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A PRACTICAL PERSPECTIVE ON PARTNERSHIPS BETWEEN GOVERNMENT AND NONPROFITS

*Karen Goldstein**

Thank you very much for inviting me here today. Before I joined the Vera Institute, I spent most of my career working in government. The notion of partnering with government is central to my work at Vera, and I'd like to talk to you today about the potential benefits of such collaborations and the on-the-ground challenges they may pose.

Vera's mission is to partner with leaders in government and civil society to advance independent, evidence-based innovation and reform—through research, demonstration projects, and peer-led learning—to enhance the fairness and efficiency of the systems people depend on for safety and justice.

We work with public officials, whom we call “government partners,” at the city, state, national, and international levels from the inception of each of the projects that we pursue in furtherance of this mission. At Vera, we want our successes replicated as widely as possible, and for that we need government support. This support comes in many forms, but two of the essential components of that support include a willingness by decision-makers to participate in government and funding. In connection with our demonstration or pilot projects, we use a particular method we have developed—called “spin-off”—to ensure that our innovative direct service programs have the largest and most effective possible impact.

I. ADVANCING INNOVATION: DEMONSTRATING SOLUTIONS IN PARTNERSHIP WITH GOVERNMENT

One of our current demonstration projects is called Adoles-

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cent Portable Therapy (APT), which provides family-focused substance abuse treatment services to children in New York City who have been arrested and detained for at least one night. We became interested in this area once we learned that one out of every five juveniles entering a detention center, both in New York and in cities across the country, has been using drugs nearly every day for the past month. In New York City, their involvement in multiple systems posed a significant challenge to any government agency wishing to provide the children with substance abuse treatment. Children who did get treatment typically experienced complete breaks in care whenever they moved from the custody of one agency to another and when they returned home, which reduced their chances of successfully completing treatment. Vera was able to tap into the desire on the part of city and state government and the private foundation community to effectively provide these services to young offenders with the most acute drug habits.

The APT project's innovation is its "portability;" that is, its ability to follow a child through the juvenile justice system—whether the child remains in detention, returns home quickly, or is placed for an extended period in a secure facility in upstate New York. Rather than deliver treatment from a fixed location, APT therapists work with children inside these various institutions and continue treating them in their home communities. Coordination of the portability aspect is all the more challenging, in that the detention system is run by the New York City Department of Juvenile Justice: The upstate placements are under the jurisdiction of the New York State Office of Children and Family Services, and children returning home may or may not be under the supervision of a city or state agency.

New York City and New York State agencies are currently working with Vera, the Robert Wood Johnson Foundation, the New York Community Trust, and the U.S. Center for Substance Abuse Treatment to implement this unique treatment program. By providing access to resources that travel with adolescents as they move through the justice system, APT helps government fulfill its responsibilities to provide and coordinate treatment services for juveniles under its care, and APT is designed to cost no more than other intensive, ambulatory treatment programs for very troubled teenagers.

Importantly, APT has been shown to reduce children's drug use and improve their school attendance while children and their families are receiving treatment. Given its track record and its con-

tinuing stable growth, the next step for APT will be “spin-off:” the way in which Vera transforms most of its successful demonstration projects into independent nonprofit organizations. Since its creation in 1961, Vera has spun-off thirteen—or more than half—of its successful demonstration projects.¹ An additional five merged into other organizations,² and seven others merged into government agencies.³ This process ensures that Vera focuses its resources and energy on continuing to explore new problems and developing new ideas for solving them rather than operating programs for the long term. It also positions each spin-off to continue Vera’s tradition of partnering with government, while serving its clients and growing its services and knowledge as a separate independent nonprofit organization. Most organizations created by Vera maintain close ties with Vera well into the future. Joint projects between Vera and its spin-offs are common, especially as the spin-off grows and develops its portfolio of work. In most cases, it is not long before the spin-off’s knowledge in its area of work has surpassed Vera’s.

¹ Project Renewal (formerly the Manhattan Bowery Corporation, spun-off in 1967); Center for Alternative Sentencing and Employment Services (a significant expansion, in 1989, of Court Employment Project, which spun-off in 1970); Neighborhood Youth & Family Services (formerly Neighborhood Youth Diversion Project, spun-off in 1971); Wildcat Service Corporation (spun-off in 1972); Legal Action Center (spun-off in 1976); New York City Criminal Justice Agency (formerly Pretrial Services Agency, spun-off in 1977); Safe Horizon (formerly Victim Services, Inc., spun-off in 1978); Housing and Services, Inc. (spun-off in 1987); Neighborhood Defender Service of Harlem (spun-off in 1995); Center for Employment Opportunities (spun-off in 1996); Job Path (spun-off in 1999); Family Justice (spun-off in 2001); and the South African Bureau of Justice Assistance (2004, dormant). In addition, the Vera Institute is in the process of spinning-off the Police Assessment Resource Center and Esperanza N.Y.

² Job Site (became part of Lighthouse in 1988); Nassau County Bail Bond Supervision Project (became part of Education and Assistance Corporation in 1992); Essex County Bail Bond Supervision Project (became part of Volunteers of America in 1993); Citizen’s Jury Project (became part of the Fund for Modern Courts in 2000); and Center for Justice Assistance (became part of Indem Foundation, Moscow, in 2004).

³ Manhattan Bail Project (became part of the New York City Probation Department in 1964; then returned to Vera as the Pretrial Services Agency in 1973); Manhattan Summons Project (adopted throughout New York State pursuant to a 1971 state statute); Criminal Court Bail Project (adopted by the United Kingdom in 1976); Community Patrol Officer Program (adopted by all precincts of the New York City Police Department in 1988); Pretrial Services Demonstration (became part of South African Ministry of Justice and Constitutional Development in 2000); Prosecution Task Force on Car Hijacking (became part of South African Ministry of Justice and Constitutional Development in 2000); and Project Confirm (became part of New York City Administration for Children’s Services in 2001).

II. MANAGING THE CHALLENGES OF GOVERNMENT PARTNERSHIPS

To illustrate some of the challenges inherent in partnering with government, I would like to turn to one of our recent research collaborations. After a ten-year period of relative stability, the number of families in homeless shelters in New York City grew by 22% in 2001 and 35% in 2002. In 2003, in response to this record demand for shelter, the New York City Department of Homeless Services, the New York City Department of Housing Preservation and Development, and the New York City Housing Authority approached Vera and asked us to conduct a series of research projects, including mapping sources of homelessness, conducting a unique survey of homeless families residing in shelters, and analyzing patterns of recidivism among families that leave shelters. One of the reasons that the city chose Vera for this work is that, over its forty-five year history, Vera has established a reputation for being able to evaluate complex social problems independently and objectively, and for having the capacity both to conduct rigorous research on these issues and to develop and test potential solutions.

The report Vera produced for the city described the key findings from the research and was intended to help city officials and service providers shift responses to homelessness towards more cost-effective and preventive approaches that are less disruptive for families. The report, *Understanding Family Homelessness in New York City: An In-Depth Study of Families' Experiences Before and After Shelter*,⁴ contributed to the formation of the city's five-year action plan to drastically reduce homelessness: *Uniting for Solutions Beyond Shelter*.⁵

One of the early challenges all the parties faced, which can be typical of government-nonprofit collaborations, was that we started with different assumptions about what it meant to be working "in partnership." At Vera, we tend to think of ourselves as a full partner in a project with a certain level of decision-making authority. Government agencies, on the other hand, may typically think of organizations they contract with as "vendors," and there are many shades of grey in between. But there are real consequences that result from harboring these different assumptions, and it was essential for us that these assumptions be clarified during the process

⁴ NANCY SMITH, ET AL., UNDERSTANDING FAMILY HOMELESSNESS IN NEW YORK CITY: AN IN-DEPTH STUDY OF FAMILIES' EXPERIENCES BEFORE AND AFTER SHELTER (2005), available at http://www.vera.org/publication_pdf/308_575.pdf.

⁵ United for Solutions Beyond Shelter, <http://www.nyc.gov/html/endinghomelessness/html/home/home.shtml> (last visited October 24, 2006).

of drafting and negotiating the terms of the contract describing the work that these agencies wanted us to do.

In this case, the initial challenge Vera faced was that we were negotiating with not one but three city agencies. We resolved that by agreeing that Vera would contract with one of the agencies, and that agency would enter into Memoranda of Understanding with the other two. The next key question for us is always the contract structure: Is the government paying for time and materials, in which case Vera would be paid based on the amount of the costs that we expended on the project, or is it a “performance-based” contract, in which case Vera is paid based on its ability to complete set tasks for the government within a particular time frame? And what does “performance-based” mean to the government agency we are negotiating with? Does it mean deliverables or some other type of performance indicators?

The general trend in government contracting—and the clear preference in New York City—is toward performance-based contracts. This means that agencies are less inclined to enter into an agreement to, for example, buy 100 hours of Vera’s time for \$50 per hour. They want to contract for the achievement of a certain result, which is called a “performance indicator”—such as retaining a certain number of clients for a specified period of time in a program like APT or the completion of a product, as was the case in the research project on family homelessness.

The products we agreed on included a series of maps to visually represent the distribution of 22,000 families throughout the city who entered the shelter system at a point in time—indicating where the families came from, their composition, and the size of the buildings they left—in order to distinguish those neighborhoods that produced a high number of homeless families from those that produced fewer. To determine what factors contributed to a family’s entering the shelter system, Vera conducted a survey of 327 randomly selected families, which captured detailed information on the families’ personal experiences and prior housing characteristics; the events and conditions they faced during the five years before they entered shelter; and their own understanding of the significance of those events. Because the interview process ended up being significantly more complicated than we had at first assumed, Vera invested more resources in the process of conducting these interviews than we had originally budgeted for this portion of the project.

From this brief description, you may conclude that from

Vera's perspective—on a project which, in its early stages was rather amorphous, unpredictable, and potentially unwieldy—a time-and-materials contract would have been preferable. This would have permitted us to assign appropriate staff to the project and bill the city by the hour for the work our staff performed. From the city's perspective, a deliverables contract was preferable because the agencies wanted to be sure they received the products—the maps and the survey results—that just paying for Vera's time did not guarantee them.

The challenge to the nonprofit negotiating a deliverables contract is to accurately estimate the amount of cost it will incur and persuade the city that the amount it seeks is fair and reasonable, given the relatively small amount of information the nonprofit may have to go on at the beginning of this or any new project. Not surprisingly, this contract was structured as a deliverables contract, which turned out to be more advantageous financially to the city. But, generally speaking, if you are able to accurately anticipate the work involved and manage the contract well, deliverables and other performance-based contracts can work to the benefit of both the nonprofit contractor and the government agency.

One other factor to be aware of when contracting with the government is that most, if not all, agency contracts have termination provisions that are non-negotiable. In New York City, the standard provision gives the city the right to terminate the contract on ten days' notice if it is in the best interest of the city. And the city has been known to exercise this right. On the other hand, it has been my experience that if things are going well, even after a tough and protracted period of negotiation, nobody looks at the contract again. Your government partner in the project may even tell you not to concern yourself with a particular provision. For example, you may be told orally to take an action that under the contract requires written permission from the agency. In my view, those of us who contract with government are in vulnerable, less powerful positions than those government "partners," and strict adherence to the contract is generally in our best interest. The potential risk to us if we violate the contract is great, compared with the minimal time and effort required to comply with its terms.

CONCLUSION

Through our unique method of working as an independent ally of leaders committed to improving government services and efficiency, Vera seeks to have a positive impact on the programs

and policies people rely on for safety and justice. These partnerships have huge potential to achieve system-wide reform, but also carry a high level of risk. And managing the risks to Vera and to our clients has been key to our success over the past forty-five years.

Both of the partnerships I have described fulfilled that potential. The research project proved to be very useful in that the city had started its reform effort with a city-wide approach to providing preventive services to people at risk of homelessness. Because of the results of Vera's mapping and survey research, the city instead began targeting communities, individual people, and specific services to particular people whom the research had shown could best be helped. But success in this case was achieved at some financial cost to Vera. APT has proved to be effective and has expanded to serve the children served by other city agencies, including those in foster care, and been taken up at the state level in New York and New Hampshire. Both projects are examples of the kind of work Vera has done throughout its history, which is particularly suited to flourish in the framework of a government-nonprofit partnership.

