

NLWJC - Kagan

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Non - Profits

December 6, 1996

MEMORANDUM

TO: White House Transition Team -- Erskine Bowles, Skila Harris, Ron Klain, Evelyn Lieberman, Bob Nash and Maggie Williams
cc: Doris Matsui, Carol Rasco, Bruce Reed, Melanne Verveer

FROM: Peter Bahouth, Executive Director, Turner Foundation
Gary D. Bass, Executive Director, OMB Watch
Patricia Bauman, Co-Director, Bauman Foundation
Lewis Feldstein, President, New Hampshire Charitable Foundation
Colin Greer, President, New World Foundation
Mark Rosenman, Vice President, Social Responsibility, The Union Institute
Karl Stauber, President, Northwest Area Foundation

RE: Suggestions for Better Engaging Nonprofit and Philanthropic Organizations

President Clinton has done much to engage the nonprofit and philanthropic sector (inclusive of corporate social responsibility units). With comparatively modest investment, White House staff, Nonprofit Agency Liaisons and other agency staff have extended the Administration's reach, helped involve charitable groups and foundations in discussions of policies and programs in their substantive "problem areas," and begun to explore ways in which the federal government and the nonprofit sector (as a broadly defined component of civil society rather than simply as discrete problem-focused organizations and foundations) might better collaborate. The attached paper provides an overview of the Administration's past effort and identifies possibilities to elaborate on it during the next term. The suggestions offered are nonpartisan and will be appropriate into the future independent of political identification.

It is important to note that concurrent with devolution, the nonprofit sector itself faces a set of policy challenges (regarding tax-exemption, advocacy, competition with business, and other matters) which raise fundamental questions about its role and functions. We are in a period when the two of the principal institutions of social concern and public life -- the federal government and the charitable community -- are challenged by parallel dynamics.

We believe that this presents both a need and an opportunity for new partnerships in service to shared concerns for the public condition and the vitality of civil society. Thus, the suggestion that the second term of the Administration plow new ground by building on the prior work of President Clinton and his predecessors in creating collaborations that affirm shared social responsibility and which offer creative avenues for the continued engagement of the federal government and the public in the lives of our communities.

The ideas outlined in the paper are suggested as a coordinated whole; obviously, they might be implemented through a phased development process undertaken with a plan toward full commitment over the next four years. While the originators of this paper are individuals who have long considered and spoken to these issues, they do not purport to represent the nonprofit sector or its formal infrastructure. Rather, they -- as their sector -- represent a diversity of opinion and do not share common agreement on all points as a group. They have not sought broad endorsement of these detailed recommendations from nonprofit and philanthropic leaders, although they are confident that there is solid and significant (but not unanimous) support for each of them.

P.S. Items referenced in the paper and contact information on its authors are on file with Doris Matsui.

EK -
We should make
use of the nonprofit
crowd
- BR

The Nonprofit Sector and the Clinton Administration: Building Civil Society

Summary

The nonprofit community plays a significant role in the delivery of services in this country and has a rich history of partnership with the federal government. An enhanced partnership can build a broader and stronger base of public engagement in, and support for, governmental and charitable initiatives to improve domestic and international conditions. Properly developed, this strengthened relationship will be at the heart of an increasingly healthy and robust civil society.

During the first term, the Clinton Administration made great strides in developing an improved relationship with the nonprofit sector on issue-specific areas (e.g., health care, housing). However, much more needs to be done to improve communication and coordination between the nonprofit sector and the federal government. During the second term, it will be very important to address nonprofit organizations as a sector and to address issues affecting the sector -- something the federal government has never done. In order to address the need and in a nonpartisan spirit, it is recommended that the Administration move forward with:

- **Strengthening and expanding work on the U.S. NonProfit Advisor**, which is a one-stop electronic link to government information for the nonprofit sector that is now in its developmental stage. This calls for modest allocation of agency resources to the initiative, participation in a conference to be jointly sponsored with the foundation community in order to identify content priorities, improved coordination with ongoing information policy initiatives, such as those to establish a Government Information Locator Service, and strengthened implementation of E.O. 12999, which provides for increased computer recycling to the nonprofit sector.
- **Developing a nonprofit policy agenda** in collaboration with nonprofit organizations and their funders. A series of small meetings would be convened during 1997, leading to a bigger, more formal meeting to address nonprofit policy concerns. The smaller meetings will focus on specific sectorwide issues and develop recommendations for an ongoing process to improve communications between the federal government and the sector. The bigger, more formal meeting would be held at the White House with the President.
- **Addressing the impact local flexibility/devolution will have on the nonprofit sector.** A service coordination/devolution project would be undertaken, working with the foundation and nonprofit community to identify ways of improving service delivery and maximizing local flexibility.
- **Creating a single point-of-contact within the government for the sector** to help operationalize the U.S. NonProfit Advisor, coordinate the development of the nonprofit policy agendas, implement the local flexibility/devolution project, monitor policy affecting the sector, and serve as liaison to the sector. One approach would be to create a White House Office of Extragovernmental Affairs, which would require its own staff people plus volunteers and additional nonprofit staff on temporary assignment. The Office would need to have grant/contract authority to carry out its functions, which could be done through the Small Business Administration if necessary.
- **Expanding the role for the White House's Nonprofit Liaison Network** both internal to their own departments and agencies, and in working together to advance common Administration agenda.

Introduction

There are roughly 1.2 million nonprofit organizations in the country; more than 600,000 of these organizations are charities and religious institutions, categorized under §501(c)(3) of the tax code. There are more than 35,000 independent, community, corporate and operating philanthropic foundations.

On average, about one-third of a charity's annual budget is dependent on federal grants and contracts, either direct or indirectly passed through state and local governments. Additionally, nonprofit organizations rely on the federal government for the development of effective programs and policies in various "problem areas;" the opportunity to offer advice on changes in program and policy regulations, research data that is used to provide insight on significant issues of the day, and general information on social, environmental and other conditions of shared interest.

Neither partner has fully acknowledged and built on this partnership. Nor has the public understood or appreciated government's contribution to their lives through nonprofit intermediaries. People do not understand where and how their tax dollars work for them, and neither do many charities.

Yet, in many ways, the federal government has a mutually beneficial relationship with the nonprofit sector. Some of today's federal initiatives, such as Head Start or micro-enterprise development, began with foundation funding to charities prior to federal legislation. These efforts laid the groundwork for the federal government. Furthermore, as federal programs are implemented, the foundation community has provided resources to the nonprofit sector to monitor and evaluate them, and to provide federal officials with ideas for improving them.

This partnership between government, foundations, and charities is at the heart of improving service delivery in the country and in addressing social problems at their source. An enhanced partnership can build a broader and stronger base of public engagement in, and support for, governmental and charitable initiatives to improve domestic and international conditions.

Background

Even though there is a very close working relationship between the nonprofit sector and the federal government, there has been a history since 1981 of real and perceived attacks on the sector by the federal government. In the early 1980s, driven in part by a different view of the appropriate role and function of charities, the Reagan Administration launched an assault on the advocacy voice of nonprofit grantees through proposed changes to OMB Circular A-122, which lays out nonprofit cost principles. The proposal made unallowable for federal reimbursement all costs of "political advocacy," which was sweepingly defined as "attempting to influence a government decision" of any type -- legislative, administrative, or judicial -- at any level of government (local, state, or federal). The proposal also departed radically from standard and accepted cost allocation principles: No federal funds could pay the allowable costs of any staff, equipment, or facility involved in (tainted by) the slightest amount of political advocacy, even if the advocacy costs were paid with non-federal funds.

In the mid-1980s, the IRS proposed rules to implement changes in a 1976 tax law. As originally proposed, the changes were seen by the nonprofit sector as an attack on its involvement in public policy matters --

and running contrary to the intent of the 1976 tax law. During the Bush Administration, which raised the prominence of nonprofits by celebrating some types of voluntary action, several agencies, such as the National Endowment for the Arts, began implementing draconian provisions to limit the free expression of nonprofit organizations that received federal funds. This was similar to the approach taken by proposed changes to OMB Circular A-122, but was strengthened by a Supreme Court decision (*Rust v. Sullivan*).

None of the negative executive branch initiatives succeeded in being implemented, but they did leave an impression that the government discourages free expression by nonprofit organizations. At the same time as the perceived attacks, the government drew greater attention to the role voluntarism plays today. At times this focus on the role of volunteers in our society gave the impression that national problems could be solved through acts of individual altruism. Some in the charitable sector saw this as an effort to deny government responsibility for broad structural conditions and to denigrate the importance of advocacy and policy work by nonprofit groups.

Since 1994, Congress has launched several other attacks on the sector. Initially, House Majority Leader Arney sent letters to House colleagues urging them to tell their supporters to stop providing contributions to certain types of charities, including the Children's Defense Fund, NAACP, and the American Lung Association because they advocated what was seen as inappropriate federal intrusion in the free market. But that effort pales in comparison to the proposals that came from Reps. Ernest Istook, David McIntosh, and Robert Ehrlich to limit the advocacy voice of the nonprofit sector. Joined hand in hand with the Clinton Administration and with knowledge of the President's own concern for the issue, the nonprofit sector worked successfully to oppose the Istook amendments.

The Need

All of these attacks have left a feeling of distrust -- and have contributed to a pattern of very poor communication, and considerably less than desirable cooperation, between the nonprofit sector and the federal government.¹ The poor communication pattern is exacerbated by the fact that there is no government agency, such as the Small Business Administration or the Commerce Department, that interprets and interweaves the interests of the nonprofit sector with those of the federal government.

Nonprofit organizations care about issues that cut across government agencies and work with a variety of agencies on those issues. But there are government issues that cut across nearly all nonprofit organizations; these are issues which pertain to the sector as a sector. It is in the interests of both the nonprofit sector and the federal government that the Administration increase its capacity to address sectorwide (and issue-specific) agenda.

That this is a problem was made very clear during recent debate on a bill dealing with local flexibility. The proposed legislation (S. 88/H.R. 2086) would have had an enormous impact on the nonprofit sector and its ability to continue providing services. Yet there was no easy and effective way for the nonprofit sector to address the impact of the legislation with the Administration, except through specific issues areas (e.g.,

¹ This has been the focus of opinion and related pieces in nonprofit-oriented publications; they are available as background material.

education, labor, etc.). This paralleled prior experience on other issues, such as one that what was an emerging dynamic in the White House Conference on Small Business. The Conference was addressing competition between small for-profit businesses and the nonprofit sector. Small businesses were able to develop this agenda through the Small Business Administration, but nonprofit organizations had no equivalent, broadly-representative and concerned voice within the government.

The poor communication patterns also limit the ability of the government and the sector to develop proactive agendas for improving the quality of service delivery in the country or to improve collaborative efforts to maximize existing resources. For example, nonprofit organizations have long complained about the problem of uncoordinated and disparate grant application and reporting forms, as well as other grant management issues. Addressing these problems could mean targeting more resources to service delivery instead of the administration of such programs. Service integration and coordination has been a high priority for both the Administration and the nonprofit sector, but little dialogue has developed on such matters. There is not enough coordination between foundation supported research and government supported efforts. And the list could go on.

At the core, however, the potential of this partnership goes beyond the efficacy of particular programs. In ways which do not necessarily characterize the corporate sector, or even state and local government, the nonprofit/philanthropic sector clearly is allied with the federal government in concern for national conditions. While the frame of reference for many nonprofit and philanthropic organizations will keep abreast of government program devolution, the sector's infrastructure of national organizations will continue to assert the importance of programmatic and substantive national leadership. The nonprofit sector, as a sector, will likely continue to assert that there are baseline conditions below which no portion of the nation be allowed to fall, and clear and specific goals to which all ought to strive. The sector understands the importance of national standards, commonalities in data collection and analyses, and the role of national leadership in addressing problems at their source.

Additionally, our nation depends in great part on an increasingly healthy and robust civil society. By definition, the federal government can do much to facilitate such development, but it cannot become what it is not -- it cannot constitute civil society. Yet, to govern effectively, to assure the efficacy of its programs and the vitality of its efforts, to generate the engagement in public purposes and the support of public initiative, it must help nourish the nonprofit sector. It is that sector which must create and maintain the formal associative infrastructure of our neighborhoods, communities and nation. Thus, to strengthen the fabric of our society, the federal government needs to work in greater collaboration with the nonprofit sector.

The Goal

The objective should be to establish mechanisms to improve communication and coordination between the nonprofit sector² and the federal government in order to improve service delivery and the general health

² This memo is intended to address the needs of all nonprofit organizations, including organized philanthropies that fund nonprofit organizations. However, the emphasis is placed on building the federal relationship with charities (i.e., §501[c][3] organizations).

and welfare of the public. The Administration has an opportunity and a clear rationale to develop new avenues for collaboration and to change patterns of communications between the sectors. By doing so, it will improve the lot of Americans not only over the next four years and also make a lasting contribution to the development of our nation by recrafting and refining its civic sphere.

The Administration took steps during the President's first term to begin building a better relationship with the nonprofit sector. It regularly consulted with the sector on specific issues (e.g., community development, children's services). In 1993 the President appointed Nonprofit Liaisons in every department and agency. The President also spoke to the importance of civil society initiatives in several speeches, but most importantly his Georgetown University address in April 1995.

This document outlines suggested actions for the Administration to take in its second term to continue in its efforts to strengthen the relationship with the nonprofit sector and improve the quality of services the government provides in partnership with the sector. The following five items include both process and project ideas (with the understanding that the process recommendations may result in still other recommendations). Each item will require federal expenditures, although there is a reasonable expectation that private philanthropy will continue providing at least equivalent amounts to these and related purposes. It should be stated clearly and explicitly that these suggestions are nonpartisan and considered to be appropriate no matter what the political identification of the Administration.

1. Strengthening and Expanding Work on the U.S. NonProfit Advisor. The Administration has begun a partnership with the nonprofit sector to build a one-stop electronic link to government information for the nonprofit sector. This electronic link, called the U.S. NonProfit Advisor (USNPA), is modeled after the U.S. Business Advisor, which is a World Wide Web site.

USNPA is targeted to the entire sector -- all 1.2 million nonprofit organizations -- with special emphasis on charities. A prototype of USNPA has been developed over the past six months and is available in an "alpha version" on the web. Based on input from federal agencies and nearly 200 national nonprofit organizations, the prototype will be refined and made publicly available as a "beta" version early in 1997. As with all "beta" versions, additionally changes in design and content, based on user feedback, will be necessary.

USNPA has been coordinated by the White House Office of Public Liaison. A task force of the agency Nonprofit Liaisons has helped develop the USNPA. Several non-governmental organizations have been instrumental in the development of the prototype and obtaining feedback about the service, including The Union Institute, OMB Watch and its Communications Catalyst project, and Independent Sector.³

Nearly all nonprofit organizations that have been surveyed are very excited about the possibilities of the USNPA. Unlike the small business community, which has the Small Business Administration, there is no

³ OMB Watch and The Union Institute, with support from the Charles Stewart Mott Foundation and the participation of other organizational partners, also are testing the possibility of creating "Nonprofit America." It would link together and expand nonprofit Internet sites and would connect them to the USNPA.

place where nonprofit organizations can go in the government to get information that is relevant to their needs. Furthermore, there is no comprehensive listing of government information that is relevant to the sector -- and there is no sure way to get information from the government that is essential to day-to-day or longer-term operations. USNPA may help nonprofits begin to meet their needs.

However, one fear voiced by nonprofit organizations is that timely, relevant information will not be available. If USNPA simply becomes a slick web site with little or stale content, nonprofit organizations will not use it - and a great opportunity will be lost. Additionally, nonprofit organizations have voiced hope that USNPA becomes more than simply a web site to disseminate government information. It could, for example, also become an interactive mechanism for discussing issues and policy matters, for identifying ways of improving service delivery, and more. In fact, it could become instrumental to establishing new and broader collaborations -- to generating community-based engagement in support of national objectives.

In the next term, several things must happen in order to fully implement the USNPA:

- Agencies must have the resources to make content available through the USNPA. This means that agency budgets must reflect the minimal resources needed for USNPA work. In particular, each department and agency should assign about two half-time-equivalents to the task of making sure information relevant to the nonprofit sector is generated and posted to the USNPA. This will require one policy/regulatory person and one technical person; each staff member must be part of the civil service system (i.e., not a political appointee). Some of the necessary costs are already being expended for the Nonprofit Liaisons.
- Agencies must continue to meet regularly in order to (a) shape the design of the USNPA, (b) discuss the types of information that agencies are posting to USNPA, (c) develop and better understand standards for posting information that are to be incorporated in the USNPA, and (d) discuss next steps for the USNPA. It is essential that nonprofit organizations be part of some, if not all, of these meetings.
- USNPA work must be coordinated with existing efforts to establish information policy standards (e.g., GILS). This means that a team of technical and policy experts need to be assigned to this task. The team could be comprised of some of the staff that will be working on USNPA from key departments and agencies.
- All of these activities need to be managed by a designated USNPA coordinator, who could be housed in a new White House office (see below). Personnel could be staffed through a collaborative effort with the nonprofit sector, with the possibility of one or two nonprofit staff assigned to learn about these issues/developmental initiatives through the Intergovernmental Personnel Act (IPA).
- The USNPA staff would provide substantive guidance to departments and agencies, through and beyond the nonprofit liaisons and other team members, regarding the development of their own nonprofit-focused information sites (as free-standing resources and part of USNPA).

- The President should emphasize agency implementation of Executive Order 12999, which is intended to increase the donation of recycled government computers to schools and other nonprofits. Additionally, the Administration should call on businesses throughout the country to donate used computers to nonprofit organizations. This should be coordinated with existing national computer recycling initiatives. Other types of Administration resources should be used: high speed supercomputer labs, extension services, etc.
- Assessment of the information priorities of the nonprofit sector should be undertaken so that government resources can best be marshaled. A conference will be convened in 1997 by the foundation community to identify the information needs of the nonprofit sector as it pertains to federal government information. The conference will commission papers that will be compiled into a publication that includes specific recommendations that the federal government and the nonprofit community can take to improve information dissemination.⁴

This new effort could be augmented by the federal government working with nonprofit organizations on the identification and collection of data necessary to assure national standards, and accord with national purposes, in an era of devolved program responsibility and authority.

The Administration should be a partner in hosting the conference. This will require the participation of key personnel from the White House and agencies. The Administration must also be prepared to address the recommendations from the conference.

- If the Administration does its share of building the USNPA, then the nonprofit community must also help by building the capacity of the nonprofit sector to use the service. It is hoped that a considerable portion of the cost of these initiatives will be borne by the nonprofit and foundation community. However, it is expected that the Administration will need to provide support for each of the next three years to help with outreach, capacity building, and expansion of the service.

2. Developing a Nonprofit Policy Agenda. Since there are many opportunities for collaboration between government and the nonprofit sector, a process needs to be put in place to address nonprofit concerns and to develop a nonprofit policy agenda. This agenda would not only contribute to the vitality of the nonprofit sector, but would create the context in which to ground and develop new collaborative partnerships with the federal government. The idea for developing a process came from initial conversations with several foundations that provide funding for civil society issues and with nonprofit infrastructure organizations.

A series of small meetings involving federal officials, philanthropy, and nonprofit organizations should occur as soon as possible. These informal meetings will explore the advisability of a larger, more formal meeting to discuss common issues and concerns, as well as specific collaborative projects. The larger meeting would have two parts. The first part would be a meeting with the President and Vice President to discuss

⁴ The Bauman Foundation convened a similar meeting in 1994 with a focus on access to federal government information pertaining to sustainability of our communities. The conference report has been used widely in the government to address dissemination issues.

the importance of civil society issues, the need for collaboration, and the commitment of the Administration to improving the relationship with the nonprofit sector. The second part of the meeting would focus on specific sectorwide issues (as contrasted to subsector, issue-based topics -- e.g., education, community development).

The sectorwide issues to be discussed would be determined based on the smaller, informal meetings. However, several subjects have begun to emerge as key issues:⁵

- Lessons learned from efforts to integrate or coordinate services. The Administration has done much to foster innovation in service delivery through its empowerment zones, "ed flex" initiatives, and its welfare waivers. However, there has been little to no evaluation of what works and what does not. By combining information from the federal government and the nonprofit sector, there is greater opportunity to learn about how to improve service integration and coordination -- and where additional pilots should be tested.
- The impact of devolution on the nonprofit sector and how to structure further changes in a manner that will minimize adverse impacts (see below for further discussion).
- How the nonprofit community and the government can work to make the public more aware of the importance of the charitable community. Such efforts will further an active partnership between government and the nonprofit sector and can strengthen effective voluntarism.
- The importance of advocacy to the nonprofit sector and ways it can be strengthened.
- Sorting out the ability of the nonprofit community and the government to fill gaps in services and address unmet need.
- Ways to provide adequate resources for service delivery, public protections, and other charitable activities. This includes federal funding and charitable tax policy. As tax reform is likely to be a congressional issue, it is essential to fully understand how the tax system impacts on the charitable community.

Discussion on the substantive issues would likely occur in the smaller meetings, which would take place during 1997. At least one session would be on overall process, including setting timetables; another session will be devoted to follow-up process, including establishing liaisons for ongoing communication.

It is expected that most of the spade work for the larger meeting would be done in the smaller meetings. The larger meeting may involve approximately 20 senior people from foundations and nonprofit organizations and 10 to 20 key senior Administration officials. It would be held at the White House.

⁵ Other issues and greater specifics are available from a draft memorandum prepared previously for a policy-oriented discussion.

One key outcome of these meetings will be to establish an ongoing process for ensuring that the Administration hears the concerns of the sector and can work constructively with the sector on selected issues. At a minimum this will require the Administration to establish a working liaison with the foundation and nonprofit community. This could be done through the proposed White House office (see below). The nonprofit community would also have to agree to establishing a similar liaison approach so that communication is efficient and effective within the nonprofit community and between the sector and the government.

3. Addressing the Impact Local Flexibility/Devolution Will Have on the Nonprofit Sector. One of the most significant issues facing the nonprofit sector today is the issue of devolution and its impact on service delivery and coordination. The Administration supports local flexibility and minimizing unfunded mandates, but has not addressed the impact devolution may have on both the general public and the nonprofit sector. There is reason to believe that strengthened collaboration between the federal government and the sector will minimize some of the negative consequences of devolution and bring greater benefit. The philanthropic sector has recognized this and already is investing in this area.⁹

Simply put, many states and localities are working to minimize what they may view as the intrusive authority of the federal government to shape and control domestic programs. Thus, partnerships with the nonprofit and philanthropic sector offer an additional opportunity for collaboration to define and collect uniform data, develop and maintain national standards, promote best practices, and to provide continuing, substantive and programmatically-focused national leadership.

Such a partnership would involve both the "point-of-contact office" (such as the White House Office on Extragovernmental Affairs discussed below) and the Nonprofit Liaison Network (see below). Through a series of informal meetings exploratory meetings, then followed by a formal conference convened jointly with national nonprofit organizations and foundations, the Administration can initiate a research and development process to monitor and assess the impact and implications of devolution. Furthermore, it concurrently can promote and increase citizen participation in federal, state and local program service delivery and related policy-making through partnership with the nonprofit sector.

Such an effort could address, both generally and in the context of particular departments, agencies and programs: (a) definitions of local flexibility (e.g., how much flexibility can occur -- transfers of money and how much; who gets to decide on the local plans; etc.); (b) how to insure protections of federal standards; (c) how to create performance standards where none exist; (d) how to streamline the federal assistance process (federal and state); and (e) how to ensure the safety of the federal statistical infrastructure as well as insure that there is adequate programmatic data for national policy analysis.

To enable such an effort, the Administration should earmark support for a three-year service coordination/devolution project. This would bring it into active partnership with the philanthropic community which has and will direct significant resources to similar concerns. Furthermore, it will provide the Administration on-

⁹ The W.K. Kellogg Foundation alone has made grant commitments of more than \$17 million regarding devolution.

the-ground experience and assets prior to the drafting of likely legislative initiatives on these same matters.

4. Creating a single point-of-contact within the government for the sector. In order to implement many of the above items, a point of contact for the nonprofit/philanthropic sector needs to be established within the government. One approach would be to establish a White Office of Extragovernmental Affairs, which could provide a point of reference in the White House which institutionalizes concern for, thinking about, and contacts with the nonprofit sector in the same way that state and local governments currently enjoy. However, if a new Office were created, it should not be a parallel structure to the Office of Intergovernmental Affairs. Instead, the new office needs to be a hybrid, serving as a liaison to the nonprofit sector and simultaneously engaging in policy matters pertaining to the sector. As a result, the head of the new office needs to be part of senior management meetings and part of discussions undertaken by the Domestic Policy Council.

There will need to be a dedicated staff plus volunteers and additional nonprofit staff on temporary assignment under the Intergovernmental Personnel Act. The director of the office should be an Assistant to the President. The office, wherever housed, must have grant/contract authority to help it carry out activities covered by this memo. If the office were situated in the White House, it might be possible for the Office to use the grant/contract authority given to the Small Business Administration in order to carry out its functions.

The office should oversee implementation of the USNPA, including convening the "information priorities" conference, organize the meetings between the Administration and the nonprofit sector, oversee implementation of the local flexibility/service coordination project as well as monitoring the overall policy agenda, provide ongoing follow-up to these meetings, and otherwise advance the purposes addressed in this paper.

5. Expanding the Role for the White House's Nonprofit Liaison Network. The established network of Nonprofit Liaisons will hold responsibility for facilitating and reporting on department- and agency-based collaboration on each of the initiatives undertaken in association with this effort and will report to the director of the White House "point-of-contact" office (such as the Office of Extragovernmental Affairs). For instance, they will have gained internal acceptance and participation in building and maintaining the information base necessary to the USNPA, for the generation of any analyses or material necessary to the various issues covered on the Nonprofit Policy Agenda, for drawing appropriate staff into related White House activities, and for addressing issues such as devolution.

The Liaisons will conduct "outreach activities" (speaking engagements, headquarters and in-the-field meetings, etc.) to assure that nonprofit organizations and philanthropies have an opportunity to obtain information and provide critical commentary and suggestions regarding department/agency/program designs and operations. Additionally, they will meet regularly to provide one another and White House officials with the insights gained from their work in an effort to refine and improve various initiatives.

With an internal focus, the Liaisons will have responsibility for educating their department and agency colleagues about the value of collaboration and partnerships with the nonprofit sector. Beyond providing

information on Administration initiatives, they will highlight exemplary models and work to popularize such "best practices."