

# Case Studies

## California Forward

### The Issue

In 2005, several of California’s largest foundations came to share the view that state’s partisan politics and tangled governance processes impeded progress on many of the most important issues they each cared about, such as education reform, and the health and wellbeing of children and families.<sup>1</sup>

The scope and depth of the problem was so extensive that no single foundation could realistically hope to solve it alone, or even make a substantive, positive difference. What’s more, there was no organization in place dedicated to improving government functions at the broad scale needed to make a significant, lasting difference statewide.

“It was desperate times,” said Carol Larson, president and CEO of the David and Lucile Packard Foundation. “Something had been missing from the dialogue [between the state of California and its people]. There was a crucial need for a bipartisan, long-term entity that could catalyze new thinking.”

### How the Collaborative Worked

Five foundations (The California Endowment, the Evelyn and Walter Haas Jr. Fund, William and Flora Hewlett, James Irvine, and Packard) decided to launch a joint effort to improve California’s system of government.<sup>2</sup> Four organizations—California Common Cause, the Center for Governmental Studies, the New California Network, and The Commonwealth Club of California’s Voices of Reform Project—

### Fast Facts

**Type of collaboration:** Create a new entity

**Established:** 2007

**Funders involved:** The California Endowment, Evelyn and Walter Haas Jr. Fund, William and Flora Hewlett Foundation, James Irvine Foundation, David and Lucile Packard Foundation

**Shared goal:** A nonpartisan effort to bring about fiscal, structural, and democratic process reforms to fundamentally reshape the way California government operates

**Funding committed by Packard to date:** \$4.9 million, including \$60,000 dedicated to external evaluation

1 Conversations began in 2005; initial funding occurred in fall 2007; and public launch took place in March 2008.

2 The David and Lucile Packard Foundation is a tax-exempt charitable organization qualified under section 501(c)(3) and classified as a private foundation under section 509(a) of the Internal Revenue Code. Packard Foundation funds may have been used to support some, but not all, of the activities of grantees and others described in this case study. No Packard Foundation funds were used to support or oppose any candidate for election to public office. No Packard Foundation funds were earmarked or designated to be used for lobbying or attempts to influence legislation (as defined in section 4945(d)(1) of the Internal Revenue Code).

came together to propose launching a new organization, California Forward. This new entity would operate in a bipartisan manner and would engage in policy development, coalition building, advocacy, and communications to improve the functioning of California's government.

California Forward set out to change California's political culture in two ways: by promoting governance reform and by modeling—through its own organizational make up and processes—a different way of getting work done. Specifically, the organization would demonstrate deliberative, bipartisan (or even nonpartisan) democracy.

Leaders of the five foundations helped recruit impressive bipartisan cochairs for the organization's Leadership Council, Leon Panetta and Tom McKernan. The cochairs then assembled the Leadership Council, comprised of representatives of business, labor, faith, and community organizations. In 2007, the five funders provided initial three-year grants. In 2010, the funders pledged another \$15 million in grants through 2014. As these grants come to conclusion, some funders are now considering transition funding.

With high-profile advocacy efforts, pinning down an exit strategy can be difficult. While it's advisable for any collaborative to be clear about exit criteria and plans, exit discussions need to occur along the way. And as the time approaches, the specifics require careful attention and discussions. "As our current commitments come to an end, the funders are meeting with California Forward leadership to discuss their plans for future years and to develop a transition to new sources of funding," said Larson. "We take seriously how that transition occurs because we want to make sure California Forward's good work continues."

For each of the funders, the creation of California Forward required stepping outside its own comfort zone, including embracing ambiguity. CEOs were much more engaged than is typical of other grants, given the scale of the work and the power of their combined voices. Some funders made grants outside their regular grant-making programs, recognizing the cross-cutting impact this work could have. Each funder agreed to shift its standard reporting requirements to allow California Forward to concentrate on its advocacy efforts without also having to create multiple annual reports tailored to the interests of each foundation.

All of this requires tremendous trust and coordination. Said Jim Canales, former president and CEO of the James Irvine Foundation, "So much of this is about interpersonal relationships. There was no ego brought to the table. And we worked from the strengths of each funder, from Haas' and California Endowment's commitment to all Californians, to Hewlett's rigor in the development of strategy, to Packard's practical experience in public policy, especially through their successes in the child advocacy space." Added Ira Hirschfield, president of the Haas Jr. Fund, "There is a real respect among all of us. We're glad to be at the table with one another."

And the funders of California Forward continue to build on these strengths, creating leadership structures to ensure ongoing conversation and coordination. The funders formed a CEO group and a staff group (consisting of the program officers and program directors who manage the grants on a day-to-day basis). The CEO group generally has met in-person twice a year. The staff group has had periodic check-in calls and adds time as needed given the needs of California Forward at any given time.

Despite the close work among the funders, the collaboration has not been without challenges. For example, funders maintain appointing authority to name the cochairs of California Forward's Leadership Council, which has ultimate decision-making authority. As the funders reflected on the early days of California Forward, they wondered whether they should have been more active in their approach when they saw leadership challenges arise within the organization. However, each funder also notes that the situation was complicated and "experimental" in many ways.

### Results

California Forward has been credited with helping to advance three specific reforms that have been approved by voters: independent redrawing of political districts, "top two" open state primaries, and majority-vote budgets.

California Forward also has worked to improve dialogue among various groups through transparency and nonpartisan research. In 2013, for example, California Forward, together with the California Special Districts Association, launched a first-of-its-kind portal providing data and information on more than 1,100 California special districts. [When residents or landowners want new services or higher levels of existing services, they can form a special district to pay for and administer them.] The new tool, located on California Forward's Transparency Portal, ([transparency.cafwd.org/portal/](https://transparency.cafwd.org/portal/)), allows the public access to background information and financial data on special districts throughout the state.

California Forward has not had an unbroken string of successes. In 2012, for example, California Forward's sister organization, the California Forward Action Fund, supported Proposition 31, the Government Performance and Accountability Act that voters did not pass. But the organization's leaders and supporters are well aware that advocacy on the scale they are attempting is not simple. Said Hirschfield, "The jury's still out on the overall efficacy of the work. But there's still a need for the work." Canales concurred: "This is compelling, with great potential for impact. We know that in the absence of funder collaboration, this would be a much slower movement."

### Key Takeaways

- **Big challenges require big thinking:** "A functioning California democracy is critical to getting our work done," said Larson. Each of the funders came to the work recognizing the magnitude of the challenge at hand. They worked creatively to collaborate effectively together, whether by working outside

formal grantmaking areas, modifying typical grantmaking reporting policy, or deciding how activist to be in championing the bipartisan effort. Importantly, collaboration was seen by funders as a valuable means to an end—signaling and advancing issues more quickly—but not as an end in itself.

- **Trust among collaborators is key:** Especially with a challenge of this magnitude and the real ambiguity associated with the work, each funder noted the importance of trust. “There is a real camaraderie and degree of respect among this group. It is a well-stewarded collaboration,” said Amy Dominguez-Arms, program director at the Irvine Foundation.
- **Role definition is critical, including the role of foundation CEOs:** Achieving consensus among a group of peers with no clear leader is extremely difficult. Hence, California Forward’s funders looked to Irvine’s Jim Canales to fill this role. “For Irvine, the work of California Forward is core to their strategy, and we looked to Jim to lead. He has incredible skills as a facilitator,” said Hirschfield. Additionally, the participation of foundation CEOs was critical. Said Canales: “This is a compelling idea that is more powerfully messaged through the shared brands of foundations and CEOs. There is power and movement here.”