

Government and Social Innovation: Existing State and Local Models

GOVERNMENT MODELS (STATE)

Louisiana Office of Social Entrepreneurship – Established Fall 2006

<http://www.crt.state.la.us/ltgovernor/socialentrepreneurship>

The mission of the Louisiana Office of Social Entrepreneurship is to advance social innovation by supporting the creation and growth of the most innovative, measurable, and sustainable solutions to social problems in that state. The office works across sectors to build the capacity for social entrepreneurship, leverage new resources, and support public policy changes that facilitate social innovation. The effort was founded in 2006, in part as a response to the devastation of Hurricane Katrina, and is led by Lt. Governor Mitch Landrieu.

The office's initiatives have included seminars on social innovation for public sector employees, workshops for grantors, business planning training for social innovators, a social innovation business plan competition, and seminars on volunteerism and social entrepreneurship.

Ohio Social Entrepreneurship Initiative – Established June 2009

<http://www.governor.ohio.gov/Projects/OhioSocialEntrepreneurshipInitiative/tabid/1123/Default.aspx>

In partnership with the Ohio Department of Development's Entrepreneurship and Small Business Division, the Governor's Office of Faith-Based and Community Initiatives (GOFBCI) has launched the Ohio Social Entrepreneurship Initiative to provide access to financing and funding information, training resources, and several current examples for organizations working to establish social enterprises.

GOFBCI and the Department of Development are working together to expand social entrepreneurship – low-profit ventures developed by for-profit and nonprofit organizations in response to social problems. These efforts are pursued using entrepreneurial principles that can involve producing market value, earning revenue, and employing the chronically underemployed.

Minnesota Grants Innovations Committee – Established August 2009

The 2009 legislature provided \$25,000 to the Office of Grants Management (OGM) to “study and make recommendations on improving collaborative activities between the state, nonprofit entities, and the private sector, including: recommendations for expanding successful initiatives involving not-for-profit organizations that have demonstrated measurable, positive results in

addressing high-priority community issues, and recommendations on grants requirements and design to encourage programs receiving grants to become self sufficient. The office may appoint an advisory group to assist in the study and recommendation. The office must report its recommendations to the legislature by January 15, 2010.”

GOVERNMENT MODELS (LOCAL)

Denver Office of Strategic Partnerships – Established January 2004

<http://www.denvergov.org/Default.aspx?alias=www.denvergov.org/strategicpartnerships>

The Denver Office of Strategic Partnerships was created in 2004 to serve as a liaison between the City of Denver and the nonprofit and philanthropic sectors. The office works with individuals, foundations, corporations, and nonprofit partners to raise funding for cooperative initiatives, foster partnerships to support nonprofits, and engage the entire community in volunteer efforts. Office achievements include:

- Obtaining over \$17 million in Federal and foundation funding to the City of Denver and local nonprofit organizations
- Conducting free workshops for over 200 local nonprofits
- Providing leadership training for area nonprofit leaders
- Awarding over \$1.8 million to local nonprofits for energy efficiency improvements

Fairfax County Virginia Office of Public/Private Partnerships – Established in its current form in 2008

<http://www.fairfaxcounty.gov/partnerships>

The Fairfax County Office of Public Private Partnerships fosters public-private partnerships to stimulate positive change in the community and encourage civic engagement. The office brings together representatives and leverages resources from public and private sectors to address community issues that affect the quality of life in Fairfax County. Over the past 20 years, the Office of Public and Private Partnerships has fostered joint ventures that range from adopt-a-family efforts to initiatives that address adult health and dental care.

QUASI-GOVERNMENT MODELS

OneStar Foundation: Texas Center for Social Impact – Established December 2003

<http://www.onestarfoundation.org>

The OneStar Foundation focuses on increased results for the people served by the nonprofit sector through the promotion of innovation, entrepreneurship, sound business practices, well-managed volunteer programs, research, and rigorous evaluation. OneStar also serves as the state's National Service Commission administering the AmeriCorps grant program and serves as the Faith-Based and Community Initiative office. OneStar Foundation is a supporting nonprofit of the Office of the Governor.

FOUNDATION-GOVERNMENT LIAISON MODELS

Michigan's Office of the Foundation Liaison – Established 2003

<http://www.michiganfoundations.org/ofl>

Michigan's Office of the Foundation Liaison was created at the suggestion of foundation leaders and with the support of the Governor. It is a cabinet-level position funded by foundations to identify opportunities for partnership between the state and nonprofits.

New Mexico's Office of Philanthropic Outreach – Established June 2009

http://www.newmexserve.org/index.php?option=com_content&view=article&id=169&catid=57

New Mexico's Office of Philanthropic Outreach is based out of the Lieutenant Governor's office, but is housed at a local community foundation. The office aims to improve the efficiency and effectiveness of State programs by aligning priorities, leveraging public and private funding, and sharing best practices across sectors and with policymakers.

Kentucky's Commission on Philanthropy – Established 2008

<http://www.kyphilanthropy.org/>

Kentucky's Commission on Philanthropy was launched by Governor Steve Beshear to better align Kentucky's public and private financial resources for work on social issues. The Commission on Philanthropy will ask private and public funders to identify common goals, adopt shared strategies, and collaborate on projects of common interest. The commission's first area of focus will be early childhood education and health. The commission convened a Summit on Philanthropy in June 2009 as an initial means of engaging potential partners.

The **Philanthropic Liaison to the City of Newark** – Established 2007

http://www.michiganfoundations.org/s_cmf/bin.asp?CID=5498&DID=22242&DOC=FILE.PDF

The Philanthropic Liaison to the City of Newark was created by the Council of New Jersey Grantmakers (CNJG) to work with Mayor Cory Booker’s administration to leverage philanthropy’s impact on the city. In collaboration with the Office of the Mayor, CNJG hired the city’s first liaison – modeled after a similar position in the State of Michigan – to harness interest, foster greater effectiveness, and attract resources toward policy and programmatic areas that affect Newark’s residents. A director-level position, the liaison helps identify and broker strategic partnerships between the city and foundations to leverage public-private opportunities to improve the lives of Newarkers.

NONPROFIT FACILITATORS/CONVENERS

Bull City Forward – Durham, North Carolina – Established Fall 2009

Bull City Forward is a community-led effort to address challenges in Durham’s neighborhoods and lift the economic prosperity of the city by increasing the level of social innovation and entrepreneurship in the Bull City and, in turn, establishing Durham as a national model of innovative community and economic development. This is being done through a set of coordinated strategic interventions: building an “on-ramp” of opportunity for youth across the city; recruiting and retaining best-in-class social innovators and entrepreneurs to our region; supporting emergent entrepreneurs with mentoring, networking, and education opportunities; incubating promising concepts and teams and connecting them with start-up capital; developing clear and rigorous metrics of success and scaling the most promising enterprises; and creating a policy environment.

Phoenix Project – Virginia – Established January 2006

<http://www.phoenixproject.org>

The Phoenix Project works to develop social entrepreneurs through leadership programs and public convenings. The Phoenix Project partners closely with over 40 colleges and universities to create curricula that will educate and prepare social entrepreneurs. The project also organizes statewide events where leaders from the public, private, nonprofit and academic sectors can network and discuss shared strategies for accelerating social entrepreneurship.

LEGISLATION

L3C Legislation

“L3C” stands for low-profit limited liability company, a cross between a nonprofit and a for-profit entity. L3Cs are low-profit organizations with either charitable or educational goals. L3C status can help social enterprises by qualifying them for program-related and other non-traditional philanthropic investments from private foundations. This legislation has been signed into law in all of the following states and Indian nations:

- **Vermont** (http://www.sec.state.vt.us/corps/dobiz/llc/llc_l3c.htm) – In early 2008, Vermont became the first state to legally recognize L3C entities. The House version of the bill, H.B. 0775, was approved by the full House on February 27, 2008 and by the Senate on April 11, 2008. The legislation was signed into law by Governor Jim Douglas on April 30, 2008.
- **Crow Indian Nation** – On January 13, 2009 the Crow Tribe passed legislation allowing for Low-Profit Limited Liability Companies in the Crow nation.
- **Illinois** – On May 7, 2009 the Illinois House of Representatives unanimously passed SB0239. On Tuesday, August 4, 2009 Governor Pat Quinn signed Bill SB0239 into law. It takes effect January 1, 2010.
- **Michigan** – Both houses of the Michigan legislature passed the L3C bill, and Governor Granholm signed L3C Bill SNB-1445 on January 15, 2009.
- **Oglala Sioux Tribe** – On July 2, 2009 the Oglala Sioux Tribe passed legislation allowing for Low-Profit Limited Liability Companies in the Oglala nation.
- **Utah** – The Low-Profit Limited Liability Company Act S.B. 148 passed the Senate on February 24, 2009. S.B. 148 passed the House on March 10, 2009. On March 23, 2009, Governor Jon M. Huntsman Jr. signed the Low-Profit Limited Liability Company Act S.B. 148 into law.
- **Wyoming** – After passing the House and Senate, L3C legislation was signed into law on February 26, 2009 by Governor Dave Freudenthal.

Minnesota Social Innovation Fund

Legislation was introduced to the state legislature to form a state-funded social innovation fund, but was not passed in this form. (Status: Not Passed)
<http://publicinnovators.com/sites/publicinnovators.com/files/HF1614.0.pdf>

The legislation that was signed into law authorized and appropriated a statewide committee to provide recommendations to the legislature in the next session. (Status: Passed)
<http://publicinnovators.com/sites/publicinnovators.com/files/MN%20Solutions%20Fund.pdf>

Texas House Bill 492 “Faith- and community-based social, health, and human services initiatives” (Status: In Process)

<http://www.hro.house.state.tx.us/pdf/ba81r/hb0492.pdf>

This bill would create government liaisons that foster partnerships between state agencies and faith- and community-based organizations. It would also establish a “Renewing our Communities” account that would be used to:

- Increase the capacity of faith- and community-based organizations to provide charitable services and to manage internal operations
- Assist local governmental entities in establishing local offices to promote faith- and community-based initiatives
- Foster better partnerships between state government and faith- and community-based organizations

Government and Social Innovation: Federal Initiatives

White House Office of Social Innovation and Civic Participation

Established by the Obama Administration, this office is housed in the White House's Domestic Policy Council and has three main goals:

- To use new communications technology, hold meetings, and start discussions to find out “what are the innovations that are taking place, how are people solving problems, what types of problems are they solving, and where are they” working
- To provide money to innovative nonprofit projects working with state and local governments and grant makers. For example, the president is interested in improving math and science education and assisting states like Ohio, Michigan, and Indiana where local industries need to be revitalized
- To promote national service and volunteerism¹

i3 (Investing in Innovation) Fund, Department of Education

<http://www.ed.gov/programs/innovation/factsheet.html>

The Investing in Innovation Fund has two main goals:

- To provide competitive grants that expand the implementation of, and investment in, innovative and evidence-based practices, programs and strategies in order to significantly:
 - improve K-12 achievement and close achievement gaps
 - decrease dropout rates
 - increase high school graduation rates
 - improve teacher and school leader effectiveness
- To accelerate the creation of an education sector that supports the rapid development and adoption of effective solutions

Local education agencies (LEAs) and nonprofit organizations working in collaboration with LEA(s) or a consortium of schools, are eligible to compete for i3 funding. To be eligible for an award, an LEA applicant must be located within one of the 50 States, the District of Columbia, or Puerto Rico. In order to be eligible to apply, applicants must:

- Have significantly closed the achievement gaps between groups of students

¹ <http://philanthropy.com/news/conference/7957/white-house-social-innovation-office-to-have-three-goals>

- Have demonstrated success in significantly increasing student academic achievement for all groups of students
- Have made significant improvement in other areas (graduation rates, high-quality teachers and school leaders)
- Demonstrate that they have partnerships with the private sector that will provide matching funds

Applicants will submit proposals to one of three categories: "Scale-up", "Validation"; or "Development." The level of evidence supporting the idea will determine which category is most appropriate.

The Department of Education anticipates accepting applications in early 2010, with all applications due in early spring of 2010. The department will obligate all i3 funding by September 30, 2010.

Social Innovation Fund, Corporation for National and Community Service

<http://www.nationalservice.gov/about/serveamerica/innovation.asp>

The Social Innovation Fund was authorized by the Edward M. Kennedy Serve America Act, signed by President Obama in April 2009, and the full amount of \$50 million was appropriated by Congress on December 13, 2009. It is designed to increase public and private investment in the replication and expansion of effective approaches to addressing social problems. Specifically, it will create a network of social innovation funds around the country to grow and replicate innovative, promising community organizations with strong evidence, organizational effectiveness, and impact potential.

The corporation will award grants in the amount of \$1 to \$10 million on a competitive basis to intermediary grantmaking organizations. Grants to intermediary organizations must be matched dollar-for-dollar in cash with additional funding.

Community organizations (sub-grantees) will receive financial support from intermediaries on the order of no less than \$100,000 per year for three to five years, as well as strategic guidance to help them evaluate and multiply their impact. These community organizations must provide an additional one-to-one cash match for the total amount they receive from the intermediaries.

The corporation intends to post a draft Notice of Funding Opportunity for public comment in mid-December, 2009, with selected grant making institutions announced in the summer of 2010.