

Government Liaisons Help Nonprofits Get Attention They Need

By Alex Daniels

One morning in June, Karen Aldridge-Eason, the director of Michigan's Office of Foundation Liaison, got a call from the lieutenant governor's office seeking contact information on state foundations that might fund mental-health programs.

Hold tight, Ms. Aldridge-Eason cautioned. Rather than cold-calling foundations, she suggested producing a concept paper, which she helped write. Getting philanthropists and state policy makers to agree on a concept early on improves the chances of building lasting momentum, she says.

Among the results: The Ethel and James Flinn Foundation pledged \$800,000 in grants to groups that will evaluate state programs designed to treat people with behavioral issues and divert them from the criminal-justice system.

"We try to home in on what the ask is," she says. "If they build it together, it is often a stronger project."

Since Ms. Aldridge-Eason was named Michigan's liaison in 2003, more than a dozen states and cities—including Connecticut, Denver, New Mexico, Newark, and, most recently, Pittsburgh—have created positions in government for dealing directly with nonprofits.

Not all have survived changes of administrations; those that have involve various roles and responsibilities. Some positions enable nonprofits to better navigate government contracts and audits. Others focus on combined efforts by nonprofit and government leaders to tackle stubborn problems. And others serve as think tanks, evaluating the impact of programs.

Mutual Benefits

Interest in liaisons has grown as government increasingly looks to philanthropy to fill budget gaps and help inform policy decisions. The benefits can go both ways. Governments may receive financial support for programs at critical times, and government money may be funneled to nonprofit efforts.

Ms. Aldridge-Eason, who has served in the cabinets of Democratic and Republican governors, has bridged the gap between government and philanthropy in a variety of ways. She was instrumental in developing a statewide approach to early-childhood care that has secured hundreds of millions of philanthropic and government dollars, and she smoothed over the rough edges when state government workers and nonprofit leaders clashed over how to revamp the way the state delivers benefits.

To fill a similar role in Pittsburgh, Mayor Bill Peduto named Betty Cruz the city's first nonprofit and faith-based manager when he came into office in January.

This summer Ms. Cruz set out on a "listening tour" to hear nonprofits' biggest beefs.

"We want to see where there are gaps where the mayor can step in and fill the void," she says.

Ms. Cruz, whose salary is split between the city and a group of several foundations, meets with Mr. Peduto weekly and says the mayor calls her regularly with ideas. Her present focus is providing services and jobs to veterans and recent immigrants.

Nonprofit leaders in the city, such as Rufus Idris, executive director of CEED, a Christian group that supports small-business owners, says the new position means groups like his will have a voice in city government. He hopes Ms. Cruz can rally nonprofits around common goals and, as a result, attract more support from foundations.

"We know the city doesn't have much money," he says. "But with Betty Cruz in the picture, it will help us make the case that there is a need."

Help With Contracts

Designating a person to align the goals of philanthropy and government isn't without pitfalls. Elected officials tend to make decisions slowly. They are bound to voters' whims and limited by the pace of the legislative and regulatory process. For their part, foundation leaders have worried that in lean times, philanthropy will be tapped to replace government services instead of supplementing them.

Andrew Wolk, founder of the nonprofit consulting group Root Cause, cheers the creation of nonprofit liaisons, although he cautions that a single point of contact can get lost in a bureaucracy.

"One liaison is never going to be able to cover the vastness of city or state activities," he says.

Terry Edelstein, Connecticut's Nonprofit Liaison to the governor, deals only with the slice of the state's nonprofits that receive government grants or fees for health care and social services.

She travels the state constantly, deciphering state contract language for nonprofits and connecting them with right people in the state bureaucracy who can resolve problems with grants or audits.

Since taking the job two years ago, after serving as president of the Connecticut Community Providers Association, Ms. Edelstein has helped streamline the licensing requirements for nonprofits and made it easier for them to determine where their services are most needed, using the state's website.

"If we simplify the administrative burden, nonprofits can dedicate more of their time to executing services," she says. "Some organizations have been contracting for a long time. Some are new to the process. I serve as a resource for them."

Human-Service Funds

Ms. Edelstein's biggest accomplishment, according to many nonprofits, is securing additional state grants for capital expenditures, including fixing old hot-water heaters and patching leaky roofs.

In 2013, those grants totaled \$20-million. Last spring, at a meeting with nonprofit leaders and Gov. Dannel Malloy, Ms. Edelstein passed around her iPad with a photo of piles of 550 grant applications stacked in an office, totaling \$100-million. Impressed, Governor Malloy successfully pushed the legislature to increase the grant totals to \$50-million in a second round this year.

Ms. Edelstein declines to take credit, insisting that the grants are a priority of Governor Malloy, but nonprofit leaders see her as a crucial ally.

"It's helpful to have someone there who has been immersed in the sector for so long," says Cathy Zeiner, executive director of Safe Futures, which runs transitional apartments for women and children who have been subject to domestic violence. "She knows what we are facing."

For the first time in a decade, Ms. Zeiner says, she completed a capital budget this year because she got grants totaling \$113,000 to replace a roof, fix drainage problems, and replace the heating system in one facility.

Bill Young, director of Alcohol and Drug Recovery Centers, used \$975,000 in grant money for a variety of fixes in three of the group's buildings. Getting public support was essential, he says, because foundations and individual donors often don't provide money for building repairs.

"The likelihood of an organization like us having one of those angels isn't too high," he says. "It's not where their hearts are. They tend to fund programs with outcomes."

But some wish Connecticut's liaison office took a broader view of its mission, like Michigan's does.

Ms. Edelstein's work is too focused on human services, says Maggie Osborn, president of the Connecticut Council for Philanthropy. She'd prefer that the liaison efforts be focused on working with foundations that support other things, like the arts and culture.

"None of that is coming out of the liaison office," she says. "It doesn't really engage philanthropy at all."

'Not an ATM Machine'

In 2008, the recession slammed Michigan especially hard. Thousands of unemployed people had trouble determining their eligibility for state benefits, and state offices were unable to keep up with the crushing demand for assistance.

The overload left \$920-million in federal benefits unused, according to one estimate.

More strain was placed on nonprofits to fill the gap, says Rob Collier, president of the Council of Michigan Foundations. He credits Ms. Aldridge-Eason with having "broad shoulders" and pushing back against state government officials who looked to philanthropy for a bailout.

"The foundation community was going to be asked to do more, so it behooved us to have a good relationship with state government and not to just be their ATM machine," Mr. Collier says. .

Over the next two years, Ms. Aldridge-Eason convened a series of meetings with foundation leaders and government officials to create a single web portal for people to determine the range of benefits they could claim.

The early conversations were a disaster, Ms. Aldridge-Eason remembers.

"We'd listen to each side complain about how the other was unethical and dishonest," she says. "We'd say, 'We hear you. Now, have you done the work we told you to do?'"

Despite those difficulties, Michigan Benefit Access went live in 2012, years earlier than expected. Foundations chipped in about \$9-million to complete the site and train nonprofits on its use.

Among the support was \$2.1-million from the Kresge Foundation and grants from others, including the Ford, W.K. Kellogg, Charles Stewart Mott, and Open Society foundations.

A Boost for the State

Similarly, Ms. Aldridge-Eason assembled foundation and government leaders in 2004 to discuss early-childhood programs and the roughly 80 state funding streams for them.

The talks led to the creation of the Early Childhood Investment Corporation the next year. Using \$6.5-million from a start-up grant from the Kellogg foundation, the corporation became the focal point of early-childhood programs in the state and helped build interest in the creation of Michigan's Great Start program, which opened its doors in 2011.

Other grants from Kellogg and Kresge to design a statewide early-childhood strategy helped get the state legislature's attention. Over the next two years, the program's funding will increase by \$65-million, doubling the number of pre-kindergarten slots for children to 36,000.

Susan Broman, deputy superintendent of the Office of Great Start, says the early grants from foundations to study the issue helped state officials become experts on the subject. She says that expertise helped the state write a winning Race to the Top school-funding proposal that secured \$57-million from the federal government.

When the federal request for proposals was issued, Michigan was ready. Ms. Broman says: "We were in good shape because the foundation funding came at strategic moments in time."