

One Foundation's Approach to Framing and Managing Public Policy Engagement Risks

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Public Policy Breakfast Roundtable
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Agenda

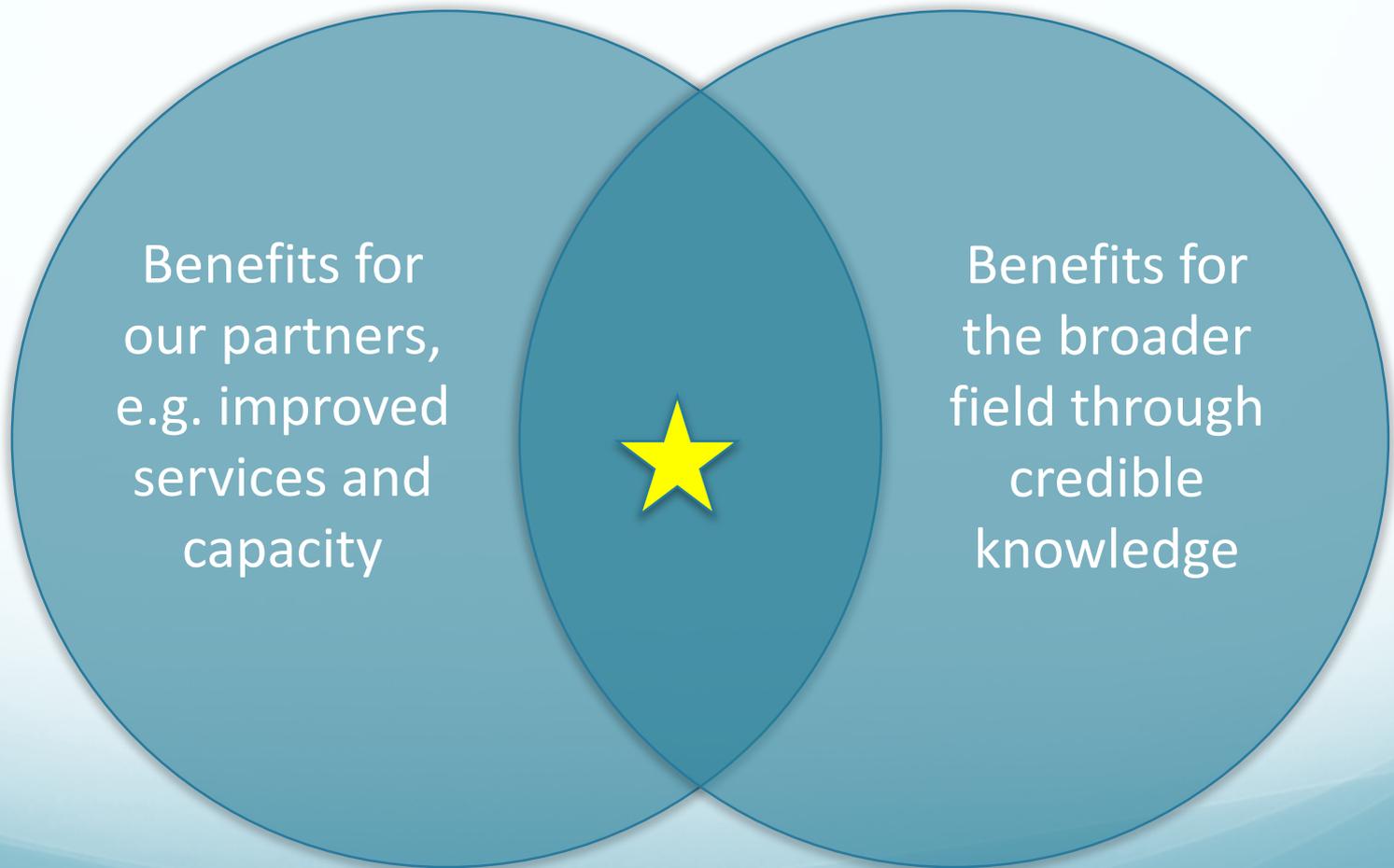
- Background: The Wallace Foundation and public policy
- Five risks in public policy engagement, and a framework for managing it
- Mini case study of its application
- Discussion: What is your approach?

About The Wallace Foundation

- The mission of The Wallace Foundation is to foster
 - improvements in learning and enrichment for disadvantaged children and
 - the vitality of the arts for everyone.

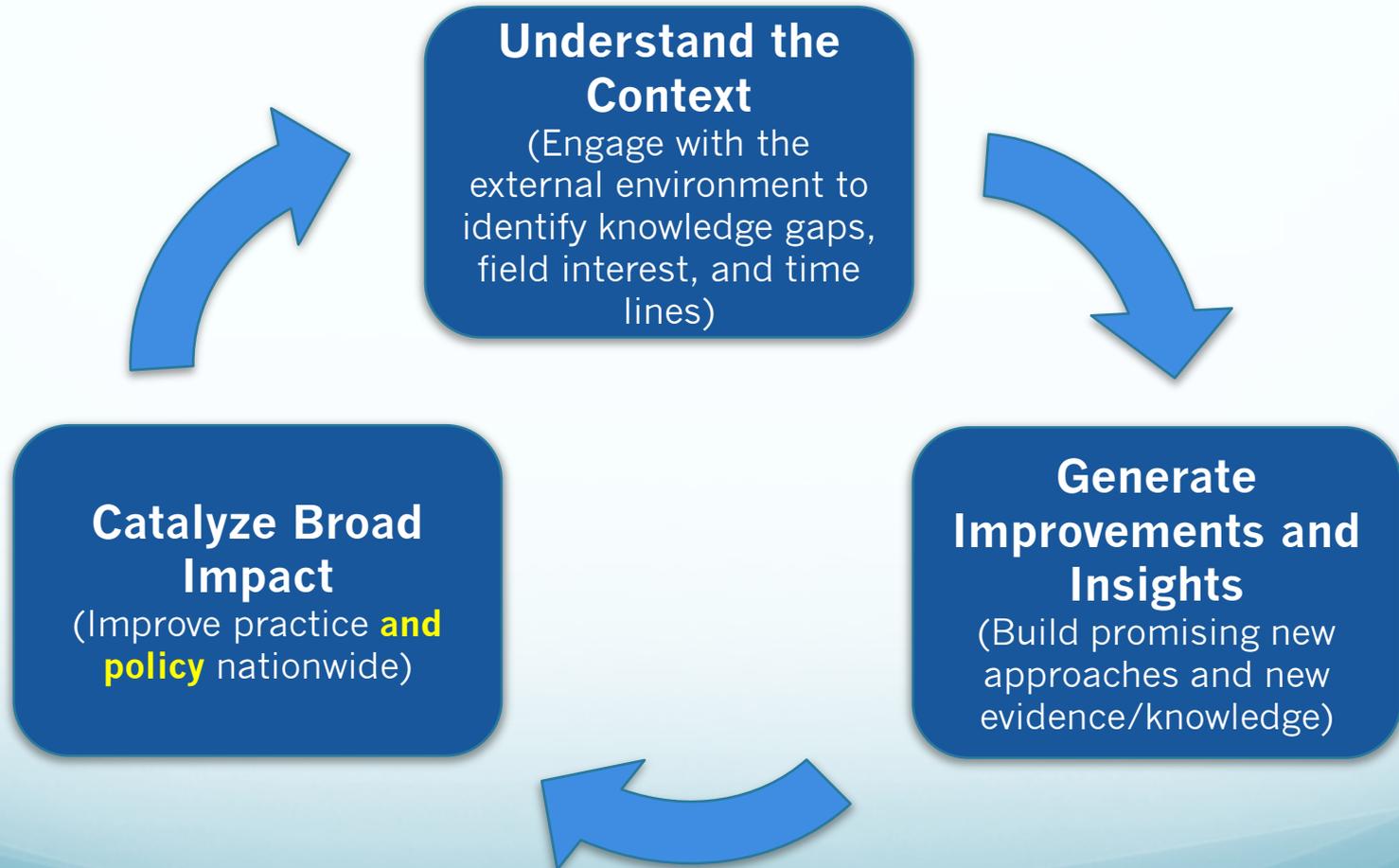


Our goal: Generating dual benefits





‘The Wallace Approach 2.0’



Why – and how – we approached public policy engagement

- In 2013 we concluded – with input from field leaders – we could be more systematic and intentional in engaging policymakers
- We had already been broadly sharing evidence with policymakers on our website (800,000 downloads last year)
- To be more systematic, we realized that we had to:
 - Develop principles for public policy engagement
 - Be clear-eyed about risks - *legal and otherwise* – as well as benefits
 - Identify ways to assess and manage those risks

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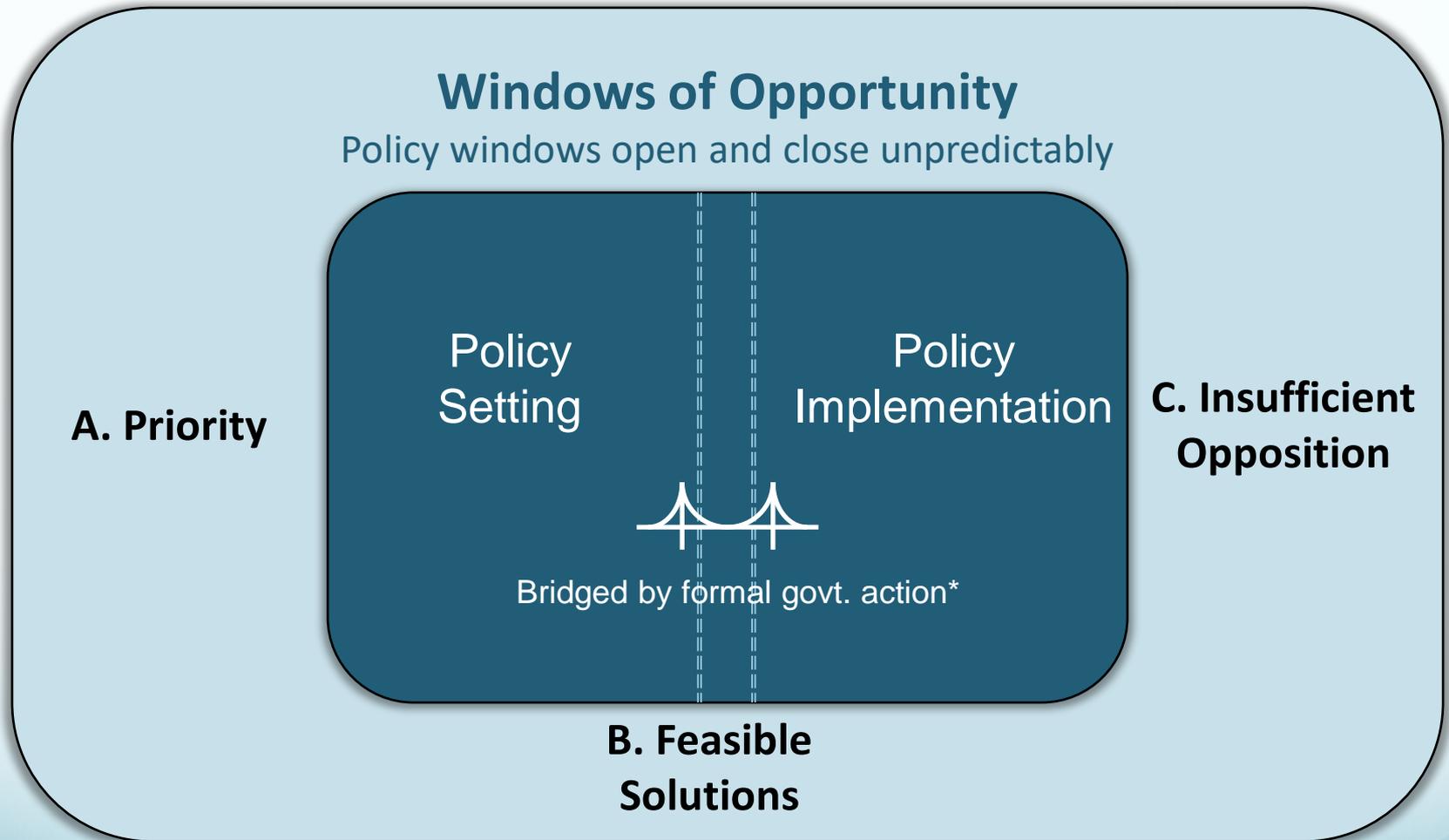
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Guiding Principles for Public Policy Engagement:

‘We say more only as we know more’

- We act at all times in ways that reflect our commitment to sharing only **reliable, credible information and evidence** with policymakers, practitioners and others.
- We seek to ensure that we are always viewed as a **nonpartisan** “honest broker” of useful lessons and evidence.
- We recommend options for specific policies and practices **only when we have experience and evidence** of their effectiveness, seeking to avoid causing harm or creating negative unintended consequences.
- We **embrace the full range of evidence**, actively seeking out counter indicators of the soundness of our policy strategies, and acknowledging contrary evidence in our policy analysis.
- We **always offer a set of evidence-based policy options**, not a single prescription, because we recognize that evidence rarely suggests a single policy solution and that policy is most effective when adapted to local circumstances.
- We **comply fully** at all times with the laws governing private foundation activities in the public policy realm.

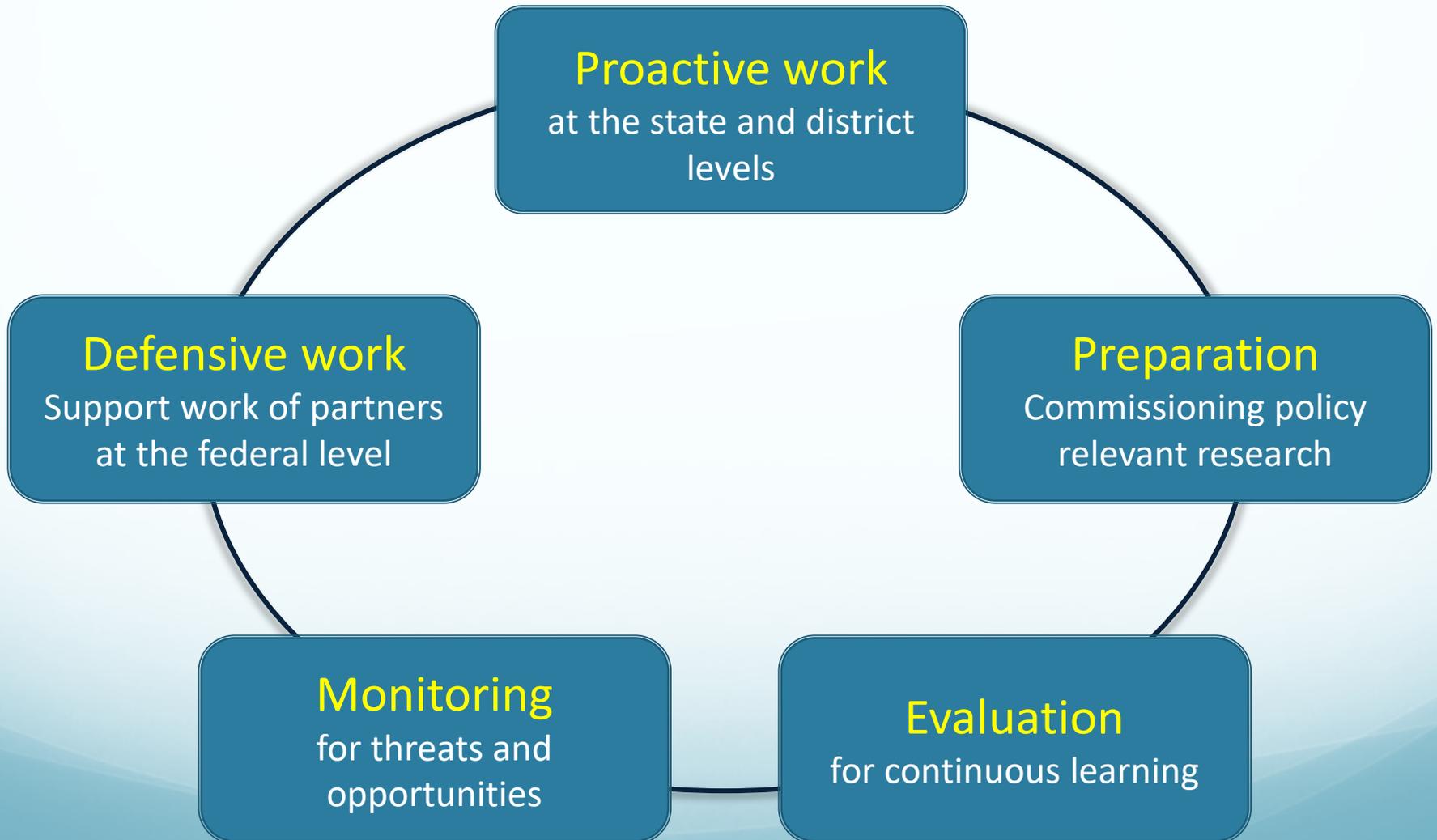
Policy Window Framework



* Formal govt. actions include enactment of laws, court decisions, executive orders, etc.

Five-pronged strategy

Limited to areas where we have evidence of effectiveness



Five types of risk we identified in public policy engagement

- **Reputational Risk** – Unwanted controversy to the foundation and/or undermining of our reputation as a source of credible information.
- **Opportunity Cost Risk** – We fail to produce the desired policy change and the same resources could have been put to better use elsewhere.
- **Risk of Policy Failure** – Once achieved, the policy goal does not result in the desired outcomes.
- **Risk of Harm** – Once achieved, the policy goal creates unintended negative consequences.
- **Legal Risk** – We are accused of having violated laws or regulations and incur legal defense costs and/or penalties up to and including losing our tax-exempt status as a 501(c)3 organization.*

*To our knowledge, there is scant case law regarding the application of the lobbying restrictions on private foundations and regulators have also provided little in the way of guidance concerning these laws.

A risk management approach

Five types of risk

- Reputational
- Opportunity cost
- Policy failure
- Harm
- Legal



How Wallace manages risk

- Engaging in public policy only when we have solid evidence of effectiveness
- Developing policy options
- Defining risk tolerance w/board
- Having clear roles and processes to mitigate risk
 - 'Enhanced review process' when risk is substantial
 - Lexicon
 - Training for staff
 - Government relations firm

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Case study of Florida testimony: An invite

- Wallace invited to provide testimony before a subcommittee of Florida's House Education Committee
 - Informational hearing designed to help legislators better understand issues/opportunities in education leadership and decide whether to explore measures to strengthen effectiveness of school leadership
 - No legislation was pending at the time of the request
- Using our Enhanced Review Process for public policy engagement, we decided to send a representative to testify at the hearing to further our goal of sharing evidence and lessons Wallace has learned about effective training and support of school principals

Case study: Identifying steps to mitigate risk

- Under federal tax regulations, private foundations cannot address the merits of specific legislative proposals or encourage action on legislation
- Our public policy risk assessment process found that no legislation was pending, and since we were invited to testify, we saw testifying as falling outside the legal prohibition
- We further mitigated reputational and other risks by:
 - Giving our staff representative legal training on policy engagement
 - Not addressing the merits of or encouraging action on any legislation
 - Using an existing presentation that had worked well for Wallace in past briefings as it was non-partisan and presented options
- Afterwards the Education Committee included provisions regarding principal preparation in a proposed school administration bill; we don't know whether, or to what extent, Wallace's testimony led to the inclusion of these provisions

Case study: A request we declined as we saw no way to adequately mitigate the risks

- Subsequently a Florida state education official asked Wallace to express support for the legislation when it came up for consideration by the full House of Representatives
- Using our Enhanced Process, we decided to politely decline the request and not to express support for the legislation
 - Given that there was pending legislation in Florida's House, we did not see a way to offer support of the legislation to the full body that would also enable us to mitigate our legal risks.
- The bill ultimately passed the Florida House unanimously

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Discussion

- What approaches have you used to manage public policy engagement risks?
- What lessons have you learned?
- Do you have questions about our approach that would be helpful to have answered?

Appendix

Lexicon

Wallace Public Policy Lexicon

- Developed in 2013
- Offers a common Wallace vocabulary to support a shared understanding and consistent use of public policy-relevant terms and to help us in our initiative planning, implementation, and risk management efforts.
- We recognize that public policy work is by nature complex and resistant to simple categorization.
- We also recognize that individual and institutional actors typically have multiple roles in the public policy process.

Key Term: Policy

Policy is a principle or protocol adopted by a government or private sector entity for the purpose of guiding decisions or behavior.

- **Wallace examples:** Appropriate use of technology in the work place; matching employee gifts to charitable organizations
- **Non-Wallace examples:** The Boy Scouts allowing gay members; the Metropolitan Museum of Art opening on Mondays

Policy includes, but is not limited to, **public policy**.

Key Term: Public Policy

Public policy is the action taken by a government entity or its representatives to address a particular issue. This action may consist of laws, regulatory measures, enforcement priorities and/or funding priorities.

- **Examples:**

- Congress passed the Every Student Succeeds Act in 2015 that delegates substantial discretion to states and districts over how to spend federal K-12 education dollars.
- Governor Haslam of Tennessee announced plans in March to spend \$3.5 million to improve the state's principal pipeline.

Key Terms: Public Policy Roles

- **Constitutional policymakers** are elected or appointed officials to whom a federal or state constitution explicitly grants authority to set public policy.
- **Delegated policymakers** are appointed officials who operate on the basis of authority granted by constitutional policymakers, *e.g.*, leaders of national administrative agencies, such as the Federal Communications Commission and the Environmental Protection Agency.
- **Implementers** are public agencies, service providers and other entities that translate public policy goals and objectives into ongoing practice by establishing operational rules, regulations or guidelines; allocating resources; or assigning and training personnel.
- **Influencers**—such as interest groups, political parties, research organizations, and communications and media outlets—are entities that do not have legal authority to set or implement public policy but provide information, develop policy proposals, exert pressure and seek to persuade.
- **Policy entrepreneurs** are individuals or institutions that seek to introduce public policy innovations and actively engage in the public policy process to advance their agenda. They can be policymakers, influencers or implementers.

Key Terms: Government Entities

Government entities in the public policy process can include both government institutions themselves and those bodies empowered by institutions. They can serve as policymakers, influencers or implementers.

- **Federal and state governments** have the authority to enact and enforce public policy *via* federal or state constitution.
- **Local governments**, such as cities and counties, are jurisdictions created by states and derive their power to enact and enforce public policy from the state (or the federal government in the case of Washington, D.C.) that created them.
- **Instrumentalities** are entities created and operated for a specific public purpose as determined by federal or state statute. Generally, an instrumentality's powers are limited in accordance with the purpose that it serves.