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***One Foundation's Story:  
The New Hampshire Charitable Foundation Makes a  
Significant Impact With Public Policy***

Elizabeth Banwell  
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## Introduction

This paper, “One Foundation’s Story,” was prepared for the first Community Foundation Colloquium, which has been organized by the Aspen Institute’s Nonprofit Sector Research Fund to encourage community foundations to develop their organizational capacity for effectiveness beyond traditional financial measures of success, such as asset size and grantmaking. This particular paper tells the story of how the New Hampshire Charitable Foundation developed as an organization to make a significant, positive, social impact on the state of New Hampshire by employing activities that helped shape public policy as a means of addressing issues on a systemic level, and securing broader social change. While this should be viewed primarily as one organization’s story, and not a prescriptive model for all foundations, the paper’s secondary goal is to inspire spirited discussion, offer suggestions for performance, and share information that might be useful to other community foundations interested in broadening and deepening their community impact by becoming involved in government-related decisions that shape social programs and influence the lives of people in their states.

## One Foundation’s Story

When Lewis Feldstein arrived in Concord, New Hampshire, in 1986 to be interviewed for the post of president of the New Hampshire Charitable Foundation, what remains memorable for a few board members who knew him at the time is the frayed sport coat he wore to his interview, his passion for social justice, and his background, which included seven years as a senior staff member for New York City Mayor John Lindsay, time spent in the civil rights movement in Mississippi, and his role as provost of the Antioch New England Graduate School.

On the surface, Feldstein – a liberal Jewish activist from New York – may have seemed an unlikely choice for the Foundation. As Feldstein recalls, then-outgoing president Bill Hart, Jr. (who went on to establish a community foundation in Washington, DC, and is remembered as a formidable fund-raiser), had never registered to vote. In fact, Feldstein adds, Hart chuckled when he heard Feldstein announce publicly, at his first annual meeting of the Foundation, his unequivocal commitment to social justice – an approach Feldstein now agrees was strategically naïve, albeit honest. Even so, that commitment has undoubtedly shaped his 20-year tenure and contribution to the Foundation.

Feldstein is the first to admit that with the successes have come political blunders, as well as many opportunities to learn on the job. “I came to this job with a feel for politics. I had to learn about New Hampshire, which was a different language, but it helped that I had spent a big part of my career in and around politics. When I started the job, people said, ‘This is nuts. You’re too liberal.’ They were quite strong about it. An early mistake I made was telling people I was going to get into public policy. The term *public policy* was toxic. I eventually stopped talking about it and instead began working on the

issues that people cared about, such as improving the schools and saving land from development.” (Lesson 1: Watch Your Language, see p. 14)

“It never would occur to me that working with the public sector isn’t part of what we do,” adds Feldstein. “Our goal is to make change and improve lives and communities. The dollars we have are a sacred trust, and we need to figure out the best way to leverage them to help make change. This strategy was prompted by a strong belief that total foundation giving is tiny in relation to the big issues that we care most about – from land protection to taxes, public education, health, and other issues. The overall impact of the community foundation is ‘bubkus’ if we can’t influence the public and private sectors.” (Lesson 2: A Vision and Strategy Are Essential, p. 14)

While the visible terrain of the New Hampshire Charitable Foundation in 1986 may have looked barren in regard to its involvement in public policy – that is, certainly in comparison with the Foundation today – the Foundation of that era might better be compared with a New Hampshire field in winter, dormant but with much potential energy for growth. The Foundation board had already planted some critical seeds that would support Feldstein’s political acumen, vision, and strategy and would position the Foundation to become a major player in the arena of public policy in New Hampshire.

One of those seeds was the strategic decision – made in the early to mid-1980s under Hart’s leadership – to remain a statewide foundation but also to create regional divisions. The divisional structure has turned out, in retrospect, to be a brilliant move that has allowed the Foundation to attract leaders and resources from all over the state and also has guaranteed both a local, grassroots presence and a statewide perspective. “The statewide focus gives us clout. If we were a city foundation, could we go to the governor? I don’t know,” says Harold Janeway, an environmental activist and Charitable Foundation donor. (Lesson 3: Balance Local with Statewide Perspectives, p. 15)

Kimon Zachos, a former board member and the board chair when Feldstein was hired, recalls, “Before Lew, an important decision was made by the organization that paved the way for Lew. That decision was to keep the Foundation statewide, and to intervene on its reputation as the ‘Concord Gang’ by conceding to the Portsmouth division that had raised significant money and felt it could be more effective alone. It was apparent to those of us on the board at the time that if we didn’t work something out with Portsmouth, they would go off on their own and we would lose our signature status as a statewide foundation.” (Lesson 4: Align Organizational Design, p. 15)

In addition to the decision to establish regional divisions and retain a statewide focus, another strategic seed planted early on was to recruit and engage board members with a knowledge of, and passion for, public policy. In the early days, the board included Zachos, a Republican attorney and former Deputy Speaker of the House; John Crosier, a Republican and then director of the Business and Industry Association, the principal lobbying organization for the major business sector in New Hampshire; and Walter Dunfey, a confidante of President John F. Kennedy, and a long-time activist in state and national Democratic politics.

“In the early days, the New Hampshire Charitable Foundation would have been described as a more traditional community foundation,” Zachos recalls. “When Bill Hart left, some people on the board were getting anxious about wanting to make more of a difference, and they said that when the new president was hired, he had to buy into public-private partnership. We went looking and stumbled onto Lew.”

Former board member Martin Gross remembers a 1985 board retreat to which he was invited as a guest, a year before Feldstein arrived, as a turning point for the Foundation; a few board members were pushing the board to do more with public policy. “They felt, and I agreed, that the quality of public discourse could be improved, and the initial vision was to provide resources for better public policy making,” he said. “In New Hampshire, government is limited, so there is a real role for philanthropy in public policy. Philanthropy has to step in here. Some of us perceived the vacuum and helped the community foundation step into it. Lew was critical to the effort.” (Lesson 5: Visionary Leadership Is Key, p. 15)

Former board member John Crosier recalled that a core group of board members wanted to enter the public policy arena, “but the board response to entering public policy was certainly not unanimous. Public policy doesn’t give a lot of people goose bumps; only a few of us. Public policy work really started with Lew and a few people on the board. The Foundation has developed its muscle slowly. We have earned our way onto the field incrementally.” Former board member Harold Janeway puts it this way: “Our development in the public policy arena was organic. Like case law, it was built on a precedent of what came before.” (Lesson 6: Develop Capacity Incrementally, p. 15)

Today, there is absolutely no question that the New Hampshire Charitable Foundation is a major player in the public policy arena in the state. Among its public policy initiatives, the Foundation’s involvement includes three that are of special significance. They are: (1) playing an integral role in the Trust for New Hampshire Lands, a public-private partnership that raised \$50 million in public funds to protect more than 100,000 acres of land from development; (2) establishing a nonpartisan, public policy think tank (New Hampshire Center for Public Policy Studies) that produces new research used by lawmakers to make decisions on critical issues; and (3) creating New Futures, a statewide organization that has played a leading role in helping to pass six to eight pieces of significant legislation designed to reduce underage drinking, and has funded cutting-edge adolescent alcohol and drug treatment programs around the state.

Beyond these planned initiatives, it also seems that the Foundation is invited to participate in or lead many of the major public policy conversations that occur in New Hampshire. Ned Helms, a Democrat who served as commissioner of health and human services, says, “It is literally impossible to talk to anyone in corporate, government, environment, health care, or social justice who doesn’t know about the New Hampshire Charitable Foundation. I can’t imagine anyone convening a conversation without the Foundation at the table.”

Over the years, Lew Feldstein and the Charitable Foundation have collaborated with state governors on the left and on the right. Working together, a Republican governor and the Foundation created the nation's only endowed fund to prevent child abuse. When the pulp mills in the economically impoverished northern community of Berlin closed, laying off many local residents, the Foundation worked in coordination with the governor and state officials to assist the community. At the invitation of the state's transportation commissioner, Feldstein is now chairing the first-ever citizens' committee to develop a long-range transportation plan for the New Hampshire Department of Transportation.

Other invitations come in regularly, prompted by the Foundation's successful role as a convener. The Foundation worked closely with Governor John Sununu to shape and secure legislative passage of the New Hampshire School Improvement Programs; then Charitable Foundation collaborated with Governors Gregg and Merrill and their staff members to secure state funding to administer this statewide school improvement program over a seven-year period. Acting on the request of Governor Jeanne Shaheen, Feldstein later secured a \$1 million grant from the Nellie Mae Foundation and then worked with Governor Shaheen to secure \$7 million in public funds to launch and support the "Best Schools" program for five years.

In the late 1990s, as New Hampshire moved to deregulate its electric power industry, the Foundation convened a two-year mediation process funded by the state's largest electric utility, Public Service of New Hampshire (PSNH). Every two weeks, the process brought together a broad spectrum of parties that included chambers of commerce, the Business and Industry Association, environmental groups, legal services, and the Clamshell Alliance, a community-based group that led the opposition to PSNH's effort to build a nuclear-power plant at Seabrook, New Hampshire. Another example is Governor Craig Benson's invitation to the Foundation to host the announcement of his signature effort to provide free computers to sixth-grade students in selected schools, and then to serve as fiscal agent for the private funds collected to support the project.

Even the invitations that the Foundation's board has carefully declined reveal its prominence in the state. For instance, the Roman Catholic bishop of New Hampshire invited Feldstein to chair a statewide citizens' committee to explore ways the church might respond to charges of sex abuse by priests. After substantial consideration, the board reluctantly chose not to participate in this work, believing that while the issues were critical to community well being, the Foundation was unlikely to be able to make a substantial difference.

Senior Program Officer and former New Hampshire Legal Assistance attorney Deborah Schachter explains the Foundation's role in public policy: "In many areas, New Hampshire does not have a deep well of nonprofit policy experts, so the Foundation is called upon to play a role and to be a credible convener." Other unique characteristics of New Hampshire have also shaped the role that the Foundation has been able to play in the state, including the state's relatively small size. (Lesson 7: Environment Matters, p. 15)

Over the past 20 years, Feldstein and the Foundation have developed the ability to be effective in the public policy arena through a broad spectrum of activities, including taking on the high-profile, high-stakes, and long-term public policy initiatives mentioned earlier; leveraging resources strategically behind the scenes; and making grants to such advocacy organizations as the New Hampshire Citizens Alliance, New Hampshire Public Health Association, New Hampshire Small Business Development Center's Office of Economic Initiatives, the nonpartisan New Hampshire Institute of Politics, Conservation Law Foundation, New Hampshire Children's Alliance, and New Hampshire Cares.

Schachter, who oversees the Foundation's advocacy grantmaking program, assesses its grantmaking decisions: "One of our challenges is sifting through the possibilities. Where can we have the most impact? The criteria are individual to each issue. Is there a role for us to play? What are the risks and benefits, the chances of success, the resources demanded? Are we really needed? Is this group poised to do anything about the issue they propose addressing, or are they riding the white horse by themselves? Are they talking to the right people? We try to strike a balance between being responsive and not responsive. It is hard for us to set limits and to say no. When an issue is unclear, we take it to the board for discussion." (Lesson 8: Public Policy Activities and Advocacy Grantmaking Are Distinct Functions, p. 15)

By now, the Foundation has become an adept player of the "inside game" – the relationship building, the strategizing, and the conversations that occur continually behind the scenes and end up shaping public policy. One colorful example of Lew Feldstein's ability to play political hardball occurred after then-chair of the House Ways and Means Committee (later to become Speaker of the House) Donna Sytek approached the Foundation for a \$10,000 contribution toward a \$50,000 tax study the committee had decided to commission. After the Foundation awarded the grant, Feldstein received a call from someone in Washington, DC, warning him that supporting such a study could leave the Foundation open to an IRS audit. Feldstein called a *New York Times* investigative reporter he knew – someone who had just published a book drawing attention to the political use and misuse of audits. The reporter, also known for his stories on Karen Silkwood and Frank Serpico, advised Feldstein to call his source in Washington and let him know that the reporter would soon be joining Charitable Foundation Board of Directors. Feldstein did just that, and the threat of an audit never materialized.

Feldstein is aware of the perils of playing in the policy arena. He has had governors yell at him and threaten not to support the Foundation's policy initiatives if the Foundation or members associated with it did not back their particular agenda. "It is no longer questioned that we can do public policy work," he explains. "But I am always aware that something could blow up. In the end, we have to protect the institution. If we undermined it or did something wrong, it would lead to outrage." (Lesson 9: Learn to Play the "Inside Game," p. 15)

Some board members argue that the Foundation could never have become such a strong player without financial resources that are flexible and unrestricted. "We wouldn't have been able to do any of the major public policy initiatives we have done. You've got to

have the bucks,” says former board member Kimon Zachos. (Lesson 10: Flexible and Unrestricted Resources Help, p. 16)

Feldstein, on the other hand, believes the Foundation’s power has come from the people it has attracted and the trust it has built. From his point of view, the Foundation’s public policy successes are due primarily to its relationships and partnerships, along with the diversity, skill, and standing of the Foundation directors, who are willing to engage individually and collectively in this work.

Even the Foundation’s formidable endowment – \$342 million now, up from \$25 million when he started in 1986 – is more a reflection of the people behind the money than the actual dollars, Feldstein argues. “The geographic divisions that form the structure of the Foundation,” he believes, “strategically contribute to its impressive reach. It wasn’t the money as much as it was the people. Financial resources only matter a little. The resources that matter the most are social capital. Who can call the Speaker of the House, the head of a union, the governor? It is never one person. We are always looking for and working with a mix of people. We never do the work alone. We can’t bring enough money to the table to buy a solution to any of the major issues the state faces. Partners matter.” Feldstein continues, “To use a poker analogy, the Foundation has enough money to meet the ante, and that gets us in the game. After we do that, we have to see what the other people at the table have in their hands. We are there to see who else has resources and what they are. We are never just sitting there saying, ‘Fund or not fund.’ The key resources of the community foundations are all concentrated in the civic arena – key decision makers and access to decision makers.” (Lesson 11: Mine Social Capital; It’s Worth More than Gold, p. 16)

Thus, board development and composition are both critical to the Foundation’s success. “The way we seed our board and other boards is an important element of our advocacy,” explains Harold Janeway. “We expect results from the people we invite. As a board, we have had many discussions about what to take on and what not to take on. The board’s contacts are used aggressively and appropriately – major donors, people who can sit with the governor, people who can connect with the business community.”

Feldstein agrees. “The most important ingredient on our board is the mix of members representing the left and the right – high-profile people who have access to party leadership. We want to have access to prominence. The Foundation board meets monthly. We do very little work in committees; we work as a committee of the whole. We take this approach because of the political differences on the board. We have to build trust on issues within the board across major political and ideological divides by working together as a group over time, and on tough issues. With all the networks and partners we have, we can mobilize quickly.” (Lesson 12: Board Development and Composition Are Critical, p. 16)

Three of the larger public policy initiatives mentioned earlier in the paper are described below. They are emblematic of what the Foundation has contributed to New Hampshire

by working in the public policy arena and how the Foundation has developed the ability to work in this area.

### **Trust for New Hampshire Lands**

The Foundation's first major public policy success took place between 1987 and 1993, not long after Lew Feldstein arrived at the Foundation. Paul Bofinger, then president of the Society for the Protection of New Hampshire Forests, came up with a plan – to create a temporary organization, The Trust for New Hampshire Lands. Over a five year period, the organization would conserve 100,000 acres across the state, thereby nearly doubling the protected land outside the White Mountain National Forest, and then disband.

The Foundation contributed seed money to the effort but, even more importantly, added its connections and Feldstein's political know-how to help secure the support of the governor and the legislature. Feldstein testified before the legislature, chaired the task force that would establish criteria for which the land could be saved, and joined in conversations with then-Governor John H. Sununu. The result was a public and private partnership that succeeded in permanently protecting land worth a total of \$83.3 million. This was effected through conservation easements purchased with nearly \$50 million in public funds. Over \$3 million in private funds raised from the general public underwrote all operating expenses, including the identification of potential pieces of land, and negotiations with each landowner over conservation easements. At the end of the project, 100,876 acres of land were protected from development. Not since the creation of the White Mountain National Forest in 1911 had there been such an ambitious undertaking in the name of conservation in New Hampshire. (Lesson 13: Scale Counts; Choose Something Big, p. 16)

In addition to experiencing a very public success, Feldstein learned an important lesson in how to proceed with a public policy agenda. “What I came to understand is that we had erred in focusing on talking about public policy work, instead of the issues we were interested in tackling. Yankees love the land. People didn't look at land conservation as public policy. No one objected to me testifying before the legislature and negotiating with the governor when it came to land protection. As a foundation, we are not smart enough to decide the relative importance of competing long-term issues that face our state and our communities – be they health, education, environment, or the economy. They all have a claim on us. What we do is look at where we can make the most difference, and the answer comes from our partners and – where there is momentum – elected officials, donor interests and resources, employers, national foundations. We can never do it by ourselves. We are always one of many partners.” (Lesson 14: Look for Opportunities and Partners, p. 16)

In retrospect, Harold Janeway says, “The Trust for New Hampshire Lands initiative gave the Foundation a sense of what was possible. We didn't know what could be done up to that point. At that point we expanded our ability to be a good collaborator. It was a great program with great outcomes.”

## **New Futures**

Feldstein responded to another opportunity to shape policy when the Foundation embarked on another major public policy initiative in 1996 after receiving its largest gift – a \$10 million donation, followed four years later by a \$31 million bequest – to address substance abuse problems in the state. An advisory committee, established by Charitable Foundation, staffed by a team from Brandeis University School of Public Health, and comprising people in business, the prison system, and health care, conducted a seven-month study to determine how to use the [initial] money. “We wanted to know what could be done with \$10 million to make a dent in substance abuse,” recalls Susan Leahy, an attorney, and former Foundation board chair.

The advisory committee determined that rather than awarding grants, it would devote all its resources to making an impact on public policy. In addition, the group recommended that the initiative’s initial focus should be to reduce underage drinking and provide appropriate treatment for children and adolescents. The Foundation accepted the recommendations, and New Futures – an initiative of the Foundation – began working on both local and statewide levels.

They hired as director one of the advisory committee members, John Bunker. Blue Cross/Blue Shield had recruited Bunker to New Hampshire because of his extensive experience with substance abuse treatment. “Our strategy at New Futures from the outset was to work on public policy change at both the grassroots and policy levels,” recalls Bunker. He began his tenure by raising additional monies from the Robert Wood Johnson Foundation to develop a grassroots leadership program that has since trained 600 residents from all over the state. The committee also hired a skilled and well-respected political lobbyist to begin influencing public policy on the legislative level. Phil McLaughlin, then New Hampshire Attorney General, recalls the Foundation’s commitment to public policy. “Within 10 days of my taking over as attorney general, Lew Feldstein and John Bunker showed up at my office.”

The New Futures initiative was committed to changing the legislative environment in order to reduce underage drinking, the number-one problem facing New Hampshire teens. At that point, New Hampshire ranked fiftieth in the nation in allocating public funds for alcohol abuse prevention, and the group began pushing for the allocation of additional state funding. Because of budget pressures, then-Governor Jeanne Shaheen vetoed the legislation. In response, the Foundation and New Futures told the governor they would oppose her decision. By drawing upon the grassroots support built through its leadership program, the group swayed the legislature with the public outcry. The legislative override of the veto was the first and only time in the governor’s three terms that a veto was overridden. The net result of overturning the governor’s veto was an increase of \$3.3 million in public funds for the treatment and prevention of underage drinking. Combined with \$1.8 million of state funds already allocated for treatment and prevention, the \$3.3 million brought the total of public funding in 2001 to \$5.1 million – a 180 percent increase in the allocation of state funds for treatment and prevention of underage drinking.

To raise awareness of the problems facing New Hampshire teens, New Futures published three studies, *We Need to Talk*, *We Need to Act*, and *We Need Treatment*. In addition, the organization played a key role in the passage of six to eight pieces of legislation, including a bill requiring the registration of every keg sold; a bill allocating a portion of alcohol sales to prevention and treatment of alcohol problems; another bill mandating insurance companies to provide insurance parity for alcohol and drug treatment services; and legislation making it a criminal offense for adults to allow house parties where there is underage drinking. In addition, New Futures spearheaded the development of the first state strategy to reduce underage drinking.

From the very beginning of this venture, when the Foundation chose to focus its resources on public policy, Feldstein and the Foundation Board of Directors knew it was only a matter of time before the initiative to reduce underage drinking would need to move beyond the auspices of the Foundation and become a stand-alone organization. “We knew we were entering tough political territory,” recalls Feldstein. “The retail grocers and the liquor industry play political hard-ball.” (Lesson 15: After Saying, “Yes,” Own the Issue; Accept and Manage Risk, p. 17)

In 2001, five years after the launch of the initiative, New Futures was created as a separate nonprofit organization with its own board of directors. Now, New Futures is helping to pilot substance abuse treatment programs around the state. To develop these programs, New Futures and partnering organizations visited top treatment programs around the country. The programs are based on state-of-the-art, evidence-based practices for the most effective ways to treat teens and children with substance abuse problems.

Susan Leahy, who was on the New Futures organizing committee and Charitable Foundation board, sums up the accomplishments of New Futures: “New Hampshire was in virgin territory in addressing this issue. New Futures certainly raised awareness, and that may be our biggest contribution. We got the issue unburied from one small department in state government. We got the involvement of the state attorney general and legislators. We made an impact on public policy by making a forum available for legislative debate on issues. We created a partnership among government, donors, and outside funders.” (Lesson 16: Be Willing To Seed Initiatives and Organizations – and To Let Go, p. 17)

### **New Hampshire Center for Public Policy Studies**

A third major public policy initiative, the New Hampshire Center for Public Policy Studies, was established by the New Hampshire Charitable Foundation in 1996 in response to a need—by lawmakers, community leaders, advocates, and the media – for nonpartisan research on such public policy issues as education, health care, the economy, and the prison system.

In the past ten years, the Center has published one hundred reports analyzing public policy issues facing the state of New Hampshire. “Legislators lacked the research needed to make good decisions,” explains former board chair Martin Gross. “Decisions were

made on assumptions or surface reactions.” Donna Sytek, former Republican Speaker of the House and a current Foundation board member, agrees, adding, “For me, in the legislature, it was frustrating not having good data on which to base decisions. There was a real dearth of information.”

In keeping with Feldstein’s opportunistic approach to influencing policy, he and the Foundation board built the Center for Public Policy Studies around Doug Hall, a former state representative who was leaving the House and had been the “go-to guy on budget analysis and research.” Hall, who has been director of the Center since its founding, is well respected and trusted by lawmakers on the left and the right. “My colleagues and I took a wait-and-see approach to the Center and its research,” recalls Sytek, who now also sits on the Center’s board and believes it makes an invaluable contribution to shaping public policy in the state.

“It was important that the Center was perceived as credible and nonpartisan. We didn’t want to be labeled as liberal or conservative. We decided to provide the information but to refrain from engaging in direct advocacy,” says Martin Gross, who has chaired the Center’s board since its inception.

“The New Hampshire legislature needed good information,” adds former Charitable Foundation board member John Crosier. “The state has one of the largest legislatures in the country, with 424 legislators, and it is sparsely staffed. When I was director of the Business and Industry Association, I used the Center’s research all the time – especially on health care. We invited the Center to speak on issues and used those presentations to take stands.”

To support the establishment of the Center, Charitable Foundation did much more than just identify Hall, its key staff person. Between 1996 and 1999, the Foundation (and donors recruited by the Foundation) granted or raised virtually 100 percent of the total funding for the Center’s first six years. The Foundation made this investment to ensure that the Center would have long-term unrestricted funding in its formative years so that it could take on long-term issues, regardless of how controversial, without needing to secure additional funding. In addition, the Foundation made this decision in order to maximize the likelihood that the Center would be seen as impartial and independent; the funding freed the Center from the need to seek contracts with agencies, state departments, or nonprofit agencies that might be the subjects of the Center’s policy analyses. Between 2000 and 2005, the Foundation increased its own grants to the Center to \$100,000 a year and provided incentives for the Center to move toward greater financial independence. In addition to supporting Hall and providing significant seed money, the Foundation helped build the Center’s board with well-respected board members from across the political spectrum. The Center has now developed other donors, has a budget of \$500,000, and has four employees. (Lesson 17: Change Takes Time, Long-Term Funding, Patience, and Humor (Humility and Perspective), p. 17)

## **Measuring Impact**

The question of how to measure impact – how to assess whether these three major initiatives have contributed to significant social change in New Hampshire – is one that preoccupies both the key people involved in the initiatives and the Foundation. Doug Hall says, “The Foundation’s success in the advocacy area compels them to ask the question, ‘What has changed?’”

In thinking about the Trust for New Hampshire Lands effort, Harold Janeway is proud of the measurable successes, at the same time arguing, “Funding for land conservation is not embedded in our state. In other words, every appropriation for a program has to be fought for in the legislature each time around. There is no dedicated revenue source. I would like to get a portion of real estate taxes directed to land preservation. We do great work, but the legislature goes its own merry way. We haven’t changed the legislature.”

In regard to the efforts made by New Futures to reduce underage drinking, Susan Leahy states, “It is still to be determined whether what we have done will make a difference long-term. The question remains: Does New Futures change kids’ behavior in the long run?” On the subject of measuring impact, John Bunker responds, “When people ask me how many kids have stopped drinking, I try to encourage this question: ‘How did the work that New Futures has done improve the public policy environment?’”

Phil McLaughlin agrees with Bunker and explains the impact of New Futures: “I don’t view effectiveness as outcome, but rather maximizing potential for outcome. If we really want to change the trajectory of our state, we won’t do it unless we change the fundamental decision-making and environmental perspective. Life expectancy has increased 30 years in the past 100 years due in part to legislation calling for cleaner air and no drinking of alcohol while driving. Civil society is the continuous redefinition of the unacceptable. Think about when it was okay to throw litter out of the window. Behavior changes take patience and a long time.”

While it is clear that the New Hampshire Center for Public Policy Studies has contributed a great deal by providing accurate information on key issues, Doug Hall and others associated with the Center are concerned with the question: “How do we measure what we do? How many public policy decisions have we made?” Answering his own question, he says, “There are too many forces involved to know.” He shares the example of an investigation of high school dropouts that the Center for Public Policy Studies began in 1997. According to Hall, in 2002, when the Center released its first report on this topic, revealing that one of every four New Hampshire students was dropping out of high school, considerable media and political attention resulted. Since then, the Center has continued to present more data on the topic, and the legislature has established study committees and has begun to fund special dropout prevention programs for the first time. The current governor and the commissioner of education have made increasing the graduation rate a major initiative. “So, you see, in this case, it took nine to ten years to move this policy issue,” said Hall. “The implications are that making significant change takes a long time. If we had only been given one grant by the Foundation, the Center never would have made it.”

Referring to more recent research pointing to significant problems with the prison system in New Hampshire, Doug Hall said, “Despite our findings, there is no statewide organization looking at how we can improve our county jails or asking the question, ‘Why are half of the new admissions only old admissions who have been recycled through the system?’”

Hall adds, “With the understanding that the public has to be ready to take on issues, we can create the spears, but we need spear throwers. I think the Foundation needs to think about who will use the information that is generated. For some fields of research, there are community-based organizations out there that are interested – environment, economic development, education – but no one wants to hear about prisons now. I think the Foundation needs to be one step removed. They need to ask, ‘What organizations need to exist?’”

Senior Program Officer Maryellen Burke is overseeing Charitable Foundation’s plan to establish a system that will enable the Foundation to measure the impact of its public policy efforts and thus learn from its work. The Foundation has hired a firm to help evaluate the effectiveness of the adolescent treatment programs recently established by New Futures. In addition, the Foundation is working with another consultant to help the Foundation board and staff members think about how to establish an organizational culture and the systems to better assess impact. Creating this learning culture, Burke says, will require the Foundation to build in more time for reflection and to seek to establish greater mutuality with grantees to promote greater disclosure about mistakes and successes. The Foundation is approaching in a measured way the notion of assessing its impact, says Burke.

When Feldstein reflects on the impact of the Foundation’s policy work, he feels he might have done more to develop the capacity of other staff to work in the public policy arena. He acknowledges key partners on staff who have joined him in playing a role in public policy initiatives, but adds, “We haven’t been able to do many of these big public policy projects at one time.”

In reflecting on the competencies needed to succeed in the public policy arena, Feldstein listed the following skills he uses as the leader of the Foundation: comfort with complexity and the pace of change in politics; interest and enjoyment in connections and “reading” what is going on; ability to recruit active and well-connected board members; a strong connection to the state. In addition, he says, “I understand that we can’t be an ideological entity. I know that we can’t win from the left or the right. We have to find issues where others share the ground. Otherwise, change won’t happen.” Finally, he says, “One of the hardest aspects is finding a way to do the work and to accept that a lot of it can’t be public. Credit has to go to elected officials. If your ego is too big, you can’t do this work.”

“We really think about the difference between philanthropy and charity,” Martin Gross explains. “Philanthropy moves society rather than just alleviating suffering. You’ve got

to look for leverage for your few dollars. You can move the needle or the boulder, but you need to find the lever. Public policy gets at the conditions that create the problems.”

Perhaps most important, Harold Janeway adds, public policy is an organization-wide commitment at the New Hampshire Charitable Foundation. “Lew leads this effort. But it didn’t start with him and it won’t end with him. It is part of what we do. The board and organization self-selects to people who believe in this approach, and it attracts a lot of people. Donors really like the public policy approach.” (Lesson 18: Build an Organization that Supports Public Policy Successes, p. 17)

### **Implications for the Field**

The way the New Hampshire Charitable Foundation developed its capacity to shape public policy in New Hampshire is truly one foundation’s story – unique to the circumstances, place, and people who shaped it – but the story also contains elements and lessons that are useful to the community foundation field.

Given the inherent complexity of organizations, it is helpful to look at an organization using a conceptual framework for thinking about the organization as a total social system. Such a framework or model indicates which factors in an organization are most important and shows how these factors are related. In a sense, a model serves as a roadmap that can be used to make sense of the terrain of organizational behavior.

In an attempt to construct the elements of the New Hampshire Charitable Foundation’s success, it is useful to consider a model for diagnosing organizational behavior. The premise of one model in particular, The Congruence Model (Nadler, D. A., and Tushman, M. L., 1980; see Appendix D), is that for an organization to be effective and achieve its intended outcomes, its subparts or components must “fit” together and be congruent. Specifically, the Congruence Model calls for the alignment of the environment, the organization’s history, its resources, and its strategy, which, in turn, influence and must be congruent with the organization’s work, the people connected to the organization, and its formal and informal structures. The alignment of these components results in greater organizational effectiveness.

As described earlier in the paper, clearly the environment, resources, and history of the New Hampshire Charitable Foundation supported the strategy that Lew Feldstein and the Board of Directors sought to accomplish. In turn, the organization’s strategy drove both the development of the Foundation’s informal structures – leadership behavior, informal working relationships, communications, and influence patterns – as well as formal structures, such as the organization’s design.

More specifically, the Foundation’s strategy, which includes its vision and mission, drove its entry into, and success with, public policy efforts. Leadership, in general, has been essential to the Foundation’s success in the arena of public policy. By all accounts,

Feldstein and the board have a strong appetite for public policy. In addition, they have demonstrated the ability to assess and tolerate risk, are well connected, represent diverse political points of view, and can convene the “movers and shakers.” On the staff side, Burke and Schachter believe it has been essential for the Foundation to hire staff who have experience with public policy issues and the capacity to analyze and understand core problems.

The strategy could not have been accomplished without Feldstein and the board’s leadership. In fact, the Board of Directors made such a strong commitment to public policy that it changed the language in the Foundation’s instructions to its grantees, eliminating language that prohibited participation in public policy, and, instead, adding language that actively encouraged participation in the public arena. Through their tremendous belief in and commitment to public policy, they established within the Foundation a culture comprising values and norms and traditions, which continue to support these efforts. The ability to harness both financial and human resources certainly contributes to success, as well.

Likewise, the Foundation’s formal organizational design facilitates public policy efforts. That is, the creation of regional divisions, the location of foundation headquarters in the state capital, Concord, and later the establishment of a chief operating officer position within the Foundation, ensured the day-to-day management of the Foundation and freed up Feldstein to develop the necessary relationships and respond quickly to developments in the political arena.

## **Lessons**

What, if any, lessons can be gleaned from what Lew Feldstein and board members clearly describe as the incremental process of developing the New Hampshire Charitable Foundation’s organizational capacity to make an impact on public policy?

The following 18 lessons are offered as suggestions and points for discussion that might be adopted by other foundations interested in exploring the territory of extending positive social impact to the realm of public policy.

### **Lesson 1: Watch Your Language**

Some key people found the words *public policy* to be threatening and alienating when Feldstein first introduced them early in his tenure. While he believes it is critical for a foundation leader to be clear with the board, he cautions other foundation leaders not to talk publicly about “getting into public policy” and instead to focus any public discussion on specific issues that have strong interest and backing among their constituents.

### **Lesson 2: Vision and Strategy Are Essential**

Feldstein and members of his board “had a feel for politics” and deeply understood how the Foundation could make a much bigger impact on the state by entering this arena. They used this understanding as compelling energy to drive the Foundation’s strategy.

### **Lesson 3: Balance Local with Statewide Perspectives**

As a statewide foundation, Charitable Foundation has benefited tremendously from its local and statewide reach.

### **Lesson 4: Align Organizational Design**

It turns out, somewhat serendipitously, that the Foundation’s decisions, related to its design (divisional structure, COO position, location), have supported and fueled its success with public policy activities.

### **Lesson 5: Visionary Leadership Is Key**

Without a Foundation president and board that understood the terrain they were entering and the risks they were taking, and maintained a strong commitment to public policy, the Foundation would not have experienced the public policy successes it has had.

### **Lesson 6: Develop Capacity Incrementally**

Each public policy “win” built on earlier ones and helped the Foundation develop the relationships, competencies, and capacity it needed to take on the next opportunity.

### **Lesson 7: Environment Matters**

The particular characteristics of New Hampshire, and that state’s government along with the strength of the economy during the past 20 years have shaped the Foundation’s particular approach and contributed to the Foundation’s success.

### **Lesson 8: Public Policy Activities and Advocacy Grantmaking Are Distinct Functions**

Program staff members drive advocacy grantmaking decisions in almost all cases. But, in the case of major public policy initiatives or activities, the Board of Directors and Feldstein weigh and make the decisions. “Our discussions are not formulaic. They are iterative, fluid, open discussions heavily driven by targets of opportunity and the presence of strong partners,” explains Feldstein. “We give each one the ‘finger in the wind’ test.”

### **Lesson 9: Learn to Play the “Inside Game”**

So much of public policy is shaped by what happens behind the scenes. Developing the relationships and skills to move in this arena is essential. Also, keeping elected officials informed is critical. Modesty is key, too. A foundation must be comfortable with little or

no public discussion of its role in much of the work. It is neither useful nor appropriate for Foundation officials to trumpet their role.

### **Lesson 10: Flexible and Unrestricted Resources Help**

Financial resources certainly helped get the Foundation to the table and to create and support new initiatives and organizations, but Feldstein strongly believes that smaller foundations should not be discouraged from entering the public policy arena because they perceive they lack the financial clout. “Dollars are rarely the key piece. Political heft matters. There are different ways to get at the issues,” he adds.

### **Lesson 11: Mine Social Capital; It’s Worth More than Gold**

While some board members argue that the Foundation could not have accomplished what it has without its financial heft and unrestricted assets, Feldstein argues that the money only reflects the social capital behind it, which truly facilitates the public policy successes. Social capital “refers to the collective value of all ‘social networks,’ and the inclinations that arise from these networks to do things for each other,” according to Robert D. Putnam, author of *Bowling Alone: The Collapse and Revival of American Community*. According to Putnam, social capital is a key component to building and maintaining democracy. It’s the political heft created by these networks, Feldstein believes, that is worth gold.

### **Lesson 12: Board Development and Composition Are Critical**

Because of the sensitivity of public policy issues, the Board of Directors gives a lot of attention and thought to board composition and development. The board selects at least some members because they have standing in their political party, in addition to other key qualities. “We are not looking for token Republicans and Democrats. We recruit proven leaders who have standing with affiliations across the political spectrum, relevant experience, and a willingness to work and make calls,” says Feldstein. The board is limited to 10 members, meets monthly, and by design almost always works as a committee of the whole. The goal behind this decision to meet regularly and to work as a committee of the whole is to build trust among members who often hold strong and differing positions on key issues, to be able to respond to opportunities quickly and efficiently, and to build the board’s capacity for engagement, debate, conflict, and risk.

### **Lesson 13: Scale Counts; Choose Something Big**

These are complex issues in which the stake for the Foundation can be high. They require the direct and, often, the sustained involvement of the board and the CEO. The system can only manage a very small number of such high-stakes, high-attention issues at any one time. Choose public policy initiatives that will result in significant success.

### **Lesson 14: Look for Opportunities and Partners**

Don't take on an issue alone. Find partners. Always ask, "Who needs to be involved?" Work with likely and unlikely allies. Feldstein explains, "We aren't willing to throw ourselves on the sword. Because we are interested in making significant social change, and we are not just looking for endorsements for Columbus Day, we need partners."

**Lesson 15: After Saying, "Yes," Own the Issue; Accept and Manage Risk**

Foundations need to be advocates for the issues they adopt. That means providing multiyear funding, seeding boards, and creating short-term, mid-term, and long-term indices to measure success.

**Lesson 16: Be Willing to Seed Initiatives and Organizations – and To Let Go**

**Lesson 17: Change Takes Time, Long-Term Funding, Patience, and Humor (Humility and Perspective)**

**Lesson 18: Build an Organization that Supports Public Policy Successes**

Foundations that are interested in developing the capacity to influence the public policy arena will do best if they think of their efforts in terms of the totality of their organization and incorporate their efforts into their vision, strategy, leadership, formal and informal structure, and culture.

## **Appendix A**

### **Interviewees**

John Bunker: Executive Director, New Futures  
jbunker@new-futures.org; Phone: (603) 431-1770, ext. 101

Maryellen Burke: Senior Program Officer, New Hampshire Charitable Foundation  
meb@Charitable Foundation.org; Phone: (603) 225-6641

John Crosier: Former Director, Business and Industry Association; Former Charitable Foundation Board Member  
crosierj@verizon.net; Phone: (603) 226-0654

Lewis Feldstein: President, New Hampshire Charitable Foundation  
lf@Charitable Foundation.org; Phone: (603) 225-6641

Martin Gross: Attorney; Former Mayor of Concord; Former Charitable Foundation Board Chair  
Phone: (603) 224-2341

Doug Hall: Executive Director, New Hampshire Center for Public Policy Studies  
doughall@nhpolicy.org; Phone: (603) 226-2500

Edgar (Ned) Helms: Former Commissioner, New Hampshire Health and Human Services; former candidate for governor; New Futures Chair  
nedhelms3@aol.com; Phone: (603) 224-9696

Harold Janeway: Environmental Activist; Charitable Foundation Donor; Former Charitable Foundation Board Chair and Investment Committee Member  
harold.janeway@cambridgetrust.com; Phone: (603) 224-2330

Mary Susan Leahy: Attorney; Former Charitable Foundation Board Chair  
Susan.Leahy@mclane.com; Phone: (603) 226-0400

Phil McLaughlin: Former New Hampshire Attorney General; Charitable Foundation Board Member  
pmclaughlin@metrocast.net; Phone: (603) 528-6953

Deborah Schachter: Senior Program Officer, New Hampshire Charitable Foundation  
ds@Charitable Foundation.org; Phone: (603) 225-6641

Donna Sytek: Former Speaker of New Hampshire House; Charitable Foundation Board Member  
DonnaSytek@aol.com; Phone: (603) 893-8889

Kimon Zachos: Attorney; Former Deputy Speaker of New Hampshire House; Former White House Fellow; Former Charitable Foundation Board Chair  
kzachos@sheehan.com; Phone: (603) 668-0300

## **Appendix B**

### **Interview Questions**

1. What has been your relationship to Charitable Foundation? When did it start? What has it entailed?
2. What are some highlights of your personal/professional background? Any involvement in public policy?
3. With which public policy initiative are you most familiar (Trust for New Hampshire Lands, Center for Public Policy Studies, New Futures)? How are you familiar with it?
4. In retrospect, what did Charitable Foundation contribute and what did you learn as an organization through this project?
5. From your perspective, do you believe Charitable Foundation has made an impact in the area of public policy? If so, what is that impact (as specifically as possible)? How have they done it?
6. When you think about the development of Charitable Foundation and its involvement with public policy? What were the key points/turning points that strengthened your commitment to making a contribution in that way? What happened? Who was involved?
7. Who played key roles in the development and commitment to public policy (board, staff, others)?
8. How did you become seen as a “player” in this area? What were the key relationships?
9. How did you think about success? What activities were particularly successful? How did you determine that?
10. What expertise or core competencies did Charitable Foundation and staff members have to develop to be effective in this area?

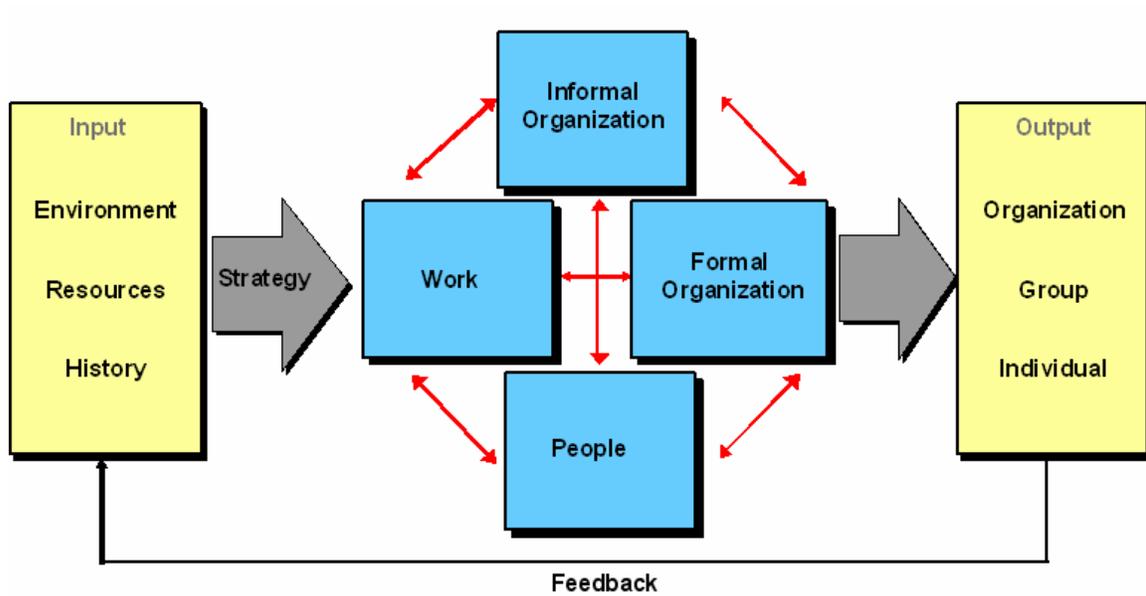
## Appendix C

### Questions for Lewis Feldstein

1. What beliefs, values, theory of change guide your commitment to marrying public policy with grantmaking?
2. What has been your public policy vision or strategy?
3. How have you thought about public policy? How have you developed Charitable Foundation's capacity in this area? How have you built the Foundation's capacity to repeat success?
4. How did you build an organization that could make a contribution to the public policy arena?
5. What skills have you consciously brought to bear on the area of public policy?
6. If you think of the organization 10 years ago, 15 years ago, what can you do now that you couldn't do then?
7. When you think about the development of the Foundation and its involvement with public policy, what were the key points/turning points that strengthened your commitment to making a contribution this way? What happened? Who was involved?
8. Who played key roles in the development of and commitment to public policy?
9. How did you come to be seen as a "player" in this area?
10. How did the Foundation develop its political muscle?

## Appendix D

### Nadler-Tushman Congruence Model



Source: Nadler, D.A., & Tushman, M.L. (1980). A model for diagnosing organizational behavior. *Organizational Dynamics*, Autumn.

**Elizabeth Banwell** is an organizational consultant who has spent the past 15 years working with foundations and nonprofit organizations, including four years at the Maine Community Foundation and two years working with community foundations nationwide as a resource team member for the Aspen Institute's Community Strategies Group. Among her various projects, Banwell conducted a nationwide study of 12 community foundations that successfully expanded grant-making and fund-raising activities to accommodate rural areas. In collaboration with a Bank of America senior executive, she conducted research to determine academic and philanthropic trends and practices for dismantling institutional racism and ensuring success of black youth. She is a faculty member at the University of Maine, teaching leadership development in the nonprofit management program. Banwell has a master's degree in Organization Development from American University (Washington, DC) and is a professional member of NTL Institute for Applied Behavioral Science. Her articles have been published in the *Journal of Organization Change Management*. Email: [ebanwell@midcoast.com](mailto:ebanwell@midcoast.com)