

# SPARC Change

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## Nonprofits and Democracy:

*Engage, Educate, Activate, and Assess*

BY FRANCES KUNREUTHER

**T**here has been a subtle shift in the last several years in the ways we talk about nonprofit organizations. The nonprofit sector is discussed as an important cornerstone of civil society, a site for civic engagement, a place to build social capital, and a measure of a democratic society. The emphasis on the blurring of the boundaries between nonprofits and government or business is now giving way to a renewed argument about the unique contributions nonprofit groups make to the society overall. There are several explanations for why this turn is taking place. This article will focus on one: the need for revitalization of democracy in the United States.

Over the years, we in the U.S. have assumed that we have one of the most vibrant democracies in the world. The evidence for this remains high, but recent events have raised questions about what it means to live in a democratic country. For example, less than half of eligible voters participated in the 2000 presidential election, and the results of the election itself are highly controversial. Newly enacted and proposed federal legislation and regulations not only raise questions about civil liberties, but they also have the potential to profoundly affect charitable organizations, including operating nonprofits.

What does this mean for nonprofit organizations? Those running nonprofits know how often we have to adjust the explanations of our work to address passing fads or a new interest area by funders. Many will view an emphasis on organizations as sites of civic engagement and democratic practices as one more attempt to repackage organizations. However, for those who believe that nonprofits really can make a difference by enhancing democratic practice in the U.S., thinking about what it means to change how we operate so that we build

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The National Council of Nonprofit Associations (NCNA) is a nonprofit 501 (c)(3) organization whose mission is to advance the vital role and capacity of the nonprofit sector in civil society and support and give voice to state and regional associations of nonprofit organizations.

**SPARC NOTES**

## The Meaning of Democracy



If any one word describes what we believe represents the American culture it is democracy. It is the basis upon which the Constitution and political system were established.

The nonprofit sector has been cited as our hope

for a strong democracy, being that place where civic engagement and social capital are nurtured and manifested. Lately, there has been an increase in the discussions and activities about how to galvanize and activate this sleeping giant — the people of the nonprofit sector. Since its inception fourteen years ago, NCNA's mission statement has recognized the prominent role the nonprofit sector has in our society by "advancing the vital role and capacity of the nonprofit sector in civil society."

We additionally believe that a strong democracy is one that assures that there is a balance of power between those that govern and those that are governed, and that the two perspectives ought not be too far apart from one another. When ideally realized, democracy provides the space for voices in the minority to be heard, recognized, and addressed. The image that we hold for the sector is that it is *the* essential and fundamental body that keeps our system of democracy working. We have much to lose if this balance is off or if the sector is not effectively playing out this role.

This issue of *SPARC Change* offers the perspectives of experts in the field engaged in efforts to educate and activate the leadership of the sector within the political arena. **Frances Kunreuther**

opens with her thoughts about the revitalization of democracy in our society and the important role nonprofits play in this movement. She shares ideas about how nonprofits can build democratic practices through engagement, education, action, and assessment. **Tim Mooney** reminds us that

*"A strong democracy is one that assures that there is a balance of power between those that govern and those that are governed, and that the two perspectives ought not be too far apart from one another."*

nonprofits have rights and responsibilities to purposefully engage and awaken during election seasons. He offers tips on legal and appropriate activities for nonprofits — their staff, boards, volunteers, and constituents. **Dianne Stewart** notes that with the unrelenting attacks on government little is done to recognize the valuable role that government plays at all levels —

local, state and national. She challenges the sector to speak out in support of effective government. **Kristina Wilfore** and **Jennifer Drage Bowser** provide different perspectives on citizen-led ballot initiatives. They offer a helpful analysis and critique about the pros and cons of the ballot initiative movement that is gaining interest across the country.

We hope you find this issue of *SPARC Change* informative and enlightening and that it stimulates your involvement, particularly as we approach a highly politicized and potentially polarized election season. More voices speaking out on behalf of the common good and a vision of our country we can all be proud of are needed NOW.

**Audrey R. Alvarado, Ph.D.**  
*Executive Director*

# The Hiber-Nation of Public Charities

BY TIM MOONEY

*Why and how charities should skip their traditional election-season slumber*

The signs of election season are everywhere. Political pundits are returning from their campaign hiatus and candidates are criss-crossing Iowa and New Hampshire. People are engaged in an endless array of coffees and town hall meetings that provide the backdrop to the debate over who is best equipped to lead the country. Meanwhile, public charities have been wide awake since the last presidential election, providing services, molding policy, and leading their communities on a broad array of issues.

For too long, when election season arrives, public charities seemingly feel that the law compels them to step down from their role as community leaders and go into hibernation. During this time, other voices define, debate, and discuss policy without the input of the nonprofit community's expertise, often to the detriment of their constituencies. It is time for public charities to awaken from their election-induced hibernation and provide their unique brand of leadership through the 2004 elections.

## THE RULES OF THE GAME

Generally speaking, the greater the tax benefits a nonprofit receives, the more the law limits the group's ability to freely advocate. Congress gave

charities the greatest tax benefits under the law while simultaneously imposing the greatest restrictions on their advocacy. However, while charities' advocacy rights may not be unfettered, they certainly can still engage in advocacy, including lobbying.

Tax law strictly prohibits public charities from electioneering — supporting or opposing candidates for public office. The bottom line is that they may never implicitly or explicitly give an opinion on the candidacy of any particular candidate or political party. If a public charity does cross the line, the Internal Revenue Service (IRS) can revoke its tax-exempt status and even fine officers and directors. The fact that this is a particularly harsh penalty scares too many public charities away from even the safest, permissible activity.

Despite the prohibition on electioneering, there remains a generous list of permissible nonpartisan activities that public charities can support. As long as public charities do not appear to support or oppose a candidate when viewed in light of all of the facts and circumstances surrounding the activity, public charities can play a major role in elections.

## Who is a candidate?

### Candidates include people who are:

- ✓ **Officially running for office** — these include people who have formally filed with state or federal election authorities.
- ✓ **Considering running for office** — these include people who have formed so-called "exploratory committees" or have otherwise indicated they may run.
- ✓ **Part of media speculation** — the law includes people who have been bandied about in the press as potentially running for office.

Any elected position counts, whether it is local, state or federal.

## OPPORTUNITIES FOR PUBLIC CHARITIES DURING AN ELECTION SEASON

With political groups focusing time and resources on who wins the elections, public charities can fill a vacuum in nonpartisan voter education, voter registration and get-out-the-vote drives.

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## Rather than shrink away from the law's electioneering ban, public charities should embrace what it allows and take on the role of providing nonpartisan voter education.

### The Hiber-Nation of Public Charities — (CONTINUED FROM PAGE 3)

#### Voter education

Rather than shrink away from the law's electioneering ban, public charities should embrace what it allows and take on the role of providing nonpartisan voter education. The IRS looks at all factors when deciding if voter education is nonpartisan, including the timing of the event or publication, and how it fits in with candidate speeches and advertisements. It is also critical that the presentation is non-biased and covers a broad array of issues to avoid showing single-issue favoritism that may appear to support one candidate over another. Some possible voter education activities include:

- Setting up practice voting stations prior to Election Day to allow nervous first-timers a dry run.
- Hosting nonpartisan candidate debates.
- Submitting questionnaires to all candidates and creating a voter guide based on their responses.

#### Voter registration and get-out-the-vote

This election season, public charities have a unique opportunity to capitalize on the increased interest in the presidential primaries and general election through nonpartisan voter registration drives. These can be simple messages in the monthly newsletter, or a concerted public campaign. It is also a good time to remind people to register for an absentee ballot. In fact, several states are making vote-by-mail an option for everyone, whether or not they will be out of town on

Election Day. However, regardless of the mechanism a public charity chooses to register voters, it may not support or oppose any candidate.

Public charities may also provide services to disadvantaged voters, such as rides to polling places for people with disabilities, seniors, or people without adequate transportation. They can also put out public service advertisements that generally encourage people to vote.

#### Ballot measures

In addition to nonpartisan voter education activities, public charities can support or oppose ballot measures. Ballot measures are referenda, ballot initiatives, constitutional amendments, or bond measures that are legislative in nature, but go to the voters for approval rather than the state or local legislative body. Virtually every state has some form of procedure for these, at least in the form of local bond measures. Lately, everything from gun control and tax reform to anti-stress measures have hit the ballot. Often, the issues squarely affect policies that impact nonprofits and their constituencies. As the political process moves toward legislating through ballot measures it is critically important that public charities become engaged in the debate over the passage of these laws.

Public charities are able to engage in a wide array of activity in support or opposition to ballot measures. They include:

- Proposing the initiatives or collecting signatures for ballot approval.
- Actively campaigning for passage or defeat of a ballot measure.

- Making contributions to ballot measure committees.
- Organizing get-out-the-vote efforts and voter registration drives to get people to vote on the issue.

The IRS considers ballot measure work to be lobbying and not electoral in nature. Federal tax law treats virtually all ballot measure work as lobbying activity, so public charities should be aware of how much lobbying they are able to engage in without running afoul of the law. Making the so-called 501(h) election by filling out the simple one-page IRS Form 5768 gives public charities a great deal more latitude and guidance under the law (see the free Alliance for Justice publication, *Worry Free Lobbying for Nonprofits* for more details).

In addition to federal tax law issues, public charities working on ballot measures should be aware that state election laws frequently require them to register with and report to state election agencies. Most state election offices have all of the information and required forms available on their websites. Remember, just because a state election division regulates a charity as a political committee does not mean the IRS will believe the charity is engaged in illegal candidate electioneering.

### IF PUBLIC CHARITIES SNOOZE, WE ALL LOSE

Charitable organizations are uniquely qualified as community leaders to provide voters with important information and services. The high profile nature of the 2004 primaries and general election provides an exceptional opportunity for public charities to continue to serve the public interest. Rather than lumber into their proverbial caves to sleep election season away, public charities should see it as their duty to maintain their public leadership role this upcoming election season. ❖

## Add Another Job to Your List:

# Be an Advocate for Government

BY DIANNE STEWART

Leaders in nonprofit organizations today are pulled in so many directions: meet the needs of clients, be true to your constituency, be supportive of your staff, be responsive to your board, market yourself to donors. Plus, there are ever-more-obvious reasons that nonprofit organizations need to be activists for social and economic justice. Although this list of demands placed upon organizations is already daunting, there is an additional responsibility that we must also shoulder: being an advocate for effective and well-resourced government institutions.

At first blush this may seem an outlandish expectation. Nonprofits struggle every day to raise adequate revenue to survive. The clients they serve face incredible hurdles. The foundations and organizations that fund them have accelerating performance expectations. Government institutions, in contrast, seem to be relative fat cats, behemoths that often appear indifferent to the effects of their actions in the real world of communities. And, for those who already engage in policy and program advocacy with state officials, sometimes government seems to be one of the obstacles to their organization's effectiveness and their clients' success.

One of the biggest threats to the nonprofit sector today is the steady

erosion of support for its silent partner, government. We have taken for granted the underpinning that government has provided for the nonprofit community: providing a network of services, assistance, and funding that is fairly well distributed across the country and individual states. In addition, government has often been seen as the institution with the resources necessary to develop and expand innovative solutions developed in the nonprofit sector. With the fiscal crises in the states and the tax cuts at the federal level, the erosion of government threatens to become a mudslide that will leave the nonprofit sector with even greater responsibilities and yet fewer options for addressing them.

For more than two decades the United States has witnessed an organized assault on the public perception of government effectiveness and integrity. Government, once seen as a vehicle for addressing problems in our society, has increasingly been painted as the cause of a litany of problems: welfare dependency and teenage pregnancy, distortion of the free market, removal of local control and imposition of unfunded mandates, and non-competitive, inefficient service delivery. Government spending, once used as a means of stimulating the economy, has come to

be blamed for all manner of economic woes, from individual to national, with the result that tax cuts and more tax cuts, rather than public works, are the preferred antidote to recession. Government regulation, once valued for its ability to protect us and our environment from market excesses, is now cast as the culprit in rising consumer costs for utilities, insurance, and other basic public goods. Government officials, once able to see themselves as idealistic public servants devoting their lives to improving their state and their world, are perceived, if not as being outright corrupt, then, at best, as self-serving, unproductive, overpaid workers who couldn't make it in the private sector.

Organized efforts to discredit, dismantle, and shrink the jurisdiction of government have taken their toll on public sentiment toward governance and on the infrastructure, capacity, and competence of state institutions. What is now sorely needed is a deliberate campaign, grounded in the states, to build a vision of governance for the contemporary context that can restore respect for public service, trust in government's protective capacities, and belief in the efficacy of government intervention on behalf of the public good. This by no means should deter our responsibilities to criticize government or make it work more effectively and accountability. However, we need to place this in a context of rebuilding support for the critical role the public sector needs to play in maintaining a working infrastructure and in solving major social problems.

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**Dianne Stewart** is the Director of the State Governance for the Future program, an activity of Demos: Network for Ideas and Action, an organization based in New York City that is working to produce a vigorous democracy and shared prosperity — [www.demos-usa.org](http://www.demos-usa.org). The State Governance for the Future program is working to establish a new sense of government — particularly state government — as an essential element in solutions to the major issues facing our country. It is seeking to help the public understand government's critical role and to promote effective and adequately resourced government capacities and services.

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# Viewpoints:

## ① Myths and Realities of Ballot Initiatives

BY KRISTINA WILFORE

*Let's be clear — ballot initiative campaigns are difficult, costly, and often undemocratic. The critics are right when they assert that initiatives create a patchwork of policies across the states, often tie the hands of state legislators, and can make basic governance impractical.*

Academics who study the process can talk for hours about how “direct democracy” has gone awry. But these conversations get nonprofit administrators nowhere. Nonprofit executives should not be outside observers to the process—they are practitioners who should be committed to using all of the tools available to them to make their vision of the world a reality. It is fundamental for nonprofits—which work to educate communities, engage citizens in public life, provide critical services, and advocate for policy change—to get beyond their democratic concerns about initiatives and understand the opportunities the ballot box provides.

Ballot initiatives have been a boon for a number of nonprofit organizations that are creatively exploring non-traditional means in which to promote their agendas and fulfill their missions. However, groups that have not had direct experience with initiatives sometimes wonder why they should get involved and how they can do so without violating their 501(c)(3) tax status. Often these organizations have an ideological barrier to overcome before they can truly feel comfortable working with campaigns. The following summarizes common myths and misperceptions nonprofit administrators hold surrounding the ballot initiative process and uncovers the not-so-scary side of ballot campaigns.

**Myth #1: The state legislative process is inherently more democratic than ballot initiatives, and therefore policy should only move through this system.**

**REALITY:** *Democracy is messy at all levels. But ballot initiatives have earned a bad reputation, in part because media coverage of initiatives is much more intense and the maneuvers surrounding them are more transparent than lawmaking at the state or federal level.*

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**Kristina Wilfore** has served as the executive director of the Ballot Initiative Strategy Center (BISC) — [www.ballot.org](http://www.ballot.org) — since April 2002. BISC is a nonprofit advocacy organization that educates the public about ballot initiatives and provides technical assistance and support to progressive campaigns and initiative activists. For more information on how to get involved in ballot campaigns, please contact the Ballot Initiative Strategy Center at [info@ballot.org](mailto:info@ballot.org) or 202-223-2373.

Ballot initiatives are no better and no worse than policymaking at the state or federal level. And in fact, some would argue that there are benefits unique to the ballot initiative process that are not gained through legislative means. Studies suggest that the presence of ballot initiatives increases the probability of voting, stimulates campaign contributions to interest groups, and enhances citizens’ political knowledge.

Just think for a moment — how democratic is it to have legislation shot down routinely because of partisan control of the state-house? How engaged is the public when only a handful of citizens show up to hear testimony on legislation? And where is the outrage when bills are amended piece-by-piece, behind closed doors, barely recognizable from their original intent?

These conditions make it extremely difficult for grassroots advocates to be successful in their legislative efforts, especially when they are competing against the lobbying force of big businesses and trade organizations, who often outnumber nonprofit advocates 14 to 1 in state legislatures. Nonprofit advocates have an even tougher time making their voices heard at the statehouse now that the states are saddled with a catastrophic budget crisis.

Many groups have come to realize that the initiative process is the only mechanism left for them to move their agenda. Just last year, education advocates in the state of Florida were able to pass a sweeping law through the ballot box to reduce class sizes in grades K-12 after becoming fed up with the state legislature’s refusal to act to improve education. Advocates for workers’ rights in Oregon headed for the ballot in 2002 to pass an increase in the state’s minimum wage after failing to win such concessions in the legislature for the previous five sessions. And environmental advocates at the state and national level have been enormously successful using ballot initiatives to protect open space, clean water, and clean air. These successes would not have been possible if ballot initiatives did not exist as another creative avenue for pushing policy agendas or defending hard won gains.

**Myth #2: Nonprofit organizations cannot get involved in ballot initiative campaigns.**

**REALITY:** *Nonprofit organizations can be very active in initiatives. In fact, they can draft initiative language, collect signatures, and advocate for or against them, safely inside of their lobbying lid.*

While 501(c)(3) nonprofit groups cannot electioneer for or against candidates, they are allowed to work on ballot measure

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## ② A Challenge to State Legislatures: *The Impact of Initiatives on a State's Policymaking*

BY JENNIFER DRAGE BOWSER

The initiative process was first instituted in the United States as a check on representative democracy, intended to enhance representative government rather than to supercede or abolish it. There is no doubt that the initiative process as it exists today has grown to have a significant impact on the legislative process in many states. It can negatively affect the ability of state legislatures to develop policies and priorities in a comprehensive and balanced manner, and initiatives may directly address the legislature's organization, powers, and procedures, such as term limits and tax limitations.

The initiative process is a popular lawmaking tool in the twenty-four states where it exists, and serves a valuable purpose in both bringing to the fore issues that may not receive legislative attention, and engaging citizens in a debate of important public policy decisions. While a limited number of public policies are implemented via the initiative in states such as Utah and Wyoming, an extraordinary number may be enacted by initiative in high-activity states like Oregon, California, and Colorado. As initiative after initiative dictates state policies, the long-term result is that the legislature's ability to set priorities and to balance competing needs with limited resources is reduced.

In California alone, just since 2000, voters have approved initiatives that change how juvenile criminal offenders are treated, require that certain drug offenders receive treatment in lieu of incarceration, authorize

\$3.4 billion in bonds for water clean-up projects, and require state funding of after-school programs. The estimated annual price tag of these four programs combined exceeds \$1 billion. While a majority of California voters obviously thought each of these ideas was good public policy, and they very well may be, implementing these policies via initiatives is an inflexible approach and removes the legislature's discretion in these policy areas. The initiatives often fail to take into account how the new policy is to be funded, or how it fits into the greater picture of state policy as a whole. Furthermore, initiative campaigns and elections lack some of the critical elements of the representative system of government, such as debate, deliberation, flexibility, compromise, and transparency. Instead, issues are decided upon individually, with little debate and no room for compromise, based on information doled out in 30-second television ads by sponsors and opponents. The result? Often it is programs that cannot be funded out of existing state revenues, policies that contradict existing ones, or policies that are flawed in some other way.

In California, the legislature is prohibited from amending anything passed by initiative. That means that fixing parts of a policy that are not working, or repealing a policy that turns out over the long run to be a bad idea, cannot be done without a statewide popular vote. There are eight other states where the legislature is limited in its ability to amend or repeal measures passed by initiative, although none of the limitations are as broad as California's.

The limitation on the legislature's ability to implement broad and cohesive policies from a statewide perspective is one problem initiatives can cause; another is the ever-increasing chunk of the state budget eaten up by initiatives in many states. Initiatives that limit or dedicate revenue or otherwise impose fiscal policies, may be the most serious problem in the initiative process from the legislature's point of view. Initiative measures that mandate the expenditure of large

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# Viewpoints:

## ① Myths and Realities —

(CONTINUED FROM PAGE 6)

campaigns and expressly advocate a “yes” or “no” position. Under the “501(h) election standard,” only expenditures allotted for or against ballot measures are classified as lobbying. 501(c)(3) organizations with the (h) election standard can therefore safely spend a percentage, up to 20 percent, of their annual total operating budget on ballot measures, depending on the size of the organization. They can spend even more if they use certain exceptions allowed by the IRS.

Furthermore, a number of activities that do not expressly advocate a vote prior to starting signature gathering and after a measure has been qualified are considered educational, not lobbying. Therefore, 501(c)(3) funds can be safely raised and spent on broadcast ads, direct mail, and to research and organizing activities that meet these qualifications.

### **Myth #3: It is not the role of nonprofits to get involved in initiatives.**

**REALITY:** *Many of the main sponsors of ballot initiatives are nonprofit organizations.*

Nonprofit organizations are often the most useful participants in a ballot measure campaign because of their credibility in the community and their commitment to congruent issues outside of the context of the campaign. Even with all the potential downfalls, ballot initiatives provide a unique opportunity for activists and organizations to advance an important cause and pass good public policy. The structure of an initiative also provides a unique mechanism for generating news coverage, framing an issue that may be lacking in public awareness, and focusing volunteers’ and supporters’ energy on something tangible with a firm outcome.

Nonprofit organizations can also play an important role to help clean up the initiative process and make it more democratic, by advocating for reforms that give citizens more information about ballot initiatives and their donors. For instance, in Arizona this year, a diverse coalition of environmental, education, civic, good government, and labor advocates came together to block a ballot measure that would have limited the state’s initiative process to only the most well-heeled groups, and would have effectively wiped out the participation of grassroots advocates in ballot campaigns.

In addition to getting involved in initiative campaigns that will help make the process more democratic, nonprofits have an important role to play in initiative campaigns that either directly or indirectly impact their mission. Nonprofit organizations should always look for opportunities to support other groups and coalition partners, and ballot initiative campaigns can be just the right occasion. If you are not ready to take the full plunge, by all means, get your feet wet, and help take a stand on critical campaigns on the slate in 2004. ❖

## ② A Challenge to State Legislatures —

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amounts of public revenue without including a new dedicated revenue source (such as taxes or fees) can make it difficult for the legislature to continue to fund existing state services and programs. Initiatives that increase or create new taxes to fund new or existing programs negatively affect the legislature’s ability to impose reasonable taxes to fund necessary programs for citizens.

An interim committee of Colorado’s legislature is currently grappling with how to resolve the difficulties caused by declining state revenues and the influence of three citizen initiatives on state fiscal policy. The Taxpayers Bill of Rights (TABOR), passed in 1992, limits state revenue, requires voter approval for tax increases, and limits growth in property taxes. Amendment 23, passed in 2000, requires minimum increases in funding for elementary and secondary education, diverts a portion of income tax revenues to a special fund, and establishes minimum levels of appropriation increases for the School Finance Act. The Gallagher Amendment, passed in 1982, limits the taxable value of residential property. As state revenues began to fall in 2001, the interaction of these three constitutional amendments began to severely limit the legislature’s flexibility in budgeting and its ability to continue funding existing state services. The situation has become serious enough that both the legislature and the state treasurer are looking for ways to untangle the restrictions and restore the legislature’s ability to do its most basic job.

As these examples demonstrate, initiatives can and do have a real impact on state legislatures. Nobody expects the initiative process to disappear or even decline significantly in popularity in the near future. It is critical, therefore, that states take a hard look at their initiative process and how it works, and look for ways to make representative and direct democracy function together more smoothly. ❖

## Nonprofits and Democracy: —

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democracy from the ground up is *not simply an opportunity, but a necessity*. It also gives those of us working in the sector a vital role, and has the potential to reenergize our work during a time when many organizations are struggling to survive.

### AN OLD/NEW IDEA

Alexis de Tocqueville is often cited as the person who identified the important role of the future nonprofit sector in building a new type of democracy. This French aristocrat came to the U.S. in the 1830s to study prisons. On his return to France, Tocqueville wrote a book not on prisons, but on *Democracy in America*. In it he describes the vibrant associational life in the United States. Tocqueville was especially taken by what he found all across the country — ordinary citizens from all social and economic groups coming together with a shared mutual interest. Through voluntary associations, people engaged with each other in the public sphere where they could promote an issue or a point of view.

What struck Tocqueville was how people acted together, whether it was the temperance movement, a business club, or a religious group. America had a vibrant democracy because of its many associations that covered all aspects of personal and political life, and gave people a collective voice both within and outside of government.

It is easy to romanticize Tocqueville's observations. After all, slavery was also part of the vibrant democracy he observed. However, Tocqueville offers a view of the nonprofit sector that gives it meaning outside of what it produces — beyond the service we give or the groups we organize or the issue we advocate for. This view is of building a collective voice with the people we work with: our constituents, our staff, and our volunteers.

Nonprofits can help build the capacity of *individuals* to express their beliefs and values in the political and social sphere, and they can themselves be sites of democracy by building the organization's capacity to raise a *collective voice* that expresses beliefs and values.

### DEMOCRATIC PRACTICE AND NONPROFIT ORGANIZATIONS

An organization's capacity to build democratic practice relies on engagement, education, action, and assessment. As Tocqueville viewed it, democracy was alive in voluntary associations because people had a place where they could come together to express their common beliefs and values. Nonprofits can help build the capacity of *individuals* to express their beliefs and values in the political and social sphere, and they can themselves be sites of democracy by building the organization's capacity to raise a *collective voice* that expresses beliefs and values. Like democracy itself, the practice can be messy, it is not always effective and efficient, and it does not always work. Yet it gives people the chance to express themselves and to believe that they have the right and the ability to have an impact on the issues that affect their lives.

Below are some ideas of how nonprofits can think about building democratic practice through engagement, education, action and assessment. These are not linear activities; they can take place simultaneously or in a different order. And they are not proscriptive. Like good democratic practice they should be used for discussion, debate, and dissent.

### ENGAGEMENT

Democracy is about engagement in public life, whether it is political, economic, or social. We know how easy it is to feel removed from the larger arena of politics or social policy

whether we are constituents, staff, or volunteers, but without participation we are simply subject to the decisions made by others.

Engagement is more than operating according to the mission and values of the organization. It is finding out the *meaning* of the work to those working in the organization and those the organization serves, and then finding ways to engage based on that meaning. This capacity is built by listening to what matters to those involved with the organization. This process of listening and learning, beyond consumer satisfaction surveys, is the basis of engagement.

The role of engagement is not only something that we do with our constituents. In fact, it is essential that we ask these same questions of the staff, board and other volunteers. Do we know what moves them about their work? Are there things that they would fight for? Are there other issues in their lives that have an impact on the work they do? Going through the process of finding out what matters to them will help those working in the organization understand each other. It will also lay the groundwork and facilitate staff and volunteers going through the same process with the constituents they serve.

Engagement is not a one shot deal; it is an ongoing process in our organizations. It means listening to others we work with and those we work for to understand and make sense of their interests, issues, and

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## Education and engagement often work hand in hand. Engaging people can lead to action if people know there is something they are able to do.

### Nonprofits and Democracy —

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concerns. It also means finding the common themes that run throughout the organization and how they fit with its mission and values.

#### EDUCATION

Education and engagement often work hand in hand. Engaging people can lead to action if people know there is something they are able to do. The range of educational activities an organization can offer is endless. For example, all nonprofits can easily teach those who are eligible and involved in the organization how to register to vote. Voting is not simple, especially for those who have never gone to the polls. Education about voting, such as where to go and how to get there, what will happen, how a ballot looks, and how to fill it out are all as important as the registration process. Groups can offer forums and discussions to find out information about candidates, referendums, ballot initiatives, and other items. Candidates can be asked their views on the issues that engage those we work with, and forums can be held where different views are expressed and debated.

Education, though, is not only about voting. In Detroit, several organizations have started staff study groups to inform themselves about the neighborhoods in which they work, the issues facing the people they serve, and the ways that change is made in a democracy. People talk not only about the community but also about themselves — their own beliefs and values — and learn through reading and discussion what others say on these topics. These organizations began by engaging and educating staff, and plan

to do the same with those living in the communities they serve. Ultimately they are looking to engage and educate constituents to take part and power in shaping their own lives.

#### ACTION

In a democracy we have rights, but we also have responsibilities. Our responsibilities include taking action, especially when we find our voices are not heard in public life. Action was a key in Tocqueville's observations; it made public the voices of people who ordinarily would not be heard and thus created the vibrant democracy he wrote about with such passion.

Those working in nonprofits are no strangers to taking action — they know how to bring people together, to provide services, and to support people in need. Organizations can work to help constituents act on their own behalf. Many groups already do this as a matter of course. But individual action is not enough. Nonprofits can assist constituents to act on their own behalf and to act as a collective. The power of the collective voice is energizing, aggravating, and inspiring. We already know the strength that comes from knowing we are not alone. Applying that power to constituents not only reduces their isolation but also increases their ability to learn how to participate in public life.

Collective action can be holding a meeting, writing letters, and making phone calls. Organizing groups have long used these strategies and can be a good resource to others. For example,

some community development corporations (CDCs) in Boston have added an organizer on staff to address their concerns that they have become focused on the bricks and mortar of building affordable housing, rather than building the power and voice of those living in the neighborhood. The organizer involves constituents to speak on their own behalf. Constituents in neighborhoods can then add their voice in support of the CDC's work, and they also have a voice in setting the priorities for the organization. Many of those involved have talked about how the organizer has helped to transform and energize the organization's overall work.

#### ASSESSMENT

One of the greatest benefits in retooling the sector to engage in democratic practice is the impact it has on the work we do. That impact comes from taking action, assessing the results, and learning from that assessment. Learning is more than simply reflecting on our work or reporting the outcomes. It is changing what we do based on what we find. It challenges us to examine our beliefs and values in light of the views of what works, what does not work, and why. Those we work with are important partners in the assessment not only for what benefits they received (or did not receive) from the process and outcome, but also what they think could have been done better or just differently.

Many of us who work in the sector think of learning as an indulgence given the enormous demands of our work, but how else can we really understand the meaning and impact of our work? We often believe that good results speak for themselves. The process of participation — engaging those

The process of participation — engaging those we work with to act on their own behalf — helps us learn how to articulate the impact of our work.

we work with to act on their own behalf — helps us learn how to articulate the impact of our work. It also keeps people participating, understanding that their assessment is not simply to improve the work and image of the organization, but a way to gain a voice in their own lives.

## IMPLICATIONS FOR THE ORGANIZATION

The work of democracy is not always orderly. This means organizations that choose to engage it will find it may come into conflict with some of the ways nonprofits have evolved over the past thirty years. First, many nonprofit groups separated from their roots of collective voice as they professionalized. Organizations that developed to enhance outcomes often found that building democratic practice was not a priority and was hard to explain to funding sources. We thought that the problems we faced could be solved, leaving constituents free to engage in our democracy. Now we need to go back to those roots once again.

Staff members who have worked hard to receive the credentials needed for their jobs may find involving constituents means learning skills not taught in school. Often staff feel that constituency involvement is impossible or will lead to chaos, or that constituents concerned about survival have neither the time nor interest to build their democratic skills. Staff can feel burdened by adding new dimensions to their work when they already face so many challenges. The initial result may be resistance rather than energy for this new part of their job. Including staff and listening to what they believe makes up a democracy and their role in it is an essential part of addressing these concerns.

Finally, building democratic practice has us taking the long view, a luxury we do not always feel we can afford given the economic and political context in which we work. The shrinking state and federal budgets, the con-

Building democratic practice brings in the voices and energy of those groups who are often ignored — the populations nonprofits work with and for — and takes us one step closer to creating a truly just society.

tinued trend towards tax cuts, the rising federal deficit, and the increases that will be needed for Social Security and Medicare put enormous pressure on those who work in nonprofit organizations, threatening our very survival. Most nonprofits continue to do their work, trying to figure out how they can do more for less. In the long run, however, this is not a solution. Building democratic practice brings in the voices and energy of those groups who are often ignored — the populations nonprofits work with and for — and takes us one step closer to creating a truly just society.

It is hard to see any other sector in our country with such institutions that have the scope, breadth, values, and commitment to take on this task. And our democracy may depend on it. ❖

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**Frances Kunreuther** is the director of the Building Movement in (to) the Nonprofit Sector — [www.buildingmovement.org](http://www.buildingmovement.org) — project housed at Demos in New York City. The project seeks to strengthen the role of U.S. nonprofit organizations as sites of democratic practice and to advance ways those groups can be important components of movements to build social change. Prior to moving to Demos, Kunreuther was a Practitioner Fellow at the Hauser Center for Nonprofit Organizations, a position she took after spending 25 years working in and managing nonprofit organizations.

## Be an Advocate for Government —

(CONTINUED FROM PAGE 5)

This will be a long-term process, that, to be successful, will require intense engagement with national and state leaders in service delivery, advocacy, policy, academics, philanthropy, politics, and business. It will also require a concerted communications strategy to rehabilitate public sentiment toward government institutions, activities, and processes.

By all means, nonprofit organizations need to hold government accountable to ensure services are effective, the needs of constituents are met, and that waste and inefficiency are eliminated. Who better to guarantee that government agencies and elected officials are responsive to the realities of the people they serve than those of us who are in contact with these constituencies daily? And yet, nonprofits cannot simply be another group of government critics, contributing to the general sense that government is inept and unworthy of support.

We must find a way to advocate on behalf of government, even as we know it to be imperfect. We must be the ones who help others understand the importance of government's role in our society and who demonstrate there is room for optimism about the future of government. If we are unable to articulate a vision for government, the professional detractors may triumph, and the burden on nonprofit organizations will continue to increase, while the resources available to meet the needs of clients will continue to diminish. ❖

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## RESOURCES

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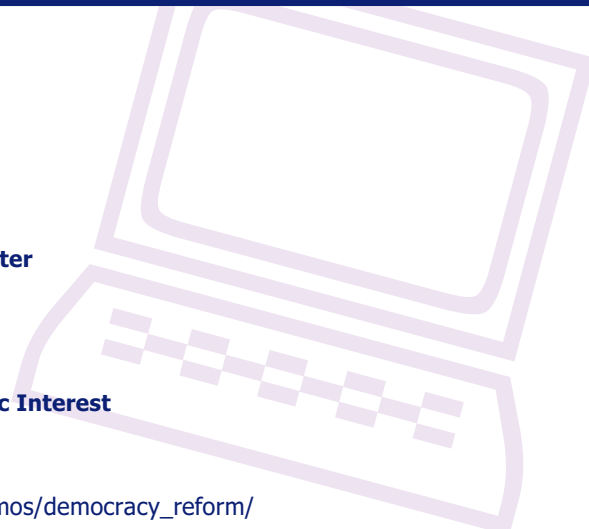
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[http://www.demos-usa.org/demos/democracy\\_reform/](http://www.demos-usa.org/demos/democracy_reform/)

**Institute and Referendum Institute at The University of Southern California**  
<http://www.iandrinstitute.org/>

**National Conference of State Legislators**  
<http://www.ncsl.org/programs/legman/elect/dbintro.htm>

**National Council of Nonprofit Associations**  
[www.ncna.org](http://www.ncna.org)

**NPAction**  
[www.npaction.org](http://www.npaction.org)



## Next Issue:

The next issue of *SPARC Change* will provide a wrap-up of the issues affecting nonprofits in 2003 and look ahead to 2004 and beyond. It will review the main public policy issues that nonprofits dealt with at the federal, state, and local levels and discuss the sectors' successes and failures. In addition, *SPARC Change* will highlight the issues we expect to be of importance to nonprofits in the coming year. The issue will also include "Nonprofit Agenda: A Blueprint for Action" — recommendations to be presented to presidential candidates and congressional leadership in this upcoming election year, based on a NCNA survey.



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