out. We need to set up
> agendas with them and send out information before
> we meet with them."

Timing:

> "Hopefully we're in the right place saying the
> right thing at the right time."

Celebrate small wins:

> "One of the things that we talk about in this
> agency is getting small wins. It is very hard to
> get a small win. It's hard to get any win at all.
> It takes a long time to make a change."

It would be interesting to interview these same

charitable nonprofit organizations five years in the future

to see if these lessons have been learned and to find out

more about the barriers and opportunities that these

organizations have encountered as they adapt to the changing

social, economic, and political environments.

APPENDICES

APPENDIX A

APPENDIX A

APPENDIX A

NTEE TYPOLOGY

Part 1

NTEE Definition and History

The NTEE is a mixed notation organization classification system of 26 major groups collapsible into 10 major categories, and divisible into over 645 subgroups. INDEPENDENT SECTOR, working with many scholars and nonprofit practitioners, has been revising and improving the system since 1982. Russy Sumariwalla of United Way International originally designed the NTEE in 1984 to serve as an organization classification system to accompany the United Way goals classification system (United Way of America Services Identification System II - UWASIS II). The NTEE was published in 1986. It has since been used nationally by several organizations which report on the nonprofit community. In 1993, the IRS decided to incorporate the NTEE coding system into its tax exempt classification system in order to standardize coding between the IRS and the nonprofit community. NTEE codes will be put into the Exempt Organization/Business Master File (EO/BMF) starting in January, 1995.

Design

The NTEE is a multi-digit system. Its components are listed below:

Major Groups (1st Digit)	Alphabetic	A--Z
Decile Level Codes (2nd Digit)	Numeric	0,2--9
Centile Level Codes (3rd Digit)	Alphanumeric	0,2--9,X
Common Codes (4th Digit)	Alphabetic	A--P
Holding Codes	First Three Digits	A99--Z99, 2X--9X
System Code[1]	4th Digit	Z

Major Categories

I.   Arts (A)

II.   Education (B)

III. Environment and Animals (C,D)

IV.   Health (E,F,G,H)

V.   Human Services (I,J,K,L,M,N,O,P)

VI.   International, Foreign Affairs (Q)

VII. Public, Societal Benefit (R,S,T,U,V,W)

VIII.Religion Related (X)

IX.   Mutual/Membership Benefit (Y)

X.   Unknown, Unclassified (Z)

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[1]   Approval pending decision of NTEE Advisory Committee in 1995.

Common Codes

Common codes are modifiers used in fourth position of the four digit code to describe activities in support of nonprofit organizations.

A   Alliance Organizations

B   Management and Technical Assistance Services

C   Professional Societies, Associations

D   Regulation, Administration, Accreditation Services

E   Research Institutes, Services

F   Public Policy Research and Analysis

G   Reform

H   Ethics

I   Single Organization Support

J   Fund Raising and/or Fund Distribution

K   Equal Opportunity and Access

L   Information and Referral Services

M   Public Education (Increasing Public Awareness)

N   Volunteer Bureaus

O   Government Agencies

P   Formal/General Education

These descriptions have been taken from "Part Two: Classification Codes" as published in the Guide to The Foundation Center's Grants Classification System (New York, The Foundation Center, 1991). These definitions have been agreed to by the Foundation Center and the National Center for Charitable Statistics at INDEPENDENT SECTOR as the accepted descriptions and definitions for the NTEE.

APPENDIX B

APPENDIX B

SURVEY INSTRUMENT

A Study of Nonprofit Public Policy Advocacy
Deborah Sturtevant, Ph.D. Candidate, Principal Investigator

With the support of the Michigan League for Human Services, member organizations have been invited to participate in this research. The participating organizations are all nonprofit organizations which directly deliver services.

The purpose of this research is to study three aspects of Michigan human service nonprofit organizations, their relationship with government, their levels of professionalism, and their public policy advocacy.

Your individual responses will remain confidential. Your responses will only be reported in the aggregate with the rest of the participating organizations.

Your participation is voluntary. There is no cost to you or your organization for participating in this research. You will be offered a book or an audio tape on leadership for your participation and sent a summary of the final report. You may refuse to answer any question or to end the interview at any time. Do you have any questions before we begin?

Date of interview _____   Time begin _____   Time end_____

Do you give your permission for me to tape record this interview?

Yes   No

_____
Signature

_____
Title

_____
Date

Part A: This section of the survey asks questions about the organization, its finances, and its relationship with government agencies.

1. Agency mission (obtain copy):

2. Has your mission changed in the past five years? If yes, how?

3. Do you expect your mission to change within the next five years?
    If yes, how?

4. Organizational Affiliations:
    List: Dues (yes or no):

    a._____   a._____
    b._____   b._____
    c._____   c._____
    d._____   d._____
    e._____   e._____

5. Operating budget this fiscal year: _____ (obtain copy of budget)

    Sources of income by % 1996:

    a. United Way   _____   f. State Govt.   _____
    b. Foundations   _____   g. Local Govt.   _____
    c. Private Donations   _____   h. Dues/Fees   _____
    d. Corporate Donations _____   i. Religious Org.   _____
    e. Federal Government _____   j. Other
                                          (identify) _____

6. Change in sources of income since 1990: (obtain copy if possible)

    a. United Way   _____   f. State Govt.   _____
    b. Foundations   _____   g. Local Govt.   _____
    c. Private Donations   _____   h. Dues/Fees   _____
    d. Corporate Donations _____   i. Religious Org.   _____
    e. Federal Government _____   j. Other
                                          (identify)_____

7. Please list government funding sources:

    a.
    b.
    c.
    d.
    e.

8.   Organizations may receive funding from a variety of sources. How important are the following funding sources for your organization? (1 not important - 5 very important).

		1996	2001
a.	corporate funding	1 2 3 4 5	1 2 3 4 5
b.	fees	1 2 3 4 5	1 2 3 4 5
c.	foundation grants	1 2 3 4 5	1 2 3 4 5
d.	fundraising events	1 2 3 4 5	1 2 3 4 5
e.	government grants	1 2 3 4 5	1 2 3 4 5
f.	direct mail	1 2 3 4 5	1 2 3 4 5
g.	unsolicited donations	1 2 3 4 5	1 2 3 4 5
h.	membership dues	1 2 3 4 5	1 2 3 4 5
i.	United Way	1 2 3 4 5	1 2 3 4 5

9.   Is your organization consulted by government agencies and/or legislators when they are considering new legislation or policy changes?

government agencies (list)   legislators (list)

a. _____   a. _____
b. _____   b. _____
c. _____   c. _____
d. _____   d. _____

10.   Does the amount of consultation listed in the prior question represents a(n) _____increase / _____decrease in the past five years.

Part B: **This section asks questions about the organization's public policy advocacy.**

11.   Does your organization have formally established written public policy goals?

   a. _____ If yes, identify three.

   b. _____ If no, identify three public policy issues that your organization is concerned about.

12.   Organizations may engage in a variety of activities in order to achieve their public policy goals. I am going to read a list of activities.

   Please tell me if you or someone acting on behalf of your organization has participated in the activity described in the past year (indicate frequency in the blank).

(1 - ?) = yes, we have engaged in this activity in the past year

____a. working with government agencies on policies

____b. working with legislator/staff on policies

____c. sub-contracting with government agencies to provide
        services

____d. pursuing policy change through legal action

____e. seeking to influence public policy through the media

____f. participating in public demonstrations

____g. writing letters to legislators

____h. giving testimony at public hearings

____i. participating on task forces

____j. participating on ad-hoc committees

____k. participating on coalitions

____l. hiring a paid lobbyist (501 c 4)

____m. working through affiliate organizations to communicate
        policy positions

____n. other activity (identify)

13. How successful do you think that your organization is in achieving
its public policy goals?

14. Compare your public policy political advocacy to five years ago.
Is it more or less frequent? What is the focus of the public policy
advocacy compared to five years ago?

15. Organizations may use several ways to keep abreast of changes in
policy. How important are the following methods to your organization?
(1 not important - 5 very important).

a.	contact with government agency staff	1 2 3 4 5
b.	contact with other nonprofit organizations	1 2 3 4 5
c.	contact with legislators/staff members	1 2 3 4 5
d.	communication from Michigan League	1 2 3 4 5
e.	media, TV, or newspapers	1 2 3 4 5
f.	other (list)	1 2 3 4 5

16. In regards to specific **legislation, rules, and regulations**
organizations may engage in a variety of advocacy activities in order to
achieve their public policy goals.

Please tell me if you or someone acting on behalf of your
organization has participated in the following activity in the past year
(indicate by frequency in the blank).

(1 -?) = yes, we have engaged in the activity in the past year

_____a. communicate shortcomings/benefits of current legislation to
         <u>legislator/staff</u>

_____b. communicate shortcomings/benefits of current legislation to
         <u>governor/staff</u>

_____c. communicate shortcomings/benefits of current legislation to
         <u>government agency/staff</u>

_____d. offer drafts of legislation during the legislative process

_____e. participate in a coalition with other nonprofit organizations to
         support or change proposed legislation

_____f. speak with the media about proposed legislation

_____g. participate in public hearings about proposed legislation

_____h. provide information to other organizations about the
         effects of proposed legislation

_____i. challenge enacted legislation in court

_____j. other (identify)

17.   Regarding legislative issues, how successful do you think that
your organization is in achieving its goals?

18.   Compare your political advocacy on legislative issues to five
years ago. Is it more or less frequent? What is the focus of your
public policy advocacy as compared to five years ago?

19.   Please identify which of the following three statements best
describes your organization's most routine way of operating?

        a.   ___This organization normally operates alone when engaging
             in public policy advocacy.

        b.   ___This organization operates alone some of the time but
             sometimes joins coalitions with other organizations when
             engaging in public policy advocacy.

        c.   ___This organization normally works through other
             organizations such as state affiliates when engaging in
             public policy advocacy.

20.   Please estimate the current percentage of time directed at public
policy advocacy for each of the following positions.

Next (x) if this represents a decrease or an increase in time directed
at public policy activity since 1990.

	current %	increase	decrease
a. executive director	_____	_____	_____
b. staff	_____	_____	_____
c. board of directors	_____	_____	_____

21. Please estimate the percentage of your budget that is spent on public policy advocacy activity?

a. 0%   _____
b. 5% or less _____
c. 6% - 10%   _____
d. 11% - 15%   _____
e. 16% or more _____

22. Please answer according to the following scale:

sd - Strongly Disagree	a - Agree
d - Disagree	sa - Strongly Agree
dk - Don't Know/unsure	na - Not Applicable

a. This organization does not really need   sd d dk a sa na
    state funds to implement its goals.

b. A government grant or contract gives   sd d dk a sa na
    this organization legitimacy that it
    could not gain in any other way.

c. This organization is overly dependent   sd d dk a sa na
    upon government funding.

d. I can be relied upon by government   sd d dk a sa na
    agencies to offer my support for
    their legislative proposals.

e. I think that public policy advocacy   sd d dk a sa na
    takes too much time away from the
    everyday operation of the organization.

f. I am fearful of engaging in political   sd d dk a sa na
    advocacy for fear of losing my
    government funding.

g. I think that it is important to appoint   sd d dk a sa na
    board members who will participate in
    public policy advocacy on behalf of the
    organization.

h. I am aware of the laws governing   sd d dk a sa na
    political advocacy for a 501 (c) 3
    organization.

i. I am fearful of engaging in political   sd d dk a sa na
    advocacy for fear of losing the
    organization's tax exempt status.

j. I think that the primary responsibility   sd d dk a sa na
    for public policy advocacy lies with
    the board of directors.

k.   I think that it is important to   sd d dk a sa na
      maintain personal relationships with
      state/local policymakers.

l.   I think that the primary responsibility sd d dk a sa na
      for public policy advocacy lies with the
      executive director.

m.   This agency will probably need to be   sd d dk a sa na
      even more involved in public policy
      advocacy in the next five years.

n.   This agency works in a policy area   sd d dk a sa na
      marked by intense public conflict.

Part C: **This section of the survey asks questions about the organization, its director, staff, and board.**

23.   a. Agency Director: _____

      b. total number of years in current position: _____

      c. highest degree earned: _____

      d. major: _____

      e. age: _____   f. gender: M___/F___

      g. Ethnic Origin:
                  African American   ____
                  Asian   ____
                  Caucasian   ____
                  Hispanic   ____
                  Native American   ____
                  Other   _____

      h. salary:
                  less than $20,000   ____
                  21,000 - 30,000   ____
                  31,000 - 40,000   ____
                  41,000 - 50,000   ____
                  51,000 - 60,000   ____
                  61,000 - 70,000   ____
                  71,000 and above   ____

24.   a. Date organization founded: _____   b. incorporated: _____

25.   a. Please identify those programs and services that your
organization provides:

      a. advocacy   _____
      b. corrections   _____
      c. day care   _____
      d. emergency assistance   _____
      e. employment and training   _____
      f. food, clothing   _____

g. health _____
h. housing and shelter _____
i. legal _____
j. mental health _____
k. neighborhood development _____
l. recreation and youth _____
m. substance abuse _____
n. information & referral _____
o. other (list) _____

26. Have the programs and services that your organization provides changed overtime in response to public policy priorities?

_____No

_____Yes, please describe by using examples.

27. Please indicate the intended target population of your overall programs and services by:

a. Gender: M____/F____   b. Age: _____

c. Ethnic Minority:
           African American _____
           Asian _____
           Caucasian _____
           Hispanic _____
           Native American _____
           Other _____

d. Other defined group: _____

e. Services for the poor: _____ Mostly poor
                         _____ Some poor
                         _____ Few or no poor

28. Is your organization affiliated with any particular religious denomination?

a. _____ No
b. _____ Yes, please describe the nature of this relationship.

29. Agencies join state affiliate organizations for a variety of reasons. On a scale of 1 to 5 (1 not important - 5 very important), please rate the reasons why you have joined the Michigan League for Human Services.

a. advocacy of important issues   1 2 3 4 5
b. communication with professional peers   1 2 3 4 5
c. conferences and meetings   1 2 3 4 5
d. discounts on consumer goods   1 2 3 4 5
e. insurance benefits   1 2 3 4 5
f. legal assistance   1 2 3 4 5
g. licensing, accreditation   1 2 3 4 5
h. organized trips   1 2 3 4 5
i. publications   1 2 3 4 5
j. relationship with other members   1 2 3 4 5
k. representation of member's opinions before
   government agencies or legislature   1 2 3 4 5

l. research   1 2 3 4 5
m. training, education, technical assistance   1 2 3 4 5
n. other (identify)   1 2 3 4 5

30. Number of staff: _____ total number

a.   full time paid: ____   c. full time volunteer: ____

b.   part time paid: ____   d. part time volunteer: ____

31. Does this staffing represent an increase/decrease in the past five
     years?

                    increase decrease   increase decrease

a.   paid staff _____   _____   volunteers _____   _____

b.   Please, describe the role of volunteers in your agency.

32. Education level of full-time paid staff (number):

        a. high school   _____
        b. undergraduate   _____
        c. graduate   _____

33. a. Number of registered lobbyists on staff: _____

     b. Have you incorporated under the 501 (h) election, thereby
     electing out of the "substantial" test?

     _____ Yes   _____ No

34. Number of board members: _____

     Board Expertise (check all that apply):

        a. accounting
        b. business/labor   _____
        c. community leadership   _____
        d. consumer   _____
        e. education   _____
        f. fund-raising   _____
        g. government   _____
        h. legal   _____
        i. management   _____
        j. political   _____
        k. public relations   _____
        l. other (list)   _____

35. Does your board have control over policy decisions related to
     following aspects of government funded programs?

        a. budget   _____
        b. intake   _____
        c. eligibility   _____
        d. program evaluation   _____
        e. termination   _____

36. Have you ever held any of the following positions?
    (check all that apply)

    a. appointed office   _____
    b. elected office   _____
    c. civil service position   _____
    d. legislative position   _____
    e. political party leadership   _____
    f. professional association leadership   _____
    g. other (list)   _____
       _____

37. As you look back at your advocacy activities since becoming
    executive director, what have been the positive/negative
    consequences to you or your agency?

38. Aside from your own organization, could you identify one other
    organization that comes to mind which you consider to be highly
    successful at influencing public policy in the state of Michigan.
    Why did you choose this organization?

39. a. Agency Name: _____

    b. Address: _____

    c. City: _____ d. Zip: _____

    e. County: _____

    f. Telephone: _____ g. Fax: _____

    h. E-mail: _____

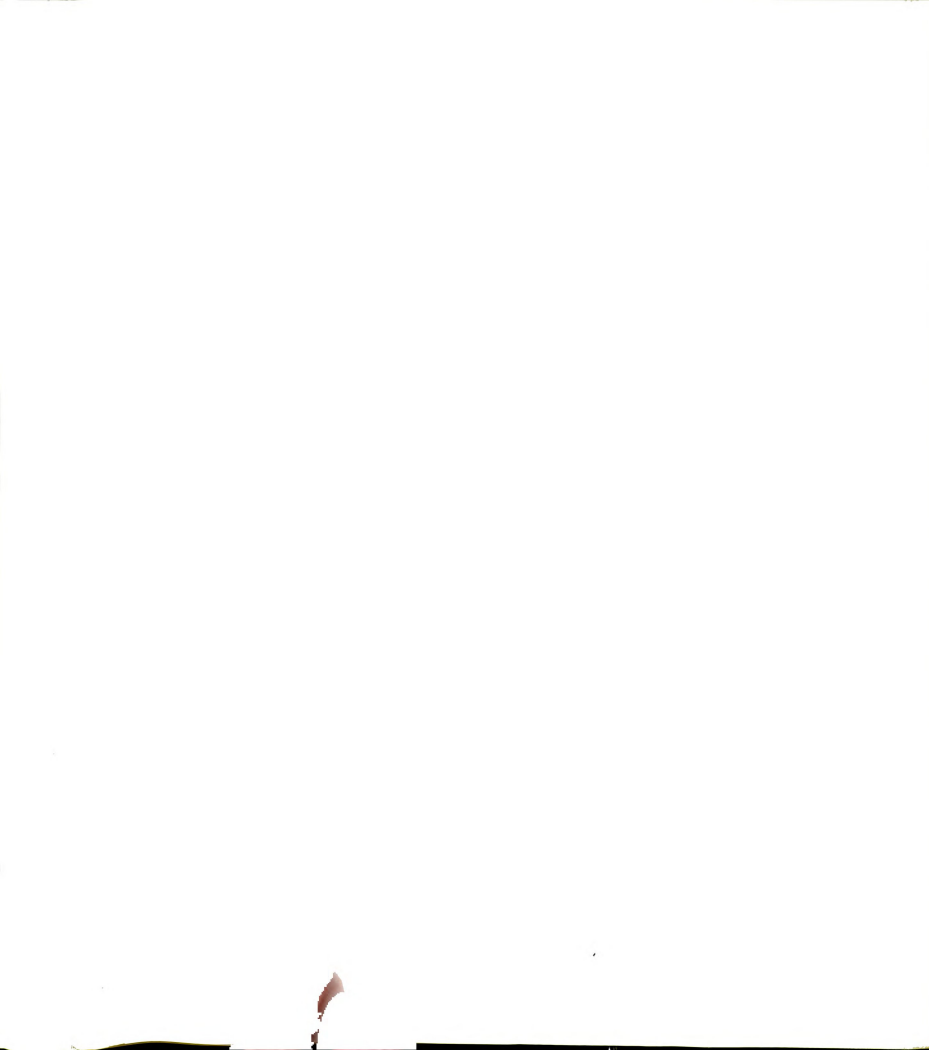40. When the results of the study are analyzed, would you be willing
to discuss the findings and offer your interpretation over the phone?

_____Yes
_____No

Thank you for your cooperation and time in responding to this survey. I
would like to offer an incentive for your participation. Are you
interested in receiving a book or an audio tape on leadership?

                        Yes   No

APPENDIX C

APPENDIX C

ADDITIONAL DATA

Appendix C shares data that was collected but that is not a part of the research model. Organizations were asked to estimate the amount of time that executives, staff, and board participate in public policy advocacy and whether this amount has changed in the past five years.

Table C.1a and Table C.1b give information about the locations and founding dates of the agencies in the sample. These agencies deliver a wide variety of social services. The checklist includes advocacy, corrections, day care, emergency assistance, employment and training, food, clothing, health, housing and shelter, legal, mental health, neighborhood development, recreation and youth, substance abuse, information and referral, and under "other" some also list child welfare services, foster care, adoption, sexual abuse prevention, economic development, counseling, rehabilitation, domestic violence counseling, senior services and education.

They were also asked about the target population served, their gender, age, ethnicity, poverty, and other characteristics. Two agencies serve only women and their

Table C.1a

AGENCY INFORMATION
(N=35)

Location	N=	%
Alpena	4	11
Ann Arbor	3	9
Flint	2	6
Grand Haven	1	3
Grand Rapids	11	31
Holland	2	6
Kalamazoo	1	3
Lansing	4	11
Muskegon	4	11
Traverse City	3	9
Total	35	100

Table C.1b

AGENCY INFORMATION
(N=35)

Founding Date	N=	%
1800's	1	3
19 teens	1	3
1940's	4	11
1950's	4	11
1960's	6	17
1970's	13	37
1980's	5	14
1990's	1	3
Total	35	99*

* If not 100%, due to rounding error

children. Two agencies are child focused, two focused on
senior citizens and the others focus on all ages. All of
the organizations serve all ethnic minority groups, though
two are focused on the African-American population, and one
on the Hispanic population. Twenty-four of the agencies
(69%) reported that they serve "mostly poor," eleven (31%)
said "some poor", and no agency said "no poor."

When asked about their religious affiliations, five
(14%) of the organizations are affiliated with a particular
religious denomination, three Catholic, one Pentecostal, and
the Salvation Army. Seven others have their beginnings in
ecumenical movements, churches coming together to discuss
unmet community needs and working to develop an organization
to address those needs. These organizations, though not
affiliated, continue to receive support from the churches.
The remaining organizations are secular in nature.

Table C.2 shows information about agency budget size
and compares the sample population with the national sample.
In 1993, 33% of national charitable nonprofits filed an IRS
990 return. In 1992, the annual rate of growth in total
funds for social services nonprofits was 6.3% (Hodgkinson et
al., 1996-97). In this research, the smallest
organization's budget is $50,000 and the largest
$40,000,000. The growth rate for the sample population over
a five year period is 6.51% per year on average. No one
particular fund source accounts for this growth and
variations occur from agency to agency.

Table C.2

BUDGET COMPARISON
(Percentage Across*)

	Sample Size N=	up to 100,000 dollars	100,001 to 500,000	500,001 to 1,000,000	1,000,001 to 5,000,000	5,000,001 to 10,000,000	over 10 million	Total
Nat'l 1993	494,000	41	31	9	12	3	4	100
Mich. Sample 1996	35	6	23	9	46	11	6	101

Source: Nonprofit Almanac, 1996-97
* If not 100%, due to rounding error.

Table C.3 shows information about budget size and percentage of growth over a five year period. Organizations were asked to provide a current budget and a budget from five years ago. The budgets were discussed and examined for total dollars and sources of funding including United Way, foundations, private donations, corporate donations, government funding, dues/fees, religious, and other sources of funding. In this study, budgets were also examined for growth/decline and changes of government funding over a five-year period.

Education and salary information about the Executive Directors appears in Tables C.4a and C.4b. In addition to the data in the tables, fourteen of the respondents (40%) are women and twenty-one (60%) are men. Three are minorities (9%), two men, and one woman. The range of experience in the current position is from six months to thirty-two years. The youngest executive director is thirty-four and the oldest sixty-four.

Executive Directors reported spending on average 11.37% of their time on advocacy work. The range was from 0% to 50%. They reported that their staff spend on average 8.9% of their time on advocacy. (It should be noted that many included client advocacy in their estimation of staff time). The range for staff advocacy is 0% to 40%. They reported that their boards spend much less time than either themselves or their staff, averaging 3.31% of their time with a range from 0-25%, most said "very little."

Table C.3

BUDGET SIZE AND GROWTH SINCE 1991

Agency	Budget Size	Budget Growth
01	$303,363	- 4.0%
02	$281,178	NA
03	$9,327,130	+ 7.2%
04	$7,595,098	+ 9.4%
05	$3,226,477	- 0.4%
06	$1,505,628	+11.4%
07	$1,102,619	- 0.6%
08	$2,044,000	+ 0.6%
09	$407,846	+ 7.6%
10	$2,110,389	NA
11	$50,000	-19.0%
12	$2,507,494	+ 9.0%
13	$40,973,912	+10.4%
14	$1,273,774	NA
15	$52,000	+17.8%
16	$374,345	NA
17	$16,297,023	+ 5.4%
18	$2,100,000	+12.6%
19	$170,215	NA
20	$214,342	+ 1.8%
21	$675,556	+17.8%
22	$1,052,557	+ 8.6%
23	$7,120,140	+ 4.2%
24	$238,074	+ 4.8%
25	$6,333,515	+ 4.6%
26	$587,273	+ 5.4%

Table C.3 (cont'd)

27	$4,400,000	+ 5.2%
28	$4,800,000	+13.0%
29	$500,000	+13.6%
30	$322,700	+18.2%
31	$4,436,700	+ 7.0%
32	$1,313,750	+ 2.2%
33	$3,364,929	+10.2%
34	$3,288,792	+ 3.8%
35	$1,111,000	+ 8.0%
Median	$1,313,750	+ 7.1%
Mean	$3,756,051	+ 6.5%

Table C.4a

EXECUTIVE DIRECTORS
(N=35)

Education	Total	
	N=	%
BA	9	26
MA	13	37
MSW	12	34
PhD	1	3
Total		100

Table C.4b

EXECUTIVE DIRECTORS
(N=35)

Salary (in thousands)	Total	
	N=	%
21-30	2	6
31-40	8	23
41-50	9	26
51-60	8	23
61-70	6	17
70 and over	2	6
Total		101*

*If not 100%, due to rounding error.

Executives were asked to estimate the percentage of the agency budget that is spent on advocacy. Twenty-six agencies (83%) reported that they spend between 0-5% of their budget on public policy advocacy, three (10%) selected 6-10%, 0 selects 10-16%, though 2 (6%) selected 16% or more.

Table C.5 shares information on how organizations stay informed about changes in public policy. They were asked to rank the importance on a five point scale, 1 being not important and five being very important. Several typical sources of information are listed, government agency staff, other nonprofit organizations, legislators, Michigan League for Human Services, media, and other sources.

In Table C.6 agencies reveal information about why agencies join the MLHS. They were asked to rank typical reasons for joining affiliate organizations. The rankings are 1 not important to 5 very important. Overall, advocacy ranks as the highest reason for joining the Michigan League. Representation before the legislature and research tie for 2nd. Conferences rank 3, important. No other reason received a significant response.

Organizations were asked whether they had lobbyist on staff and if they were 501(c)3 incorporated. No agency has a lobbyist on staff. All agencies are 501(c)3 incorporated, one through its national affiliate.

Agency executive directors were asked to identify and describe their own political activity outside the organization. Of the thirty-two executive directors who

Table C.5

POLICY CHANGE
(N=35)

Sources of Information	N=	Mean	Rank
Government	33	3.55	3
Nonprofit	33	4.18	1
Legislators	33	2.94	4
Michigan League	29	3.66	2
Media	31	2.90	5

Table C.6

MICHIGAN LEAGUE
(N=35)

Membership Reasons	N=	Mean	Rank
Advocacy	25	4.08	1
Peers	25	2.96	4
Conferences	25	2.48	5
Discounts	25	1.84	8
Insurance	25	1.08	9
Legal	25	1.08	9
Publications	24	3.21	4
Relationships	21	2.10	7
Representation	25	3.56	2
Research	25	3.36	3
Training	21	2.19	6

responded, seven (22%) reported that they hold appointed office and all seven gave boards and committees as examples. None hold elected office, three formerly held civil service positions, none hold legislative positions, one has held political party leadership, and twenty-three (72%) either presently or formerly held professional association leadership positions.

Respondents were asked to identify names of organizations that they considered to be highly successful at public policy advocacy. Some respondents identified names of executive directors of organizations, others mentioned the organization. The organizations listed are widely varied human service nonprofits across the state, most frequently another agency located in the same community as the respondent. Some public organizations and nonprofit advocacy organizations were also mentioned.

Agency information was collected including, address, telephone, fax, and e-mail. Agencies were asked if they would be open to further contact regarding this research and all of the respondents said yes to this request.

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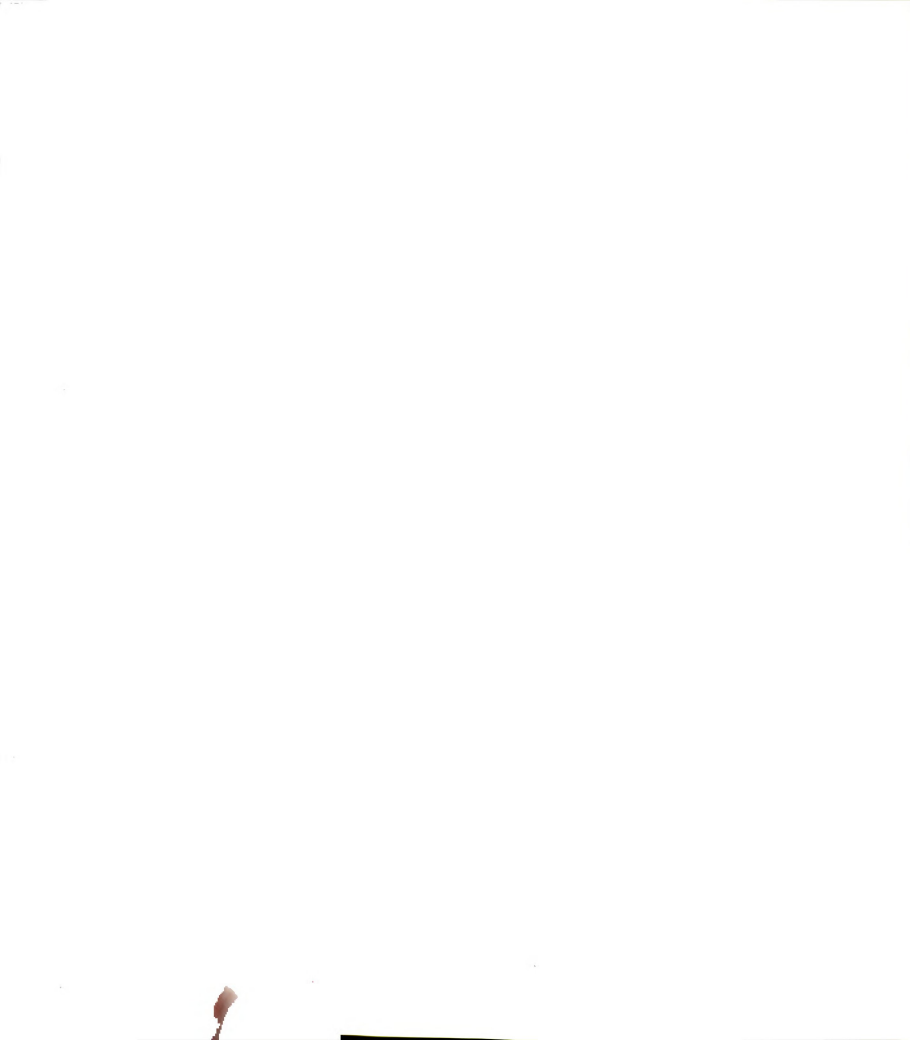
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