



Jeff Zlonis, director of the Re: DESIGN project at the Center for Policy Design

Minnesota foundations could support serious, long-term study of public issues

A Civic Caucus Review of Minnesota's Public Policy Process Interview

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Present

John Adams, Steve Anderson, Janis Clay, Paul Gilje (executive director), Ted Kolderie, Dan Loritz (chair), Dana Schroeder (associate director), Jeff Zlonis. By phone: Dave Broden, Paul Ostrow, Clarence Shallbetter.

Summary

Foundations tend to move towards treating symptoms, not causes, says Jeff Zlonis of the Center for Policy Design. But, he says, there are examples of Minnesota foundations looking deeper than symptoms and making long-term commitments to doing something. He notes the Bush Foundation's efforts to develop leadership in Minnesota and support from several foundations for two long-term studies on budget and other major issues facing the state.

He believes there is below-the-surface potential for foundations to take on the leadership role in fostering and supporting serious, long-term inquiry into public issues that the Civic Caucus is recommending in its draft report on Minnesota's public-policy process. He says, though, that the report's recommendations should not be prescriptive, but should clarify the potential for leadership from the foundation community. He asserts that foundations aren't interested in being told specifically what to do, but they do like ideas.

In its draft report, the Civic Caucus lays out a history of the process used in Minnesota to study community problems and make proposals for public-policy change. This includes a look at the past Citizens League study committee approach, which resulted in generalist citizens making specific, actionable proposals for change, a number of which were implemented. The Caucus report looks at

the process used in the state currently and recommends what it should be in the future to improve the quality of proposals for change. Zlonis lays out his vision for the role of special interests and advocacy groups in that process.

Zlonis discusses several points in the Caucus's draft report with which he agrees and several places he believes need strengthening.

Biography

Jeff Zlonis is director of the Re: DESIGN project at the Center for Policy Design, a Minnesota-based, nonprofit, nonpartisan organization that focuses on redesigning important large systems to achieve the goals society has set for them. Zlonis is retired president and COO of Public Strategies Group, Inc., a consulting firm that is an architect of results-based government. He has over 30 years experience working as a manager in government, teacher in university management programs and consultant for public and private organizations.

Zlonis has worked with both U.S. and international clients. His consulting efforts have included:


- Identification and development of statewide service-delivery system redesign opportunities (health, education, human services, regulatory, etc.) in the states of Vermont, Oregon and Minnesota;
- Strategy and performance-management systems for organizations as diverse as U.S. Federal Student Aid, Province of Manitoba, New York City Department of Finance and an Egyptian public utility, the Alexandria General Organization for Sanitary Drainage;
- Redesign of government administrative and budget systems in Oregon, Iowa, Washington, and the U.S Department of Education to make them outcome-oriented and customer-focused; and
- Transformation projects in Federal Student Aid, New York State Department of Transportation, State of Iowa and New York City Department of Finance.

While deputy commissioner of administration for the State of Minnesota, Zlonis led the implementation of a service-management strategy to make the department customer-driven. The Harvard-Ford Foundation's "Innovations in State and Local Government" award program recognized the success the department achieved at improving performance and reducing costs to customers.

Zlonis's special interests are aimed at separating public agencies from the bureaucratic paradigm and having them become enterprising. He received a Master's of Public Administration degree from Harvard University, where he was a Bush Leadership Fellow.

Background

The Civic Caucus is undertaking a review of the quality of Minnesota's past, present and future public-policy process for anticipating, defining and resolving major community problems. The Caucus interviewed Jeff Zlonis of the Center for Policy Design to probe his previous experience addressing

public-policy issues as a foundation consultant and to get his response to the  **Caucus's draft of its coming public-policy process report.**

Discussion

The issues raised in the Civic Caucus report are extremely important now. Jeff Zlonis said there are three big reasons why the report is important

1. Polarization in the political process has polarized things in the public-policy making arena.
2. So much of the focus now is on the wrong questions. There is a lot of dealing with symptoms, but not causes. A lot of that comes from interest groups who are trying to preserve something without going in depth as to how things could or should be changed.
3. Acting at the state and local levels is really where big changes can be made.

There are several places where the draft report could be improved. Zlonis made several critiques, based on the objectives of the report:

1. The definition of the "community sector" is confusing. It might be important to the foundations and funders to have more clarity in the definition.
2. The draft does a good job of laying out the key principles and elements of the Minnesota Process, which are excellent. A lot of the approach of Public Strategies Group, where Zlonis was COO and president, has been based on the same principles and elements. But he wonders if there is too much focus on the past Citizens League study approach. Perhaps there should be some comments on how other things came into play, such as the Minnesota Business Partnership or bipartisanship.
3. Looking at the report's objective of highlighting characteristics of the current public-policy environment, Zlonis pointed out that there is a worldwide trend of tribalism now. "This is a challenge in this environment," he said. "This new public-policy process, or design, will have to think about how to recapture the spirit that came from the early Citizens League."

Zlonis then spoke to specific points included in the draft report:

- He agreed that civics education is lacking in schools, because standardized testing stresses just math and reading, not civics.
- He questioned the draft report's assertion that public-policy activity never has been greater in Minnesota. "Is that true?" he asked. "I'm not sure that's true by the percentage of the population involved." Civic Caucus Chair Dan Loritz responded that there are now 4,000 nonprofits in Minnesota and "they're all doing something, so the statement might be true in terms of growth of nonprofits." Zlonis commented that the statement is true if it refers to the growth in magnitude of power of advocacy groups and lobbyists versus the broader community interest.
- He questioned how much academic enterprises contribute to the state and local public-policy scene. "There are not a lot of practical contributions," he said.

- He liked the draft's list of public-policy concerns that need to be addressed.
- He agreed with the need to reframe national and international issues to local action. "It's an opportunity for state and local government and the community."
- Zlonis praised the draft's summary.
- He supported the recommendation that the foundation community take leadership of an effort to improve the quality of proposals for public-policy change being put forward in Minnesota. "Turning to the foundations makes sense," he said. "But how is this different from ongoing support of the Citizens League?"
- Referring to the report's urging that the foundation community create a special entity to establish principles for funding studies on community problems, Zlonis said the Civic Caucus should lay out graphically what it sees as the relationship between the foundation community and this new entity. "This should not be prescriptive," he said. "It should clarify the potential that's there. Foundations are not interested in being told specifically what to do, but they like ideas."
- He said the top issues listed in the draft made sense as rising to the top of the larger list.

Some people believe the past Citizens League approach was an example of doing things in a communitarian way. An interviewer made that comment and said that approach reflected business and civic leaders' feeling of ownership of the area and of what happens there.

The approach of the Citizens League in the past was to use study committees to attack narrowly defined community problems. The committees, assisted by Citizens League staffers, were made up of generalist citizens, not people representing special interests, and generally met for about six or more months. During the first months of meetings, the committees were in learning mode and took testimony from people knowledgeable about the topic, including those representing special interests. In addition, committee staffers did other background work and research.

When the committee felt ready, it began the process of drafting its report by laying out the findings of the group. Based on those findings, the group determined the conclusions and then came up with specific, actionable recommendations. The completed report went to the Citizens League board for approval. The board debated the content of the report and sometimes suggested changes or accepted a minority report drafted by committee members who disagreed with some or all of the recommendations.

Zlonis responded that the Civic Caucus draft report could clarify how that approach brought in varying parts of community who were attracted to the process at that time. But if people aren't attracted to it now, what has to be different to attract them?

The interviewer asked what has to happen today to replace that process. "What has to be done to generate the same positive outcome?"

"Instead of yearning for what was, build on that and talk about a new Minnesota Process," Zlonis said. "Let's not just go back to what we had, because the world and the community have changed. What would cause that same kind of spirit today?"

The interviewer commented on the old-fashioned, communitarian feeling in Minnesota. "People who formed the Citizens League took it as obvious that that's how things should be done around here," he said.

Could foundations be persuaded to support serious, long-term inquiry into issues, rather than just supporting treatment of symptoms? An interviewer asked that question and commented that many foundations don't like to support research. Instead, they look at one year at a time. There's a big push for results. "Are there roadblocks to getting down the road where we want to go?" the interviewer asked.

Zlonis agreed that foundations do tend to move towards treating symptoms, but said there are examples of foundations looking deeper. He mentioned the Bush Foundation's efforts to develop leadership in Minnesota. "They're building a base of people willing to go out and do something," he said. "There are some long-term commitments by foundations to doing something. I think there's potential there; it's just not on the surface."

How can we put together public policy that will be effectively implemented? An interviewer asked that question and wondered how to get people to accept public-policy changes. Zlonis replied that he's been involved in building support for change before it's implemented or even written. "You build buy-in," he said, "by having big swaths of the community and stakeholder groups participate in the process. You need to listen to the stakeholder groups as resources. Ask for their input early in the process and, later, their reaction to design proposals, going back and forth with the designers."

What was the experience of Public Strategies Group (PSG) with foundation support? In response to this interviewer question, Zlonis said PSG worked with a group of Minnesota foundations on the reports *Minnesota's Bottom Line* (2009) and *Beyond the Bottom Line* (2011). The foundations involved were the Minneapolis Foundation, Saint Paul Foundation, Minnesota Foundation, Northwest Area Foundation, Bush Foundation and Blandin Foundation. Also, he noted that there were a number of different cases in which PSG worked with foundations all over country.

He said it was hard to generalize about his group's experience with foundations. In some cases, such as with the *Bottom Line* reports, foundations contracted directly with PSG. In other cases, foundations gave grants to other organizations that then contracted with PSG.

An interviewer asked about the distinctions among private, corporate and individual foundations. Zlonis responded that community foundations can lobby, but private foundations cannot. He said corporate foundations have something they distinctly want.

The interviewer commented that foundations now often give grants for a particular purpose. He noted that the Citizens League used to get memberships for general support from individuals, businesses, foundations and other organizations. Foundations, for example, didn't finance particular studies by the League, like they do today.

Commercial consultants-branches of accounting firms-go where the money is. "They're hired guns," Zlonis said, responding to an interviewer's question about where commercial consultants fit in the picture. Zlonis said they might do some front-end major policy work or high-level strategic planning, but they work primarily on large-scale project implementation.

The interviewer asked whether commercial consultants dig deep to get to the causes of community problems. Zlonis said consultants have to push people to dig deep. "That's hard in a crisis situation," he said.

Do the current public-policy processes at the Legislature or at foundations and other places reward poor behavior and punish good behavior? An interviewer asked that question. Zlonis responded that a critique of private, for-profit corporations is that they pay for short-term performance to show in their quarterly reports. "If you look at the public sector and how they're rewarded," Zlonis said, "a lot has to do with staying out of the news. There are very few media articles on long-term change efforts and efforts to get at the root causes of community problems."

"Maybe the incentives *are* for success in the short term," he continued. "How would you change that? That's a big question. Is it possible?"

Another interviewer commented that the foundations are going to stay here. "They can think long term with impunity," he said. "Compared to office-holders who must run for election every few years, foundations seem more independent. What are the roadblocks that prevent long-term thinking from happening?"

Zlonis believes foundations do long-term thinking to a certain extent. A lot of foundations have missions that might support deeper approaches to thinking about issues.

It's important to clearly define the community sector referred to in the report. Zlonis said it's important to define the groups the Caucus is talking about in the draft report. He believes we need to separate out the government sector from the community sector. The community sector is comprised of people concerned with the community interest, an interviewer commented.

Zlonis stated that acting in the community interest doesn't have to conflict with running a company and making money. Around 1980, he was hired by the Dayton-Hudson Foundation to research the question of whether a company that gives money to the community will do well. Zlonis found that retail sales improve when the community improves on certain levels. "Most of us, even looking only at our private interests, benefit when the community does well," he said.

He would include advocacy groups in the community sector, but only when they're working in the community's interest.

Government sets the rules of the game in the community we live in and determines what the marketplace will be. Zlonis responded to an interviewer's question about transportation financing and what imposes the cost and who pays for that cost and about where we expect to see the payoffs from early childhood education.

"There are huge externalities in what people do," Zlonis said. "Government works to capture those so everybody feels there's a fair system of how we pay for things. How do we do the real deep work to assign those costs? That ends up being politics."

The way organizations communicate and operate has changed. An interviewer made that comment and said those changes will impact public policy. "We're not looking to the future," he said.

Zlonis agreed that things now operate outside of historical communication patterns. He noted that on Twitter, we can immediately get people's reaction to things.

"I don't know what depth that gives us," he said. "Is it doomed not to be thoughtful or to be just reactive? How can that be used to dig deeper?"

Big Data evolved in the last 10 years. "There are more data we can analyze," he said. "That way we can get deeper with information."

Zlonis told the interviewer he was right to bring up the point. "In the report, it would be good to acknowledge that you want to build a public-policy process for the future."

The report's recommendation that the foundations create a special entity to help improve the quality of public-policy proposals is a good one. Zlonis noted, though, that perhaps it wouldn't need to be a new entity. It could be housed, for example, within the University of Minnesota's Humphrey School of Public Affairs or it could be a program within another organization. "Leave that open and let it develop," he said.

Don't name specific foundations that should take on implementing our recommendations. "If the report names specific foundations, they might feel they're being called out," Zlonis said. "Foundations are not going to be told what to do. Leave it open in the report and then go talk to the foundations and 'call them out' in private."

The community interest is not the sum of advocacy groups. Zlonis said advocacy groups are a main part of the active community, but they are not specifically trying to work for the common good. They're working for something individual. "The common good is a key distinction," he said.

Government is a subset of the larger community. Zlonis said to be clear in the paper, the Caucus should rewrite the section on government and the community. He suggested that government and the community might be shown as side by side, perhaps with government a subset of the larger community.