

**U.S. PROGRAMS  
Democracy Fund  
Summary of Recommended Grants  
Docket III - September 24, 2012**

**U.S. Programs, Democracy Fund**

Organization	Grant Code	Recommended	Term	2012	2013
<b>Anchor Grantee</b>					
Center on Budget and Policy Priorities <sup>1</sup>	T1: 21104	\$750,000	1 year	\$750,000	
	T1: 21150	\$250,000	1 year	\$250,000	
	T1: 24449	\$300,000	2 years	\$150,000	\$150,000
<b>Idea Generation</b>					
Alliance for a Just Society <sup>2</sup>	T1: 21114	\$500,000	2 years	\$250,000	\$250,000
	T1: 21109	\$150,000	2 years	\$75,000	\$75,000
	T1: 24449	\$50,000	2 years	\$25,000	\$25,000
Center for Artistic Activism	T1: 21113	\$75,000	1 year	\$75,000	
Hope Enterprise Corporation	T1: 21074	\$100,000	2 years	\$50,000	\$50,000
Louisiana Association of Nonprofit Organizations	T1: 21074	\$150,000	2 years	\$75,000	\$75,000
ProgressNow Education	T1: 21114	\$100,000	1 year	\$100,000	
United States Student Association Foundation	T1: 21114	\$100,000	1 year	\$100,000	
<b>Voter Participation</b>					
Ballot Initiative Strategy Center Foundation	T1: 21114	\$100,000	1 year	\$100,000	
Blueprint North Carolina	T1: 21117	\$75,000	1 year	\$75,000	
League of Young Voters Education Fund	T1: 21117	\$75,000	1 year	\$75,000	
Texas Civic Engagement Table	T1: 21117	\$150,000	1 year	\$150,000	
<b>Grassroots Engagement of Key Constituencies</b>					
Coalicion Latinoamericana, dba Latin American Coalition	T1: 21117	\$75,000	1 year	\$75,000	
Center for Participatory Change	T1: 21117	\$75,000	1 year	\$75,000	
Funders' Collaborative for Youth Organizing (Bend the Arc: A Jewish Partnership for Justice)	T1: 21113	\$100,000	1 year	\$100,000	
Grassroots Institute for Fundraising Training	T1: 21114	\$125,000	1 year	\$125,000	
Institute for Civic Engagement and Social Change (North Carolina Central University)	T1: 21117	\$75,000	1 year	\$75,000	
La Union del Pueblo Entero	T1: 21117	\$100,000	1 year	\$100,000	
National People's Action	T1: 21113	\$600,000	18 months	\$300,000	\$300,000
Pacific Institute for Community Organizations, dba PICO National Network	T1: 21113	\$600,000	18 months	\$300,000	\$300,000
Southern Coalition for Social Justice	T1: 21117	\$100,000	1 year	\$100,000	
<b>Total Recommended:</b>		<b>\$4,775,000</b>		<b>\$3,550,000</b>	<b>\$1,225,000</b>
<b>GRANTMAKING TOTAL THIS DOCKET:</b>		<b>\$4,775,000</b>		<b>\$3,550,000</b>	<b>\$1,225,000</b>

Approval Signature

Date

<sup>1</sup> This grant of \$1,300,000 to Center on Budget and Policy Priorities is co-funded by USP Anchor Grants, T1: 21104 (\$750,000), Director of USP, T1: 21150 (\$250,000), and Equality and Opportunity Fund, T1: 24449 (\$300,000).

<sup>2</sup> This grant of \$700,000 to the Alliance for a Just Society is co-funded by Democracy Fund, T1: 21114 (\$500,000), Transparency Fund, T1: 21109 (\$150,000), and Equality and Opportunity Fund, T1: 24449 (\$50,000).

## MEMORANDUM

**To:** Chris Stone  
**Via:** Ken Zimmerman  
**From:** Bill Vandenberg, for the Democracy Fund  
**Date:** September 14, 2012  
**Re:** Democracy Fund September 24, 2012 Docket

We look forward to discussing the next Democracy Fund docket with you on Monday, September 24. Twenty (20) grant recommendations and a financial summary sheet are attached.

My colleagues – program officers, Patricia Jerido and Nora Ranney, and program associates, Maggie Corser and Heddy Nam – and I look forward to meeting with you. Since this is our first docket meeting with you as well as the Democracy Fund’s final full docket meeting (we’ll likely have only two additional recommendations to come in October), this is both an introduction and somewhat of a farewell. Indeed, 13 of the 20 recommendations we bring to you are for tie-off grants. Three recommendations are for new projects, either for time sensitive campaigns that are responsive to policymaking opportunities or one-time research investments to broaden U.S. Programs’ political knowledge and strategic savvy. Four grantee partners from these recommendations appear to fit fairly securely into USP’s emerging future architecture. We look forward to discussing with you and the USP Board the broader lessons we’ve learned from the Democracy Fund’s work and to explore how this might inform future USP priorities.

As you may know, the Democracy Fund (known as the Democracy and Power Fund until 2011) was established in 2008 to fund multi-issue organizations and build connective tissue within U.S. Programs, investing in high level idea generation as well as building the capacity of organizations to catalyze civic engagement on open society priorities from people of color, immigrant, and youth constituencies. Our grantee partners conduct some of the nation’s most successful advocacy work on the leading issues of the day, including tax and budget policy, educational opportunity, health access, housing justice, immigrants’ rights, and voting rights. Organizations recommended in this docket will play leading roles in debates on the Ryan budget, sequestration forced federal budget cuts, entitlement reform, student debt, and foreclosure policy as well as local and state issues. One grantee – the Southern Coalition for Social Justice – celebrated a significant victory in August for its work to stop, for now, a racially biased Texas redistricting plan. Another – the League of Young Voters – played a key role in stopping Texas’s new voter identification law and spotlighting the impacts of a similar law in Wisconsin.

Our recommendations for our fourth docket of the year advance the Democracy Fund’s three primary areas of investment: idea generation on social and economic policies; voter participation from the most marginalized constituencies; and grassroots engagement on open society priorities from both traditional and nontraditional sources. We pursue these priorities at the national, state, and local levels, dedicating 15% of our annual investments to North Carolina and Texas based organizations. These states were selected following an extensive, seven state field research effort in strategically significant Southeastern and Southwestern states that are at demographic and political tipping points. We are now working to help inform the development of USP’s future City-State Initiative.

In this docket, we bring 20 recommendations to you totaling \$4.775 million. Among the recommendations are 17 renewals, including 13 tie-offs, mostly from our state-based portfolio. We recommend support to provide short-term, rapid response funding for three new efforts. They include: (1) the launch of a new, time sensitive United States Student Association Foundation campaign to address student debt; (2) a ProgressNow Education led state-based research project to expose the agenda and activities of the American Legislative Exchange Council (ALEC); and (3) a project launched by the Ballot Initiative Strategy Center Foundation to provide in-depth research on ballot initiatives and referenda that will impact open society over the next two years. For the 13 tie-off recommendations, we are working with some, not all, to support donor outreach so that they do not face

adverse fiscal realities after our support ends. We did not consider matching grants for these tie-offs but will do so for a tie-off that we'll bring to you in October.

One recommendation is for a USP core grantee for which the Democracy Fund serves as lead liaison, the Center on Budget and Policy Priorities. The Center on Budget would be co-funded with the Equality and Opportunity Fund, for a new project on immigration and fiscal policy. Another recommendation, for the Main Street Alliance, would be co-funded with the Equality and Opportunity and Transparency Funds. We find the Main Street Alliance's work to strategically engage small business owners in open society advocacy particularly compelling and I and my colleagues have played an active role – via hosting a funder's briefing and conducting targeted outreach to institutional, labor, and individual donors affiliated with the Democracy Alliance – in raising its profile in the funding community.

The docket features several organizations that conduct research and advocacy on federal and state fiscal policy. It includes 11 city or state-based organizations that seek to expand the civic engagement and open society advocacy impact of African Americans, Latinos, immigrants, and young people, principally in North Carolina and Texas. Each of the 20 investments recommended is for an organization that has significant city and state reach, via direct work or through local and state affiliates or partner organizations. We believe this to be an especially effective strategy to impact open society advocacy at multiple – city, state, and federal – levels.

A final snapshot for you of these investment recommendations is a quick demographic scan. Recognizing that an organization's executive leadership is not a full representation of an organization's true commitment to diversity and equity, we note that 40% of recommended organizations in this docket are led by women, with 39% of total recommended dollars following. Organizations led by young people, 30 years of age or younger, total 20% of our recommendations, with 8% of dollars recommended. People of color led organizations comprise 40% of our recommendations but only 16% of total dollars recommended. This is because a larger number of people of color led organizations in this docket are state-based groups, receiving, on average, smaller grants. Earlier in the year, when we made voter and civic engagement grants, the percentage of people of color led organizations ranged from 44% to 57% and the percentage of dollars recommended to them ranged from 52% to 75% of our total funding. We also track the smaller numbers of executive directors who are immigrants and/or LGBTQ identified. We are happy to share those numbers, too.

On behalf of my colleagues, we've found refreshing the comments that you've provided to other USP funds and campaigns which have already shared their first dockets with you. In particular, your interest in organizational capacity tracks closely with our own interests. It is hard to make wise investments without knowing more about organizational leadership, management, and internal operations. In a similar vein, foundations and grantees that craft elaborate program plans that are divorced from the realities of politics and policymaking climates waste time and resources. Vis-à-vis a greater emphasis on organizational capacity, in candor there are several areas of due diligence you seek for us to answer – particularly on grantee Board development and a more comprehensive examination of financial management – that have been less of a priority in our work. We have provided details here, where possible, and have begun to incorporate internal capacity questions more thoroughly into ongoing grant report review and grantee check-in conversations.

The recommendations attached include:

**Center for Budget and Policy Priorities**

*\$1,300,000 total recommendation, including \$1,000,000/1 year renewal, general support; \$300,000/2 years, new, project support*

To support the Center for Budget and Policy Priorities, a Washington, DC-based think-tank and one of the nation's preeminent policy organizations. Founded in 1981 and led by OSF thought partner Bob Greenstein, the Center on Budget analyzes federal and state budget priorities, with a particular emphasis on the impact of various budget choices and tax policies on low-income Americans. At the state level, the Center runs the State Fiscal

Analysis Initiative, a well-regarded network of 41 state-based fiscal policy think tanks that protect the social safety net and advance policies to confront poverty. The Center is frequently rated, by political observers and opinion shapers of all stripes, among Washington’s most effective policy research and advocacy organizations and Greenstein recently served on USP’s Economic Equity Working Group.

**State Fiscal Analysis Initiative**

*Project support for two state-based organizations, total recommendation of \$250,000/ 2 years*

To support the State Fiscal Analysis Initiative (SFAI), based at the Center on Budget and Policy Priorities. SFAI is a national network of 41 state-based organizations that advance the interests of low- and moderate-income people through the provision of high quality and highly credible state-based research and policy support on budget, tax, and fiscal issues. The work of the SFAI network is particularly significant at a time when many states are confronting prolonged budget and revenue shortfalls and essential services have been – or may soon be – cut. SFAI organizations receive independent support from a funders’ collaborative that includes Annie E. Casey, Ford, Kellogg, Mott, Northwest Areas, and Stoneman foundations. OSF currently supports SFAI groups in Louisiana, Maryland, Mississippi, North Carolina, and Texas.

Louisiana Budget Project	\$150,000/2 years; renewal; tie-off
Mississippi Economic Policy Center	\$100,000/2 years; renewal; tie-off

**ALEC State-Based Research Project, ProgressNow Education**

*\$100,000/1 year; new, project support*

ProgressNow works with state partners to promote progressive ideas and causes with creative earned media strategies, targeted email campaigns, and cutting-edge new media. ProgressNow partners are multi-issue advocacy organizations in the states, able to utilize a coordinated communications hub year-round. This project seeks to connect national and state efforts to highlight the negative effects of the shadowy American Legislative Exchange Council (ALEC) on state policies, institutions, and infrastructure. National partners working on exposing ALEC include: the Center for Media and Democracy; Common Cause; Color of Change; and Center for American Progress. This grant will cover a full time researcher to work directly with state ProgressNow Education entities and partners nationally to research, create, and publicize state-based reports exposing ALEC’s agenda and activities.

**Ballot Initiative Research Project, Ballot Initiative Strategy Center Foundation**

*\$100,000/1 year; project support*

To support the Ballot Initiative Strategy Center Foundation (BISC), a Washington, DC-based research and strategy center dedicated to supporting the work of progressive advocates in fighting negative ballot initiatives and referenda or advancing proactive ballot efforts. Founded in 1999, BISC has grown from a small, niche research operation studying the use of ballot measures by the right wing to a nationally recognized and relied upon clearinghouse on ballot measures. This project grant will allow BISC to conduct collaborative research in states on how the initiative and referendum process is used and to identify issues that have the potential to stem the tide of 40 years of conservative dominance on the ballot.

**Main Street Alliance, Alliance for a Just Society**

*\$700,000/2 years; renewal, project support (including \$500,000 from Democracy Fund; \$150,000 from Transparency Fund; \$50,000 from Equality and Opportunity Fund)*

To support the Seattle-based Main Street Alliance, a national network of small business coalitions that leverages small business voices to advance policies that promote racial, economic, and social equity. With the Democracy Fund’s early support and continued donor outreach, the Alliance has grown quickly to represent more than 10,000 businesses in 15 states and has proven to be an effective counterweight to the national business lobbies that claim to represent small businesses but that take consistently regressive positions on the role of government, fair taxation, and social justice. Following a successful role in the health care debate, MSA is now focusing on

workplace quality, fiscal policy, money in politics, and lending reform campaigns. The Main Street Alliance is a project of the Alliance for a Just Society.

**Pacific Institute for Community Organizations dba PICO National Network**

*\$600,000/18 months; renewal, general support*

To support the PICO National Network, a 40 year old, Oakland, CA-based network of faith-based community organizations that brings the voices of local families and faith leaders to the public debate on national, state, and local policies. With more than 50 faith traditions represented in over 1,000 member institutions, PICO represents one million families in 18 states and 150 cities. Following the collapse of ACORN, PICO is now the nation's largest community-based organizing network and OSF support has helped to strengthen its leadership on campaigns for housing justice, bank accountability, and immigrant justice, along with building a new, non-partisan voter engagement effort.

**National People's Action fka National Training and Information Center**

*\$600,000/18 months; renewal, general support*

To support National People's Action, a 37 year old, Chicago-based national resource center that supports, strengthens, and coordinates grassroots community organizations working for social and economic justice. Through NPA, 29 affiliate organizations in 15 states and the District of Columbia link local and regional organizing efforts into powerful national campaigns that win accountability from decision-makers. OSF support will build the network's capacity and support its work to push forward a national economic and racial justice agenda on housing, job creation, and banking issues.

**Student Debt Campaign, United States Student Association Foundation**

*\$100,000/1 year; project support*

To support the United States Student Association Foundation, a current general support grantee, in launching a campaign to address the student debt crisis, which surpassed \$1 trillion in 2012 and grows at the rate of \$2,853 per second. The campaign will press for better federal regulation of loans as well as corporate lender accountability in order to bring relief to students and families caught in cycles of poverty due to student debt and unemployment. The campaign will mobilize student activists from USSAF's national network of public and private universities, community colleges, historically Black colleges and universities, and other minority-serving institutions.

**Funders Collaborative for Youth Organizing (fiscal sponsor: Bend The Arc fka Jewish Funds for Justice)**

*\$100,000/1 year; renewal, tie-off, project support*

To support the Funders' Collaborative on Youth Organizing, a Brooklyn-based national intermediary that seeks to increase funding for youth organizing organizations across the U.S. and develop strategies to promote to other funders the importance of investment in the leadership of low-income youth of color in social justice organizing. OSF has long supported FCYO, including board representation from Erlin Ibreck (Bill Vandenberg now serves as our representative), and this recommendation would continue OSI's support for FCYO's youth leadership pipeline project and a series of regional funder convenings to recruit new donors.

**Grassroots Institute for Fundraising Training**

*\$125,000/1 year; renewal, general support, tie-off*

To support the Oakland-based Grassroots Institute for Fundraising Training, a national training and capacity building organization that promotes the connection between fundraising, social justice, and social justice movement building, particularly for people of color communities and groups. GIFT assists organizations in building community-rooted grassroots fundraising capacity, administers an unique people of color development internship, and conducts research on people of color fundraising trends. Since 2010, GIFT has played a key supporting role in a Democracy Fund initiated funder collaborative to invest in experiments to grow the pool of resources – and reduce reliance on foundation funding – for community-based organizations.

### **School for Creative Activism, Center for Artistic Activism**

*\$75,000/1 year; renewal, project support, tie-off*

To support the School for Creative Activism at the Center for Artistic Activism, a New York City-based organization, for its work to design and implement a cultural organizing curriculum to enhance the advocacy impact of interested USP grantees. Coming off of three highly successful and well-reviewed sessions with racial and economic justice advocates in North Carolina, San Antonio, and New York City, SCA will continue its work to build creative models of organizing which challenge organizers to engage constituencies differently and develop campaigns that reach a broader audience. This grant advances the Democracy Fund's support of innovative ideas with an emphasis on expanding the field's application of broad-based engagement strategies.

### **Blueprint North Carolina**

Democracy Fund State-Based Strategy Grantee

*\$75,000/1 year; renewal, general support, tie-off*

To support Blueprint North Carolina, a Raleigh, NC based state civic engagement convening "table" with over 50 nonprofits dedicated to improving non-partisan voter participation and advocacy in the state. Founded in 2005 as the North Carolina partner of State Voices, a Democracy Fund grantee, Blueprint provides communications, research, coordination, high quality voter and demographic data, technical assistance, and outreach support to elevate efforts to expand access to health care, raise wages, secure affordable housing, advance a cleaner environment, and achieve freedom from discrimination. Blueprint builds the capacity of social justice non-profits so that they can engage in voter participation at a scale that is significant and more effectively communicate progressive ideas and values.

### **Institute for Civic Engagement and Social Change**

Democracy Fund State-Based Strategy Grantee

*\$75,000/1 year; renewal, project support, tie-off*

To support the Institute for Civic Engagement and Social Change, a Durham, North Carolina-based organization housed within North Carolina Central University, an Historically Black College or University (HBCU). This renewal support will further advance the collaboration among North Carolina's eleven HBCUs through the newly formed Student Empowerment Network, an effort to increase the civic capacity of undergraduate students at North Carolina's HBCUs and increase collaboration across campuses. In order to build a greater force for social change, the project seeks to become a repository of civic engagement best practices, a clearinghouse for data and information, a producer of student-centered engagement materials, and a real and virtual "commons" where people can gather.

### **Center for Participatory Change**

Democracy Fund State-Based Strategy Grantee

*\$75,000/1 year; renewal, general support, tie-off*

To support the Center for Participatory Change, an Asheville, NC based non-profit focused on supporting community-led, grassroots social justice work in western North Carolina. CPC integrates research, leadership development, and regional networking to build the capacity of small grassroots organizations, serving roughly 40 local groups annually with hands on and high quality technical support. CPC conducts deeply rooted multi-cultural work in a region with a complex racial history – fostering collaboration among African American, Latina/o, Native American (primarily Cherokee), and rural Appalachian white people. These alliances lead to more effective advocacy on local and state level issues, including environmental justice, affordable housing, immigrant's rights, and public investment.

### **Latin American Coalition**

Democracy Fund State-Based Strategy Grantee

*\$75,000/1 year; renewal, general support, tie-off*

To support the Charlotte-based Latin American Coalition, North Carolina's largest Latino community-based organization and an important anchor of the state's immigrant rights movement. The Latin American Coalition is

a key civic engagement organization, working on a continuum of naturalization to voter participation, and works for the promotion and equal participation of Latina/os in the civic, economic and cultural life in North Carolina. The organization includes direct services, statewide civic engagement initiatives, and cultural programs to build a broad base of support for advocacy.

### **Southern Coalition for Social Justice**

Democracy Fund State-Based Strategy Grantee

*\$100,000/1 year; renewal, general support, tie-off*

To support the Southern Coalition for Social Justice, a Durham, NC based organization that was founded in 2007 to provide legal, social science, organizing, and communications support to efforts throughout the South to dismantle structural racism. SCSJ works closely with grassroots social justice groups in North Carolina and across the South to support fair redistricting efforts, immigrant justice, protecting minority voting rights, examining “heirs property” rights of long-time landowners facing developers, and advancing criminal justice reform.

### **Texas Civic Engagement Table**

Democracy Fund State-Based Strategy Grantee

*\$150,000/1 year; renewal, general support, tie-off*

To support the Austin-based Texas Civic Engagement Table, a state civic engagement convening “table” with over 40 nonprofits dedicated to improving non-partisan voter participation and advocacy in the state. Founded in 2010 with OSF seed funding, TCET serves as the Texas partner of State Voices, a Democracy Fund grantee. TCET provides communications, research, coordination, high quality voter and demographic data, technical assistance, and outreach support in order to enhance open society advocacy and impact.

### **La Union del Pueblo Entero**

Democracy Fund State-Based Strategy Grantee

*\$100,000/1 year; renewal, general support, tie-off*

To support La Union del Pueblo Entero (LUPE), a San Juan-based non-profit membership organization with a mission to engage farmworkers, immigrants, and their families in transforming the communities in which they live. LUPE anchors the Rio Grande Valley Equal Voice Network, a Marguerite Casey Foundation-supported alliance that represents over 10,000 families in the region. By virtue of its long and trusted history in the Valley, home to three of the U.S.’s five poorest counties, LUPE is well-positioned to lead civic engagement efforts in the Valley by convening a regional collaborative table that will offer trainings, mini-grants, access to voter files and software, and voter outreach support.

### **League of Young Voters Education Fund - Texas**

Democracy Fund State-Based Strategy Grantee

*\$75,000/1 year; renewal, project support, tie-off*

To support the Houston-based Texas state affiliate of the League of Young Voters Education Fund for its work to empower young people to participate in the democratic process and create progressive change on the local, state, and national levels through outreach, trainings, leadership development, arts-based organizing, alliance building, and non-partisan voter engagement. The League has a unique niche in focusing its outreach and leadership development on young people of color who are not based on college campuses. The Texas League serves young people 18-35 years of age, particularly African-Americans and Latinos from Houston and surrounding areas.

Recommendations follow this memo. We look forward to discussing them with you when we meet next week. Please let me know if there is further information that my colleagues or I may provide in advance of the docket meeting. Thank you, Chris.

**Democracy Fund Grant Recommendations**  
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**Grant ID:** 20037309

**Legal Name of Organization:** Center on Budget and Policy Priorities

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support and project support to analyze the economic impact of state-level anti-immigrant policies.

**Grant Description:** To provide renewal general operating and new project support for the Center on Budget and Policy Priorities, a longstanding OSF grantee that is widely recognized as one of the most effective organizations in Washington, D.C. The Center on Budget and Policy Priorities produces influential analysis and high level advocacy and communications on fiscal policy, including budget and tax issues as they relate to the interests of low- and moderate-income people. Its work advances numerous open society priorities, including the protection of the social safety net, structural inequality, immigrants' rights, climate change, the foreclosure crisis, criminal justice reform, and educational access. The Center's work focuses at the national and state levels, including coordination of the State Fiscal Analysis Initiative, a network of 41 state-based fiscal policy research and policy centers.

**Previous OSI Support:** \$12,282,330  
 \$200,000 from U.S. Programs General (1997-1999)  
 \$50,000 from Emma Lazarus (1998)  
 \$1,525,000 from Governance & Public Policy (1999-2005)  
 \$172,830 from CEP (2002-2006)  
 \$2,400,000 from Presidential (2002-2006)  
 \$175,000 from U.S. Strategic Opportunities Fund (2005-2008)  
 \$1,500,000 from U.S. Progressive Infrastructure (2006-2008)  
 \$70,000 from OSIEA (2006-2008)  
 \$1,285,000 from Transparency & Accountability Initiative (2007-12)  
 \$250,000 from MENA (2007-2008)  
 \$2,307,000 from U.S. Democracy Fund (2008-2011)  
 \$400,000 from Special Fund for Poverty Alleviation (2010)  
 \$1,050,000 from International Budget Partnership (2011)  
 \$897,500 from Arab Transitions Fund (2011)

**Organization Budget:** \$20,684,000

**Project Budget:** n/a

**Major Sources of Current Support:**

Atlantic Philanthropies	\$2,000,000
Ford Foundation	\$1,700,000
Rockefeller Foundation	\$1,000,000
Sandler Family Foundation	\$1,800,000
The Stoneman Foundation	\$850,000

**Amount Requested:** \$1,500,000

**Is this a contingent grant?** No

**Amount Recommended:** \$1,300,000 (\$750,000 for general support from USP Anchor Grants, T1: 21104; \$250,000 for general support from Director of US Programs, T1: 21150; and \$300,000 for project support from Equality and Opportunity Fund, T1: 24449)

**Term:** 1 year, beginning September 1, 2012 for general support  
2 years, beginning September 1, 2012 for project support

**Matching Requirements:** n/a

**Description of Organization:**

The Center on Budget and Policy Priorities (CBPP) is the nation’s preeminent source of policy expertise on budget and tax issues, especially those affecting low- and moderate-income populations. CBPP’s work has been essential to preserving policy provisions that benefit the least well-off in our society. Its reports, analyses, and issue briefs on matters such as tax cuts, the future of Social Security, and deficit spending, have been important for members of the national media, state-based budget groups, and grassroots organizations across the country. The Center has often been successful at integrating minor, little noticed adjustments into policies that have important, lasting, and positive effects on the lives of millions of low- and moderate-income Americans.

The Center’s work focuses on both the national and state levels. At the state level, the Center runs the State Fiscal Analysis Initiative (SFAI), a network of 41 state-based budget groups that use the Center's findings for their own state-specific work. OSF is one of six national SFAI anchor funders. SFAI groups have been able to influence many key decisions in low-income programs at the state level. Beyond direct support for CBPP, U.S. Programs currently supports SFAI groups in Louisiana, Maryland, Mississippi, North Carolina, and Texas.

The Center is regarded as one of the most effective national organizations working on a range of federal and state budget, tax, and domestic policy issues. Led since its founding by Robert Greenstein, a frequent advisor to OSF and member of USP’s Economic Equity Working Group, the Center is well positioned to play an important and constructive role in the next Congressional session, as many budget and tax issues – tax increases, the debt ceiling and the fiscal cliff, and entitlement reform – will be central to the policy agenda. Its centrality to a multitude of issues is evident in its donor base; 13 foundations support CBPP with annual grants of at least \$500,000.

CBPP’s board is comprised of academics, economists and philanthropists. While an “anchor grantee” for U.S. Programs since 2010, the Democracy Fund staff serves as the lead liaison for USP. OSF staff interactions have been solely at the staff level, with Greenstein and the SFAI lead national staff as well as several state-based leaders. CBPP has a highly accomplished and responsive senior staff that lacks only in its racial and ethnic diversity.

The Center’s key activities in the years ahead will include:

- Producing and disseminating analyses (more than 200 per year) and other materials that meet high analytical standards, are accessible to non-specialists, and are responsive to issues before the country, as well as helping SFAI groups and other state-based organizations produce high-quality, timely, and responsive analyses;
- Conducting extensive media work, including holding media conference calls for journalists on a nearly weekly basis to present its analyses to reporters, columnists, editorial writers, and television news producers and to help shape media coverage of various federal and state policy proposals – starting with

the first media cycle – and providing intensive assistance and guidance to SFAI groups to help them enhance their effectiveness with the media;

- Strengthening existing SFAI groups by providing technical assistance on analysis, communication, outreach, and fundraising, and expanding the SFAI network through the careful and deliberate development and fostering of new SFAI organizations; and ramping up the communications and development work of the SFAI during its 20<sup>th</sup> year anniversary;
- Providing technical assistance to, and working to build the capacity of, other national and state nonprofit organizations so they can increase their effectiveness in working to reorder national budget priorities; and
- Developing and advancing new proposals to reduce poverty and inequality and to improve the bleak long-term fiscal picture so that key social programs won't face severe cuts in coming years and decades.

### **Description of Program for Which Funding Is Sought:**

In 2010, the Arizona legislature passed SB 1070, a controversial, enforcement-focused immigration law that included, among other provisions, an unfunded mandate requiring local police to take on the responsibilities of federal immigration officers or leave their cities open to law suits for failing to do so. Despite the recent economic downturn and the sluggish recovery, the financial costs of the bill were given little consideration leading up to its passage. While aspects of the Arizona law have been held unconstitutional, state and local governments across the country are considering—or have already passed—bills that are similar to SB 1070.

The proponents of the enforcement-focused anti-immigrant legislation claim that such new laws will save states money. Missing from the debate is the availability of reliable, nonpartisan analysis of the state-level economic role that immigrants play and the fiscal impacts of such bills. This is because many states lack a credible process for consistently producing accurate cost or savings estimates for policy proposals under legislative consideration. In some states, estimates are not produced at all. Several states, however – including Kentucky, Louisiana, and Tennessee – have modified or defeated immigration enforcement legislation when confronted with an estimate of implementation costs, even when the estimates were lower than actual expected costs. Without this information, bills are drafted, debated, and voted on with little more to guide them than assumptions and speculation.

Because comprehensive immigration reform has stalled, these state-level immigration bills have increasingly become the focus of the immigration debate. In today's economic context, where states face extremely tight budgets, an accurate gauge of fiscal costs and benefits can make a substantial difference in the way that immigration-related policies are viewed by policymakers, the media, and the public. With OSF support, CBPP, working in collaboration with USP grantees, the Economic Policy Institute (EPI), the Fiscal Policy Institute, the Immigration Policy Center, the National Immigration Law Center, and several state policy institutes, will inform immigration policy debates in several states with analyses of the fiscal implications of immigration-related proposals and of the economic value of immigrants to those states.

CBPP will work with state-based policy groups that have a demonstrated ability to influence policy debates using fiscal and economic analyses. The national partners will help these groups to develop additional data, tools, resources, and relationships that they need to be influential in state immigration debates. In particular, CBPP will prioritize connecting the state-level groups with state and regional immigration coalitions in their areas, making immigrant-related policies an ongoing piece of their work. CBPP, in coordination with the national partners, will select four states to work in for the first year and six in the second year.

States will be selected based on in-state capacity and the presence of significant immigrant related legislation. Policy institutes in each state will use the new funding under this proposal to increase their engagement in their respective state immigration coalitions and to conduct fiscal and economic analyses that inform the debate on immigration issues. They will build relationships with national immigration organizations through one-on-one communications as well as by participating in at least three educational webinars or conference calls designed by the project's national partners, and in-person workshops at annual conferences

sponsored by the CBPP and Economic Policy Institute. They will also have access to ongoing technical assistance from each of the national organizations participating, including educational webinars, training documents, and workshops at the annual conferences of EARN and SFAI, the networks of state-based think tanks that are coordinated by EPI and CBPP.

Many of the work products of state groups will be released publicly, including reports on the economic value of immigrants. The primary target audiences for these public pieces will vary to some extent depending on the specific circumstances, but generally will include elected leaders and staff, journalists, editorial writers, and columnists, immigrant policy advocates, and the broader public. CBPP has identified the following benchmarks:

- Produce a “how-to” guide to fiscal analysis of immigration proposals.
- Participate as consultant in at least four calls or meetings each year about producing descriptive reports about immigrants in the target states.
- Organize workshops related to immigration policy analysis at its annual State Fiscal Policy conference. Based on past experience, each workshop will be attended by 25- 50 state advocacy leaders.
- Work with the national groups in the project to produce a series of at least three educational webinars or conference calls per year on immigration policy for members of the SFAI and EARN networks.
- In the project’s first four months, convene monthly conference calls among all the grantees and separate monthly calls just among the national groups. Jared Bernstein, a CBPP senior fellow, MSNBC pundit, and the former chief economist and economic advisor to Vice President Joe Biden, will write at least four posts on immigration issues for his blog, *On the Economy*.

With OSF’s support, the Center will supplement funding from the Ford Foundation and Carnegie Corporation.

### **Rationale for Recommendation:**

U.S. Programs recommends a renewal grant of \$1,000,000 in general support over one year and \$300,000 in project support over two years to the Center on Budget and Policy Priorities. We make this recommendation in recognition of CBPP’s widely recognized influence, access, and impact in advancing fiscal policy research, analysis, and advocacy on behalf of low- and moderate-income communities.

The Center on Budget and Policy Priorities has been a longstanding OSF grantee and is widely recognized as one of the most important organizations in Washington, D.C. CBPP produces influential analyses on budget and tax issues in ways that have important effects on issues that are priorities for OSF, including: immigration, structural inequality, climate change, the foreclosure crisis, criminal justice reform, and economic inequality. The Center provides an outstanding model for how to build effective national and state coalitions, in ways that can advance the chances for policy changes at multiple levels of government. In its SFAI work, as well as its approach in Washington, D.C., the Center focuses on building coalitions and bridging differences in view, constituency, and approach to policy change that are central to the goals of OSF. The Center’s work is also an important priority for the Transparency Fund, which has great concern for budget transparency and accountability at the national and state levels. In addition to being an USP “anchor grantee,” CBPP is also supported by OSF for international budget work and the U.S. Special Fund for Poverty Alleviation for a project on program integration.

The Center has been a leading voice in calling for a reshaping of federal budget priorities and a reversal of tax cuts for the affluent while giving little consideration to measures that could improve the lives of those who are less fortunate. Over the next 18-24 months, we may be entering one of the most dramatic eras in history on fiscal policy. The debate over whether to continue the Bush tax cuts for the wealthy is a small tip of a much larger iceberg. In 2013-14, decisions will be made on how the nation addresses tax fairness, debt, and entitlements, with the decisions impacting tens of millions of Americans and trillions of dollars. The Center on Budget and Policy Priorities has the broad capacity and deep expertise, access, and credibility to advance and protect the interests of low- and moderate-income Americans. With the recent nomination of Congressman Paul Ryan as the vice-

presidential pick of one of the major political parties, the focus on fiscal policy has grown even sharper. Indeed, in the 24 hours immediately following Ryan's pick, CBPP received 100 media inquiries on the Ryan budget, a set of proposals it had dissected in great detail beginning months prior to the nomination.

By issuing hard-hitting and timely analyses, engaging in sophisticated and pragmatic policy development work, providing technical assistance to other nonprofit organizations and working in coalition with them, conducting extensive media outreach, and educating policymakers, journalists, and advocates, the Center will continue to be a key player both in shaping debates on federal budget priorities and in ensuring that the interests of low- and moderate-income families and individuals are considered in those debates. CBPP is playing a key role in a recently launched, USP funded national coalition to raise revenue (taxes) on wealthy Americans and to close corporate tax loopholes, Americans for Tax Fairness. It has provided both Capitol lobbying insights to the coalitions as well as in depth policy analysis and state-based capacity via the SFAI network.

Both through its analytical work and by providing extensive technical and capacity-building assistance to the state policy organizations that belong to the SFAI network, the Center also will work to strengthen state and local finances and influence priorities so state and local governments have the resources they need to improve the lives of low-income and other vulnerable residents. In addition, the Center will work to analyze and communicate the impact of national policy proposals and laws on state and local revenues and programs, with the goal of ensuring that the impacts on states are positive rather than adverse.

CBPP is one of the better run policy organizations, but is not without its own challenges. These include a deficiency in popularizing its information to the broader public; a lack of staff diversity, especially at the senior staff and state levels, limiting its ability to amplify voices from communities most impacted in fiscal fights; and a moderately effective, but still less than needed communications shop. At a September 7<sup>th</sup> site visit with CBPP staff leaders, USP staff asked about each of these issues and received helpful information, revealing that the organization carefully considers these challenges. Vis-à-vis its ability to reach mass audiences with its analyses, the Center does not appear especially concerned. It seeks primarily to inform key decisionmakers and opinion shapers rather than count media hits, a 'quality, not quantity' approach. It has, however, built up its communications operations, just in time to for the Ryan budget deluge. The Center has also has a robust blog presence and has discovered the positive reach of quality infographics, with a sharp former *Baltimore Sun* staffer leading its efforts to better illustrate fiscal policy analysis.

CBPP acknowledged that its efforts to recruit high level staffers of color have been challenging. The Center has developed a fellowship program to build the pipeline of diverse experts on fiscal policy and appears to take seriously its ability to recruit and provide quality opportunities for its younger staff, including several talented younger people of color with Hill experience. USP staff met one young analyst who is now in a significant role, serving as a spokesperson and expert when Bob Greenstein is unavailable. USP staff was pleasantly surprised to learn that Greenstein is quoted in far fewer than half of CBPP's media citations, a sign that the organization has a very high level staff and that it knows that it must broaden its leadership beyond its esteemed leader. To that end, the Board and senior staff appear to be engaged in thoughtful conversations about succession planning for its senior leadership although we were advised to not ask too much about these conversations while staff from different positional levels were present. When asked, the Center's own greatest concern – beyond fiscal policy politics – is the changing priorities of several of its largest institutional donors, including Atlantic Philanthropies and the Rockefeller Foundation. Accordingly, it has requested a higher level of funding from OSF for this renewal and for future consideration.

Due diligence and assessment for the general support recommendation was conducted by Democracy Fund program director Bill Vandenberg and program officer Patricia Jerido. The project support recommendation is being made by Equality and Opportunity Fund program officer Archana Sahgal.

**Grant ID:** 20037354

**Legal Name of Organization:** Louisiana Association of Nonprofit Organizations

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the Louisiana Budget Project

**Grant Description:** To provide renewed project support to the Louisiana Budget Project, a Baton Rouge-based State Fiscal Analysis Initiative group. The Louisiana Budget Project provides essential research, analysis, and advocacy on state fiscal policies, including tax policy, budget priorities, and the protection and expansion of the safety net for low-income Louisianans. The project provides analysis of existing legislation and budget proposals at the state and national levels. It then disseminates its analyses, collaborates with grassroots organizations, and creates alternative budget and policy proposals. This grant advances Democracy Fund goals through its provision of high level research, public education, and strategic communications on multiple open society priorities that impact the most marginalized communities. This is a tie-off recommendation.

**Previous OSI Support:** \$425,000  
\$200,000 from Strategic Opportunity Fund (2006-2008)  
\$225,000 from Democracy Fund (2008–2010)

**Organization Budget:** \$1,211,618

**Project Budget:** \$715,088 over two years

**Major Sources of Current Support:** W.K. Kellogg Foundation \$150,000  
Annie Casey Foundation \$79,618

**Amount Requested:** \$249,053 over two years

**Is this a contingent grant?** No

**Amount Recommended:** \$150,000 (T1: 21074)

**Term:** 2 years, beginning January 1, 2013

**Matching Requirements:** n/a

**Description of Organization:**

The Louisiana Association of Nonprofit Organizations (LANO) is a statewide membership network of nonprofits, foundations, and individuals dedicated to improving the nonprofit sector and to provide quality services to Louisiana citizens. LANO has over 500 members and provides training and services for nonprofit organizations in every corner of the state. Key partners with LANO are the United Way agencies in each region. The 30 member LANO board represents all sectors of Louisiana's nonprofit community and every region.

### **Description of Program for Which Funding Is Sought:**

In 2006, LANO became the organizational home for the Louisiana Budget Project (LBP), focused on tax, budget, and fiscal issues in Louisiana. The LBP seeks to develop a coherent, research-based understanding of the current and evolving fiscal situation in Louisiana, with a particular emphasis on how trends affect low and moderate-income families. The LBP works collaboratively with key stakeholders, including business owners, community leaders, elected officials, grassroots organizations, nonprofits, and other policy and advocacy organizations to provide and disseminate timely and credible research and analysis on fiscal and budget policy.

The Louisiana Budget Project is an embedded project within LANO, with broad independence in terms of content of budget and fiscal analysis. The LANO Board of Directors reviews the budget project's annual work plan and the project's advisory group provides substantial input into the creation of its annual work plan. The budget project's advisory group is available for ad-hoc feedback on emerging issues and to review papers as needed.

Beyond the more typical state budget analysis and advocacy that State Fiscal Analysis Initiative (SFAI) groups produce, the LBP has established a high profile for its work on predatory lending issues. In 2012, it helped form the *Louisiana Fair Lending Coalition*, which has quickly grown to 43 members, including faith-based groups, academics, nonprofit groups, and businesses. This coalition was an outgrowth of a 2011 report by the project, "Payday Lending: Trapping Louisiana's Working Families in a Cycle of Debt," and is dedicated to educating policymakers and the public about the dangers of predatory lending and the steps that are needed to curb abuses in this industry. The LBP's work on predatory lending also led to a new partnership with the Louisiana State University School of Social Work. In this collaboration, a group of masters' degree candidates who are part of a service-learning program researched and catalogued thousands of state bankruptcy filings to better understand the correlation between high-interest loans and personal bankruptcy. Their findings will form the basis of a forthcoming research paper.

The LBP has been instrumental in forming two other statewide coalitions, the Better Choices for a Better Louisiana coalition (BCBL), an effort to push for fair taxation policies, and the Consumer Health Access Coalition. While these groups have distinct missions and memberships, they overlap in their efforts to change the conversation about fiscal policy in Louisiana and to increase public understanding that more revenues are needed to address long-standing problems of poverty, poor educational attainment, and inequality.

Local fund-raising remains the biggest challenge that LBP faces. State-based foundations, like Louisiana as a whole, tend to be politically conservative, as are most members of the business community. The Foundation for Louisiana provides local match for LANO's and LBP's public policy efforts. The Foundation has provided \$70,000 per year that has helped underwrite several public policy institutes where the LBP has been a major contributor. LBP and LANO both recognize that the project has not raised much in-state support to date because it has not put in the necessary time and effort. In a recent conversation with the new project director, Jan Muller, he has indicated his commitment to change that over the next two years.

The budget project's constituency includes advocates working on public education, transportation, housing, environment, health and mental health, child welfare, labor force development, and other critical issues. Louisiana is a politically conservative state, and many organizations a key challenge for the project is to catalyze activity from organizations that are wary of taking public positions that may conflict with the politically conservative, and powerful governor and the state legislature.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a grant of \$150,000 over two years to support the work of the Louisiana Budget Project. We make this recommendation in recognition of the LBP's provision of high level

research, public education, and strategic communications on multiple open society priorities that impact the most marginalized communities.

At the beginning of the current economic crisis and subsequent recession, Louisiana had a unique economic boom. A combination of sky-high energy prices and post-Hurricane Katrina rebuilding activity had filled state coffers and produced a record surplus. The windfall allowed policymakers to raise salaries for K-12 teachers, create an earned income tax credit for the working poor, and bring higher education spending to the Southern average for the first time in a generation. Four years of massive budget gaps have now reversed the gains of the boom years and put a severe strain on the state's ability to provide basic public services. State general-fund revenues have fallen 24 percent since 2007-08 and Louisiana had the dubious distinction of having the nation's largest mid-year budget shortfall (\$471 million, or 5.7 percent of the state general fund) during the 2011-12 fiscal year, necessitating a series of harmful budget cuts.

The pressure has been particularly acute on health-care and higher education, which together account for 86% of discretionary spending in the state general fund. The state's unique network of charity hospitals have closed beds and reduced services for low-income children, while some public colleges and universities have seen their state support shrink by more than 40 percent. To make up for some of the cuts, policymakers have authorized sharp tuition hikes that have not been met with corresponding increases in need-based aid for low-income students. Governor Bobby Jindal, a conservative with national political aspirations, has steadfastly refused to consider new revenues, going as far as to veto a 2011 bill that would have extended a 4-cent portion of the state's cigarette tax, which already was among the lowest in the country, to make up for this shortfall.

The inadequate funding of basic state services imperils many aspects of Louisiana society and falls particularly hard on working families, children, seniors, and people with disabilities. The increasing gap between available revenues and the cost of providing needed services is not merely the result of a damaged economy, but also of structural problems caused by the state's unstable revenue system.

Launched in 1994, the Center on Budget and Policy Priorities coordinated State Fiscal Analysis Initiative (SFAI), now in 41 states, provides a mutually supportive network not only for the state-based policy centers in its membership, but also for the national funders of those organizations. These funders include the Ford Foundation, Mott Foundation, Annie E. Casey Foundation, Stoneman Family Foundation, Kellogg Foundation, OSF, and several state-level or regional foundations that support individual state groups.

Technical support and other services for the State Fiscal Analysis Initiative groups is provided largely through the Center on Budget and Policy Priorities. OSF does not directly fund the Center on Budget's support for SFAI groups, but makes a sizable (\$1,000,000/annually, recommended elsewhere in this docket) general support grant to the organization. The Center on Budget convenes two meetings a year for the state groups to network and share expertise, as well as a multi-day conference each year which is attended by groups that are not part of the state network. In addition, the Center on Budget, often in partnership with other national organizations, coordinates the release of state-by-state and national reports - such as the "Pulling Apart" report on income inequality - with the SFAI groups. This coordinated effort creates a bigger media splash, as the national media covers the national report and state and local media outlets cover the state numbers.

The various convenings and a very active listserv help the state groups learn from their colleagues' particular strengths. The priorities of the network of state-based groups are a good fit with the Democracy Fund's concern for strengthening connections among groups working at the state and local levels across the country. Democracy Fund staff are active with the network and directly support the Maryland, North Carolina and Texas SFAIs. The state groups also work on issues of interest to OSF, especially related to the transparency, equity, and fiscal integrity of government. While the state groups are focused on research and analysis first and foremost, they actively work in coalition with advocates, organizers, and reformers within their states - participating in and often helping to build coalitions for long-term change within their states.



Staff due diligence finds the State Fiscal Analysis Initiative network to be one of the best managed and most effectively funded, strategic, and rigorous of all of the various state-based advocacy networks that USP supports. The quality of state leadership is exceptional, with most state policy centers having executive directors who have previously served as senior level state budget experts.

While not noted as being one of the very top performers within the State Fiscal Analysis Initiative, the Louisiana Budget Project does credible work, is responsive and accountable to a broad set of organizations, and conducts effective fiscal policy research, analysis, and advocacy. Part of the lower performance for LBP has been due to its high staff turnover within the last two years. This has been a concern for us as well as others within the network. The previous director, Eddie Ashworth, went through with his planned retirement in October 2011. He was replaced by Jan Moller, who came to the job after a 20-year journalism career that included nine years covering state budget and policy issues for the New Orleans Times-Picayune. There have been other additions to LBP's staff in the last two years, including a communications director, two new budget analysts, and a full-time outreach coordinator was hired in January 2012.

The first OSF grant to the Louisiana Budget Project came through the Strategic Opportunities Fund as part of OSF's post-Katrina support for rebuilding efforts in the Gulf Region. U.S. Programs now recommends this renewal in recognition of the project's work and the continuing significance of New Orleans for several U.S. Programs funds or campaigns. Should this grant recommendation be approved, funding for the grant will be provided by USP's City-State Initiative budget line. Following USP's program review process, the Strategic Opportunities Fund no longer had a budget to provide this renewal grant, or one for the Mississippi Economic Policy Center, leaving each grantee and the State Fiscal Analysis Initiative funders' collaborative in a difficult position. The Democracy Fund, which serves as USP's primary liaison to the State Fiscal Analysis Initiative, took on due diligence for this and the Mississippi recommendation. Since this shift happened later in the year, the Democracy Fund's 2012 grantmaking budget was already allocated. An agreement was then made to allocate funding from the City-State Initiative budget line to enable renewal grants to be considered.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido, in consultation with Strategic Opportunities Fund program director Erlin Ibreck.

**Grant ID:** 20037264

**Legal Name of Organization:** Hope Enterprise Corporation

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the Mississippi Economic Policy Center

**Grant Description:** To provide renewed project support to the Mississippi Economic Policy Center, a member of the State Fiscal Analysis Initiative (SFAI) and the only policy group in the state that is focused on general budget and tax issues affecting low-income families. The inadequate funding of basic state services imperils many aspects of Mississippi society and falls particularly hard on working families, children, seniors, people of color, and people with disabilities. The increasing gap between available revenues and the cost of providing needed services is not merely the result of a damaged economy, but also of structural problems caused by the state's unstable revenue system. This grant advances Democracy Fund goals through its provision of high level research, public education, and strategic communications on multiple open society priorities that impact the most marginalized communities. This is a tie-off recommendation.

**Previous OSI Support:** \$500,000  
\$350,000 from Strategic Opportunities Fund (2006-2011)  
\$150,000 from Democracy Fund (2009-2010)

**Organization Budget:** \$19,222,000

**Project Budget:** \$1,168,751

**Major Sources of Current Support:**

Earned Revenue from Hope Corp.	\$227,255
W.K. Kellogg Foundation	\$175,000
C.S. Mott Foundation	\$50,000
MS Low Income Child Initiative	\$40,000
Working Poor Families Project	\$35,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21074)

**Term:** 2 years, beginning January 1, 2013

**Matching Requirements:** n/a

### **Description of Organization:**

The Hope Enterprise Corporation (HOPE) is a Jackson, Mississippi based nonprofit community development financial institution that provides commercial financing, mortgage loans, and technical assistance to support businesses, entrepreneurs, home buyers, and community development projects. Founded in 1994, HOPE's mission is to strengthen communities, build assets, and improve the lives of people in economically distressed areas of Arkansas, Louisiana, and Mississippi. HOPE's credit union has 26,000 members and provides affordable financial services to low-income and low-wealth residents of the Mid-South.

### **Description of Program for Which Funding Is Sought:**

The Mississippi Economic Policy Center (MEPC) is an embedded organization in Hope Enterprise Corporation. HOPE's board approves the work plan of MEPC each year and the MEPC director reports on its work semiannually. HOPE also provides communications space to update constituents and members on MEPC's policy work. MEPC no longer has a formal advisory board, but still taps the original members for strategic advice on analysis, politics, and direction.

The Mississippi Economic Policy Center was launched in 2007, in the wake of Hurricane Katrina. MEPC became a new member of the State Fiscal Analysis Initiative (SFAI) and is the only policy group in the state that is focused on general budget and tax issues affecting low-income families. There are other advocacy groups in Mississippi that work on isolated areas of fiscal policy with whom MEPC works in coalition. One of MEPC's key partners includes the Mississippi State Conference of the NAACP, which has been successful in creating forums to expand the capacity of Black elected officials at the municipal, county and state levels. MEPC has been invited to put together trainings around the Mississippi budget, revenue options, Unemployment Insurance modernization, and the American Recovery and Reinvestment Act's effects on the state budget. These forums have enhanced the credibility of MEPC at the Capitol and resulted in formal requests for revenue raising options as the state considers Earned Income Tax Credit legislation.

As an SFAI member, MEPC must raise local matching funds. MEPC has encountered success in generating its local match by working with nonprofit organizations on different projects. Over the next two years, the Mississippi Low Income Child Care Initiative is providing \$80,000 (\$40,000 a year) to analyze the costs associated with moving low-income child care centers that provide resources through the child care subsidy program up on the state's quality rating system. Once analyzed, MEPC will also provide information on revenue options to support such programs. MEPC's work with the child care initiative resulted in additional support (\$15,000) from the Methodist Conference to provide 12 presentations around the state on the effects of budget cuts and the importance of revenue solutions to support low-income families in the state. MEPC also receives support from HOPE, \$400,000 over two years, to support its overall policy program. MEPC is losing \$150,000 in national funding from the Ford Foundation. To minimize the impact of this loss, it has secured an increase from the Kellogg Foundation in its SFAI funding of \$100,000 and successfully raised matching funds through contract work with the child care initiative. MEPC is positioned, along with its contribution from HOPE, to cover its budget for the next two years.

One of the opportunities of being embedded in HOPE is that the organization has a mature infrastructure, name recognition, established networks and resources. MEPC has used all of these assets, along with its subject matter experts to advance asset development and asset protection policies at the state, regional and national level. The relationship has yielded wins in the state legislature and enhanced MEPC's stature to weigh in on budget and tax issues as a credible resource on fiscal policy issues affecting low-income families.

MEPC's policy goals over the next two years include:

- Enhancing the network of organizations and individuals participating in the revenue coalition – Better Choices Mississippi;

- Expanding its analytical products to focus on opportunities to enhance revenue collections, increase transparency and communicate the ongoing effects of budget cuts – including at the local level;
- Expanding the list of services eligible for the sales tax;
- Increasing the personal income tax revenue by adding another bracket;
- Expanding the list of activities funded with excess TANF funds to include training activities for low-income workers

Over the next two years tax reform will be the top priority for the Mississippi Economic Policy Center. MEPC selected this area of focus when the governor appointed a Tax Study Commission that lacked voices for progressive tax policy. MEPC is preparing research in this area and helping to build and participate in a coalition of advocates in the state to push for progressive change.

**Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a grant of \$100,000 over two years to the Hope Enterprise Corporation for the Mississippi Economic Policy Center. We make this recommendation in recognition of its work to provide high level research, analysis, and advocacy on fiscal policies that impact low- and moderate-income people.

As in most states, the on-going recession has created a budget crisis for the state of Mississippi. Revenue collections have been lower than estimated for 20 of the last 21 months and state General Fund appropriations have declined by approximately \$600 million from FY 2009 to FY 2011. Additionally FY 2009 and FY 2010 saw mid-year budget cuts of \$200 million and \$499 million respectively. The American Recovery and Reinvestment Act (ARRA) played an instrumental role in maintaining services for vulnerable families and its expiration will have grave consequences in Mississippi. Estimates by the Office of the Governor cite a shortfall of \$1.2 billion for FY 2012. While the excise tax on tobacco was increased in 2009, no other revenue raising measures were given serious consideration by the legislature in its most recent session. Even with generous revenue raising measures, which are unlikely, current service levels for vulnerable families will be unable to be maintained.

The inadequacies of Mississippi’s fiscal system have limited the state’s capacity to meet a range of public needs, including public education and health care. Hurricane Katrina caused unprecedented destruction in the heavily populated coastal counties and the mass evacuation of thousands of coastal residents. The hurricane also took a dramatic toll on the state’s gaming revenue, with an estimated 26.2% drop in gaming revenues. At the same time, the Legislative Budget Office failed to recommend an increase in funding to agencies charged with assisting displaced working families. The combination of these conditions led OSF to join with other foundations and the Center on Budget and Policy Priorities in 2006 to support creation of a State Fiscal Analysis Initiative group in Mississippi. The state continues to face budget challenges brought about by the recession as well as the BP oil disaster and its impact on coastal industries.

The state has had to cut services and budgets. The inadequate funding of basic state services imperils many aspects of Mississippi society and falls particularly hard on working families, children, seniors, people of color, and people with disabilities. The increasing gap between available revenues and the cost of providing needed services is not merely the result of a damaged economy, but also of structural problems caused by the state’s unstable revenue system.

Over the past six years, the Mississippi Economic Policy Center has grown from no capacity at all into a small state based public policy center that has strong relationships with the nonprofit community and local media. Its credibility is well established and has led to talk radio interviews, multiple data requests from the state’s advocacy

community, and opportunities to testify before the Mississippi state legislature about enhancing fiscal policies that support low-income families.

While MEPC has had success on responding timely to revenue and budget issues, the organization does recognize that it could broaden its impact by elevating timely responses as a priority – especially with the media. In past instances, MEPC has not responded in a timely way when it was not confident that it had all of the information necessary to respond in credible manner. Two things have been identified to improve MEPC’s timeliness. First, the organization must be more engaged in emerging budget and tax issues outside of the legislative session. MEPC has developed a network of political affairs advisors to identify forthcoming issues and useful analysis outside of the session. The identification will give MEPC the time to develop the expertise, products and message to respond. No additional financial resources are needed to build these capacities; however, MEPC could benefit from communications technical assistance to enhance the timeliness and credibility balancing act.

The SFAI network provides a mutually supportive network not only for the organizations involved, but also for the national funders of those organizations. The national funders’ collaborative includes the Ford, C.S. Mott, Annie E. Casey, Stoneman Family, and Kellogg Foundations, as well as OSF. It also includes some of the state-level foundations that support just one of the groups (among the most actively engaged are the Z. Smith Reynolds Foundation in North Carolina, the Fund for New Jersey, the Irvine Foundation in California, and the Gund Foundation in Ohio.). Technical support and other services for SFAI groups are provided largely through the Center on Budget and Policy Priorities (CBPP). CBPP plays a role, and the funders are involved jointly, in decisions about grant renewals and assessments of state organizational performance. Although OSF’s decisions to renew its SFAI grants are its own, all of the national funders and three staffers at CBPP read and discuss the grant proposals. Thus any decisions are based on a full discussion, informed by awareness of all the state fiscal groups and can be comparative.

While OSF’s involvement in SFAI has shifted from several portfolios, including the now defunct program on “devolution” of services to the states; Strategic Opportunities Fund; Democracy Fund; and, for this recommendation the City-State initiative (as detailed in the prior recommendation for the Louisiana Budget Project), these organizations remain central to efforts to build well-informed movements for fiscal policy changes at the state level. They play an important role in federal budget and tax debates as well, providing national policy groups with links to state-based experts, organizers, and constituencies.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido, in consultation with Strategic Opportunities Fund director Erlin Ibreck.

**Grant ID:** 20037394

**Legal Name of Organization:** ProgressNow Education

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support research on the negative effects of the American Legislative Exchange Council (ALEC) on state policies, institutions, and infrastructure

**Grant Description:** A grant to provide ProgressNow Education, a national network of 21 state-based online advocacy and communications organizations, with project support to cover a full-time research position and associated research activities for its work in “ALEC Exposed,” a collaborative national effort to highlight the negative effects of the American Legislative Exchange Council (ALEC) on state policies, institutions, and infrastructure. The researcher will work directly with state ProgressNow Education entities and allies nationally and on the ground to research, create, and publicize state-based reports highlighting ALEC’s agenda and modus operandi. This grant advances a Democracy Fund goal of providing high quality, strategic research to advance multiple open society priorities. It also complements a small number of other recent grants designed to spotlight and counter the influence of ALEC in state and national policymaking.

**Previous OSI Support:** \$250,000  
\$250,000 from the Seize the Day Initiative (2009)

**Organization Budget:** \$360,150

**Project Budget:** \$126,980

**Major Sources of Current Support:**

Progress Michigan	\$7,000
Progress Missouri	\$7,000
Granite State Progress	\$7,000
Keystone Progress	\$7,000
Progress Florida	\$4,200

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21114)

**Term:** 1 year, beginning September 1, 2012

**Matching Requirements:** n/a

## **Description of Organization:**

ProgressNow Education's network of 21 state-based 501(c)3 organizations is dedicated to improving communications strategy and delivery in the progressive movement. ProgressNow Education has state partners in California, Colorado, Florida, Iowa, Georgia, Massachusetts, Michigan, Missouri, Minnesota, North Carolina, Nebraska, New Hampshire, New Mexico, Nevada, Ohio, Pennsylvania, Texas, Utah, Virginia, Washington and Wisconsin. Its mission is to educate the public and build up the progressive movement by creating and combining a strong communication infrastructure, leveraging earned media, providing timely analysis, and harnessing the power of the Internet through a network of state-based affiliates. ProgressNow is the independently incorporated 501(c)4 sister organization to ProgressNow Education.

ProgressNow Education's state network entities:

- *Conduct communications year-round, drawing traditional and online media attention to a wide range of progressive issues and solutions.* The Minnesota affiliate launched the first-ever "thank you taxes" campaign coinciding with the usual anti-tax day rallies on April 15. The result was a much more balanced story on taxes – and national attention.
- *Conduct accountability campaigns on leaders and organizations that other groups cannot or will not do.* Sometimes ProgressNow affiliates need to be "the messenger of last resort." Its ALEC work, highlighted below, is a great example of what happens when progressives fight for transparency, honesty, and countering corporate power in our government.
- *Continually expand progressive online/offline grassroots networks by bringing new people into the fold and taking conversation beyond the obvious.* This can mean finding creative ways to bring attention to important issues. For example, ProgressNow Education paid for small planes to fly over events like college football games and NASCAR events, pulling banners urging people to text decision makers about rising school tuition and to visit select websites to learn about important issues. The cost of renting the planes was minimal, but the impact – and subsequent growth of their email and supporter lists – was big.
- *Build other progressive organizations in their states by providing core communications capabilities as needed.* Where appropriate, affiliates take leading roles in 501(c)3 coordination tables around message coordination and delivery. In Michigan, ProgressNow Education worked with more than 100 groups around messages on budget battles and the need for more revenue to help the poor, elderly, and underserved who were seriously affected in the economic downturn.

ProgressNow and ProgressNow Education have a talented, scrappy staff of just a handful, relying heavily on the relationships built with state affiliates to support and leverage their work. Denise Cardinal is the executive director of ProgressNow Education and its c4 and is the founder of the ProgressNow Minnesota affiliate – which has risen to be one of the most influential left-leaning groups in the state. Cardinal has a strong reputation in the state and has served in the communications realm for a significant time, including five years as senior press officer for the National Education Association and as the press secretary for U.S. Senator Kent Conrad. She has worked at newspapers in Idaho, Iowa, and Nevada.

ProgressNow Education's board represents critical players in the progressive movement, including the executive director of State Voices, a Democracy Fund grantee; Cristina Uribe, a senior political staffer at the National Education Association; Ted Trimpa, a Democracy Alliance Board member and donor advisor to Tim Gill, a prominent, Denver-based philanthropist; and Rob McKay, president of the Democracy Alliance and the McKay Family Foundation, which supports community-based organizations working for long-term social, political, and economic progress, among others. The organization's finances are generally strong at the national level, where it receives steady support from progressive individual donors and labor unions, and more varied among its state affiliates, who raise small donor support and receive in-state support from individual donors and, occasionally, from foundations.

### **Description of Program for Which Funding Is Sought:**

ProgressNow Education seeks to expand its state-based ALEC research effort in 2013 legislative sessions by further investigating the corporate ties and communications among state legislators and ALEC and bringing this information to light for the public and media. Through the research project, ProgressNow Education will hire a full-time national researcher to help states investigate, assemble, and publicize the specific details of how ALEC is impacting state-level lawmaking.

The researcher will work with at least 12 state ProgressNow Education entities to produce in-depth, issue-based, state-specific reports that dig into the ties of ALEC to the lawmakers in their legislature. ProgressNow Education will look into the role ALEC plays in privatization of public services and to show the direct line of corporations buying influence through ALEC, changing privatization laws to benefit themselves and the subsequent effects of these efforts on communities of color and low-income communities. The reports will also investigate the direct communications that lawmakers have with lobbyists for large corporations, specifically those corporations that benefit from privatization of public services, relaxing of environmental regulations, and restricting the rights of communities of color, women, and the LGBTQ community.

When the state-based reports are completed, ProgressNow Education and its state affiliates will share findings nationally. One of the most effective pressure points has been in exposing the way ALEC uses its “business” approach to writing state laws. Continuing to point this out, along with pushing corporate accountability campaigns with partner groups, will contribute to additional ALEC exposure nationally.

ProgressNow Education will also serve as a complementary resource, to organizations including USP grantee Color of Change, for rapid response activities related to ALEC developments – such as an environmental accident or when a voter ID court case has a ruling.

In order to measure the effectiveness of this project, ProgressNow Education will monitor the following:

- Media coverage, in state and nationally, of ALEC, particularly as it relates to the specifics in the reports produced and publicized. It projects at least one major market news story for each report that is released.
- Policy changes as they occur in a state, or nationally, in relation to the laws written by ALEC and exposed in the reports produced. It would like to see at least three states make policy changes.
- Statements and actions made by politicians and corporations. It expects at least 12 statements from politicians and corporations to happen as a result of reports during this time period.
- Continued exodus of ALEC members who leave the organization – several dozen have pulled their memberships to date.
- Continued exodus of corporations that leave ALEC. Color of Change’s leadership, post Trayvon Martin killing has led to nearly 20 primarily consumer oriented corporations pulling their ALEC memberships.

ProgressNow Education will do this work in coordination and collaboration with national partners of the ALEC Exposed network. These include the Center for American Progress, Color of Change, Common Cause, Center for Media and Democracy, Media Matters for America, and People for the American Way

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a one-time project grant of \$100,000 over one year to ProgressNow Education to support its ALEC Exposed state-based research. We make this recommendation in recognition of ProgressNow Education’s work to provide timely, strategic, and hard hitting research to expose the negative impacts of the American Legislative Exchange Council on open society priorities and the most marginalized constituencies.



The American Legislative Exchange Council has been tremendously effective in advancing model policies that advance a conservative agenda and the financial interests of its corporate backers. Through its shadowy “pay to play” system of financing its work, corporate and ideological donors invest in ALEC, draft model public policies, disseminate the policies to ALEC’s legislative members across the nation, and have direct access, via conferences and junkets, to hundreds of legislators nationwide. ALEC has systematically and efficiently inserted legislation at the state level that often takes away voting rights, eradicates environmental regulation, seeks to privatize prisons and public education, cuts funding for health care, and attacks collective bargaining rights. Much of this happens in a fast-paced environment at state capitols and, at times, the votes are snuck in at questionable times. In North Carolina in early January 2012, for example, a midnight vote to strip teachers unions of their right to collect union dues was called with only the Republican majority present.

For communities of color, particularly the African American and Latino communities, ALEC’s agenda has been particularly dangerous. ALEC backed legislation to change voting laws, privatize prisons, gut pollution controls, and weaken gun control have disproportionately and adversely impacted communities of color.

The progressive and open society counters to ALEC are either too small, too siloed, or too tame. Prior efforts – including the Center for Policy Alternatives – couldn’t develop sustainable funding and had to close up shop. Current efforts, such as Democracy Fund grantee Progressive States Network, remain too small. Others focus on one issue area or are unwilling to play the hardball tactics that are necessary to advance public policy.

Since the killing of Trayvon Martin, shining the spotlight on the “stand your ground” law, and the rash of voter suppression laws that have been advanced nationwide, the focus has turned to the role of ALEC. The organization does not seek public attention and prefers to operate in the shadows. Thanks to the work of Color of Change and the Center for Media and Democracy at the national level, ALEC has lost several dozen legislator members and nearly 20 of its corporate backers.

ProgressNow Education now seeks to increase the focus on ALEC at the individual state level, where it provides an edgy, rapid response network of state-based communications entities in 21 states. These groups have proven indispensable in providing communications and grassroots online support for state-based policy victories.

For its work to spotlight ALEC’s influence at the state level, ProgressNow Education was asked by several national organizations to spearhead the effort. Its affiliates have already produced and released in-depth reports in ten states – Florida, Minnesota, Missouri, New Hampshire, Ohio, Pennsylvania, Texas, Utah, Virginia, and Wisconsin – and aided in the release of reports in two states, Arizona and Maine. It is preparing to draft and release reports from seven more states – Indiana, Michigan, New Hampshire, New Jersey, North Carolina, Ohio, and Pennsylvania – over the next few months. These reports have gained widespread attention in in-state political arenas. For almost forty years ALEC has largely been attempting to keep its name out of the press, content to win conservative policy victories via behind the scenes puppetry. Due in large part to their work on both the state and national stages, there is now an average of over 2,000 news hits per week (according to Google News) that focus on or include mention of the American Legislative Exchange Council.

An ongoing role that ProgressNow Education plays in the states is to “pull back the curtain” of ALEC’s activity to show how controversial legislation is “cut and paste” language from one state to the next. ProgressNow Education’s state affiliates have helped write and release reports about the influence of ALEC on their respective state legislatures, leading to increased coverage of the ties between ALEC and the legislators involved, stories about state funds and taxpayer dollars inappropriately paying for legislators to attend ALEC conferences, and the large corporate influence these ALEC conferences have on the laws enacted in these states.

ProgressNow Education is unique in this mix because while other groups have some state-based reach, it is the closest to the ground when it comes to connecting with local media and local groups. ProgressNow Education

state entities are uniquely positioned to help progressive allies with message, development, coordination, and delivery.

Due diligence and assessment for this recommendation has been conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037325

**Legal Name of Organization:** Ballot Initiative Strategy Center Foundation

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support a research project exploring ballot initiative and referenda patterns and how voters respond to direct democracy as a tool.

**Grant Description:** The Ballot Initiative Strategy Center Foundation (BISCF), based in Washington, DC, is a 501c3 organization that serves as the only permanent progressive research and capacity-building organization focused exclusively on ballot measures. In recent years, citizen driven initiatives and referenda have affected fiscal policy, criminal justice, education, immigration, LGBTQ, and drug policies, often for the worse. Through this project, BISCF will conduct research to assist progressive and open society advocates in using ballot initiatives as a proactive tool to bring about good public policy and enhanced civic engagement. This grant advances Democracy Fund goals through its provision of high level research, public education, and strategic communications on multiple open society priorities that impact the most marginalized communities.

**Previous OSI Support:** \$510,000  
    \$165,000 from Government and Politics (2001-2004)  
    \$100,000 from Progressive Infrastructure (2007-2008)  
    \$225,000 from Democracy Fund (2009-2011)  
    \$20,000 from Equality and Opportunity Fund (2012)

**Organization Budget:** \$705,000

**Project Budget:** \$750,000 over two years

**Major Sources of Current Support:**

Institutional, primarily unions	\$150,000
Ford Foundation	\$100,000
Wellspring Advisors	\$25,000
Gill Foundation	\$25,000
Board Contributions	\$50,000
Individual Contributions	\$50,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21114)

**Term:** 1 year, beginning August 1, 2012

**Matching Requirements:** n/a

## **Description of Organization:**

The Ballot Initiative Strategy Center Foundation (BISCF), a Washington, D.C. based organization, was founded in 1999 to provide research and analysis on the use of the ballot initiative and referenda process by the right-wing. Since its founding, the BISC Foundation has grown from a small, niche research operation operating in a largely reactive context to a nationally recognized clearinghouse that catalyzes more effective proactive engagement on ballot measures from progressive and open society constituencies. BISCF is the 501(c)3 companion to the Ballot Initiative Strategy Center, a 501(c)4 organization.

Following the transition from its first executive director in 2010, BISCF's current executive director, Justine Sarver, has reorganized the organization's work on programs that advance its mission via:

- Partnerships and Collaboration
- Research
- Proactive Strategies
- Ballot-Measure Reform
- Communications

By focusing on these five program areas, BISCF is best able to serve the progressive ballot-measure community and ultimately benefit women, working people, immigrants, the LGBT community and other underrepresented communities.

Prior to joining the Ballot Initiative Strategy Center and BISCF, Sarver worked for the election and transition of President Obama and served as deputy chief of staff in the office of Department of Health and Human Services Secretary Kathleen Sebelius. Sarver has also served as director of organizing at the American Civil Liberties Union of Northern California – the country's largest ACLU affiliate – and vice president and political director of Planned Parenthood Affiliates of California, where she led successful campaigns against restrictive, anti-reproductive health ballot initiatives, including complex "parental notification" fights.

Sarver has established a strong reputation for BISCF and its small staff of seven. The organization has become a relied upon resource for funders, advocates, unions, and others impacted by ballot initiatives. The organization's board is comprised of key strategic partners, including several leaders from OSF grantees, including senior leaders from the ACLU, Center for American Progress, Center on Budget and Policy Priorities, and State Voices.

BISCF has typically provided public opinion research, media tracking, and strategic campaign guidance to advocates facing – or seeking to launch – initiative or referendum (I&R) campaigns in the two dozen states where the process is permitted in state constitutions. It has played an important role in advising state-based advocates on stopping: conservative attacks on affirmative action; Grover Norquist's state-based tax policy Holy Grail, the right-wing "Taxpayers' Bill of Rights (TABOR)"; limits on reproductive health access; the denial of immigrant rights; proposals to gut public employee collective bargaining; and attacks on public education spending. While the I&R process has been more regularly utilized by conservative entities, proactive efforts to advance open society friendly policies, including raising the minimum wage, establishing paid sick days for workers, advancing marriage equality, and legalizing medical marijuana have all benefited from BISCF's work.

For OSF, BISCF was consulted and contracted – following suggestions from USP staff, Board President Sherrilyn Ifill, and acting executive director Diana Morris – to assess the Maryland DREAM Act campaign and its interplay with the referendum on marriage equality. Both questions, conservative driven referenda to repeal progressive legislation, will appear on the Maryland's November ballot. The BISC Foundation helped Maryland partners think through the broader impacts on both immigrant rights and LGBTQ movements if one or both should win (or lose). BISCF facilitated a strategic discussion about voter communication strategies regarding both issues, as well as the possibility for developing a broader "coalition" message related to communities of color and issues of

equality. This is particularly important in Maryland, where African American voters comprise roughly a third of voters. OSF's support and BISCf's strategic leadership were especially critical in Maryland because it does not typically have heavy usage of the ballot measure process, let alone referenda on two hot-button social issues that will compete not only for votes, but for finite resources.

### **Description of Program for Which Funding Is Sought:**

The Ballot Initiative Strategy Center Foundation's project involves conducting public opinion, field, and post-election analytical research to better understanding how voters experience ballot measures. The research will clarify how and when voters make decisions about voting on ballot measures, what emerging issues have resonance with voters, and what inspires or suppresses voter participation on initiatives or referenda.

As 2012's election cycle heads into the home stretch, BISCf's leadership has identified an important need for progressive and open society advocates to think more proactively about ballot measures in the states where the process is constitutionally permitted. This direct democracy process is increasingly used, and not just in the states where it has been most active – Arizona, California, Colorado, and Oregon – and in the past, progressive advocates have operated in a largely reactionary mode, allowing right-wing forces to utilize the process to drive public policy, scapegoat marginalized communities, and drive voter participation from conservative constituencies. Recognizing that neither it nor the broader progressive advocacy community had adequate capacity to more aggressively utilize the process in a proactive fashion, BISCf recently hired a proactive strategies director to identify and advance innovative policies for ballots in 2013 and beyond.

OSF funding would enhance the BISC Foundation's research into proactive ballot measure opportunities and will support its work with partners to develop and deliver a successful national strategy. Specifically, this project will focus on convening prominent progressive thinkers to generate ideas for testing, polling, and focus groups and then present these findings to state and national partners. This research will assist advocates in understanding which policies will be most successful.

With this project, BISCf predicts that in ten years progressives will be able to more effectively, consistently, and affirmatively use ballot measures as public policy and civic engagement tools, including to:

- Activate and turn out core progressive voters;
- Advance good public policy;
- Build organizational, field, and constituency-based capacity; and
- Support in-state advocacy and civic engagement infrastructure.

BISCf is committed to keeping proactive strategies front and center, even as its allies must fight the defensive battles of the day. Strategic proactive initiatives work best when they do all of the following: (1) Move the progressive agenda forward or open new areas for it to grow; (2) reinforce a progressive framework and agenda; (3) mobilize the progressive base; and (4) divide or disorganize the right wing's base.

BISCf will evaluate the success of its efforts through a series of questions:

- Do progressive and open society advocates have ideas that engage the people they care most about and that will make a measurable difference in their lives?
- Are there well-funded, coordinated, and proactive ballot measures that “change the game” for progressives in 2014?
- How effectively were state and national leaders supported in collaborating to qualify proactive ballot measures, communicate effectively about them, and engage key communities?

The project's research will be conducted in 2013 as will a series of field convenings to discuss the findings and their applicability. By the end of 2013, organizations and funders alike will have a good sense of where and what

proactive measures are possible for 2014. The BISC Foundation has begun this effort by conducting research in Colorado, Florida, and Missouri, three states with fairly active ballot measure policymaking environments. In research over the next twelve months, staff and consulting researchers will take into consideration progressive wedge issues; ballot-measure reform ideas that bring integrity to the process; and issues that are important to voters but are not being effectively addressed by legislative bodies.

The Foundation's research will evaluate the impact of proactive measures on communities across the country, including (but not limited to) economically challenged communities, African Americans, immigrants, women, LGBTQ people, and others harmed by ballot measures that destroy human rights.

Beyond more tailored, state-specific strategic support, BISC will build a digital library – a password-protected resource – for allied organizations. The library will place a decade's worth of ballot measure resources a click away, ensuring that important analysis isn't lost when ballot campaigns end on Election Day. Pending funding, the library will debut later this year and will be searchable by state, issue, or area of expertise (communications, field, funding, or public opinion research, for example). A series of ongoing webinars are planned to ensure BISC's allies know about the tool and how to use it.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a project grant of \$100,000 over one year to support the work of the Ballot Initiative Strategy Center Foundation. We make this recommendation in recognition of BISC's work to provide high quality research and strategic guidance to enable progressive and open society advocates to more effectively utilize the ballot initiative process to advance sound public policy.

As public frustration mounts with elected bodies and leaders, political parties, and our big money driven democracy, the use of the ballot initiative and referenda (I&R) process is on the increase. To many voters, these processes provide an appealing direct democracy safety valve on what they perceive to be an unaccountable, gridlock addled, and out of touch political system.

That said, the I&R process is far from ideal. It, too, is money driven, with paid signature gatherers frequently used to place issues on the ballot, deliberately misleading ballot language, and massive amounts of spending in each election cycle. For four decades, the process has been dominated by right-wing forces seeking to push proposals that are carefully crafted to scapegoat unpopular communities or ideas, push conservative voter turnout, and advance divisive public policy.

Progressive advocates have been estimated to spend nearly a billion dollars on ballot fights over the past ten years, largely to defend against conservative attacks. With rare exceptions – raising the minimum wage being the most prominent – progressive and open society advocates have been stuck on defense, watching the right-wing effectively utilize the I&R process to “divide and conquer.” While many good government advocates continue to decry the process as an assault on representative democracy, it's clear that the process is not going away.

In order to more effectively and proactively use ballot measures as a tool for change, there is a great need for strategic thinkers who can rise above a particular campaign cycle and maintain focus on long-term, proactive research, analysis, and planning. Acting proactively, this process can ultimately benefit women, working people, immigrants, the LGBTQ community, and criminal justice and drug policy reformers.

The Ballot Initiative Strategy Center Foundation is ideally poised to undertake this work. It is the only progressive organization that is focused solely on ballot measures and has a track record of successful partnerships with state and national labor groups, its leaders have a long history with, and hands-on experience running, campaigns, and its financial and informational resources are growing. To many advocates, it is seen to

be responsive, accessible, strategic, and well connected, with an ability to balance a thoughtful look at national trends with a deep commitment to building state-based public policy and civic engagement capacity.

Responding to prior constructive critique from the Democracy Fund and others about the limitations of its reach and the breadth of its relationships beyond labor and pro-choice constituencies, BISCf has spent the past two years expanding its reach to more communities, especially groups committed to LGBTQ equality, racial justice, and immigrants' rights. It has also increased its work with individual donors and foundations, including the Carnegie Corporation and the Gill Foundation, relationships that will be essential for the collaboration required to build a national progressive strategy for ballot measures.

The project that this recommendation seeks to support, addresses a BISCf identified need to better understand voter attitudes and behaviors around ballot measures. Although a significant amount of research goes into individual ballot-measure campaign efforts, no progressive research to date has sought to look at ballot measures holistically to discern how they function in the broader electoral environment. It's clear that the right-wing has integrated ballot measures into its repertoire for many years and it has been effective in shaping public policy in the process. There is a critical need for research that looks beyond issue silos and across state lines, enabling progressives and open society advocates to make better decisions about messaging, voter turnout, campaign tactics, spending, and national and state strategies.

BISCf tested whether this project was needed following significant due diligence. In 2011, it surveyed major progressive polling firms, including Greenberg Quinlan Rosner Research, Benenson Strategy Group, Feldman Group, Lake Research, and Anzalone Liszt. The team also reached out to national labor unions, which often pick up the tab for multimillion dollar ballot measure campaigns, and no one was planning this type of analysis of voter patterns and motivations. The Foundation continues to have conversations with a wide spectrum of organizations, including America Votes, Center on Budget and Policy Priorities, Leadership Conference on Civil and Human Rights, and the Gill Foundation. All have agreed that this type of research and emphasis on proactive ideas is critical to the advancement of more progressive public policies.

Despite the confidence expressed in BISCf via the endorsement of this project and its broader work by key advocates and funders, there is risk. It is possible that large, political institutions may be unwilling to participate in developing a collaborative strategy or to invest financially in a proactive plan because there are so many defensive battles to fight. Given the several decade long dominance of the initiative and referenda process by the right-wing, some organizations may be less than enthusiastic about proactive ballot measures, particularly given limited resources.

Nonetheless, the initiative and referenda process continues to occupy a significant place in the national policymaking context, and not simply in those states where it is used. It is an indicator of voter frustrations and aspirations and its use is on the rise. For these reasons, as well as the credibility of BISCf's work and its reputation, Democracy Fund staff believe that the challenges noted above can be overcome and that this research project will support the work of many.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg. Both have worked on state-based ballot initiatives and referenda, including contact with the Ballot Initiative Strategy Center, prior to OSF. The Fund has supported BISCf since 2008 and USP support has been provided, on and off, since 2001.

**Grant ID:** 20037444

**Legal Name of Organization:** Alliance for a Just Society

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the Main Street Alliance

**Grant Description:** The Seattle-based Alliance for a Just Society, founded in 1993, serves to execute regional and national campaigns and to build strong state affiliate organizations and partnerships that address economic, racial, and social inequities through grassroots organizing, research, and policy work. The Main Street Alliance (MSA), a project of the Alliance, creates opportunities for small business owners to speak for themselves to advance policies that benefit small businesses, their workers, and the communities they serve. This multi-fund grant supports MSA's work to amplify the perspectives of small businesses in the advancement of social justice and open society. The grant will provide general support as well as project support to promote small business voices for fair immigration reform and to challenge money in politics.

**Previous OSI Support:** \$550,000  
\$200,000 from Seize the Day (2009)  
\$200,000 from Democracy & Power Fund (2010)  
\$150,000 from Transparency Fund (2010)

**Organization Budget:** \$2,052,025

**Project Budget:** \$942,450

**Major Sources of Current Support:**

Ford Foundation	\$375,000
Atlantic Philanthropies	\$100,000
Bauman Foundation	\$25,000
Tides Foundation	\$25,000
Americans for Tax Reform	\$20,000
Northwest Health Foundation	\$20,000

**Amount Requested:** \$500,000

**Is this a contingent grant?** No

**Amount Recommended:** \$700,000 (\$500,000 from Democracy Fund, T1: 21114; \$150,000 from Transparency Fund, T1: 21109; and \$50,000 from Equality and Opportunity Fund, T1: 24449)

**Term:** 2 years, beginning October 1, 2012

**Matching Requirements:** n/a



### **Description of Organization:**

The Alliance for a Just Society, founded in 1993 as the Northwest Federation of Community Organizations (NWFCO), is a Seattle-based intermediary organization that develops strong state-based, grassroots organizations, builds power through a combination of grassroots organizing and research and policy work, and executes regional and national campaigns for racial, economic, and social equity.

### **Description of Program for Which Funding Is Sought:**

The Main Street Alliance (MSA), a project of the Alliance for a Just Society, creates opportunities for small business owners to speak for themselves to advance policies that benefit small businesses, their workers, and the communities they serve.

The Main Street Alliance works with more than 10,000 small business owners via its affiliates in 15 states. MSA seeks to engage and mobilize small business owners on a range of issues, advancing a small business values frame that links the interests of business owners to the needs of the communities that sustain them. MSA also seeks to counter and challenge the legitimacy of conservative business interests, such as the U.S. Chamber of Commerce and National Federation of Independent Business, to speak for small businesses. To do this, the MSA has built a network of committed small business leaders whose words and actions are shaping public debates and impacting policy in key arenas including health access, job quality, responsible taxes, immigration reform, and money in politics.

During the fight to pass the Affordable Care Act, the MSA set out to engage and mobilize sizable numbers of small business owners in order for them to tell their stories to build support for health care reform. After playing a critical role bringing small business voices to the debate, in states and in Washington, D.C., the MSA expanded its focus in 2010 to bring small business voices to the table on other issues that matter to small businesses, their employees, and local communities.

MSA's staffing model combines a focus on grassroots organizing at the state and local levels with national coordination to aggregate the power of state work into a strong national presence. MSA national staff coordinate national issue campaigns, provide training and strategic planning support to state partners, develop goals, deliverables, and model organizing plans, produce model materials and research products, organize national action days and other tactics, engage national policymakers, conduct media outreach, and facilitate the alliance's national steering committee.

MSA leadership consists of LeeAnn Hall, the Alliance for a Just Society's executive director since its founding as the Northwest Federation of Community Organizations in 1993, and Sam Blair, MSA's project director. Hall has 35 years of community organizing experience and guides the development of campaigns and reports. She is a recipient of leadership awards from the Ford Foundation, the Advocacy Institute, and the Robert F. Wagner Graduate School of Public Service at New York University and serves on the board of the Applied Research Center and the Fair Immigration Reform Movement network. She is on the advisory committee for a Democracy Fund initiated effort to research the white working class.

Blair has worked with the Alliance for a Just Society and its affiliates since 2002. He worked as a community organizer and then lead organizer with the Idaho affiliate, the Idaho Community Action Network, from 2003 to 2006. In Idaho, Blair developed grassroots leaders, coordinated leadership teams, and organized issue campaigns supporting public health care programs, launching his first small business outreach and organizing drive in 2005. As MSA's project director, he coordinates ongoing strategic planning, training, organizing, and policy support to MSA project partners at the state level and spearheads national campaigns.

MSA state organizers conduct grassroots outreach drives, leadership development, state-level actions and activities, outreach to state decision-makers and opinion leaders, and state media work. State organizers work closely with (and in some cases are embedded within) state partner organizations to tap into existing relationships, infrastructure, and intelligence, promoting alignment with partners and maximizing impact.

In the next phase of building the network, MSA leaders anticipate adding two new positions to the national team. One will focus on recruiting and engaging small business owners in states without a MSA affiliate, largely through online organizing strategies. Another will focus on small business research, policy development, and strategic communications.

The reputation of the staff and small business network leaders is strong. Democracy Fund staff have identified small business owners as a gap in open society civil society infrastructure. Earlier in 2012, staff hosted and facilitated a successful funder briefing to leverage additional resources for MSA, and are now working with peers at the Bauman and Ford Foundations to plan an early 2013 briefing that underscores the role of business leaders in advancing open society and progressive priorities. Our efforts on behalf of MSA have successfully leveraged new and increased resources from labor, individual, and institutional donors.

MSA has a national steering committee consisting of 22 small business owners and leaders from state and national partner organizations. This leadership team sets priorities for MSA and steers the development of outreach efforts, issue campaigns, research projects, and special initiatives. The executive committee, a subset consisting of small business owners from state coalitions, speaks or meets once a month as a group to handle short-term and quick turnaround decisions.

MSA is committed to serving a diverse small business constituency, and to fostering leadership and ownership that shares power among key constituent groups. The demographics of the organization's current base of business supporters include more than 50% women business owners, about 25% business owners representing people of color, and strong immigrant representation in several states.

Use of social media is a strong and growing priority for organizing and communications work at MSA. The organization is looking to invest more heavily in this area by adding online organizer to manage Twitter and Facebook (MSA started a page a year ago). With a target audience of small business owners, MSA has grown to 400 "likes" on Facebook and expects to double this with the hiring of dedicated staff. The organization currently has 750-800 Twitter followers, and uses this tool to build relationships with the media and promote story ideas. Use of Twitter in this way helps to combat the shrinking media landscape, which makes it more challenging to draw press coverage for MSA's work and to successfully pitch story ideas to journalists who are strapped for time and have no room or resources for deeper investigation and reporting.

MSA has started a major donor fundraising appeal at the state level, and is building momentum around grassroots fundraising in the states. The overall fundraising targets for affiliates are generally to match 2-to-1 the re-grants made from the national level (which have been in the range of \$20,000-\$25,000/year for core affiliates the last couple years) in order to fund a full-time organizer position and associated project costs. Generally this means affiliates are aiming to raise in the vicinity of \$20,000 from grassroots and donor fundraising, and another \$20,000 from foundations and in-state funders. This fundraising model appears solid and Democracy Fund staff will get quarterly updates to track its progress.

The total recommended grant exceeds what was initially requested by the Main Street Alliance. While MSA's initial request was to the Democracy Fund for a general support renewal, the organization was introduced to other USP funds via a 2010 money in politics project and the briefing for funders held earlier this year. Upon review of the proposal and discussion with Democracy Fund staff, the Transparency Fund and Equality and Opportunity Fund each identified small business voices as a compelling, underdeveloped voice in money in politics and immigration reform advocacy. Consequently, each fund is making a targeted, project support grant to complement the overall general support renewal.

Over the next two years, MSA will:

- Deepen and expand its organizational presence, its base of small business supporters, and capacities for engagement and mobilization in states across the country.
  - New small business supporter lists and leadership teams built and mobilized in five to six new states. Individual small business owners recruited and engaged in support of national issue priorities in an additional 15-20 states, bringing the MSA's footprint of states with active small business owners to 30-35.
- Prioritize leadership development with small business owners representing key constituencies and communities, and advance programs and policies that identify and address the particular needs of these business owners and the communities they serve.
  - Working relationships developed with four to five constituency-based small business groups and four to five other partner organizations that have leadership roles in issue work important to particular constituencies.
- Identify high-leverage organizing opportunities and deploy strategic tactics and action steps that engage small business leaders to advance issue campaigns, frame key debates with a small business values frame, and promote win-win policies at the state and national levels as a counter to the win-lose policies promoted by the U.S. Chamber of Commerce and the National Federation of Independent Business.
  - New frames and themes (such as the role of immigrant business owners as job creators, the importance of revenues and public investments to build the foundation for small business success) promoted to project small business spokespeople and small business messages to key target audiences and media.
- Develop next-level research and communications capacities and produce timely research products and communications pieces that add value to immediate campaigns, along with policy products that serve a longer-term agenda-setting purpose.
  - Increase reputation as a go-to source for timely, relevant research on small business and current issues and to open up a new dialogue about business-friendly policies and challenge entrenched assumptions.
  - Small business leaders featured regularly on local op-ed pages and periodically in national outlets.
- Continue to expand and diversify grassroots fundraising strategies to broaden the base of financial support for MSA and its state affiliates.
  - Base of funding support for MSA and affiliates broadened with hundreds of new small donors, hundreds of recurring donors, and 20-30 major donors.

Equality and Opportunity Fund staff recommend a project grant to Main Street Alliance to mobilize diverse small business voices to educate decision-makers, the media, and the general public in support of pro-immigrant policies and against enforcement threats. MSA will work specifically with immigrant business owners to highlight their role as job creators and community leaders, challenging the anti-immigrant "taking our jobs" frame. MSA will organize this project in alignment with state and national immigrant rights allies, including the Fair Immigration Reform Movement network and its members. Specifically, MSA will work with state affiliates/partners to implement local organizing projects that move small business owners into action in support of pro-immigrant public policy. MSA will facilitate:

- *Outreach*: Conduct store-to-store outreach to local business owners with a survey tool or sign-on statement, engage supporters, and identify potential leaders.
- *Relationship building and leadership development*: Hold one-on-one relationship building meetings with small business owners, collect stories/quotes, and secure commitments for future action steps.
- *Mobilization and media work*: Engage small business leaders in public events, meetings with decision-makers, speaking to the press, signing letters and op-eds, and rapid response activities.

Transparency Fund staff wish to support MSA's work around money in politics, recognizing that small business leaders have demonstrated the effectiveness of small business messengers in delivering compelling, values-based arguments about the harmful influence of corporate money in American politics. MSA leaders have spoken at *Citizens United* anniversary events, held roundtables with public officials, challenged the spending of the U.S. Chamber of Commerce, and penned op-eds, wielding small business values in a powerful critique of corporate political spending. This project will mobilize diverse small business voices to continue advancing this critique and building small business and public support for remedies including disclosure reforms, clean elections policies, and fair courts. Goals and activities for challenging money in politics include:

*State Work.* MSA will work with affiliates and local partners to implement state-based projects that inject diverse small business voices into state-level efforts to challenge the power of corporate money in politics. Examples of state activities include:

- *Conduct small business and public education campaigns* about the impact of corporate money in politics on small businesses and advance policy remedies (disclosure rules, public financing, etc.).
- *Organize activities showcasing small business owners challenging political spending by the U.S. Chamber and other groups*, undermining these groups' claims to speak for all small businesses.
- *Engage small business owners in local organizing efforts* to build a foundation for long-term solutions (e.g., a constitutional amendment on money as speech and corporate personhood).

*National Work.* MSA will work with affiliates to coordinate tactics and action steps across states for maximum impact and partner with national allies to advance aligned strategies. Activities include:

- *Main Street Voices op-ed project:* Work with small business owners to write and place op-ed pieces advancing a small business critique of corporate political spending.
- *Rulemaking campaigns:* Continue to bring small business voices to the table in support of the Corporate Reform Coalition's campaign for new Securities and Exchange Commission rules requiring disclosure of publicly traded companies' political spending.
- *Political spending research and strategic media work:* Conduct research into the political spending and IRS filings of business lobbies and "social welfare" groups to uncover story angles; execute direct pitching and other strategies to draw media coverage of these stories.
- *Judicial independence work:* Work with fair courts allies to develop and execute 2-3 small business-focused interventions in support of judicial independence at state or national levels.

### **Rationale for Recommendation:**

U.S. Programs recommends a grant of \$700,000 over two years to the Main Street Alliance. We make this recommendation in recognition of its unique and high impact work to engage small business owners in multiple open society advocacy priorities. Within this recommendation, the Democracy Fund recommends a general support grant of \$500,000 over two years, the Equality and Opportunity Fund recommends a project grant of \$50,000 to promote immigration reform and the Transparency Fund recommends \$150,000 for a project challenging money in politics.

The Main Street Alliance fills a unique role in the open society advocacy world. While other small business advocacy organizations are clearly embedded within entrenched, well-financed, and largely conservative institutions like the U.S. Chamber of Commerce or the National Federation of Independent Business, there is little in the way of promoting progressive small business interests. Historically, this constituency has been brought in at the last minute, to weigh in on policy matters, rather than to proactively organize in support of progressive, pro-small business issues. The claim of big business lobbies to speak for small businesses is challenged by MSA business owners and also by opinion leaders and the media.

While there are other advocacy organizations working with and/or for small business constituencies, including Business for a Shared Prosperity, the American Sustainable Business Council, and Small Business Majority, these groups have more narrowly defined campaigns and objectives. While MSA works with these groups on important issues – such as increasing the minimum wage, increasing access to bank lending, and promoting fair taxation – there is no organization building a national, multi-issue infrastructure by and for progressive small business owners. Rather than being siloed by issue area, the MSA is built to be nimble, pivoting with political opportunities while like-minded groups find themselves caught serving the interests of funders and members with a more myopic focus.

To this end, MSA has developed and advanced projects that grow and fortify the interests of its small business partners. It has grown a network of over 10,000 small business owners across 15 states and brought new and powerful small business voices to public policy debates, challenging the claims of entrenched big business lobbies to speak for small business. It also founded the Health Rights Organizing Project, a collaboration of 37 community organizations in 24 states committed to securing quality, affordable health care for all.

Recent examples of MSA's work include:

- **Winning Local Campaigns:** MSA played a key role in a campaign to establish paid sick days for workers in Seattle, leading to the passage of a new law by the Seattle City Council in September 2011. More than half of accommodation, food service, and retail workers do not have access to paid sick days and people of color are disproportionately denied access to paid sick days nationally. The Seattle ordinance was a big victory for low-income workers and people of color, and built new momentum for paid sick days advances across the country.
- **Reframing State and National Revenue Debates:** MSA affiliates projected small business voices into the public dialogue to shift the terms of state and national debates on budgets and deficits to refocus on revenue generation and job creation in 2011. Small business owners spoke at press conferences at their state capitols, executed media interviews to shape the news narrative, and penned op-eds for local and national media outlets.
- **A New Voice in Washington, DC:** MSA recruited and supported small business owners to fill spokesperson roles at 25 high-level DC events since 2009, including invited testimony at 11 official Congressional hearings, additional informal hearings and roundtables, events with senior Administration staff, press conferences with members of Congress, and other press events. While much of this activity was focused on the Affordable Care Act, the White House and Congressional leaders have reached out to have MSA involvement on tax fairness, bank lending, and money in politics issues.

This promising program does not come without its challenges. Against a well-funded opposition – the U.S. Chamber of Commerce's budget this year is said to be more than \$200 million – the Main Street Alliance is David to the U.S. Chamber's Goliath. Other lobby groups, including the National Federation of Independent Business, a state legislative powerhouse, or Americans for Prosperity, the Koch Brothers funded Tea Party hub, routinely invoke the good name of "small business" to advance a big business and special interest agenda despite being heavily funded by corporate interests.

Despite these ongoing macro challenges, Democracy Fund staff believe that its initial investment in MSA, to expand its strategic communications capacity, grow its membership and establish new state chapters, and take on additional open society advocacy priorities, has begun to pay off. The progressive-minded small business community has not been one to have been organized as a community, and staff sees this investment as similar to its prior faith-based investments in organizations that build strategic alliances, enhance communications capacity, conduct public opinion research, and expand local and state level grassroots advocacy on local and federal issues. For faith-based organizations, USP now has a sharp, nimble, and strategic hub for an ever important grassroots constituency.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037427

**Legal Name of Organization:** Pacific Institute for Community Organizations dba PICO National Network

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To support the PICO National Network, a 40-year-old, Oakland, California-based network of faith-based community organizations that brings the voices of local families and faith leaders to the public debate on national policies including health access, financial regulatory reform, housing justice, immigrants' rights, and criminal justice reform. With 55 organizations in 150 cities and 18 states, and with a collective membership of more than one million families from more than one thousand congregations, PICO is the nation's largest congregation-based community organizing effort. This grant advances Democracy Fund goals to invest in multi-issue organizations that generate ideas and hard hitting open society advocacy and that catalyze large scale civic engagement from the most marginalized communities.

**Previous OSI Support:** \$1,275,000  
\$775,000 from Democracy Fund (2009-2010)  
\$150,000 from Neighborhood Stabilization Initiative (2009-2010)  
\$350,000 from Seize the Day (2009-2010)

**Organization Budget:** \$12,066,708

**Project Budget:** n/a

**Major Sources of Current Support:**

Kellogg Foundation	\$3,000,000 (over three years)
Marguerite Casey Foundation	\$1,500,000 (over three years)
Sandler Foundation	\$1,000,000
Ford Foundation	\$900,000
Wellspring Advisors, LLC	\$600,000
Charles Stewart Mott Foundation	\$360,000

**Amount Requested:** \$600,000

**Is this a contingent grant?** No

**Amount Recommended:** \$600,000 (T1: 21113)

**Term:** 18 months, beginning May 1, 2013

**Matching Requirements:** n/a

## **Description of Organization:**

The PICO National Network, is a 40-year-old, Oakland, California-based network of faith-based community organizations that brings the voices of local families and faith leaders to the public debate on national policies including: health access, financial regulatory reform, housing justice, immigrants' rights, and criminal justice reform. With 55 organizations in 150 cities and 18 states, and with a collective membership of more than one million families from more than one thousand congregations, PICO is the nation's largest congregation-based community organizing effort.

PICO's mission is to create racial and economic justice in the United States by organizing people who are most oppressed by unjust systems and policies. PICO sees itself playing two critical roles:

1. Bringing the influence of low and moderate-income families directly into the political process so that policy campaigns engage and are accountable to the people they are designed to help; and
2. Organizing a strong and diverse faith voice around policy changes that revitalize communities and strengthen families.

PICO is led by Scott Reed, its executive director, who joined PICO in 1976 as a community organizer and in recent years has led its growth and transformation. He is an experienced community organizer and has founded some of the most successful community organizations in the United States; including the Oakland Community Organizations, and the West 7th Street Federation in St. Paul, Minnesota. Between 1987 and 1995 Scott served as executive director of the San Diego Organizing Project, where he led organizing campaigns that won the nation's first large city-wide community policing department and created "Learn and Earn," a national model for connecting high school curriculum to career preparation.

There are two major bodies that guide decisions for PICO: the board of directors and the national steering committee. The board functions to provide legal and fiscal oversight and the national steering committee functions to establish organizing plans and lead PICO's collective work. The national steering committee has two members from each state federation. The board includes two members of the national steering committee. Board members are nominated by a committee and then approved by the board as a whole. The board is comprised of a mix of affiliate leaders as well as community members and has sixteen members, 38% of whom are people of color and 31% of whom are women. The Democracy Fund has worked solely with national and some affiliate staff and has not yet had board engagement.

PICO has had a ten to twelve million dollar budget for the past three years. The majority of PICO's income is from foundations, with significant annual investments of \$500,000 or more from the Atlantic Foundation, Sandler Family Foundation, California Endowment, and the Ford Foundation. In addition, they receive some corporate funding as well as network fees from their federation affiliates.

Approximately five years ago, PICO launched an intentional effort to address its diffuse and intensely locally rooted affiliate structure and to begin to channel its power at the national and state levels. This move required it to partner more closely with other organizations, including organizations that are now close partners, including National People's Action (also recommended for renewal in this docket), SEIU, the National Domestic Workers Alliance, the Center for Responsible Lending, and the Center for Community Change. PICO has since taken on a national leadership role in fighting for policies to prevent unnecessary foreclosures, and integrated its network into the broader fight for financial regulatory reform as well as immigration reform.

Following several years of leadership in fighting to establish and expand the national SCHIP health program for children, PICO played a leadership role in building large scale faith and community support for the Affordable Care Act. Inspired by Michelle Alexander's *The New Jim Crow*, it is now engaging its clergy and community membership to work on ending youth violence and advancing mass incarceration. Some examples of PICO's affiliate work on these issues include:



1. Missouri Faith Voices, a PICO affiliate, anchored a joint effort with labor and organizing groups to advance two state ballot initiatives; one to cap payday lending and a second to increase the minimum wage. This local coalition is working closely with the Center for Responsible Lending, bridging national and local efforts.
2. PICO also works closely with Public Campaign to engage in fights concerning the influence of corporate interests on government policy. In November 2011, PICO and Public Campaign jointly released the publication, “Unholy Alliance: How the private prison industry is corrupting our democracy and promoting mass incarceration.” PICO’s Florida affiliate partnered with other grassroots organizations to defeat proposed state legislation that would have created the largest private prison in the United States.

In terms of its national campaigns, PICO continues to lead the “Bring Health Reform Home” campaign. This past June, the campaign won \$14.6 million in funding for health care “hot spot” pilot projects in Allentown, Pennsylvania, Aurora, Colorado, Kansas City, Missouri, and San Diego. This innovative model is based upon one that was established by PICO’s affiliate in Camden, New Jersey. The funding comes through the Affordable Care Act and will go to health clinics and public hospitals in each city to provide better care at lower costs to the most vulnerable people in those communities.

PICO’s leadership on immigration reform and immigrants’ rights has four strategic elements: an immigrant integration scorecard; local alliances with partner organizations, critical decision-makers, enforcement agencies, and other unlikely allies; a federal policy task force made up of member leaders, clergy, and staff; and a strategic partnership with the United States Conference of Catholic Bishops and the networks of Catholic churches. The organization is currently collaborating with the immigrant youth DREAMers movement to engage in civic engagement efforts to increase Latino participation in November.

PICO’s Financial Reform & Economic Justice Campaign has worked to hold banks accountable on unjust foreclosure policies, reduce predatory lending practices, and create a divestment strategy that encourages organizations, congregations, and individuals to divest from banks that do not serve the community.

To fight on these multiple fronts, over the coming months PICO will engage in efforts to continue pressing the highest-levels of the federal government to take a more aggressive response to the foreclosure crisis. In particular, it will focus its efforts to deal with the massive number of people who are unemployed and facing foreclosure, as well as the nation’s many underwater homeowners. They do this work in close collaboration with other organizations, including National People’s Action, SEIU, and the Center for Responsible Lending.

**Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

**Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$600,000 over eighteen months to the PICO National Network. We make this recommendation in recognition of its work to inspire the participation of open society friendly people of faith in issue advocacy fights and to catalyze large scale civic engagement from communities of color, and immigrant and low- and moderate-income communities.

PICO’s capacity to engage families across racial, religious, regional and ideological lines to create policy change at the local, state and national level is impressive. Formerly an intensely locally rooted community organizing network that featured local people fighting for local solutions, PICO has made a strong move to contest for power at the state and national levels. Following the demise of ACORN, PICO is now the nation’s largest grassroots community organizing network and it is increasingly bringing its force to bear on economic equity, health access, and immigrants’ rights advocacy campaigns. PICO’s membership is very diverse, in terms of faith traditions – it

has Catholic, Jewish, mainline Protestant, and Muslim congregations in its membership – and by race and ethnicity, with sizable African American, Asian, Latino, and low- and moderate-income white numbers in its base.

PICO has shown that it can successfully engage ordinary people in public life, building a strong legacy of leadership in thousands of congregations and dozens of local communities across the country. Its network of locally rooted interfaith organizations effectively engages faith-communities and families in social change and, as a result, its network is increasingly seen as a critical component in the movement to put working family needs at the center of American political life. It partners well with others at the local, state, and national levels and thoughtfully integrates multiple strategies into its work. Among these include: strategic communications, research and idea generation, nonpartisan voter engagement, social media, coalition building, public opinion research, and large scale grassroots engagement.

By offering a platform to lift the voices of the more than one million families in congregations across the country, PICO is able to build support from the bottom up on the biggest issues of our day. While the United States is in the middle of a tough recession, with unemployment rates staying elevated and an estimated 49.4% of African-American youth out of work, with state and local governments experiencing budget crises and tax revenues dropping by more than 20% in many states, and an additional three million families expected to lose their homes in the coming year, families across the nation need a vehicle to amplify their voice. In an era of heightened political polarization, the political diversity of PICO's network of congregation-based members – including a significant number of political conservatives who support common-good public policies that benefit low-income people and interests – gives some hope in a policymaking environment that is may much more difficult after November.

If the Democracy Fund staff had any reservations about supporting PICO they would likely be around its proximity to the U.S. Catholic Conference of Bishops. This relationship benefits the organization, the broader social justice community, and OSF interests on immigration reform and immigrants' rights but it could have less positive impacts on USP's broader agenda. As we all have witnessed, the Catholic Church in the U.S. has shifted significantly since the openings that were created by Vatican II. Bishops now focus more narrowly on Catholic social teaching, choosing to focus more on abortion and lesbian and gay rights and less on the powerful statements on economic justice and those who are marginalized. PICO has a sizable number of Catholic congregations and parishioners in its membership. While public opinion research – including some that has been conducted by USP grantee Public Opinion Research Institute – shows that those in the pews are much more progressive than those giving communion from the altar, PICO must still walk a fine line to not risk losing Catholic connected funding and access to large Catholic congregations. This has not been an issue for OSF priorities to date, we know not to expect PICO to take public positions either way on reproductive health and LGBTQ equality, and our funding and that of other aligned funders likely gives the organization a greater likelihood of ideological independence in the future.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037424

**Legal Name of Organization:** National People’s Action

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To support National People’s Action, a 40 year old national resource center that supports, strengthens, and coordinates grassroots community organizations working for social and economic justice. Formerly known as the National Training and Information Center (NTIC), NPA’s core purpose is to develop the ideas, talent, and organizations that will help to more effectively advance racial and economic justice. The grassroots organizations supported by NPA are affiliated into an organizing network, which includes more than 200 organizers and staff representing metropolitan, regional, and statewide affiliates across fourteen states and the District of Columbia. NPA leads work around racial and economic justice, foreclosures, bank bailout accountability, banking re-regulation, immigrants’ rights, and affordable housing preservation. This grant advances Democracy Fund goals to invest in multi-issue organizations that generate ideas and hard hitting open society advocacy and that catalyze large scale civic engagement from the most marginalized communities.

**Previous OSI Support:** \$1,300,000  
\$700,000 from Democracy Fund (2009-2010)  
\$200,000 from Neighborhood Stabilization Initiative (2009-2010)  
\$400,000 from Seize the Day (2009-2010)

**Organization Budget:** \$2,863,870

**Project Budget:** n/a

**Major Sources of Current Support:**

Ford Foundation	\$510,000
Atlantic Philanthropies	\$500,000
Mott	\$250,000
Marguerite Casey Foundation	\$162,500
Kellogg Foundation	\$150,000
Mott Foundation	\$75,000

**Amount Requested:** \$700,000

**Is this a contingent grant?** No

**Amount Recommended:** \$600,000 (T1: 21113)

**Term:** 18 months, beginning September 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

National People's Action (NPA), a 40 year old, Chicago-based national resource center, supports, strengthens, and coordinates grassroots community organizations working for social and economic justice. NPA's core purpose is to develop the ideas, talent, and organizations that will help to more effectively advance racial and economic justice. The grassroots organizations supported by NPA are affiliated into an organizing network, which includes more than 200 organizers and staff representing metropolitan, regional, and statewide affiliates across fourteen states and the District of Columbia.

In the 1970s, NPA, then known as the National Training and Information Center, led the charge to pass the Home Mortgage Disclosure Act and the Community Reinvestment Act (CRA). CRA has since resulted in the reinvestment of trillions of dollars into low- and moderate-income communities throughout the country. Since these founding victories, the network has advanced a host of additional national economic justice advocacy priorities, including Federal Housing Agency reform. The FHA Reform Campaign was a national organizing effort to address subprime lending and resulted in the removal of lenders with high foreclosure rates from the FHA loan program.

Under the leadership of NPA's executive director, George Goehl, who took over this role four years ago following more than a decade of effective community-based organizing on economic and immigrant justice issues, the organization has modernized and grown substantially in budget and affiliates. In the past three years, NPA has focused on building internal infrastructure and capacity in order to maximize its advocacy impact. This includes recruiting top level talent to its staff, solidifying a powerful and visionary organizational culture, building alliances with other key social justice leaders, and consolidating the national network around a unified set of principles and strategies.

NPA has maintained close to a three million dollar budget for the past three years; this does not include the budgets of its independently incorporated state and local affiliates. OSF, via the Democracy Fund and the former Neighborhood Stabilization Initiative, was the first funder to make a significant commitment to Goehl's leadership and his vision for modernizing what had become a very insular, contentious, and undisciplined network. Other large national funders, namely Atlantic Philanthropies and the Ford Foundation, have now followed suit.

Recent major accomplishments include:

- Increasing the number of affiliates by 67%;
- Doubling the percentage of affiliates run by African American or Latino executive directors; and
- Developing national partnerships with JP Morgan Chase, Select Portfolio Servicing, and Litton Mortgage Servicing to implement aggressive loan workout programs to keep families from facing foreclosure in their homes.

In addition to the organizing network, NPA also operates as a policy, research, and training center, with a comprehensive platform for social and economic change based on four core strategies:

1. Grounding its work in a clear racial, economic, and political analysis.
2. Training, mentoring, and supporting creative, visionary, and effective community leaders and community organizers as a means of base-building that helps them reach significant levels of breadth and depth.
3. Coordinating breakthrough state and national organizing campaigns designed to foster movement building and create systems level change; and
4. Building and growing sets of deep, far-reaching alliances that will propel larger, more ambitious social change efforts.

Nationally, NPA runs several leadership and organizer training programs and develops new organizing projects in unorganized regions, often in the Midwest, a center of its activity. It also coordinates two federal-level campaigns for racial and economic equity in the housing and banking industries, and plays supportive roles in national efforts to win comprehensive immigration reform and strengthen the rights of workers.

NPA has also partnered with the PICO National Network, a large scale, national congregation-based organizing network (also a Democracy Fund grantee and recommended for renewal in this docket), to pursue accountability and transparency around the federal bank bailout. The partnership with PICO brings together more than one million families and 70 affiliate organizations in 22 states under one national strategy, and promises to show how alliance-building can bring organizing to scale effectively and economically. NPA stands out for its commitment to this type of deep, network-to-network alliance building that is still too rarely seen in the organizing field. NPA believes in – and actively builds – such alliances recognizing that no single organization has – or can build – the power necessary to advance social and systematic change.

NPA leads two national, multi-network coalitions: The New Bottom Line and 99% Power. New Bottom Line is a coalition of organizations, congregations, labor unions, and individuals that work together to build a movement that challenges established big bank interests on behalf of struggling and middle-class communities. It is seeking principal reduction for struggling home owners, especially those in lower-income and people of color communities where banks preyed on people who sought to buy their first homes. Through its partner organizations, New Bottom Line represents a combined two million people in 40 organizations across 19 states. 99% Power is an alignment of groups representing communication, service, hospitality, food, commercial, steel, unemployed, and domestic workers, families fighting foreclosure, immigrants, and family farmers around a shared vision of reigning in corporate abuses.

In the past year, National People’s Action has moved to a new level of power and visibility resulting from a series of actions known as the “Showdown in America.” By bringing together labor allies such as the AFL-CIO and SEIU, as well as organizing allies such as PICO, Jobs with Justice, and MoveOn.org, NPA helped to bring thousands of people to take action to call for government intervention in regulating the banks whose actions contributed to the recent economic collapse. These public actions, with an advocacy agenda focused on big bank accountability and the creation of a financial consumer protection agency drew more than 20,000 people in Charlotte, Chicago, Kansas City, San Francisco, Wall Street, and Washington, D.C.

These actions were among the clearest public – on the progressive side of the spectrum – expressions of the “populist anger” that commentators cite as a driving force in the ultimate passage of financial reform legislation. NPA played an important role in the Americans for Financial Reform Coalition and was a driving force in the establishment of the new independent financial consumer protection agency that was conceptualized by Elizabeth Warren.

**Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

**Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$600,000, over eighteen months, to National People’s Action. We make this recommendation in recognition of NPA’s hard hitting, grassroots centered local, state, and national work to advance racial and economic justice, stop foreclosures, seek bank bailout accountability, establish banking re-regulation, and preserve affordable housing.

Democracy Fund staff study the field of organizing and conduct extensive due diligence on both old-line and emerging national grassroots advocacy and community organizing networks. This entails conversations with

national and state-based staff, conversations with members, attendance at annual membership conferences and public actions, and conversations with peer organizations and our peer funders. From what we've witnessed and what we heard, we are very impressed with NPA's ability to build scale in terms of action and mobilizations and believe that NPA has successfully reinvigorated what was an entrenched, anti-coalitional, and old-line network.

In particular, since staff's last recommendation for NPA, it has played the leading role in organizing the "Showdown in America," a fight for the future regarding economic opportunity and fairness which has brought it substantial new visibility. Key indicators include:

- The various Showdown actions attracted national media attention, including coverage by *The New York Times* and *The Washington Post*, where NPA has been mentioned by name as a sponsor of the actions
- NPA built an online presence, with over 25,000 visitors to the Showdown in America website from 98 countries, 44,000 video views, and nearly 2,000 friends on Facebook
- NPA effectively used progressive aligned media to push its message with detailed coverage in *Huffington Post*, *The Nation*, *In These Times*, *Democracy Now*, *MichaelMoore.com*, and on *Bill Moyers Journal*

As NPA has achieved this new level of visibility, it needs a stronger infrastructure to sustain its efforts. Strategic investments in network development, such as this general support recommendation, will amplify NPA's campaign work on banking, foreclosure, and community investment; immigration and worker rights; housing justice; and its emerging work in non-partisan voter engagement. The Democracy Fund is particularly interested in NPA's emerging work to build a strong voter engagement component, a strategy that it had previously avoided. Issue based organizing and advocacy paired with civic engagement increases the power of a grassroots network. The synergy of these two strategies, done well, can catalyze shifts in public dialogue.

With a heavy Midwestern membership base – some of its largest affiliates are in Illinois, Iowa, Kansas and Missouri and not necessarily in the urban centers of those states either – NPA is one of few national groups that is positioned to tap into a more progressive-minded populist sentiment in this country. It is not afraid to let its members reveal anger and frustration something that perhaps too few polite progressive organizations are afraid of. NPA has developed a strategy and action plan to develop space for people to move private frustrations around the economy, bank bailouts, and big executive bonuses into public, collective action.

Internally, NPA has faced the struggle of being a network committed to both racial and economic justice with staffing that has been predominately white and programming priorities that more often skew towards the economic and non-explicitly racial justice battles. NPA has been engaged at the national and affiliate level with addressing structural racism and racial justice with a goal to move beyond a training curriculum and take its racial justice work into action. Through this, it seeks to develop campaigns that achieve racially just outcomes, continue ongoing work to create a baseline of understanding around structural racism throughout its diverse network, and include structural racism training in all NPA network gatherings.

NPA's architecture for campaign partnerships embraces a new ethos of collaboration between local and state groups and between national networks that have long had strained relationships that compromised the efficacy of issue advocacy campaigns. Goehl, NPA's executive director, brings a refreshing truthfulness about his own and the organization's promise and limitations and is a dedicated coalition builder when many other national networks have shown an aversion to authentic collaboration. This is the type of leadership that we wish more grantees exhibited and a key reason why we believe that this long-time, large scale network has had a rebirth.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037462

**Legal Name of Organization:** United States Student Association Foundation

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the campaign to address the student debt crisis

**Grant Description:** To provide project support to the United States Student Association Foundation, representing four million students at over 400 college campuses nationwide, to launch a campaign to address the student debt crisis. The campaign seeks to obtain better federal regulation of loans for higher education as well as corporate lender accountability to bring relief to students and families caught in cycles of poverty due to student debt and unemployment. The campaign will conduct research, utilize strategic communications, develop advocacy targets, and mobilize student activists from USSAF's national network of public and private universities, community colleges, historically Black colleges and universities, and other minority-serving institutions. This grant would advance Democracy Fund goals to generate ideas and advocacy related to social and economic policies, in this instance expanded educational access.

**Previous OSI Support:** \$2,669,000  
\$210,000 from Strategic Opportunity Fund (2004)  
\$659,000 from Progressive Infrastructure (2005-2006)  
\$1,800,000 from Democracy Fund (2008-2012)

**Organization Budget:** \$823,645

**Project Budget:** \$247,667.88

**Major Sources of Current Support:** American Federation of Teachers (pending) \$20,000  
National Employment Law Project (pending) \$10,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21114)

**Term:** 1 year, beginning August 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

The Washington, D.C.-based United States Student Association Foundation (USSAF) is the tax-exempt arm of the United States Student Association (USSA), the oldest, largest, and most diverse national student organization. USSA represents more than four million students at over 400 campuses throughout the country. Since its

founding in 1947, USSA has advocated for civil rights, social justice, and access to higher education for all. USSAF's mission is to empower, train, and provide organizing support to a network of students committed to increasing access to higher education, especially for historically underrepresented communities; working against racism, sexism, classism, ableism, and homophobia; and increasing student civic participation. The organization believes that people directly affected by issues of access to higher education should be the ones identifying the solutions that make education accessible for them. Therefore, it is dedicated to developing a diverse base of student leaders who are prepared to advocate to expand access to higher education and to advance the broader agenda for social justice. USSAF's national network includes students from public and private universities, community colleges, historically Black colleges and universities, and other minority-serving institutions.

USSAF plays a crucial leadership role in the youth advocacy field. Its work falls into three main categories:

1. Delivering trainings and workshops for students that equip them with the issue-based knowledge, skills such as message development and coalition-building, and leadership development support to carry out their work effectively;
2. providing support to campus groups to conduct nonpartisan voter registration drives, education and get-out-the-vote campaigns; and
3. developing statewide student networks and providing technical assistance to state Student Associations.

Over the past year, USSAF has provided campaign development and electoral organizing trainings for 3,080 students from 70 campuses in 15 states and the District of Columbia. Via its technical support work, USSAF assists State Student Associations, permanent statewide coalitions of student representative bodies working to address issues that affect students in their states. Well-developed State Student Associations, most notably in Oregon and Wisconsin, have an established staff infrastructure that supports sustainable on-campus organizing in the university and college system in their state. Currently, USSAF has a network of fifteen developed, developing, or emerging state associations in Arizona, California, Colorado, Florida, Massachusetts, Michigan, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Washington and Wisconsin.

In addition to its training and technical support work, USSAF engages students in workers' rights campaigns through a joint venture with OSF grantee partner Jobs with Justice called the Student Labor Action Project. The campaign seeks to end sweatshop labor and addresses issues of living wage and the rights of workers to organize. For example, the Wisconsin State Student Association played a vital role in the pushback against Governor Scott Walker's efforts to gut collective bargaining by public employees, particularly for college and university workers.

As a student-led organization, USSAF's student delegates annually elect a president, vice president, and board of directors and determine the organization's agenda. The elections are hotly contested. In July, the organization had a leadership transition with its outgoing president, Victor Sanchez, Jr., a first generation Latino of Mexican and Costa Rican descent, transitioning to a role as a board member. Tiffany Loftin, an African-American from California, was elected as president at the annual student congress. Loftin served on the Board of Directors during the 2010-2011 academic year before assuming the role of vice president over the last year. As a first-generation college graduate, she has a strong commitment to the mission of USSAF, is a charismatic speaker and organizer, and brings executive leadership experience from student government at the University of California in Santa Cruz and prior USSAF leadership roles.

USSAF's board of directors is comprised of five alumni who serve two-year terms, the former president, current president, and vice president. All serve one-year terms as ex-officio members to ensure a smooth transition for the organization from year-to-year. Sanchez and Loftin enjoy a strong working relationship and the overlap will be an asset to the organization. The board provides fiduciary oversight and assists with fundraising. The leadership is discussing the addition of two additional alumni slots to expand its fundraising capacity.

USSAF is well-regarded as a credible student voice by students, elected leaders, higher education associations, national social justice groups, and coalitions. It is frequently cited in the media as the "student voice" on matters



that include campus diversity, financial aid, and equitable access to higher education. USSAF is also called upon by coalition partners to turn-out student activists and provide student perspectives on a wide variety of advocacy campaigns. The organization is also recognized for its work to develop the leadership skills and policy expertise of students to prepare them for professional roles in social change organizations. USSAF's impressive alumni roster includes Sarita Gupta, executive director of Jobs with Justice; Mary Beth Maxwell, a high-level appointed advisor to U.S. Secretary of Labor Hilda Solis; Donna Brazile, a well-known political strategist and CNN commentator; and Rea Carey, the executive director of the National Gay and Lesbian Task Force.

While USSA, the related (c)4 entity is funded by student dues that are collected, campus by campus, USSAF is primarily funded by institutional donors, including foundations, such as Ford, Tides, and Veatch, and labor organizations, including AFSCME and the American Federation of Teachers. Its other income includes contributions from alumni, fees for trainings, and regranted support from issue-based coalitions which seek to mobilize students on advocacy campaigns. The organization is actively cultivating other institutional donors as well as seeking to diversify its donor-base in order to remain sustainable and grow its work.

### **Description of Program for Which Funding Is Sought:**

In the fall of 2012, the United States Student Association Foundation will launch, in collaboration with its Student Labor Action Project colleagues at Jobs with Justice, a campaign to address the student debt crisis, which surpassed \$1 trillion in 2012 and grows at the rate of \$2,853 per second. This campaign is a natural evolution of the organization's historical work to promote education as a right by working to expand access to higher education, particularly among traditionally underrepresented groups. USSAF seeks to seize upon opportunities created by elevated visibility of this issue in the mainstream media and growing public support for efforts to challenge growing economic inequality.

The campaign's objectives include:

1. **Regulation:** Push the Consumer Financial Protection Bureau to grant consumer protections to student borrowers.
2. **Pro-Active Legislation:** Advocate the passage of the "Student Loan Grace Period Extension Act" (H.R. 4286), which would extend the grace period students have to start making payments back on their student loans from six months to one year. Another advocacy priority will be Senator Dick Durbin's amendment to the Bankruptcy Act, a change that would allow students to discharge their student loans in case of bankruptcy. A long-term solution that USSAF advocates for is to make the current 3.4% interest rates on Stafford Loans permanent.
3. **Corporate Accountability:** Demand that Sallie Mae, the biggest servicer of federal student loans, match the federal government's 3.4% interest rate on all existing and future loans, implement an income-based repayment program, and disclose corporate contributions towards political campaigns.

To accomplish the campaign's objectives, USSAF will use a combination of education, training, grassroots advocacy, direct action organizing, and social and traditional media outreach, along with infrastructure and capacity building. Over the next year, USSAF plans to:

- Collect testimonials from students and student debt holders during the Consumer Financial Protection Bureau's comment period on private student loan lenders. This will allow USSAF to capture the full story of the consequences of lack of regulations on students and families. Following the comment period, USSAF will push for a public hearing on the findings to move the CFPB to grant consumer protections to student borrowers.
- Educate students, through gatherings and summits, around the extent of the overall student debt crisis and train students to be media spokespeople to effectively educate the public and policymakers on the issue.
- Develop and execute a media and social media strategy to complement direct action and advocacy to target Sallie Mae and other banks to come to the table to negotiate. The goal is to inject the viewpoint and analysis of student borrowers into the national narrative around student loans through conversations

on the blogosphere, social networking sites, letters to the editor, and editorials in large national and smaller, local media outlets.

- Expand current efforts to manage and cultivate donors to obtain ongoing funding for the campaign.

USSAF recognizes it is launching this project during a general election year. Although the organization will pursue this student debt campaign's objectives regardless of election outcomes, USSAF will shift emphasis and strategies depending on the results of the election. If election results lean conservatively, USSAF believes it is still feasible to obtain a permanent 3.4% cap on Stafford Loan interest rates. If the election produces more liberal results, USSAF will use the lame duck session to work with Congress and the Administration on a broader policy agenda, including extending unemployment grace periods and allowing discharges of student loans via bankruptcy. Regardless of the political context, USSAF plans to seize opportunities to educate students and the public around the issue of student debt through various forms of media and applying pressure on the private student lending industry. If the election results are more conservative, it is likely that it will focus more on public education and corporate accountability.

USSAF will also use funds raised for the campaign to hire a campaign organizer who will be responsible for coordinating gatherings and summits, mobilizing and engaging grassroots activists in strategic in-person and online actions, managing trainings and assisting student spokespeople, coordinating national campaign events, and organizing press conferences and handling media inquiries.

To strengthen its current communications capacity, USSAF plans to work with a consulting firm on all aspects of developing and executing the communications strategy, including the training of student spokespeople. Currently, USSAF has a solid base of online followers and in-house capacity to utilize the web to promote its work, and the organization seeks to further strengthen its abilities in this area to meet the needs of this campaign. USSAF has a general email list of 14,000 and their student/labor email list has 22,000 subscribers. USSAF also makes information and toolkits available on its website and pushes out information and action opportunities via Facebook, Twitter, and YouTube. In June, USSAF successfully used Twitter to organize students to put pressure on Congress not to raise the federal Stafford Loan interest rate through its #DontDoubleMyRate micro-campaign.

USSAF is seeking OSF funds for its work to educate and train students, collect comments and testimonials for the CFPB comment period, develop communications capacity and cultivate and expand its donor base. No OSF funds will be used for grassroots direct action plans or lobbying efforts and related activities of this campaign.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a project grant of \$100,000 over one year to the United States Student Association Foundation. We make this recommendation in recognition of USSAF's leadership in engaging large numbers of young people in generating ideas and conducting creative and high impact advocacy and, in this instance, for its goal to apply these strengths to address the growing student debt crisis.

National student loan debt has now surpassed one trillion dollars, exceeding national credit card debt. Many expect for student loan debt to be the next "bubble" as housing was four years ago. Student loan debt can be especially paralyzing to first generation college students, from low-income communities, communities of color, or immigrant backgrounds. Because of fast rising college expenses, and mounting student loan debt, many are being denied the opportunity to achieve the "American Dream," where higher education is an avenue out of poverty.

However, most universities do not have to worry about dropping attendance due to tuition increases because, regardless of the (un)employment crisis, degrees remain important for young people to be competitive in the job market. This situation makes students more dependent on loans. What's more, the student debt crisis traps their families in cycles of poverty as parents and grandparents are often co-signers on these loans. Of the \$1 trillion in student debt, \$36 billion is held by senior citizens who are grandparents of students. In 2005, Congress changed

the bankruptcy laws so that graduates could no longer discharge their private debt. With little regulation of the private lending industry, student borrowers currently have few options other than taking on the first job one can find, regardless of its quality, or defaulting on their loans.

The good news is that out of economic collapse, issues of economic equity, corporate accountability, and money in politics are increasingly prioritized in the public discourse. Social justice movements, including OSF grantee the New Bottom Line, have capitalized on this public anger to address the role of banks in the foreclosure crisis. The USSAF seeks to build on the work of organizations to spotlight corporate accountability and the need for government regulation and to seize upon the moment to convert public energy into pushing for relief for student debt holders. USSAF believes it will be successful in its efforts because this issue not only impacts students but also families of borrowers and young professionals who are also struggling with debt. The potential for partnership between those seeking financial system accountability on housing and those focusing on student loans appears to be significant, with many key organizational partnerships already in place.

USSAF has already created momentum for this campaign among its network and the public over the last several months. In March 2012, USSAF was part of an effort to organize 300 students to march to Sallie Mae's headquarters in D.C. seeking debt forgiveness for student loan debt. This action garnered public attention and Sallie Mae's shares dropped in price, playing a part in the company being forced to buy back \$400 million of its own shares. In May, 200 USSAF members attended the Sallie Mae shareholder meeting in Delaware where the corporation back-tracked on former comments about the student debt bubble not existing. The shareholder action helped shift the public narrative around student loans from "irresponsible student borrowers" toward spotlighting predatory lending practices of private banks. In June, students rallied across the country, using tactics such as sit-ins at the offices of members of Congress and nationally coordinated lobby days, to highlight the need for Congress to regulate Stafford Loan interest rates. Their effort paid off when Congress, in an exceedingly rare act of bipartisanship, voted to keep the interest rate at 3.4%.

Along with USSAF's track-record on this issue, the organization's strengths in sustaining year-round student organizing and its network of over four million students already holds the energy for organizing and advocacy on this issue because many are impacted directly. USSAF has historically done work on education as a right as well as higher education access. Therefore, there is already an advocacy framework, skill-base, and knowledge of issues among its membership. With the added capacity of a campaign organizer, USSAF will be able to mobilize its members in a more sustained, coordinated, and strategic way. In addition, its partnership with Jobs with Justice, a community/labor coalition, will allow USSAF to tap into expertise in putting pressure on and negotiating with private actors, so the campaign can move the corporate accountability work forward.

The biggest area for growth for USSAF will be ramping up its communications capacity to create sustained coverage of the issue. Additional investments by donors into the launch of this campaign, which we anticipate an early OSF investment can help leverage, will allow the organization to bring on a strategic communications consultant. USSAF is already a strong voice in the media on student debt issues, as evidenced by its senior leaders being quoted and interviewed by major news outlets, from Fox News to Al Jazeera. However, USSAF's main goal in building communications capacity is to inject student voices into the public conversation. It plans to achieve that by carrying out trainings and providing ongoing support to student spokespersons.

This campaign will not only benefit from USSAF's existing strengths but will allow the organization to grow in membership size by engaging new students who are interested in this issue. In addition, through the campaign USSAF plans to bring in new small donors to support its work. This fundraising pilot project will assist its efforts to grow a more diverse and sustainable donor base. Student debt and lending practices are big issues, with entrenched corporate lobbies digging in their heels. A \$100,000 grant from OSF will certainly not provide the counterbalance to enable success to occur. Staff is encouraged that USSAF is working in coalition with other organizations, including Rebuild the Dream and the Student Public Interest Research Groups, to stretch resources, coordinate efforts, and amplify impact.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program associate Heddy Nam, in consultation with program director Bill Vandenberg and with historical information about the grantee provided by a prior program associate, Nashay Jones.

**Grant ID:** 20037372

**Legal Name of Organization:** Funders' Collaborative on Youth Organizing

**Tax Status:** n/a

**Name of Fiscal Sponsor:** Bend the Arc: A Jewish Partnership for Justice

**Purpose of Grant:** to support the Funders' Collaborative on Youth Organizing

**Grant Description:** The Funders' Collaborative on Youth Organizing (FCYO), based in Brooklyn, is the only national intermediary that is dedicated to increasing philanthropic resources for youth organizing groups and to promoting the leadership of low-income youth of color in social justice organizing and advocacy. FCYO is dedicated to advancing youth organizing as a strategy for civic engagement and social transformation by bringing together funders and organizers to support youth organizing. This is a tie-off recommendation.

**Previous OSI Support:** \$830,000  
\$450,000 from Youth Development Grants (2000-2006)  
\$30,000 from Strategic Opportunity Fund (2007)  
\$350,000 from Democracy Fund (2009-2011)

**Organization Budget:** \$6,300,000

**Project Budget:** \$1,367,000

**Major Sources of Current Support:**

Robert Wood Johnson Foundation	\$551,429
Surdna Foundation	\$315,000
New World Foundation	\$250,000
Atlantic Philanthropies	\$100,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21113)

**Term:** 1 year, beginning September 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

Bend the Arc: A Jewish Partnership for Justice, formerly known as Jewish Funds for Social Justice is a national public foundation guided by Jewish history and tradition. Bend the Arc helps people in the U.S. achieve social and economic security and opportunity by investing in healthy neighborhoods, vibrant Jewish communities, and skillful leaders. It applies a holistic approach to social change, including grantmaking and loans, service learning, leadership development, organizing, education, and advocacy.

The Funders' Collaborative on Youth Organizing (FCYO), based in Brooklyn, operates under the fiscal agency of Band the Arc but has its own Board comprised of representatives from participating funder and practitioner organizations. Launched in 2002 – with key support from OSF – FCYO is a collective of national, regional, and local grantmakers and youth organizing practitioners dedicated to advancing youth organizing as a strategy for youth development and social justice. The mission of FCYO is to substantially increase the philanthropic investment in and strengthen the organizational capacities of youth organizing groups across the country.

### **Description of Program for Which Funding Is Sought:**

Since its inception, FCYO has made grantmaking to the youth organizing field a cornerstone of its work. Some highlights include distributing more than \$5 million in grants to youth organizing groups and intermediaries across the country; launching ReGenerations: Leadership Expansion for Environmental Justice, a multi-year funding initiative to advance young people's leadership development in intergenerational, environmental justice organizations; and influencing numerous private foundations to fund youth organizing.

FCYO's finances appear to be historically strong. However, revenue sources have taken a hit after Atlantic Philanthropies recently changed course. Having granted \$500,000 to FCYO in 2011 and \$100,000 in 2012, FCYO is likely to see a reorganization of priorities; Atlantic will most likely not be continuing with its funding. This, coupled with OSF's tie-off grant this year, will create fundraising pressure for the organization. It is possible that the Robert Wood Johnson Foundation could step up funding, for a "healthy communities" style project, but that remains to be seen and would focus solely on one program area.

FCYO is undergoing a leadership transition. Formerly led by Supriya Pillai, current FCYO staffer Eric Braxton will now take the helm in July. OSF is represented on FCYO's advisory board and has received regular updates on the transition and expects it to be smooth, as Braxton has deep experience with FCYO, having served on the board from 2001 to 2010. He joined the FCYO staff after significant experience working with youth, including founding the Philadelphia Student Union, a leading organization in the field, and serving as the organization's executive director for ten years. In this capacity, Braxton led efforts to mobilize students to improve the quality of public education in Philadelphia's public schools.

Braxton and FCYO are supported by a solid board, made up of leading organizers and foundation representatives from across the country, including representatives from the Heinz Endowment and New World, Surdna, and Hill-Snowdon Foundations, among others. As a long-time leader in supporting FCYO's work to build philanthropic support for youth organizing and engagement, OSF has long had board representation, previously through Erlin Ibreck and now through Bill Vandenberg. OSF's board presence as a large funder has given FCYO greater capacity to leverage funding with other sizable foundations, including Atlantic initially. OSF is often called to strategize about how to expand the universe of institutional and individual funders supporting youth organizing.

FCYO has had success organizing gatherings and building the knowledge base around youth organizing. It has conducted several national gatherings and meetings of youth organizing intermediaries to network and exchange common practices and challenges. It has developed and shared nine installments of the "Occasional Paper Series (OPS)", a tool used to increase knowledge and awareness of youth organizing, trends in the field and cutting-edge theory. The OPS has been a key source of information on youth organizing nationally. The latest paper drew on six years of data to underscore the importance of developing a pathway for young people to sustain the social justice movement.

An OSF grant would, in addition to the above, support FCYO's work to develop the leadership pipeline, focusing on supporting the growth of high-school aged people of color from low-income communities that enter social justice work through youth organizing. Additionally, FCYO has the following goals for the upcoming period:

1. Build funding for the field of multi-generational organizing through FCYO's strategic re-granting initiatives and leadership pipeline funds.

2. Build knowledge about the field of multigenerational organizing and the grassroots organizing sector, current trends and opportunities, to produce leadership for a more sustainable and strengthened social justice movement.
3. Build FCYO's ability to be the go-to resource on multi-generational organizing and the grassroots organizing sector by increasing capacity to leverage funds for the field.

While the organization does have an active web site, these funds are not specifically designated for on-line organizing. FCYO's site features research and reports, and highlights grantees that benefit from the Collaborative. Individual grantees of FCYO utilize online organizing, but that is not a core function of FCYO, which stands to bridge funders and organizers to support youth organizing and its commitment to systemic change and social justice.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$100,000 over one year to the Funders' Collaborative on Youth Organizing. We make this recommendation in recognition of its work to increase civic engagement from the most marginalized communities. This is a tie-off recommendation due to the closing of the Democracy Fund and shifting USP priorities.

FCYO remains the only national intermediary that is solely dedicated to increasing philanthropic resources for youth organizing groups and to promoting the leadership of low-income youth of color in social justice organizing. It plays a key role in not only helping to increase philanthropic investment in the youth organizing field, but also in its role in developing and shaping new initiatives such as the current leadership pipeline.

We are pleased with FCYO's selected target group – high school aged students of color – for its Leadership Pipeline Project. Currently, the leadership pipeline trajectory, as analyzed by others in the field and in Open Society Foundation's traditional U.S. youth engagement funding priorities, is college-based with a focus that is largely on voter participation. While important, this view leaves many talented young people, those not on college campuses and those who seek to impact their communities in a non-electoral fashion, out of the leadership pipeline and can have a particularly detrimental impact on young people of color and their communities. Without FCYO's advocacy and analysis, it is likely that the role of high school-aged youth who are people of color, immigrant, or low-income backgrounds will be left out of this framework.

The failure to systematically build and invest in the development of future generations of social justice leadership has the potential of further damaging a social justice movement that has already been weakened by decades of withering attacks from the Right. Moreover, organizing that blends the talents and energy of youth and adults can generate new models of organizing and lead to more substantive social change. Involvement in organizing helps young people, most of whom are youth of color from low-income neighborhoods, develop deep connections to their community. It increases their sense of self-efficacy and strengthens their leadership capacity, increases their collective power, motivates academic achievement, and instills a future commitment to civic engagement. Involvement in organizing inspires them to take an active role in solving social problems, and builds their capacity and skills to lead movements for change now and in the future.

Philanthropic patterns with regard to youth have been shifting and Democracy Fund staff support this final one-year renewal grant. FCYO itself will be undertaking a broader assessment of the impact and success of a youth only focus for its work. In particular, it is currently in conversations with aligned institutional funders – from the Neighborhood Funders Group, Surdna Foundation, and the Unitarian Universalist Veatch Funding Program at Shelter Rock – about broadening its frame to one that is more multigenerational, with youth placed at the center of a social justice analysis. It is unclear whether this would lead to additional funding that would then reach young people of color. What is clear is that without FCYO and its partners, this would be a vastly overlooked population.

Due diligence and assessment for this recommendation have been conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg.



**Grant ID:** 20037313

**Legal Name of Organization:** Grassroots Institute for Fundraising Training

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To provide renewal general support to the Grassroots Institute for Fundraising Training (GIFT). GIFT, based in Oakland, California, provides capacity-building training, resources, and analysis to strengthen the fundraising ability of grassroots advocacy organizations. GIFT provides high level and tailored technical support for organizations that are based in people of color communities, emphasizing the need for leadership of people of color in fundraising and the diversification of organizational funding streams. This is a tie-off recommendation.

**Previous OSI Support:** \$300,000  
\$300,000 from Democracy Fund (2009-2011)

**Organization Budget:** \$612,000

**Project Budget:** n/a

**Major Sources of Current Support:**

California Endowment	\$50,411
U.U. Veatch Foundation	\$40,000
Surdna Foundation	\$25,000
New World Foundation	\$15,000
Veatch Program	\$4,000

**Amount Requested:** \$200,000 over two years

**Is this a contingent grant?** No

**Amount Recommended:** \$125,000 (T1: 21114)

**Term:** 1 year, beginning January 1, 2013

**Matching Requirements:** n/a

**Description of Organization:**

The Grassroots Institute for Fundraising Training, (GIFT), an Oakland, CA-based multiracial organization, promotes the connection between fundraising, social justice, and movement-building. GIFT provides training, resources, and analysis to strengthen organizations. GIFT works with an emphasis on organizations that are focused on social justice and based in people of color communities, building organizations' stability so that they are best capable to perform their duties. In this way, GIFT seeks to build infrastructure as essential to the achievement of social justice missions. GIFT emphasizes the need for leadership of people of color in fundraising and the diversification of organizational funding streams.

GIFT's model involves a holistic fundraising approach that considers the political and emotional sides of practice. Training includes discussion on the challenging dynamics and fears associated with money, race, class, and power as well as tax policy, the nonprofit structure, and the importance of incorporating fundraising policies to match an organization's goals and values.

GIFT plays a key intermediary role in the field, emphasizing fundraising as a way to build leadership development. It works under the principle that how groups are funded can be as important to achieving their goals on how the money is spent. Another principle is that building community support for organizations and the work they are engaged in is central to long term social change. GIFT's own funding can serve as a model for the field: 36% of its annual budget comes from foundation dollars, a much lower percentage than most grassroots social justice groups; 11% is from individual and organizational donations; and 53% is from fees, subscriptions and sales. GIFT's board of directors plays a very active role and has recently led the reorganization of its staffing, which is described in more detail in the rationale section.

GIFT's programs focus on three goals, employing strategies that target individuals, organizations, and the broader social justice ecosystem: 1) Developing fundraising leaders; 2) Changing organizational culture and practice; and 3) Influencing and inspiring people in the social justice movement to become more intentional about raising money that meets organizational values and goals.

#### Internship Program

The GIFT Internship Program is a six-month intensive program for people of color who are new to fundraising to support their learning of the politics of fundraising, build skills, work with a mentor, enhance the fundraising capacity of grassroots nonprofits, and develop a national peer network. The program was created to help activists and organizers include fundraising in their work and to increase the number of people of color who fundraise for social justice. Interns are placed in host organizations, including Legal Services for Prisoners with Children, Los Angeles Indigenous Peoples' Alliance, El Centro Su Teatro, 9to5 National Association of Working Women, DataCenter, the Anti-Violence Project, and many others.

#### Fundraising Academy for Communities of Color

GIFT co-coordinates its annual Fundraising Academy with CompassPoint Nonprofit Services, a management support organization in the San Francisco Bay Area. This program is solely focused in California, with an emphasis on under-served communities. Similar to its internship program, the Fundraising Academy is a six-month long program for people of color working in organizations based in people of color communities. Participants attend monthly training sessions and are provided with extensive resources and a coach.

#### Training for Trainers

This program is a three-day intensive training for people of color, already proficient in fundraising, that provides participants with an understanding of GIFT's approach to fundraising, along with training techniques that integrate a social justice perspective with a diverse set of teaching methodologies. GIFT then provides participants with hands-on experience by employing them as trainers, consultants, and mentors.

Training for trainers allows GIFT to develop a pool of trainers and consultants with diverse abilities in terms of specific areas of skill and expertise, language capabilities, regional understanding, and a range of cultural competencies. This not only helps to build GIFT's trainers network but also provides communities around the country with more resources and greater local expertise. There are few programs like this, especially for people of color in the fundraising field.

#### Grassroots Fundraising Journal

*The Grassroots Fundraising Journal* recently celebrated its 30<sup>th</sup> year Anniversary. Initiated by noted social justice fundraising trainers and experts, Kim Klein and Stephanie Roth, *The Journal* provides tips, tools, and case

studies from social justice organizations across the country, including a large number of groups with no paid, professional development staff. It is printed every other month and is available in print and online and reaches 3,000 people a year.

### **Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$125,000 over one year to the Grassroots Institute for Fundraising Training. We make this recommendation in recognition of GIFT's leadership in building the grassroots fundraising capacity of local and state-based social organizations. This is a tie-off recommendation due to the closing of the Democracy Fund and shifting USP priorities.

The current economic crisis has put a strain on the entire nonprofit community. As we know in other areas of the economy, such as housing, jobs, and credit, people of color and low-income communities are bearing the brunt of the economic collapse and are predicted to recover later than the rest of the population. Targeted support to nonprofit organizations in those communities most impacted will allow for long-term skills building and development of this sector working toward positive change. Building a solid grassroots fundraising program and base takes time, but the work is rewarded in community investment, autonomy, and sustainability.

The Democracy Fund supports GIFT's priority of grassroots fundraising which compels organizations to reach out to their communities and invite financial and programmatic investment, accountability, and ownership at the local level. This approach is not promoted by many foundations – and too many grassroots organizations have a disproportionately high reliance on foundation support – yet this method strengthens the support base and encourages organizations to mobilize greater numbers of people into their campaigns. This practice also lends itself more easily to inspire groups to have a more democratic organizational culture because financial planning and literacy is more likely to be shared throughout the organization. GIFT's work is tightly aligned with the Democracy Fund initiated Small Donor Development and Diversification initiative<sup>1</sup> that is jointly funded by OSF, New World Foundation, and the Stoneman Family Foundation. This project, like GIFT's work, seeks to improve the ability of grassroots organizations to reduce foundation dependence, encourage innovative fundraising practice, and build funding and accountability within their constituencies.

Raising money from individuals requires a large number of “askers” and a wide variety of skills can be appropriate, essentially democratizing who can raise money for the organization. By becoming an “asker,” staff and community members learn useful fundraising skills and acquire valuable learning and experience, such as being public representatives of their organization, articulating the organization's vision to various constituencies, and learning about finances. Through GIFT's fundraising leadership pipeline, program participants develop fundraising leadership, expertise, and legitimacy – rare in a development field that is still overwhelmingly white and tends to value only narrow definitions of wealth that often leaves the majority of people excluded from the opportunity to engage in support of causes that are relevant to them.

From USP staff due diligence, we note that there is a lack of fundraising capacity-building that focuses on long-term change for small to midsize organizations based in people of color and low-income communities and who approach this work from a movement-building perspective. Organizations are left on their own to decipher what is relevant to their situation and what is not. GIFT has a distinctive model that nurtures fundraising leaders of color in targeted regions around the country with leaders who come with a diverse set of experiences and skills,

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<sup>1</sup> GIFT serves as the technical assistance provider for the initiative and is doing case studies and documentation of the program.

including first generation immigrants and the formerly incarcerated. GIFT provides training and support, as well as opportunities to build a peer network with each other to provide mutual support and share lessons learned. GIFT's fundraising journal highlights the fundraising campaigns many organizations embark upon. Organizations share the challenges and successes of their campaigns and often share how they challenged assumptions about who gives money and who doesn't, the power dynamics inherent in talking about and asking for money, and existing practices of giving in communities of color.

GIFT has been slow to developing its presence online and has only recently embraced moving its popular journal to a digital format as well as providing webinars on their site (an added stream of revenue). GIFT reaches 300 organizations annually, and an increased web presence with relevant products, such as its Spanish language tools, will expand reach to more people. GIFT's board has recently reviewed its internal structure and has moved from an executive director model to a shared leadership team model (Communications, Training & Network, and Finance and Operations). Dependent upon the reconfiguration of USP, this new model may prove of interest to monitor as to its impact on the organization as well as any aspects that may be replicable for leadership structures of other institutions.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido.

**Grant ID:** 20037428

**Legal Name of Organization:** Center for Artistic Activism

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the School for Creative Activism

**Grant Description:** To support the work of The School for Creative Activism, a participatory workshop infusing grassroots advocacy and civic engagement with culture and creativity. Working directly with organizers and community leaders, the School for Creative Activism leverages the strengths of activism and art through a curriculum designed to teach cultural tactics and creative strategies. When done well, such strategies and tactics can expand support for open society priorities – including criminal justice reform, economic equity, fiscal policy, and immigrants’ rights – beyond traditional activists, broadening participation and increasing the likelihood of advocacy success. This grant advances Democracy Fund goals to inspire open society advocacy through innovative means of inspiring broad-based engagement. This is a tie-off recommendation.

**Previous OSI Support:** \$120,000 from Democracy Fund (2010-2011)

**Organization Budget:** \$160,000

**Project Budget:** \$112,000

**Major Sources of Current Support:** n/a

**Amount Requested:** \$112,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21113)

**Term:** 1 year, beginning September 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

The Center for Artistic Activism is the home for artists, activists and scholars to explore, discuss, reflect upon, and strengthen connections between social activism and artistic practice. The Center facilitates projects and strengthens networks with a goal of making more creative and effective citizen activists. Past and current projects run by the Center for Artistic Activism include: the College of Tactical Culture, a think-tank of artists, activists, designers, and attorneys funded by and held at the Eyebeam Center for Art and Technology; the Arts Action Academy, training for artists who would like their work to become more politically efficacious; a research group

on Artistic Activism, funded by New York University, taking place over 2012-2014; and the School for Creative Activism, a creative training program for grassroots activists.

**Description of Program for Which Funding Is Sought:**

The School for Creative Activism is a participatory workshop infusing grassroots organizing and civic engagement with culture and creativity. Working directly with organizers and community leaders, the School for Creative Activism (SCA) leverages the strengths of activism and art through a curriculum designed to:

- Teach cultural tactics and creative strategies employed effectively by organizers in the past.
- Recognize and draw upon the cultural resources and creative talents residing within individuals, organizations, and communities.
- Collectively run scenarios and plan campaigns that utilize culture and creativity.
- Build a network of organizers and artists using a model of creative organizing that can be more effective in a media-saturated, spectacle-savvy, and enculturated world.

The School for Creative Activism is run by its co-directors, Steve Duncombe, a long-time activist and academic who teaches at New York University's Gallatin School, and Steve Lambert, an accomplished practicing artist who taught at the School of the Museum of Fine Arts in Boston and is now a professor of new media at the State University of New York at Purchase.

The School for Creative Activism is a new effort that was launched by OSF's Democracy Fund, which has utilized it more as a consulting project to provide support to grantees. With the success of the workshops that OSF has funded and the identification from an outside evaluator for the need for continued follow-up with participants to impact longer term success, SCA's directors have become motivated to institutionalize the work. In the past year, they've moved from an LLC to a 501(c)3 institution and have begun to reach out for additional funding. Duncombe is a tenured faculty member at New York University and has secured some additional support to date.

USP staff's discussions with the directors about this tie-off grant recommendation, due to restructuring and the closing of the Democracy Fund, have opened up additional conversations on their end for wanting to use this opportunity as a matching grant to activate their fundraising. The directors have requested Democracy Fund staff support to make introductions to other funders and provide technical assistance on development, which we are happy to provide.

The School for Creative Activism is now in its second year. In its first year, the SCA developed a full curriculum and ran two weekend workshops for USP grantee partners who applied to attend; the first was at the Stone Circles retreat center in Mebane, North Carolina, and was for Democracy Fund grantee partners in North Carolina. The second was held at the Eyebeam Center for Art and Technology in New York City and drew representatives from national grantee partners, who also applied for acceptance in the training. The SCA doubled the number of workshops for 2012 and in June it trained activists working with Texas Forward, statewide fiscal policy coalition that is based in Austin, and in August will work with activists brought together by United for a Fair Economy's Tax Fairness Organizing Collaborative, an OSF grantee that is based in Boston. In October, SCA plans to work in Houston with immigration and criminal justice organizers, including many OSF funded organizations, and in November SCA will return to New York to work with faith-based organizers brought together by Occupy Faith. Each of the School for Creative Activism's workshops engage an extremely diverse pool of organizers and grassroots advocates from a wide range of nonprofits and community-based organizations.

The SCA is not just about better messaging or better graphics, rather it seeks to help advocates become more effective at organizing and grassroots engagement. Its curriculum updates the activist toolkit through the re-

imagination and reconfiguration of tactics, strategy, goals, and organization in a way that creativity and culture is factored into every plan and every action.

Based on participants' solicited and unsolicited feedback to SCA and the Democracy Fund, and the report of its own outside evaluators, Creative Capital, the School has been – and continues to be – a success. Morale is excellent, participation is high, and the ability of the participants to apply the lessons taught during the session in critical and creative ways has been impressive.

There are other excellent training organizations that fuse creativity and activism (Yes Labs, smartMeme, and Boston's Design Studio for Social Intervention, a Democracy Fund grantee, are but a few) and the SCA works closely with these groups. Indeed, many of its leaders are on the SCA's board of advisors. These organizations, however, tend to design and support specific and targeted campaigns. The SCA offers a broad-based education focused on the organizers themselves; teaching them universal principles, perspectives, and skills of creative activism that they can apply to their own campaigns.

The School for Creative Activism works as follows:

*Participants:* 15-18 per group.

- Two directors who have the responsibility of setting the curriculum, organizing meetings, and facilitating discussions and interactions
- Ten to thirteen participants: organizers, activists and staff from community groups currently partnering with OSF. Ideally, these participants would be skilled and experienced in organizing, but also frustrated with the diminishing returns of traditional organizing tactics and eager to embrace new methods and ideas. They receive small stipends to honor their time and cement their commitment.
- Two artists from the region with an interest in working with organizers around social issues.
- One on-site workshop coordinator.

*Structure:* The curriculum is scalable and can expand from a half day workshop to a week or more retreat, although the directors have found that a two and a half day weekend can be very successful.

*Atmosphere:* Participation. Everyone has a cultural and creative life and this is what makes the trainings powerful organizing tools. Organizers and advocates, however, often park their creativity at the door when the "serious" work of planning a campaign begins. The goal of the School for Creative Activism is not merely to impart knowledge, but to access, organize, and operationalize the creative and cultural resources possessed by the organizers themselves.

*Curriculum:* The curriculum of the School for Creative Activism incorporates a range of formats, from lectures by the directors to exercises undertaken by the participants individually and in small groups, to a final "exam" engaging the entire group. The areas covered include:

1. *The Idea:* Why cultural and creativity are essential tools for organizing in the new millennium.
2. *Practice:* Using a range of contemporary examples of organizing and activism, participants study the ways cultural creativity has been employed for raising awareness, building organizations, influencing legislature, and even drafting policy.
3. *History:* From the spectacle of the Boston Tea Party to the "strategic dramaturgy" of the civil rights movement to ACT-UP's media-savvy, this unit addresses what we can learn from case studies of creatively effective social movements.
4. *Theory:* Ideas from social marketing to the latest French aesthetic theory, presented in a way that is clear to understand and immediately applicable.
5. *Skill Share:* Participants give brief lessons. What skills and experiences -- cultural and professional -- do people bring to the table? How can these skills, particularly those not usually considered political, be

reconceptualized and mobilized for organizing? This aspect of the curriculum is critical for both mutual education and creating a sense of buy-in and ownership.

6. *Envisioning*: Rethinking goals, moving from the purely practical to the inspirationally impossible – and working back from there.
7. *Mapping*: Working in small groups, participants are encouraged to create a visual mapping of a campaign, incorporating three different paths – routine, utopian, creative – to their goals.
8. *Tests*: Every school has tests, and the SCA is no exception. “Tests” in the SCA are scenarios – real-life ones brought in by participants, vetted and selected by the directors – in which participants collectively brainstorm creative campaigns in actual situations.
9. *Evaluation*: Application of appropriate methods and scales to evaluate the efficacy of creative campaigns. This includes simple metrics like increased participation in actions, media coverage of campaigns, and discernible impact on campaign objectives. The SCA also stresses the importance of recognizing the less immediately discernible: from increased flexibility in tactical thinking and improvements in organizer morale to transformations in public consciousness and cementing political gains through cultural “normalization.” Techniques of cultivating the ideas and practices of creative activism back home are covered, discussing how to introduce new principles and techniques to change-averse organizations.
10. *Creative Play*: Walking the walk. The training includes time for in-depth conversation among participants and a group outing to a cultural event -- part demonstration of links between culture and politics, part bonding mechanism, part pure fun.

### **Rationale for Recommendation:**

US Programs, via the Democracy Fund, recommends a renewal grant of \$75,000 over one year to support the School for Creative Activism. We make this recommendation in recognition of its well-received work to creatively inspire the use of art and culture in open society engagement and advocacy. This is a tie-off grant recommendation.

The School for Creative Activism has been an integral part of the Democracy Fund’s efforts to support efforts that expand the reach of progressive and open society advocates and activists so that they may reach new people and increase the likelihood of success. Specifically, the SCA has supported the Fund’s work to build out a grantmaking portfolio that integrates cultural organizing strategies into organizing and advocacy on a range of social and economic justice priorities.

Culture has been used across the centuries in political activities to reach and engage a broad public. What has been lost in the last few decades as culture has become increasingly privatized and commercialized is an intentional use of culture within the social justice sector to reach beyond the “usual suspects.” In addition, as activism has become more specialized, residing in the areas of law and policy, the social justice ecosystem has lost its ability to translate and connect advances (and threats) to democracy to a broader public.

Creativity is essential to good organizing and advocacy. It keeps activists from clinging to stagnant tactics that are no longer effective. Millions of people marched in the streets protesting the war in Iraq, but broader public sentiment began to turn against the war when the mother of a dead soldier staged an encampment outside the president's vacation home. When the Iraq Veterans Against the War decided to protest, it didn't stage a sit-in and they didn't march on the Capitol. Instead its members acted out the same military operations they did in Iraq and Afghanistan on the streets of U.S. cities. This moving performance by veterans – street theater for the 21st century – captured the attention of both passersby and the media.

Creativity taps into an expertise that many people possess but often don't think of applying to the "serious business" of politics. Even if most people do not compose symphonies or paint majestic landscapes, they listen to music on their iPods, perform songs in congregations, upload videos they've made to YouTube, assemble scrapbooks with friends, and watch television or read books before going to bed. “I'm not political” is a phrase



that one hears often. It's a rare person, however, that doesn't identify with some form of culture and creativity. As such, culture lowers barriers to entry and, as something already embraced, it has the capacity to act as an access point which organizers can use to approach and engage people otherwise alienated from typical civic activity and community organization. Indeed, cultural creativity is often the possession of those – youth, people of color, low-income people – that are most marginalized from formal spheres of politics, law, and education.

Overcoming the initial skepticism of some members of the Democracy Fund team, namely its program director, the School for Creative Activism has provided thoughtful, creative, provocative, and tailored support to USP grantee partners that are working to advance criminal justice reform, economic opportunity, fiscal fairness, and immigrants' rights. With political gridlock dominating the national landscape, and increasingly at the local and state levels of policymaking, Democracy Fund staff sees compelling possibilities in the greater integration of culture and creativity into the broader open society advocacy community. It may not be for everyone, but for those who seek to expand their reach and to open up conversations with people and communities who don't respond to the more typical tactics of email "clicktivism", sidewalk petitions, church basement community meetings, and evening phone calls, the School for Creative Activism is a compelling place to begin.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037300

**Legal Name of Organization:** Blueprint North Carolina

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To provide general renewal support to Blueprint North Carolina, founded to enhance collaboration among diverse nonprofit organizations in order to expand civic engagement, issue advocacy, and non-partisan voter participation. As a state partner for the national State Voices civic engagement network, Blueprint North Carolina provides free voter list access, technical assistance, data analysis, independent evaluation, and a place for strategic collaboration for organizations conducting advocacy on open society priorities, including state fiscal policy and civil rights issues. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off recommendation.

**Previous OSI Support:** \$150,000  
\$150,000 from Democracy Fund (2008-2010)

**Organization Budget:** \$1,462,000

**Project Budget:** n/a

**Major Sources of Current Support:**

Z. Smith Reynolds Foundation	\$425,000
Atlantic Philanthropies	\$200,000
Warner Foundation	\$100,000
Stoneman Family Foundation	\$75,000
Public Interest Projects	\$75,000

**Amount Requested:** \$75,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21117)

**Term:** 1 year, beginning January 1, 2013

**Matching Requirements:** n/a

**Description of Organization:**

Blueprint North Carolina is a Raleigh-based partnership of state-level public policy, advocacy, and organizing groups dedicated to achieving a more fair, progressive, and healthier North Carolina through integrated civic engagement, policy, and communications strategies. Blueprint is the state partner for State Voices, a U.S.

Programs national grantee advancing state-based strategies to increase non-partisan voter participation via 17 collaborative state “tables” and over 600 diverse member groups.

Blueprint serves as the 501(c)3 state collaborative table for North Carolina and is comprised of fifty-five organizations that are leaders in voter engagement and broader social justice advocacy across the state. Members include the ACLU of North Carolina, Institute for Southern Studies, Planned Parenthood, People of Faith Against the Death Penalty (a Criminal Justice Fund grantee), and several Democracy and Power Fund grantees, including Democracy North Carolina, the state NAACP, and the North Carolina Justice Center. People of color rooted organizations constitute 65% of Democracy North Carolina’s member groups.

Blueprint North Carolina provides resources and tools directly to organizations working in underrepresented communities. The organizations that make up the state table represent almost every demographic and issue area in the state and Blueprint’s focus on strategic collaboration ensures a more cost-effective use of resources – time, money, technology, and talent – to maximize the value of each organization’s efforts and increase the impact of funds spent by each group.

The organization has solid leadership and strong support from in-state foundations, including in-state funders (namely the Z. Smith Reynolds Foundation) that pay for core operating costs each year, leaving the organization better able to focus on its mission. Blueprint’s executive director, Sean Kosofsky, has long been engaged in social justice political work, including as director of Detroit, Michigan’s LGBTQ center and NARAL Pro-Choice North Carolina. Blueprint’s board is made up of representatives from partner organizations; board members are asked to serve on the communications or civic engagement committee. There are currently eight board members who meet eight times a year. Kosofsky is looking to increase the number of board members to eleven this year. Board members include: the executive director of the North Carolina Housing Coalition; the public information coordinator for the Center for Death Penalty Litigation; the executive director for the state League of Conversation Voters; the president of the state Alliance of Black Elected Officials; the associate director for Democracy North Carolina; the field manager for Planned Parenthood; the associate state director of the AARP; a representative from the North Carolina Justice Center, and a member of the A. Philip Randolph Institute.

Blueprint built North Carolina’s first statewide 501(c)3 “Issue Interest” voter model. This tool is designed to help table partners become more strategic in their advocacy and voter engagement work by more easily identifying sympathetic North Carolinians for social justice activism and fundraising. Voters were scored on issues such as abortion rights, marriage equality, the role of government, race, and immigration. In this tough fundraising climate, the voter model gives groups the ability to do more targeted and precise work while using fewer resources. Blueprint also developed one of the nation’s first state values-based messaging models to help develop more effective messaging for progressive issues.

In a state that is changing rapidly both demographically and politically, Blueprint provides civic engagement support and training that has made huge strides in improving voter outreach capacity across the state. Blueprint has two full-time staffers who assist organizational partners with using the Voter Activation Network (VAN), a high quality online access voter list, and Catalist, a political and consumer database tool, in order to more effectively prioritize and conduct outreach to voters. This gives its partner organizations the ability to identify thousands of voters in the shared voter file who are interested in social equity. Organizations can also enhance their membership lists and collaborate on phone banks that boost grassroots activism and attendance at various advocacy events. More than 200 people have received high-level technical assistance through Blueprint’s database, media, social networking, and message framing trainings.

**Description of Program for Which Funding Is Sought:**

The proposal seeks general support.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal of \$75,000 over one year as a tie-off grant to Blueprint North Carolina. We make this recommendation in recognition of Blueprint's work to enhance strategic collaboration among state-based open society organizations that seek to increase non-partisan voter participation and strengthen issue advocacy from the most marginalized communities. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

Blueprint North Carolina fills an essential role among social justice non-profits in North Carolina, providing a critical place for the Democracy Fund's twelve grantees to connect, increase their strategic and technical capacity, and enhance their advocacy impact to benefit the communities they represent. This designation as a tie-off grant is due to OSF's shift away from a state focus.

Chosen as one of two states for the Democracy Fund's work following a nine-month field, seven state research effort, North Carolina is an increasingly important state in national politics, with changing demographics that demand a stronger focus on civic engagement among underrepresented communities. Of note, North Carolina is the third or fourth fastest growing state in the nation (depending upon which source is used) and for much of the 1990s and 2000s had the fastest-growing Latino population in the country. Between 2000- 2005, immigration doubled and there are now over 600,000 immigrants. Despite pockets of prosperity in the Research Triangle and Charlotte areas, the state has high poverty and drop-out rates, plagued by a loss of 20% of its manufacturing industry since 2001.

Despite these challenges, North Carolina remains a worthwhile investment given: 1) a strong social justice infrastructure of well-financed and well-resourced advocacy groups; 2) a sizable cohort of liberal, progressive and social justice-minded philanthropists; and 3) a culture of collaborative work amongst progressive organizations. North Carolina provides modeling for southern social justice movement work. North Carolina is identified strongly to the southern region in culture and politics yet is able to advance some fairly progressive policies that other southern states use for replication.

Among the primary roles Blueprint plays is convener, online strategies expert, and organizational capacity builder. This makes Blueprint one of the few organizations within the state with a broad reach – although reach in the eastern part of the state, where higher poverty rates persist, remains elusive for Blueprint and partners. However, this collaboration has contributed to several advocacy victories in North Carolina in the past few years, including support for the landmark Racial Justice Act, efforts to confront school bullying, to establish hate crime protections and comprehensive sex education, and to expand publicly financed elections in the state, a policy where North Carolina has been a national leader.

The 2010 election brought North Carolina its harshest state political landscape in generations. For the first time since Reconstruction, Republicans control both chambers of the state General Assembly and legislative leaders signaled that, contrary to the campaign promises of "jobs, jobs, jobs," they would prioritize a number of proposals that are hostile to progressive values, including successfully repealing the Racial Justice Act, unsuccessfully advancing voter identification legislation, and advancing a redistricting plan that the incumbent governor, a centrist Democrat, was constitutionally prohibited from vetoing.

Despite these challenges, Blueprint and its state partners achieved successes, including a local effort, with the Wake County (Raleigh) school board election that attracted widespread attention. As the district, the largest in the state, and its nationally recognized, economically-based school integration policies hung in the balance, the election was an all-hands on deck effort. Using its technical expertise and vast collaborative network, Blueprint coordinated the extensive field and communications activities of its partners, hiring more than 300 canvassers and

funding partner groups who coordinated thousands of volunteers. These efforts led to voter education efforts to 7,000 voters via phone or face-to-face contact, and literature that was mailed or delivered door to door for 50,000 more voters.

Importantly, Blueprint is a leader among State Voices members in 17 states, providing innovative strategies and training opportunities for the national network. For example, Blueprint created an incentive-based program to encourage partners to submit their 2012 voter outreach plans by January – earlier than any other state in the country, thus making it feasible to have a state plan that eliminates duplication and fills partner budget gaps by May. Blueprint has also introduced a twelve-month training camp for all State Voices members, providing free classes on new technologies, social media, and trends in data collection and civic engagement evaluation efforts.

This renewal grant will facilitate the maintenance and expansion of a year-round continuum of voter engagement, education, and turnout activities that will help grassroots partners expand the base of activism on key priorities and hold elected leaders accountable. Blueprint North Carolina provides high quality and responsive technical assistance, a deeply collaborative culture that enables groups that don't often work together to do so, and an economy of scale of tools provision (voter lists, consumer data to enhance targeting, etc.) that saves its partners more than \$400,000 a year. USP staff is strongly committed to incentivizing collaboration and the Blueprint North Carolina model, via its State Voices national network, does consistently high level work, in an increasingly tough political environment. We are recommending this as a tie-off grant only because the Democracy Fund will end in 2012. It is our hope that North Carolina – perhaps the best hope for a southern open society demonstration state – will be considered in the city-state program.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Nora Ranney, in consultation with program officer Patricia Jerido and program director Bill Vandenberg.

**Grant ID:** 20037379

**Legal Name of Organization:** Institute for Civic Engagement and Social Change

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** North Carolina Central University

**Purpose of Grant:** to support the North Carolina HBCU Student Engagement and Empowerment Network

**Grant Description:** To provide renewal project support to the Institute for Civic Engagement and Social Change, based at North Carolina Central University, an Historically Black College or University (HBCU) in Durham, North Carolina. OSF funding will support the further development of a model student civic engagement network amongst historically Black colleges in North Carolina to engage in non-partisan voter participation, civic grassroots engagement, and issue advocacy. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off recommendation.

**Previous OSI Support:** \$75,000  
\$75,000 from Democracy Fund (2011)

**Organization Budget:** \$201,930,186

**Project Budget:** \$180,570

**Major Sources of Current Support:** North Carolina Central University \$93,570

**Amount Requested:** \$87,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21117)

**Term:** 1 year, beginning January 1, 2013

**Matching Requirements:** n/a

**Description of Organization:**

The North Carolina Central University (NCCU) Foundation Inc. was incorporated in 1972 to help the university meet its needs beyond the base funding that is provided by the State of North Carolina. The foundation encourages, solicits, and manages gifts and grants to NCCU and provides funding for scholarships, fellowships, programs, and other needs. Located on NCCU's Durham campus, the Foundation is governed by a volunteer board of directors that elects its officers and appoints its staff.

### **Description of Program for Which Funding Is Sought:**

The Institute for Civic Engagement and Social Change (ICESC) is a Durham, North Carolina-based organization housed within the North Carolina Central University, an Historically Black College or University (HBCU). Approved by university's Board of Trustees in 2006, ICESC's mission is to increase the level and quality of participation in civic affairs on campus, in the region, and statewide and to address racial, gender, and economic justice in the political process. ICESC uses research, curriculum development, community organizing, and advocacy to increase nonpartisan voter participation and advocacy.

On campus, ICESC made a major contribution toward the effort that led to record voter turnout of 90% by North Carolina Central University students in the 2008 election. Off campus, it has worked with groups such as the North Carolina State Conference of the NAACP, Democracy North Carolina, and Blueprint North Carolina – all are current OSF grantees – and North Carolina Common Cause to build the civic capacity of North Carolinians.

In 2011, ICESC established a collaboration among North Carolina's eleven HBCUs through a new Student Engagement and Empowerment Network (SEEN). The institutions, six are private institutions and five are public, have a combined enrollment of 37,000 students. Most of the students are African-American; however, as is typical amongst HBCUs throughout the country, there is increasing diversity, with a growing number of Latino and white students. The institutions have a proud legacy in current and prior movements for equality and justice, including leadership in the formation of the Student Nonviolent Coordinating Committee (SNCC) and the sit-in movement, which was launched by North Carolina A&T students at a Woolworth lunch counter in Greensboro.

The Student Engagement and Empowerment Network is a nascent effort with OSF as its first funder. North Carolina Central University has contributed money and in-kind support and additional support from local foundations, the Winston-Salem-based Z. Smith Reynolds Foundation in particular, is now being sought.

The Institute for Civic Engagement is led by Jarvis Hall, an associate professor of political science at North Carolina Central University since 1995. Professor Hall's research and teaching interests include Black politics, public policy, social movements, and grassroots advocacy. He is a frequent media commentator on politics and public policy and is well regarded in North Carolina's advocacy community. He has served on the boards of the National Civic League and the North Carolina Center for Voter Education as well as serving as chair of the political action committee of the North Carolina NAACP, the nation's second largest state conference with more than 100 community and campus branches.

The mission of the Student Engagement and Empowerment Network is to increase the civic capacity of undergraduate students at North Carolina's HBCUs. Despite sharing a common mission and student demography, there has been no prior initiative to aggregate the civic engagement impact of the students and campuses. The Network provides opportunities for civic engagement skills building at each institution and will maximize the collective strength and voice of students on issues that are important to them, such as educational access, college affordability, and economic opportunity. SEEN seeks to become a repository of best practices, a clearinghouse for data and information, a producer of student-centered civic engagement materials, and a real and virtual "commons" where people can gather.

To accomplish its mission, SEEN will:

- Provide campus and community organizing training at campuses;
- Conduct surveys and focus groups on issues and messages that resonate with students;
- Organize voter empowerment workshops and produce student-centered literature, websites and social media vehicles, candidate questionnaires and education materials, and non-partisan voter guides;
- Promote advocacy on open society priorities by providing campaign trainings on policy change and issue analysis; and

- Facilitate the use of culture – music, spoken word, and other performing and visual arts – to advance civic engagement.

The Student Engagement and Empowerment Network’s first major activity was a statewide conference in November 2011. At the conference, students examined the historical and contemporary significance of student civic engagement, leadership, and activism. They developed a structural racism approach to frame issues and their campus and community organizing and explored how the network can provide training and resources for ongoing civic and voter engagement. They then developed next steps for the network’s build out. Each conference seminar included active participation from representatives from community-based organizations.

Structurally, the North Carolina HBCU Student Engagement and Empowerment Network acts as a coordinating body pursuing the objectives identified above. In its second year, student liaisons from each of the 11 campuses will have responsibility for communicating with the network via regular conference and video calls as well as handling on-site logistics for trainings and other campus events. Faculty representatives from each campus will advise the student representatives regarding their responsibilities, serve on the network’s advisory board, and act as a liaison between SEEN and their campus administrations. At North Carolina Central University, Professor Hall, the Institute for Civic Engagement and Social Change’s director will work with at least two faculty members and they will develop the trainings and curricula, conduct seminars, and produce policy analyses. Undergraduate interns will work on logistics, the collection and analysis of data, and assist with policy research. Social media – web-site, Facebook, and Twitter – will help to facilitate coordination between campuses.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$75,000 over one year to the Institute for Civic Engagement and Social Change’s Student Engagement and Empowerment Network, based at the North Carolina Central University Foundation, Inc. We make this recommendation in recognition of the Institute’s vision to expand the civic engagement of students to maximize their nonpartisan voter participation and develop issue advocacy campaigns to expand open society in North Carolina. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

In North Carolina, as elsewhere, the 2008 election sparked great excitement about the political process among young people. Those between the ages of 18-24 voted in record numbers. According to an analysis of state voting patterns in the 2008 election by Democracy North Carolina (also a current grantee), African Americans make up 21% of the voting-age population in the state, but they were 33% of the new registered voters in 2008, 28% of those who participated in early voting, 36% of those who used Same Day Registration, and 23% of the total number of people voting in the general election. In short, African Americans in North Carolina outperformed voters of other races in voter turnout.

Clearly, this was an historic election with a candidate who connected better to the African American community than prior candidates. A major question now exists as to whether 2008 was an aberration or a significant shift in youth civic engagement. There are troubling signs, such as low participation by youth in the 2010 non-presidential election and enduring expressions of youth alienation from the political process. Some call this an “enthusiasm gap.” Surveys conducted by the Black Youth Project at the University of Chicago as well as at the institute for Civic Engagement and Social Change indicate that Black youth are not completely alienated from the political process. They often, however, regard the political system as corrupt and rigged against people like them.

North Carolina is in many regards an open society model for the rest of the South. It has a prominent legacy in the civil rights movement and, in recent years, has passed laws to establish greater fairness in the death penalty process, to expand access to voting and publically financed elections, and to provide comprehensive sex education and confront anti-LGBTQ bullying in its schools. There is a growing need for more civic participation in the



state, especially amongst young people. As the state grows – with nearly ten million residents it is now in the ten most populous states – it is increasingly influential in national politics. The 2008 election produced a rare and narrow victory for the more progressive presidential candidate, surprising many political observers. Charlotte has just recently hosted the Democratic National Convention, chosen because of the state’s growing significance.

Like nearly everywhere else, the 2010 election led to a rightward drift in North Carolina, resulting in a conservative majority in both chambers of the state legislature for the first time since Reconstruction. This past year, the state has seen many regressive laws passed, including the overturning of the Racial Justice Act and a constitutional amendment against same-sex marriage. We believe that the Student Engagement and Empowerment Network, with a potential base of 37,000 students plus their friends and family members, could become an important voice in future efforts to push back on these attacks. While there have been temporal issue coalitions in the past, there has been no sustained effort to marshal the collective strength of HBCU students toward more sustained student civic engagement and activism.

This recommendation has the potential to develop a stronger infrastructure for African American youth civic engagement in North Carolina and could, due to its innovative structure for multi-campus communication and collaboration, produce a replicable model for such work in other states whether there are multiple HBCUs there or not. While campuses are effective places for voter registration, civic engagement beyond campus specific issues usually ends with voting. While students are aware of certain social problems they often do not have a full understanding of the impact that public policy can have or how decisions made at the state legislature directly impact their lives, campuses, and communities. This initiative potentially could have a transformative impact on democracy in North Carolina by building infrastructure within African American institutions to create a new cadre of young people knowledgeable about and strategically and consistently engaged in the political process.

Due diligence and assessment for this recommendation was conducted by Democracy Fund program officer Patricia Jerido.

**Grant ID:** 20037305

**Legal Name of Organization:** Center for Participatory Change

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To provide renewal general operating support to the Center for Participatory Change, an Asheville, North Carolina based organization that provides capacity-building and campaign strategy support to grassroots racial and economic justice organizations in the 25 counties of Western North Carolina. The Center prioritizes work with people and groups who have been excluded or marginalized from mainstream political and economic systems, particularly those in low-wealth communities of color, and builds multiracial advocacy within and across African American, Latino immigrant, Native American (Cherokee), Hmong, and Appalachian identified white communities. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off grant recommendation.

**Previous OSI Support:** \$150,000  
\$150,000 from Democracy Fund (2010-2011)

**Organization Budget:** \$350,275

**Project Budget:** n/a

**Major Sources of Current Support:**

Z. Smith Reynolds Foundation	\$70,000
Mary Reynolds Babcock Foundation	\$60,000
Charles and Mary Grant Foundation	\$30,000
Norman Foundation	\$25,000
NC Community Development Initiative	\$25,000

**Amount Requested:** \$75,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21117)

**Term:** 1 year, beginning January 1, 2013

**Matching Requirements:** n/a

## **Description of Organization:**

The Center for Participatory Change (CPC) is a grassroots-support organization working across the 25 counties of Western North Carolina. The Center's mission is to help people in Western North Carolina recognize their own power, work together, and transform their communities. CPC's work supports groups of people living in low-wealth and marginalized communities as they develop the capacities, confidence, and collective power needed to move themselves, their families, and their communities out of poverty.

The Center for Participatory Change is very thoughtful in its approach to building multiracial organizations and alliances, never an easy task and perhaps even tougher to do in the rural South. It has taken innovative steps in recent years to overhaul its staff and board structures to facilitate multiracial alliance building and power sharing across lines of difference. Since 2002, CPC has operated as a collective organization without titles and hierarchical structure. Instead, each of its five staff members acts as a "point person" for several internal and external areas of work, taking leadership in that area and receiving support as needed. Major decisions are made collaboratively by the staff as a group, under the policies and directions set by the board. The organization has eight board members, a majority of whom represent their grassroots partners.

The Center has increased its budget slightly every year since 2009, receiving most of its funding from foundations and some from earned income for the capacity-building and technical assistance that it provides. Democracy Fund staff has communicated from the outset of our grantmaking to CPC that our North Carolina state-based investments would end in 2012. The organization has not budgeted for future support beyond this tie-off request.

Each year, CPC supports 40 to 50 grassroots groups and networks working for racial, social, and economic justice in rural western North Carolina. CPC prioritizes work with people and groups who have been excluded or marginalized from mainstream political and economic systems, particularly those in low-wealth communities of color. Of the groups that it supported over the past three years, approximately 43% have been Latino, largely immigrant based, 24% African American, 17% multiracial, 10% European American (primarily rural white, Appalachian identified communities), 3% Cherokee and 1% Hmong. This is especially impressive in a rural region of North Carolina that is only 20% people of color. Around 75% of the core leaders in these groups are women and most of the groups are very small, with annual budgets between \$5,000 and \$75,000. These leaders and groups are CPC's constituency and its work is driven by and accountable to these grassroots partners.

CPC's focus on racial and economic justice in Western North Carolina is rooted in two defining characteristics of the region: poverty and disparity. Despite Asheville's recent renaissance into being a highly desirable community for young outdoorsy or artistic types and comfortable retirees, Western North Carolina is a region that is geographically and culturally aligned as much with Appalachia as the South. It is made up of some of the most socially and economically distressed counties in the state. While North Carolina has an average, statewide poverty rate of 14.3%, many mountain counties are significantly above that rate approaching 20% poverty. Across rural North Carolina, 9.8% of all whites are poor compared to 27% of all African Americans, 22.3% of Native Americans, and 28.3% of Latinos.<sup>2</sup>

CPC's approach to supporting grassroots organizing consists of the following activities:

- Community organizing: both taking the lead on organizing efforts, especially around immigrants' rights, and supporting grassroots groups in their own organizing efforts.
- Grassroots leadership development: providing capacity building, skills training, encouragement, and networking opportunities to African American, Cherokee, Hmong, immigrant, Latino, and white Appalachian grassroots leaders.

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<sup>2</sup> Data from the North Carolina Rural Economic Development Center

- Supporting the development of grassroots groups and organizations: from the initial organizing stages to long term sustainability, helping grassroots groups build strong and resilient organizations so that they can carry out effective projects and programs for racial and economic justice.
- Supporting cooperative business development: enhancing the sustainability of small grassroots groups that are comprised of low wealth individuals by supporting and organizing worker-owned businesses, from initial business plans to decision making structures to pricing and marketing.
- Networking: organizing and supporting regional networks of grassroots leaders and organizations, both around shared issues and also across lines of race, language, geography and economic class.
- Resource programs: including The Western North Carolina Self Development Fund, a micro-grants program, and the Center's VISTA Program, sponsoring and training up to fifteen VISTA volunteers that are placed with CPC's grassroots partners.

The work CPC provides looks different for each of its partners. For example, its work with a well-established African American community center involved facilitating a six-month strategic planning process. For work with an emerging immigrant women's cleaning cooperative, CPC worked intensively to help it organize the workers, write a business plan, understand budgets and set salaries, and work with customers. CPC also advanced a multiracial immigrant rights campaign to confront the state's heavy participation in 287g and ICE "Secure Communities" programs that foster racial profiling for all people of color communities. When multiple community groups are grappling with similar issues, CPC will bring the organizations together to talk about their shared concerns and identify a common advocacy or capacity-building strategy. Whatever the group or the issues, the core principle of CPC's work is that the people in the group direct and control their own work, decisions, and futures.

CPC's social justice work falls into two overlapping organizing areas: economic justice and racial justice.

### Economic Justice

The struggle for better economic policy is more important now than ever. The South is the least unionized region of the United States and North Carolina is the least unionized state in the country. Violations of workplace safety, hiring, overtime, and wage laws are standard practice for many businesses, and even entire industries. Although the recession provides a convenient excuse for employers to reduce pay, cut benefits, and ignore poor working conditions, meaningful economic improvement depends upon fairly treated and fairly paid workers. CPC's primary partner in this work is Just Economics, a local group that won a living wage ordinance in the city of Asheville in 2008. In 2011, CPC supported Just Economics in advocacy efforts to extend that policy to organizations that contract with the city and pursue a similar living wage policy in nearby counties.

### Racial Justice

CPC's approach to racial justice is informed by three interrelated analyses related to racial privilege and oppression, reflecting the three major communities of color it organizes. Many of its African American partner organizations have developed an analysis centered on dismantling racism – the individual, cultural, and institutional systems that have been developed to increase privilege, power, and opportunities for white people while marginalizing, discriminating against, and oppressing people of color. Many of the Latino organizations have developed an immigrant rights approach that combines an understanding of racial oppression with an economic analysis of globalization, migration, and labor. Finally, many of the Cherokee partner organizations have an analysis of historical grief and trauma, recognizing that many of the tribe's social and health problems can only be understood as the contemporary symptoms of a history that includes genocide through war and disease, the Indian removal of the 1830s, Indian boarding schools, the outlawing of traditional language and culture, forced assimilation, and other historical events intended to destroy the cultural and spiritual identity of the Cherokee people. This analysis further recognizes that healing must also be rooted in coming to terms with that history and restoring a positive cultural identity.

### **Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$75,000 over one year to the Center for Participatory Change. We make this recommendation in recognition of CPC's work to build capacity for small, grassroots, and diverse organizations that seek to advance racial and economic justice through advocacy, community-building, and increased access to economic opportunity. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

The Democracy Fund's state strategy centers on building the capacity of people of color, immigrants, and young people and organizations in North Carolina's different regions in order to build a stronger statewide open society and social justice ecosystem. North Carolina, largely due to investments from the Z. Smith Reynolds Foundation, a Democracy Fund thought partner, has long benefited from the investments in its state capital based progressive advocacy community. This strategy paid off with a number of legislative victories in the 2000s. When in-state politics began to change in the past three years, due to shifting state demographics and one of the nation's most effective conservative donors (Art Pope, subject of a lengthy *New Yorker* story), advocates and funders recognized a need to make targeted investments in local capacity so that public participation could be expanded to more effectively influence what happened in legislative debates in Raleigh.

When the Democracy Fund selected North Carolina as one of its two priority states for direct investment in local- and state-based organizations, staff identified a need to support organizations throughout the state so that they can expand public support for open society priorities. The Center for Participatory Change is the only organization in the western part of the state that provides support to grassroots, community-based organizations that are owned and controlled by their communities and that have the flexibility to address multiple front-line needs and issues. It is our sole grantee partner in this region, although support has been provided to several statewide organizations that may have a small presence in Asheville.

Staff due diligence reveals that, despite its good work, the Center for Participatory Change remains isolated from other social justice organizations in North Carolina, limiting its impact. Staff assessment of social justice organizations within the state finds that many, like CPC, continue to work in regional isolation, building strong local networks and advancing social justice priorities that rarely extend to other areas of the state or the state capitol. This is an area of need that CPC and state advocates have each recognized as a priority to address. Recent conservative advances have provided opportunities for CPC to connect with state advocates, including efforts to confront a recent ballot measure to ban marriage equality and the attacks on the Racial Justice Act.

Due diligence and assessment for this recommendation has been provided by Democracy Fund program officer Patricia Jerido, in consultation with program director Bill Vandenberg.

**Grant ID:** 20037331

**Legal Name of Organization:** Coalicion Latinoamericana, dba Latin American Coalition

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To provide general support to the Latin American Coalition, a Charlotte, North Carolina-based non-profit organization that conducts research, provides social services, and facilitates advocacy and civic engagement to support the healthy inclusion of North Carolina's fast-growing Latino community. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This grant is a tie-off recommendation.

**Previous OSI Support:** \$75,000  
\$75,000 from Democracy Fund (2011)

**Organization Budget:** \$1,275,975

**Project Budget:** n/a

**Major Sources of Current Support:**

Atlantic Philanthropies	\$150,000
United Way	\$110,000
Latino Engagement Fund	\$50,000
Leon Levine Foundation	\$35,000
Wells Fargo Foundation	\$20,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21117)

**Term:** 1 year, beginning July 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

The Latin American Coalition (LAC), located in Charlotte, North Carolina, is the region's oldest and largest Hispanic service and advocacy agency. It is dedicated to empowering Latino families and promoting full Hispanic participation in the civic, economic and cultural life of North Carolina. Through direct services, community organizing, and cultural celebrations, it seeks to create a more just and equitable North Carolina region that respects and embraces people of all backgrounds. The Coalition works at the city, county, state, and federal levels to advance the advocacy power of Latinos.

Since its inception in 1990, the Latin American Coalition has worked towards integration of the Latino community, pioneering comprehensive integration services for immigrants in a region that had never before experienced such a dramatic influx of new immigrants. In 2006, the coalition's leadership reassessed the social and political climate in North Carolina and its own strategies. It then realized that despite a robust array of services designed to meet the immediate needs of the Latino community, its clients were disproportionately affected by structural exclusion, discrimination, and exploitation. The coalition's leadership determined that much of the victimization of North Carolina's Latino communities was made possible by national, state, local, and institutional policies. In order to address these policies, the coalition added a civic engagement and community advocacy component to its priorities, hiring its first advocacy coordinator in 2006.

Jess George became the executive director of the Latin American Coalition after serving for five years as its associate director. The organization's first non-Latino leader, George has continued its commitment to racial and immigrant justice and has been intentional about building a diverse and multi-racial board to be in service to the Latino community in North Carolina. The coalition receives a mix of foundation, corporate, and government funding, as well as sponsorships and fee for services (largely immigration related services) to make up its \$1.2 million dollar annual budget.

Since North Carolina's Latino community, like that of much of the American Southeast, is much newer and more heavily comprised of immigrants than states with large Latino populations in the Southwest or Northeast, the Latin American Coalition includes a sizable commitment to immigrants' rights advocacy. During the fight for comprehensive immigration reform over the past five years, it has led several rallies and vigils, attracting the participation of thousands of immigrants and allies. When the national legislation died in 2006 and again in 2010, the Coalition refocused its nascent advocacy program on building civic engagement through voter registration, education, and Get Out the Vote efforts. In the first two years, the agency registered over 1,200 voters, targeting new citizens, young voters, and others in Charlotte's and Mecklenburg County's Latino communities. In addition, the organization conducted a multilateral voter education campaign targeting the Spanish speaking community through public service announcements on the radio. LAC has also conducted bilingual get out the vote phone banks to mobilize Charlotte's Latino community. Its naturalization campaign, "Ya Es Hora" ("the time is now"), is organized under the national leadership of another Democracy Fund grantee, the National Association of Latino Elected and Appointed Officials (NALEO).

The Coalition's community actions and civic engagement work elicited the inevitable cultural backlash, stemming from friction already brewing as a result of the dramatic demographic shifts in the region. For much of the prior decade, North Carolina's Latino community was the fastest growing in the nation, catalyzing anti-immigrant sentiment in political discourse that has become increasingly vitriolic and mean-spirited. Despite – or perhaps because of – this, the Coalition continues to build its civic engagement initiatives and focuses its organizing work on promoting access to higher education for all students, including undocumented students who had previously been banned by law from attending North Carolina's public community colleges. The Coalition's advocacy team trained and mobilized hundreds of advocates to contact the North Carolina Board of Community Colleges to vote in favor of readmitting undocumented students, winning a favorable outcome.

**Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

**Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a grant of \$75,000 over one year to the Latin American Coalition. We make this recommendation in recognition of the LAC's effective, thoughtful, and high impact work to elevate the profile of North Carolina's fast growing Latino community, integrate it more effectively into the state, and expand its advocacy impact at the local, state, and federal levels. This is a tie-off grant

recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

The Charlotte, North Carolina metropolitan area has been one among the fastest growing metropolitan areas during the past two decades, becoming the nation's second largest banking center and drawing hundreds of thousands of new residents. With these new residents comes a need for services and housing, and large numbers of new Latino residents, including immigrants from Mexico and Central America, have come to the area to build homes, work in restaurants, and contribute to the vitality of what had been a sleepy Southern city.

While its African American and faith-based communities are especially vibrant, Charlotte lacks a strong civic engagement and advocacy infrastructure. In a metro area approaching two million residents, we learned from our local due diligence that one could easily count the number of paid, professional staff dedicated to expanding civic engagement on both hands. One local leader with whom we met shared a terrific local metaphor about Charlotte's activist and advocacy communities, utilizing a banking reference by saying "you don't shout in the bank lobby."

But times are changing and Charlotte is precisely the type of place where open society investment in civic engagement may now be most essential, as it has the potential to help diverse communities to work together on key issues of the day – economic policies, immigration, and school quality and re-segregation concerns. The Latin American Coalition works to expand the capacity of Latinos to impact change in their fast-growing region and state and it is smart in how it works together with many current grantees, including the Center for Community Change and New Organizing Institute on the national level and Democracy NC, Beloved Community Center, and the NC Latino Coalition on the state level.

LAC promotes civic engagement among disenfranchised populations through the use of grassroots organizing, leadership development, and voter participation work. Its service provision anchors the organization in the community by providing critical services to the Hispanic and immigrant communities; in 2008, LAC became Charlotte's first organization to be authorized by the Board of Immigration Appeals (BIA) to provide direct legal immigration services. This has allowed LAC to build a low-income law clinic for immigrants that it connects to their advocacy work.

In visits to Charlotte, USP staff has been impressed with the quality of the LAC's staff and board leadership. The board members were engaged, thoughtful, and strategic about the organization's evolution and expansion into civic engagement work as a complement to its provision of services. The coalition's executive director is thoughtful, hard-working, a bridge builder, and has taken the organization to new heights and expanded partnerships.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido.



**Grant ID:** 20037315

**Legal Name of Organization:** Southern Coalition for Social Justice

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To provide renewed general support to the Southern Coalition for Social Justice (SCSJ), which uses the combined skills of lawyers, social scientists, community organizers, and media experts to empower minority and low-income communities across the U.S. South to defend and advance their political, social, and economic rights. SCSJ undertakes voting, census, and legal support activities in Southern states and helps to address the impacts of social, economic, and racial inequalities on communities of concern to U.S. Programs – recent immigrants, communities of color, working class communities, and incarcerated persons. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off recommendation.

**Previous OSI Support:** \$805,000  
\$680,000 from Strategic Opportunities Fund/USP Census and Redistricting Joint Project (2009-2010)  
\$125,000 from Democracy Fund (2011)

**Organization Budget:** \$1,160,491

**Project Budget:** n/a

**Major Sources of Current Support:**

Ford Foundation	\$700,000
Kellogg Foundation	\$350,000
Z. Smith Reynolds	\$200,000
Rose Foundation	\$60,000
Warner Foundation	\$25,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21117)

**Term:** 1 year, beginning October 1, 2012

**Matching Requirements:** n/a

## **Description of Organization:**

The Southern Coalition for Social Justice (SCSJ) is a full-service public interest advocacy organization working in partnership with community-based organizations across the southern region of the United States. SCSJ was founded in 2007 in Durham, North Carolina, by a multi-disciplinary group of predominantly people of color advocates. Their experiences in social justice activism and organizing in the South led them to conclude that community-based organizations needed more access to effective legal representation. The mission of SCSJ is to promote justice by empowering minority and low-income communities to defend and advance their political, social, and economic rights.

SCSJ has had a steady budget of roughly one million dollars for the past three years. It receives national funding from Kellogg (for racial equity work) and Ford (for census and redistricting work) as well as state funding from Z. Smith Reynolds and the Warner Foundation. To a lesser extent it receives income from legal services and litigation. SCSJ has a very strong reputation in the field of grassroots advocates and is well regarded by OSF's funding peers. In addition, it benefits from its home in North Carolina, which boasts a number of in-state foundations that support social justice work.

SCSJ's thirteen member board includes one MBA, one Ph.D., eight lawyers, and one law student. Board members include representatives from community organizations from rural North Carolina as well as faculty from Duke University. Board members have participated in USP staff site visits, where conversations focused primarily on programmatic work.

Anita Earls is SCSJ's executive director and is a thoughtful and well-regarded leader. Virtually all of the Democracy Fund's 12 North Carolina grantees speak highly of the role that SCSJ plays in the field and of Earls' soft-spoken but fiercely tenacious spirit in supporting their campaigns. Earls is a civil rights attorney with 24 years of experience. She was appointed by the Chief Justice of the North Carolina Supreme Court to the Equal Access to Justice Commission, for which she serves as secretary, and was appointed by North Carolina's governor to the State Board of Elections. Earls formerly served as deputy assistant attorney general in the civil rights division of the U.S. Department of Justice, where she held responsibility for the division's voting, educational opportunities, disability rights, and coordination and review sections.

The Southern Coalition for Social Justice's core program areas seek to: 1) foster civic engagement to ensure fair redistricting, including assuring "complete count" efforts in the U.S. Census; 2) represent minority communities in an effort to end discriminatory practices that impair their voting rights; and 3) defend immigrants against unfair deportation and advocate, in partnership with immigrant communities, against 287(g) anti-immigrant police/ICE enforcement and other harmful governmental policies.

A key, two-part strategy for SCSJ is to participate in existing regional networks that address critical issue areas and, at the same time, to expand its network of state-based community organizations that are pursuing a community lawyering model in the South. SCSJ designs its work to respond to the needs and priorities of its network partners and their communities, cutting frequently across issue areas that include voting rights, immigration reform, environmental justice, community sustainability, and criminal justice. Organizational objectives for this work in the year ahead include:

- Establish, sustain, and contribute to the efforts of community-based organizations in the southern states where SCSJ has conducted census outreach and built effective partnerships.
- Engage in voting rights advocacy that protects fair minority representation and political participation at the local, state, and national levels through the activities related to redistricting processes.
- Expand the resources available to represent and defend immigrants facing deportation under the 287(g) and Secure Communities programs and link their experiences to broader organizing and policy advocacy on immigration issues locally and nationally.

- Defend and preserve the assets of minority landowners by representing individual families, providing training on heirs' property and setting up new ownership structures, contributing to asset-building coalitions, and participating in national efforts to reform partition laws.
- Sustain the work of local organizations working to defend their communities from bearing a disproportionate burden of environmental hazards.
- Partner with community groups to establish "ban the box" campaigns across the state and to develop other legal strategies to ensure that those with prior convictions are able to find meaningful employment upon reentry.
- Investigate and develop the potential to build SCSJ's long-term sustainability by generating related or unrelated business income to support its work.

An example of SCSJ's recent work in North Carolina is:

#### Citizens Against OLF Campaign

Citizens Against OLF was formed in Gates County, North Carolina in 2007 in response to the U.S. Navy's announcement of a planned outlying landing field (OLF) in the county. As local residents launched a campaign to oppose the taking of farms that had been in their families for generations, it became apparent that the residents needed to address economic development issues and prior racial exclusion by local government. With SCSJ's multi-disciplinary approach, it was able to assist the organizers in devising advocacy strategies that resulted in two African-Americans being elected to the Gates County Commission for the first time ever. The county was initially divided over whether to support an outlying landing field but, ultimately, united in their opposition to it. Overall, the success of SCSJ's work with Citizens Against OLF was strengthened by its helping community activists to frame the issues more strategically than they had initially, beyond a narrowly tailored single issue campaign, and by helping them more broadly to address issues of racial exclusion and empowerment.

#### **Description of Program for Which Funding Is Sought:**

The proposal seeks general operating support.

#### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$100,000 over one year to the Southern Coalition for Social Justice. We make this recommendation in recognition of its work to thoughtfully and strategically integrate legal expertise with community-based engagement and advocacy to advance open society interests in redistricting, voting access and voter participation, and structural inequality. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

OSF funding for SCSJ's work will provide continued support of advocacy to enable historically disadvantaged and disenfranchised communities in the South to have a greater role in the decisions that most affect their lives. SCSJ has been an effective advocate to empower racial minority and low-income communities to advocate for their human rights on the local, state, and national levels. It brings an interdisciplinary set of resources, including legal advice and representation, assistance with community engagement strategies, communications skills building, and relevant social science research and analysis. It focuses on advocacy aimed at achieving structural changes, and its work is community-driven, meaning that it employs a variety of practices to ensure that its constituents determine the organization's priorities.

In the past three years, SCSJ has increased its services across a wide range of issue areas. Its model of community lawyering is patterned on similar groundbreaking efforts by organizations such as New York Lawyers

in the Public Interest, the Advancement Project, and the Center on Race, Poverty and the Environment in San Francisco. SCSJ has demonstrated that empowering communities to address the issues that most impact them builds long-term capacity for these communities and leads to lasting structural change. To this end, the organization operates from the premise that lawyers should not be the “expert” leaders of social justice campaigns but rather serve as resources for the community. This “on tap, not on top” model allows the communities to control how they address an issue, resulting in more meaningful and enduring changes.

Like similar organizations of its size and scope, the Southern Coalition for Social Justice suffers from being a lean staffed institution with growing demand for its services. In addition, the bulk of fundraising responsibilities still lay heavily with its executive director. In conversations with Earls she has recognized this structural defect and is seeking additional general operating support that will help with expanding the organization’s administrative and fundraising capacity. The existence of community groups needing support, the lack of community lawyering organizations in the South, and the disconnect between national civil rights legal advocacy and local community organizations are a few of the many factors that demonstrate the need for SCSJ’s work. In general, today’s reality is that many community organizations that need legal advice simply cannot raise the money to hire attorneys and will not find pro bono services that comprehensively meet their needs. If they can obtain legal representation at all, community groups risk being involved with lawyers who are not skilled in methods of advocacy that enhance, rather than thwart, the possibility for sustained community empowerment. To address these realities, SCSJ is now engaged in building a regional network of community lawyering organizations.

Through its work and the thoughtful leadership of Anita Earls, the Southern Coalition for Social Justice models strategic and reciprocal alliance building with key local, state, and national partners. These include: the well-regarded North Carolina NAACP and many of its county branches, El Centro Hispano, the Beloved Community Center of Greensboro, Blueprint North Carolina, MALDEF, the Heirs’ Property Retention Coalition (a group of over twenty organizations throughout the south), Rights Working Group, National Network for Immigrant and Refugee Rights, National Immigration Bond Fund, and the ACLU Voting Rights Project.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Patricia Jerido.

**Grant ID:** 20037445

**Legal Name of Organization:** Texas Civic Engagement Table

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To renew general support to the Texas Civic Engagement Table (TCET), an Austin-based statewide organization founded to enhance collaboration among diverse nonprofit organizations in order to strengthen civic engagement, issue advocacy, and non-partisan voter participation. As the state partner for the national State Voices civic engagement network, TCET provides free voter list access, technical assistance, data analysis, independent evaluation, and a place for strategic collaboration for 501(c)3 organizations conducting advocacy on open society priorities, including state fiscal policy. This grant would advance Democracy Fund goals to increase civic engagement and nonpartisan voter participation from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off recommendation.

**Previous OSI Support:** \$350,000 from Democracy Fund (2010-2011)

**Organization Budget:** \$1,318,344

**Project Budget:** n/a

**Major Sources of Current Support:**

Marguerite Casey Foundation	\$450,000
Atlantic Philanthropies	\$400,000
Ford Foundation (pending)	\$300,000
State Voices	\$132,000
Individual Donors	\$60,000

**Amount Requested:** \$150,000

**Is this a contingent grant?** No

**Amount Recommended:** \$150,000 (T1: 21117)

**Term:** 1 year, beginning August 1, 2012

**Matching Requirements:** n/a

**Description of Organization:**

The Texas Civic Engagement Table (TCET) was founded in 2010 to coordinate and support grassroots organizing and increase civic engagement to advance public policies that shape a better future for all of Texas. Borne from a statewide community assessment conducted that year of advocacy organizations in the state, TCET responds to the voiced need for capacity building both across and within organizations, as well as opportunities for increasing

the effectiveness of advocacy and civic engagement through strategic collaboration and shared resources.

Launched with early support from OSF, the Texas Civic Engagement Table was founded to address two key problems:

1. A lack of infrastructure and efficiencies within the universe of socially responsible issue organizations, membership associations, service providers, and community organizers doing civic engagement work in Texas; and
2. extremely low state levels of voter engagement among Latinos, youth and other traditionally disenfranchised voters.

TCET's work is categorized into four areas:

1. Building power in marginalized communities;
2. Strengthening support for socially responsible or progressive issues;
3. Developing leaders; and
4. Increasing the return on investment in its partner groups through shared services, high level technical assistance, and economies of scale.

TCET's long term goal is to create a culture of year-round civic engagement at both the state and local levels. TCET provides tools and resources to participating organizations to help them reach new levels of effectiveness and capacity in their own work, while building the connections between them to create a permanent, multi-issue infrastructure for progressive organizations in Texas.

In September 2010, following a grant award from the Democracy Fund, TCET hired its first executive director, secured access to the Voter Activation Network (VAN) and Catalist, (both are top notch list-building and voter data file programs) and began supporting civic engagement groups' 2010 voter registration and turn out programs. Since that time, executive director Lesley Ramsey has built up a small shop of individuals, each bringing unique talents to the organization. Ramsey has spent the last ten years working in the nonprofit sector as an advocate on a variety of issues, including as the executive director and chief lobbyist for the Texas Association of Planned Parenthood Affiliates and the outreach director for the Center for Public Policy Priorities, Texas's State Fiscal Analysis Initiative partner.

Ramsey has brought on a data and targeting manager, who manages Texas' 501(c)3 voter file and conducts trainings in grassroots advocacy. Another recent hire, Katrina Mendiola, serves as campaigns director. In her 10 years of progressive political work, Mendiola has led issue advocacy and electoral efforts for Texas Freedom Network, National Council of La Raza, and Planned Parenthood Federation of America in California and across the Southwest. Most recently she was director of strategic partnerships for Project New America (formerly known as Project New West and a key strategic political and public opinion research firm based in Denver, Colorado) where she advised organizations on the development of data and research driven legislative and electoral strategies.

TCET's board is in need of more focus and membership. Existing members donate to the organization and have the business and civic connections to reach out and fundraise for the civic engagement table, not an easy task in a state where contributions more typically flow to candidates and parties rather than through progressive identified nonprofits. Founding board member Alexa Wesner is the president. Wesner comes from an entrepreneurial tech background and works with a variety of nonprofits and charities. She is both impressive and spread too thinly, leaving the table with less support than it needed as it lifted off in 2010. Jim Dow is the secretary/treasurer and is a principal at a public relations company. Kevin Lalande is the third member and is the founder and manager director of a venture capital firm focused in health care-related companies. While each of the three brings important expertise and relationships, a state civic engagement table should be more representative of the constituencies and communities that comprise its membership.

The Texas Civic Engagement Table began with seed money from the Democracy Fund following a detailed, on the ground surveying of civic engagement needs in Texas, one of the Fund's two priority states for non-national investment. The Democracy Fund's support for Texas, including a fair amount of evangelizing at the national level, has leveraged more resources for a state that, for many, holds great future promise – if demographic shifts will, in fact, lead to more progressive policymaking potential. Since OSF's early investment, the Texas Civic Engagement Table has grown its foundation support from large national foundations, including Marguerite Casey (\$450,000 in 2012), Atlantic Philanthropies (\$400,000 in 2012), and Ford (pending for 2012-13 at \$300,000). While this influx of support is good, we recognize the danger of relying on a small number of national funders. With this tie-off grant and the end of monies coming from Atlantic due to its own transitions, the need is clear for board members and other in-state supporters to instill a culture of giving.

TCET held its first statewide meeting in Austin in December, 2010 with 37 executive-level staff from 29 organizations in attendance. Significantly for a massive state with vast regional differences, attendance included three representatives from Rio Grande Valley based organizations, six from Houston and two from San Antonio. Participants in the meeting included policy experts, advocates, and community organizers from organizations working on a range of issues, including worker justice, immigration, environmental protection, health care, racial justice, reproductive rights, criminal justice, and children's issues. The directors of nonprofit advocacy membership associations in Houston, San Antonio and Austin also participated. Together, more than 200 community-based service organizations were represented.

The majority of Table program activity takes place locally, coordinated by regional tables in Austin, Dallas, Houston, the Rio Grande Valley, and San Antonio. The regional tables give community-based organizations the opportunity to take advantage of the resources offered by TCET and to connect to larger organizations at the statewide level. Member organizations benefit from each other's experience, expertise, and shared resources. Strategic planning takes place statewide and working groups develop plans for coordination of field work, communications, leadership development, and election access. These plans are presented for all to review at quarterly statewide meetings. Final decisions about collective program work and internal table policies are made at the statewide table with input from an advisory committee comprising participating organizations.

The Texas Civic Engagement Table's primary focus for 2011-12 is to develop and put into motion an 18-month statewide civic engagement plan. This plan, developed by its member organizations, seeks to increase voter turnout of the most underrepresented voters: Latinos, African Americans, young people, and unmarried women. Nonpartisan voter registration and get out the vote work is designed to give people from underrepresented communities a voice in the democratic process. The civic engagement plan outlines an approach for establishing key components of civic engagement infrastructure in disengaged communities, connecting with members of those communities in a sustained and consistent manner, and empowering those communities to engage in civic processes for social change and social justice.

Post-election, TCET and its partners shift their focus to organizational capacity building to facilitate continued civic engagement and strengthened issue advocacy in the communities where they have worked in 2012. In the early part of the year, much of this will focus on public education and mobilization around policy debates at the state legislature. TCET has already convened a working group to begin planning its legislative strategy, a promising development.

Beyond these plans, TECT's main objectives for 2013 are to:

1. Convene a new regional table in El Paso;
2. continue to support recruitment into and development of regional tables in Austin, Dallas, Houston, the Rio Grande Valley, and San Antonio;
3. work with Wellstone Action, a capacity building intermediary (and Democracy Fund grantee) to hold skills training and leadership development workshops for member organizations' staff and key volunteers;
4. convene a statewide retreat for annual evaluation and ongoing strategic planning; and

5. develop and implement the next 18-month statewide civic engagement plan.

**Description of Program for Which Funding Is Sought:**

This proposal requests general support.

**Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$150,000 over one year to the Texas Civic Engagement Table. We make this recommendation in recognition of its work to enhance strategic collaboration among state-based open society organizations that seek to increase non-partisan voter participation and strengthen issue advocacy from the most marginalized communities. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

The Texas Civic Engagement Table is the only organization in Texas working to build the infrastructure to connect and strengthen progressive and open society organizations as they seek to increase the civic engagement of traditionally disenfranchised people. TCET's unique contribution is to enhance the effectiveness of each of its member organizations by bringing them together under a mission designed not to advance any one issue or tactic, but to provide the capacity, tools, and collaborative culture in order to build power for and amplify the voices of traditionally disenfranchised people across the state.

More specifically, TCET's role is to coordinate the civic engagement activities its member organizations, create incentives for collaboration and the integration of the Table's collective plan into individual partners' annual work plans, create unified metrics and methodologies for measuring collective success, manage the shared resources, including the statewide voter file, and ensure accountability to funders.

As TCET moves into 2013, its focus shifts to organizational capacity building to facilitate continued civic engagement work and more effective issue advocacy work in the communities where its member organizations worked in 2012.

After a bumpy start in 2010, largely due to the newness of the effort and the learning curve of its now solid executive director, Democracy Fund staff have been impressed with TCET's accomplishments to date. Among these include:

- Offered valuable civic engagement resources and tools to Table participants. More than 40 organizations statewide now have access to VAN and Catalist – the highest quality voter database and consumer data and targeting information – that they never had before.
- Provided greatly reduced cost access (\$150 for a \$3,000 service) to the Telicon legislative tracking service to its members during the 2011 Legislative session.
- Conducted an in depth, Texas specific poll of Latino public opinion on issues and voting.
- Trained more than 75 people at 29 organizations on using voter databases for their membership management, civic engagement, and issue advocacy.
- Provided more than \$800,000 in subgrants to organizations implementing the statewide civic engagement plan.
- Held informational webinars and meetings on redistricting, voting rights, voter registration, and grassroots lobbying.
- Hired a full-time campaign director to supervise implementation of the statewide program and hired a regional coordinator for the Rio Grande Valley.
- Partnered with five national organizations – Project Vote, Advancement Project, Lawyers Committee for



Civil Rights Under Law, Common Cause and the Bus Federation – for election access and voter protection work.

Importantly, TCET believes in evaluation, for scaling up, to enhance programmatic efficiency, and create economies of scale. TCET has agreed to participate in a pilot called “The Quad,” an online tool that was developed by Atlantic Philanthropies’ now defunct U.S. civic engagement program for organizations to track and record a series of metrics to assess external impacts in real time. The goal is to enable groups to monitor social change strategies on a continuous basis, make appropriate course corrections, and ultimately demonstrate the value of civic engagement as part of creating change.

All TCET member organizations participating in the Civic Engagement Plan have agreed to participate in a program-wide randomized treatment and control test to evaluate the unique impact of their collective field program on nonpartisan voter turnout. TCET is working with the Analyst Institute, a network of academics who focus on civic and voter engagement strategies, State Voices, and a national data technical assistance provider to implement a research design that will be replicated in other State Voices state civic engagement collaborative tables nationally (North Carolina’s table, Blueprint, is also recommended for renewal in this docket). The design calls for the creation of a randomized control group of voters in TCET’s target universe who will not be contacted as part of nonpartisan voter turnout programs. This will enable TCET and its partners to isolate the effect of voter contact programs on nonpartisan voter turnout. Lessons learned from the experiments will have great value to funders and organizations.

Importantly, for a large, diverse, and complex state, TCET’s staff has been very diligent about getting out into the communities it seeks to serve. Having attended community meetings in the Rio Grande Valley and had extensive conversations with TCET’s director and many of its member organizations, Democracy Fund staff can report that organizations feel pleased with the attention, technical assistance, and services they are getting. Having received subscriptions to expensive voter file programs and the trainings necessary to use them, organizations now rely on TCET to help them build capacity that promotes the civic engagement of many people and communities who have not yet been active at scale in Texas.

Due diligence and assessment for this recommendation was conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg and program associate Hedly Nam.

**Grant ID:** 20037422

**Legal Name of Organization:** La Union del Pueblo Entero

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to provide general support

**Grant Description:** To support La Union del Pueblo Entero (LUPE), a San Juan, Texas based organization founded by Cesar Chavez and Dolores Huerta through the United Farm Workers. La Union del Pueblo Entero has a 20-year track record of providing social and legal services for low-income Latinos and has built an effective model of membership organizing and leadership development to advance the rights of farmworkers in one of the nation's poorest regions. LUPE's work is divided into two complementary programs: civic engagement and social services and it plays a leading role in the Equal Voices Network, a Rio Grande Valley regional alliance of community-based organizations that work to advance social justice and economic equity. This grant would advance Democracy Fund goals to increase civic engagement from the most marginalized communities and to enhance state-based advocacy on multiple open society priorities. This is a tie-off recommendation.

**Previous OSI Support:** \$300,000  
\$200,000 from Democracy Fund (2010-2011)  
\$100,000 from the U.S. State Strategies Initiative (2011)

**Organization Budget:** \$854,171

**Project Budget:** n/a

**Major Sources of Current Support:**

Marguerite Casey Foundation	\$140,000
Robert Wood Johnson Foundation	\$81,500
Hidalgo County	\$42,000
Proteus Fund	\$40,000
Annie E. Casey Foundation	\$40,000
Texas Civic Engagement Table	\$40,000

**Amount Requested:** \$100,000

**Is this a contingent grant?** No

**Amount Recommended:** \$100,000 (T1: 21117)

**Term:** 1 year, beginning October 1, 2012

**Matching Requirements:** n/a

## **Description of Organization:**

La Union del Pueblo Entero (LUPE), based in San Juan, Texas, was established in 1989 by legendary farmworker organizer Cesar Chavez, to complement the work of his United Farm Workers (UFW). LUPE's initial role was to provide social and legal services, including tax preparation and immigration mediation, for low-income Latinos who could not be represented by the labor union. Over time, a community organizing and leadership development component evolved to respond to the needs of low-income communities. In 2003, the United Farm Workers transferred all South Texas operations and staff to LUPE. The organization now has five offices in Hidalgo County, one of the nation's poorest counties in one of the poorest regions, bringing a long and strong history of providing quality services and organizing for social, racial, and economic justice.

The four-county Rio Grande Valley region is one of the poorest areas in the nation with one of the highest growth rates and one of the youngest populations. Residents in Hidalgo and Cameron Counties, where ninety percent of Valley residents live, suffer severely due to lack of public investment in drainage, infrastructure, housing, and hurricane damage prevention. Approximately 88% of the population in the two counties is of Mexican descent and 81% speak Spanish at home. Many of the lowest-income residents, primarily immigrants, reside in hundreds of unregulated and substandard rural subdivisions called "colonias." According to the U.S. Census Bureau, these two counties rank at the bottom of almost every socio-economic indicator: the percentage of all persons living in poverty (34.2%) is almost three times the national rate (13.2%) and twice as high as the Texas state average (15.8%).

Currently, LUPE's efforts are essentially divided into two complementary programs: civic engagement and social services. The former operates under a theory of change requiring that people be involved in resolving their own problems. To this end, LUPE organizers seek out and cultivate indigenous leadership in every community they serve. Developing the natural skills of these leaders has a multiplier effect, mobilizing others and empowering whole communities to engage government and elected leaders in public safety, housing, infrastructure, and quality of life concerns.

The social service program also relies on empowerment, employing a fee-for-service model so that individuals will become invested in the efforts and derive greater value from them. During the 2012 tax season, LUPE assisted nearly 1,000 families, obtaining about \$2 million in refunds. Its immigration program has assisted over 200 people with their applications for Legal Permanent Residency, more than 450 have submitted visa applications for family members, and 550 people have used LUPE's services to apply for naturalization in just the last two years. Information sessions are currently under way to provide accurate information to potential applicants for Deferred Action under President Obama's recent Executive Order regarding undocumented immigrant youth.

LUPE's victories include a long list of legislative and legal advances, including coverage of farm workers by Workers Compensation and Unemployment Compensation insurance, increases in Texas's minimum wage, banning the crippling use of the short-handled hoe in farm work, and adoption of a Right-to-Know law crafted specifically for field workers.

The organization's membership model not only encourages buy-in and support by local residents, but it also provides core financial support for the organization to keep its doors open. The annual membership contribution of \$10/individual and \$20/household seems meager by many standards, but given the extreme levels of poverty among the membership, those parting with their money are making a vote of confidence in LUPE's staff and the services they provide. Even with the chronically unstable and predominantly low-wage economy of South Texas, LUPE's membership remains strong. Over the last 18 months its staff has made a special effort to reach out to members to remind them to renew their annual commitment to LUPE. Over that time, renewal rates have risen from about 15% to nearly 30%. At the same time, social service revenues have remained strong as more people

take advantage of the very moderate pricing, allowing members to stretch their resources to the greatest extent possible.

With local professionals providing pro bono or low-cost services, LUPE is able to leverage its reputation to serve more community residents. Given its history in the community and the long, respected tenures of its lead staff, LUPE is considered a go-to provider for services, representation, and leadership development among colonias residents and the greater community. This is evidenced by Community Development Block Grant (CDBG) awards to LUPE from three of the four County Commissioner's CDBG budgets since 2003, providing the organization with a strong funding base to provide subsidized public services and provide stipends for ESL, GED, and citizenship instruction.

LUPE is an anchor member of the Equal Voices Network, a coalition composed of ten community-based organizations that are funded by the Seattle-based Marguerite Casey Foundation to create social change for the more than 16,000 families who are the organizations' constituents and their broader communities. LUPE has received funds from Marguerite Casey since the end of 2006 and this spring submitted a proposal for renewal funding for another three years. Given its leadership in this coalition, a productive and continuing relationship is expected to ensue.

Marguerite Casey funds represent the largest amount LUPE's institutional funding, joining other out-of-state foundations like Annie E. Casey and Robert Wood Johnson. Very little major funding comes from within the state. A Democracy Fund grantee, the Texas Civic Engagement Table, provides some funding for civic engagement, but Texas remains a state with limited institutional in-state giving to progressive or open society organizations. OSF's departure from funding LUPE, this is a tie-off recommendation, is a source of concern, but Marguerite Casey has a long-term commitment to the community and LUPE's ally organizations work closely together to ensure the viability and success of the Equal Voices Network and its members.

LUPE's own finances appear strong. There is not a great fluctuation among staff as it generally avoids adding new staff until funding is secured. While LUPE does not own the properties where its offices are located, they are owned by the Cesar Chavez Foundation via a donation by the United Auto Workers & Teamsters Union. Intended to serve as a permanent home to the Farm Worker Movement, the main office property is provided free of charge, as are two satellite offices. One office is leased from the City of Alton, Texas for \$150/month, providing 3,000 square feet of office space.

LUPE's strength comes from building relationships through service provision and organizing. Working with a very low-income population, some without access to basic services, online organizing is not a component of its work. However, LUPE is interested in data and technology that helps fortify civic participation and it is involved in statewide civic engagement efforts to gather and record data about voting history and participation. This work is supported via OSF investments in the Texas Civic Engagement Table.

LUPE's staff and board include strong representation by long-term members of the communities it serves. The staff roster shows that the vast majority of staff comes from the Rio Grande Valley, with many coming from farmworker families or having served the farmworker movement as a volunteer. Democracy Fund staff have not liaised with board members, so information provided is courtesy of LUPE's executive staff. What they have relayed is that the board does not have a hands-on approach, leaving most matters to the discretion of the executive director. Although membership meetings happen frequently, the board meets only once a year. Staff members know of no conflicts of interest or history of negligent action.

LUPE's executive director, Juanita Valdez-Cox – raised in a migrant farmworker family herself – is a long-term member of the community, having worked in the farm worker movement in the early 1980's. Valdez-Cox was mentored by Cesar Chavez. She and her husband, Vaughn Cox, LUPE's program development director, served as sources for this information.

### **Description of Program for Which Funding Is Sought:**

This request is for general support.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal grant of \$100,000 over one year to La Union del Pueblo Entero. We make this recommendation in recognition of LUPE's long-time work to provide social services and catalyze civic engagement to improve the quality of life for the residents of the Rio Grande Valley. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

LUPE has a long history of working to improve the quality of life for residents – either farmworkers who are passing through for a picking season or those who choose to reside in the Rio Grande Valley – of one of the nation's poorest regions. It does so with a tried and true blend of service provision and leadership development through civic engagement. Its track record, referenced above, and the community which it has built through its own membership and alliances with other community-based organizations are noteworthy. The organization has a good deal of trust within the communities it serves.

Beyond supporting LUPE's general operations, this grant also advances a strategic priority of the Democracy Fund to increase civic engagement and non-partisan voter participation. Indeed, the Rio Grande Valley has some of the nation's lowest rates of public participation, including voting. Having recently visited the Rio Grande Valley and observed LUPE in action, USP staff reported on the significant degree to which LUPE and its partner organizations emphasize leadership development among community residents. On the day of the site visit, LUPE and its partner organizations were organizing for a public hearing featuring a local state senator. Careful attention was played to how residents would address for themselves the issues that plague their communities – inadequate drainage systems, poor housing standards, little to no public safety measures, and lack of jobs. Another meeting highlighted the degree to which residents engage with local government for the betterment of their communities. With LUPE's encouragement and training, *colonias* residents now serve on a number of city planning committees, including those that determine how federal housing and hurricane disaster recovery funds are spent.

While the organization's staff appear dedicated to the mission of the organization and have tangible results to show for their efforts, it has been difficult to quantify success in terms of voting. Previous years efforts have led to little data collection, as voter engagement databases had not been fully integrated into the organization's work. That is changing in 2012, with LUPE becoming an active partner of the Texas Civic Engagement Table, a Democracy Fund grantee that provides training, tools, and top notch databases that help to track and analyze voter participation. Results may yet show that voter participation is still lackluster; LUPE's program staff contends that this will take time to change and that civic engagement should be measured more broadly, including the substantive work that *colonias* residents are successfully undergoing to change their lot through pressing for change civically.

While we note that the organization has a very active membership and frequent membership meetings, the organization's board of directors appears to be significantly underdeveloped, meeting only once annually. The two lead staffers, who appear to have both significant trust from the membership and wide reign over its functions, are a married couple. USP staff has spent time with the organization on several occasions, meeting the directors and the organization's community allies. While no one with whom we've spoken, within LUPE or among its funders and community partners, senses any malfeasance, an underdeveloped board does not appear to provide an adequate level of internal accountability for such a vital organization. It also seems rather inconsistent with the tenets of community-based organizing and leadership development. On balance, while this is a concern that we will discuss in more detail with its leadership, USP staff believes that the organization is functioning

adequately, engaging its members and its community regularly, and leading important efforts to advance social justice and economic opportunity.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program officer Nora Ranney, in consultation with program director Bill Vandenberg and program associate Heddy Nam.

**Grant ID:** 20037463

**Legal Name of Organization:** League of Young Voters Education Fund

**Tax Status:** 501(c)(3) public charity

**Name of Fiscal Sponsor:** n/a

**Purpose of Grant:** to support the Texas affiliate in its youth leadership development work

**Grant Description:** To provide renewed project support to the League of Young Voters Education Fund to support its Texas affiliate. The League is a national non-profit organization that works to empower young people to participate in the democratic process and create progressive change on the local, state, and national levels through outreach, trainings, leadership development, arts-based organizing, alliance building, and non-partisan voter engagement. Prioritizing such issues as youth employment, criminal justice reform, and confronting voter suppression, the League has a unique niche in focusing its outreach and leadership development on young people of color, particularly those from low-income communities who are not based on college campuses. The Texas League serves young people from 18-35 years of age, particularly African-Americans and Latinos from Houston, a priority city for the Democracy Fund’s Texas investment strategies. This grant would advance Democracy Fund goals to catalyze youth leadership in open society advocacy and nonpartisan civic engagement. This is a tie-off recommendation.

**Previous OSI Support:** \$2,500,000  
\$800,000 from Progressive Infrastructure (2005-2006)  
\$1,550,000 from Democracy Fund (2008-2012)  
\$150,000 from Campaign for Black Male Achievement (2010-2011)

**Organization Budget:** \$1,910,912

**Project Budget:** \$295,063

**Major Sources of Current Support:**

Texas Civic Engagement Table	\$112,500
Atlantic Philanthropies	\$100,000
Project Vote	\$25,000

**Amount Requested:** \$75,000

**Is this a contingent grant?** No

**Amount Recommended:** \$75,000 (T1: 21117)

**Term:** 1 year, beginning November 1, 2012

**Matching Requirements:** n/a

### **Description of Organization:**

The Brooklyn, NY-based League of Young Voters Education Fund (“the League”) empowers young people to participate in the democratic process and create progressive change on the local, state, and national levels – with a focus on non-college youth and youth from low-income communities and communities of color. The League seeks to make civic engagement relevant by meeting young people where they are, working on issues that affect their lives, and providing them with the tools, training, and support to become serious catalysts for change in their communities. Founded in 2003, the League maintains state affiliates in Maine, Texas, and Wisconsin and local chapters in Columbus (Ohio), Pittsburgh, San Francisco and Tallahassee.

The League’s long-term strategy is to build an inspired, engaged, and effective culture and community around youth civic participation. To do so, the League employs an integrated youth civic engagement model that combines best practices from community, campus, and cultural organizing with sophisticated voter engagement techniques. During election cycles, the League runs targeted, data-driven, precinct-based voter contact and turnout programs. The rest of the year, the League organizes its constituencies around issues that impact their lives such as inner city violence, the rising cost of college tuition, youth un- and under-employment, and public transportation. Through its issue-based organizing, the League engages and mobilizes new and “drop-off” voters, those who vote in presidential elections but are most likely to sit out off-year and municipal elections. Furthermore, the League prepares the next generation of civic leaders through its leadership development work.

Nationally, the League is led by Robert “Biko” Baker. Well-respected in the youth engagement field, Baker embodies the spirit and energy of the League’s work and has the experience and background to understand the work of the affiliates and perspectives of its constituents. The Board of Directors is comprised of six members from the non-profit and private sectors. Nationally, the organization survived a very rough patch in 2007-8, when several large individual and institutional donors ended their support and its founding executive director transitioned out. Baker, who took on the director position during this time, has made tough decisions, closed several offices, brought a compelling vision, and while fundraising hasn’t been easy, stabilized the organization.

### **Description of Program for Which Funding Is Sought:**

The Texas chapter of the League of Young Voters Education Fund (“the Texas League”) was established as a statewide affiliate in 2011. The Texas League serves young people 18-35 years of age, particularly African-Americans and Hispanics, in low-income communities in Austin, Dallas-Fort Worth and Dallas County, metropolitan areas in Harris County, Houston, Prairie View, and San Antonio. Its largest base is in Houston. The Texas League employs its national organization’s integrated civic engagement model and its key programming can be categorized into the following areas: voter registration, Get-Out-the-Vote (GOTV), voter education, issue-based advocacy, election protection, and leadership development. From its growth as a Houston-based local chapter to its growth as a full state affiliate, the Texas League has been instrumental in organizing youth around issues such as voter identification laws, immigrants’ rights, funding for youth job programs, and access to education. Additionally, the Texas League invests heavily in its volunteer base through a robust training and leadership development program.

The Texas League’s signature leadership program is its Fellows Program, a five-month leadership track specifically tailored to empower civic-minded young people to become community advocates and activists. Over the course of the program, the fellows engage in a series of sessions focused on self-development, leadership training, advocacy strategy, online organizing, data management, and running successful campaigns. The curriculum for the program was created by the Texas League staff, using adaptations of curricula by OSF grantee partner the New Organizing Institute and Harvard Kennedy School of Government Professor Marshall Ganz. The graduates of the program serve as the Texas League’s pipeline to fill leadership roles on staff and field teams. Alumni have also gone on to fill leadership positions in their communities and other social change organizations.



Since the program's inception in the summer of 2011, the Texas League has trained 43 young organizers throughout the state. In 2013, the organization plans to develop a more advanced curriculum and expand the program to train 75 fellows to conduct issue-based advocacy around the upcoming state legislative session. This will be the first class of fellows who are not primarily trained on election-related work. Based on interest from its members, the Texas League plans to track several issues closely during the legislative session, including criminal justice reform, education, jobs and the economy, and voting rights.

The fellows program enjoys a retention rate of 98% of graduates transitioning into volunteer roles within the organization. The staff will engage past fellows to help develop the more advanced curriculum and train new fellows. The volunteers continue to receive training and support to further develop their skills in coaching and training others and advanced usage of data and social media.

The Texas League has built a strong presence in Houston-area communities and college campuses with a network of over 3,500 young Texans identified via email sign-ups, Facebook, and Twitter. It also utilizes YouTube as a way to distribute multimedia content to drive their work.

The Texas League is led by Christina Sanders, a Houston native who worked as a district aide and policy analyst in the office of Texas State Senator Rodney Ellis, a key ally to the U.S. Criminal Justice Fund. In addition, Sanders has other prior public policy experience and is a creative thinker who has run locally based civic engagement efforts on a shoestring since 2006. The Texas affiliate does not have a governing board, but the organization is actively recruiting a board of advisors, based on the Maine League's model. The organization seeks to recruit six to eight individuals who are knowledgeable and experienced in state and local politics, have deep roots in communities, can provide historical perspective to the work, and assist with fundraising, organizational development, and legal issues.

The Texas League is primarily funded by grants from its national office, the state civic engagement table, and foundation. Through its online presence, it has received small contributions from outside the state and its staff is now working to expand fundraising capacity through the development of the advisory board and cultivation of small donors throughout Texas. To this end, they will be hosting a number of fundraisers in October hosted by young professionals connected to the organization.

In addition to attracting its target demographic, the Texas League is frequently cited by its partners as a key player in the state to develop youth leadership and increase civic participation from youth of color. The Texas League is an active member of the Texas Civic Engagement Table, a Democracy Fund grantee partner, and the Texas Forward Coalition on the state's budget crisis. It also supports a number of organizations that seek training and leadership development assistance including *Familias Inmigrantes y Estudiantes en la Lucha*, a group that leads efforts on in-state tuition for immigrants and the DREAM Act, and *Mi Familia Vota*, a national voter participation network (also supported by OSF), to train young "DREAMers" from across Texas. The Texas League works with NAACP college chapters in Houston and Prairie View to engage their members on education reform and understanding the state's education system. Additionally, the Texas League works with colleges and universities to host information sessions about voter identification laws and the impact of voter suppression laws on students. Through its work with students to document the effects of voter identification requirements, the Texas League was a defendant-intervenor in *Texas v. Holder*, the recent federal trial on the Texas voter identification law.

### **Rationale for Recommendation:**

U.S. Programs, via the Democracy Fund, recommends a renewal project grant of \$75,000 over one year to the League of Young Voters Education Fund's Texas affiliate. We make this recommendation in recognition of its work to catalyze youth engagement in open society advocacy and to expand non-partisan youth voter participation. This is a tie-off grant recommendation due to the closing of the Democracy Fund and the

conclusion of its state-based investments in capacity-building, civic engagement, and open society advocacy within the most marginalized communities in North Carolina and Texas.

Despite gains in college enrollment, only a third of young people between 18-24 years of age are enrolled in college full-time. Many youth organizations focus on engaging young people in the formal education system, leaving non-college youth underrepresented in the democratic process. Moreover in Texas, voter participation remains low among 18-35 year olds in comparison with the national average, according to the Center for Information and Research on Civic Learning and Engagement. Young people in Texas from low-income communities and communities of color have several other barriers to engagement. The median income of households in urban areas is \$21,000, which is less than half the national average. African-American and Latino youth experience mass incarceration and high unemployment throughout the state. Additionally, their voting rights are under attack as a voter identification requirement was passed in 2011 that would disproportionately impact students, particularly from low-income backgrounds and communities of color.

Amidst this backdrop, the Texas League fills an important niche as one of the only non-partisan voter engagement organizations in Texas that focuses on young people of color who are not primarily based on campus. The League conducts its work in a challenging political climate with little financial resources to effectively engage a critical constituency facing socioeconomic hardship. Even the youth who are enrolled in college tend to be first-generation and graduate with high debt and a lack of employment options. Despite these barriers, the Texas League has effectively articulated the importance of civic engagement for its young constituents and has connected their lives with the important choices that the ballot and ongoing advocacy provide.

Democracy Fund staff believe that the Texas League's year round, locally-driven work has built the trust, skills and power necessary to not only increase young voter turnout in the short-term but to leverage active young leaders in bringing about policy change. In a state with low levels of civic engagement regardless of age, OSF staff has been encouraged by the work of the Texas League in its first year of operation to educate young voters and quickly grow the organization's capacity for youth engagement through its leadership development programs. The Texas League's work to create an advanced organizing curriculum to connect youth to state legislative advocacy is a natural evolution of its engagement work, since it moves young people from electoral participation to be change agents in their communities. Staff is also encouraged by the Texas League's ability to build alliances between African-American and Latino youth in Texas to work together to advocate on issues that impact both communities through cultural organizing programs.

Due diligence and assessment for this recommendation were conducted by Democracy Fund program associate Heddy Nam, in consultation with program director Bill Vandenberg and program officer Nora Ranney and historical information about the grantee provided by a prior program associate, Nashay Jones.