

**PPAI 1700 Public Policy Challenges
Urban Nonprofit Organizations
Brown University, Fall 2007**

Professor Heather MacIndoe
Course Meeting: Fridays 3-5:20 pm
Location: Taubman Center, 67 George Street, Room 103

Office Hours: Fridays 10am-12pm, and by appointment
Office: Taubman Center, Room 003
Phone: 401-863-9240
Email: Heather_MacIndoe@brown.edu

Course Description:

Nonprofit organizations play a variety of important roles in American cities. In addition to their well-known function as service providers (e.g. hospitals or neighborhood health clinics), nonprofit organizations offer an opportunity for self-expression, recreation, religious observation, political representation, or the pursuit of social change.

There is a nonprofit organization for almost every conceivable human purpose or interest. Soup kitchens, museums, zoos, recreational groups, choral societies, environmental groups, churches, and educational institutions such as Brown University, are all nonprofit organizations. Through theoretical readings and case studies, this course considers a variety of public policy issues related to the role of nonprofit organizations in American cities including: tax exemption, the increasing commercialization of the nonprofit sector, charitable choice provisions guiding the distribution of federal funds, and the role of nonprofit organizations in political advocacy.

Course Objectives:

- Develop an understanding of the complex roles of nonprofit organizations in urban life
- Review the history and evolution of the nonprofit sector
- Examine the economic, political, and social rationales for the nonprofit sector
- Evaluate public policies towards the nonprofit sector

Required Texts available at Brown University bookstore:

- (1) Boris, Elizabeth T., and C. Eugene Steuerle, Eds. 1999. *Nonprofits and Government: Collaboration and Conflict*. Washington D.C.: The Urban Institute.
- (2) Frumkin, Peter. 2002. *On Being Nonprofit: A Conceptual and Policy Primer*. Cambridge, MA: Harvard University Press.
- (3) Ott, J. Steven. 2001. *The Nature of the Nonprofit Sector*. Boulder, CO: Westview Press.

Additional readings on course webpage (<https://mycourses.brown.edu/>) including link to:
Hula, Richard C. and Cynthia Jackson-Elmoore (Eds.) 2000. *Nonprofits in Urban America*. Westport, CT: Quorum Books.

Course Format, Assignments, and Grading:

This course is a weekly discussion seminar. All class members are expected to come to class on time and prepared to discuss the readings. Your final grade will be comprised of:

- **Class Participation and Attendance (20%)**

Active participation in class discussions and regular attendance are required. Guidelines for class participation are on the next page. If you do not come to class, you will receive a zero for class participation for the day. You will be given a grade for each course session as follows: 1=shows up, 2=minimum participation, 3=outstanding participation. See next page for details.

- **Reading Reflection Memos (30%)**

Each student will complete three reading reflection memos during the semester. These short papers should discuss the readings and provide questions for class discussion. Each reading reflection memo is worth 10% of your final grade.

Due: Students will sign-up to complete reading reflection memos for 3 class sessions.

Memos must be emailed to me by **noon** on the Thursday prior to the class period. No late memos will be accepted. At least one memo must be completed by October 19.

- **Final paper (50%)**

(10%=topic proposal, 10%=rough draft, 25%=final draft, 5%=class presentation)

Students will write a research paper (no more than 15 pages) that explores a topic related to the class. The work on the paper is cumulative and will be spread throughout the semester, culminating with a presentation on your research in the final class meeting. More detailed paper guidelines will be distributed in class. **No late papers or assignments will be accepted without a note from a Dean or a physician; this is a firm policy.**

Paper Due Dates:

- **October 5: Paper Topic Proposal due in class (1-2 pages), and brief presentation of topic/research questions in class**
- **November 2: Rough Draft due in class (5-7 pages)**
- **December 7: Final Draft due in class (no more than 15 pages), and individual presentations in class**

Academic Honesty:

Please adhere to the principles of academic honesty described in the Brown University Academic Code:

“Academic achievement is ordinarily evaluated on the basis of work that a student produces independently. Students who submit academic work that uses others' ideas, words, research, or images without proper attribution and documentation are in violation of the academic code. Infringement of the academic code entails penalties ranging from reprimand to suspension, dismissal, or expulsion from the University. **Misunderstanding the code is not an excuse for dishonest work. Students who are unsure about any point of Brown's academic code should consult their courses instructors or an academic dean.**”

[The Academic Code and Non-Academic Conduct](#) (PDF format).

http://www.brown.edu/Student_Services/Writing_Center/resources/writers/gen-plagiarism.html

Class Participation Guidelines:

The following are general guidelines that I will use to evaluate class participation. These are meant to provide helpful examples of behaviors that facilitate, or hinder, individual and collective learning during class meetings.

- **Outstanding participation**

- Consistently makes valuable contributions about topics under discussion
- Demonstrates excellent listening skills, responding appropriately to others' comments
- Offers relevant, succinct input to class
- Brings up questions about subjects that need further exploration
- Clarifies points that others may not understand
- Draws on personal experience or opinion only when relevant to class discussion
- Demonstrates ability to analyze, apply, and synthesize course material
- Demonstrates willingness to take risks (e.g. attempts to answer unpopular or difficult questions)

- **Minimum expected participation**

- Is prepared for class discussions
- Offers clear, concise, relevant information
- Consistently demonstrates familiarity with reading assignments
- Demonstrates ability to analyze and apply ideas presented in course materials
- Demonstrates willingness to attempt to answer questions
- Attends all classes
- Is punctual for class
- Speaks clearly and loudly so all participants can hear comments
- Comments on the current topic being discussed

- **Unacceptable participation**

- Fails to participate, even when solicited
- Shows up late or leaves early
- Fails to read the class materials
- Misses classes
- Disregards or simply repeats other people's comments
- Participates too much (e.g. frequently make comments for their own sake that do not add value to the discussion)
- Is rude, disrespectful, or mean-spirited to others in any way
- Carries on side conversations while others have the floor
- Interrupts others
- Receives and answers telephone calls during class – *all cell phones off*

Course Overview:

I. Introduction

1. Overview of Course Themes: Nonprofit Organizations in Urban America

II. Why Do We Have a Nonprofit Sector?

2. Economic and Political Theories of the Nonprofit Sector
3. Social and Community Theories of the Nonprofit Sector
4. Organizational Theories of the Nonprofit Sector

III. Challenges Facing the Nonprofit Sector

5. Tax Treatment of the Nonprofit Sector
6. Charitable Choice
7. Resource Acquisition
8. Commercialization and For-Profit Philanthropy
9. Service Delivery and Devolution
10. Nonprofits and Political Advocacy
11. Nonprofits and Social Movements
12. Accountability and Performance Measurement

Reading Abbreviations:

NPOG: *Nonprofits and Government: Collaboration and Conflict.*

Frumkin: *On Being Nonprofit: A Conceptual and Policy Primer.*

NNS: *The Nature of the Nonprofit Sector.*

NUA: *Nonprofits in Urban America* (link to book available on course webpage)

TSP: *Third sector policy at the crossroads* (link to book available on course webpage)

WEB: link to pdf file on course webpage (<https://mycourses.brown.edu/>)

Course Content:

I. Introduction

❖ Week 1: September 7 – Overview of Course Themes: NPOs in Urban America

In-class handout:

- ✓ The Nonprofit Sector In Brief (2007, The Urban Institute)

Link on course webpage:

- National Center for Charitable Statistics at the Urban Institute, a national clearinghouse of nonprofit data: <http://nccs.urban.org/>

Required Reading:

- **Frumkin**, Ch. 1, “The Idea of a Nonprofit and Voluntary Sector”
- **NPOG**, Introduction, Boris, “Nonprofit Organizations in a Democracy: Varied Roles and Responsibilities”
- **WEB**, Cohen, Cathy. 2001. “Social Capital, Intervening Institutions, and Political Power.” Ch. 11 in Ed. Susan Saegert, J. Thompson and M. Warren. *Social Capital in Poor Communities*. New York: Russell Sage.
- **NUA**, Introduction, Jackson-Elmoore and Hula, “An Overview of Emerging Roles of Nonprofits in Urban America”

II. Why Do We Have a Nonprofit Sector?

❖ Week 2: September 14 - Economic and Political Theories of the Nonprofit Sector

Required Reading:

- NPOG, Ch. 1, Young, “Complementary, Supplementary, or Adversarial? A Theoretical and Historical Examination of Nonprofit-Government Relations in the United States”
- NNS, Part 6, “Economic and Political Theories of the Nonprofit Sector”
- NUA, Ch. 1, Smith, Steven Rathgeb. “Nonprofit Organizations in Urban Politics and Policy.”

Recommended Reading:

- NNS, Ch. 9, Hall, “Inventing the Nonprofit Sector: 1950-1990”

❖ Week 3: September 21 - Social and Community Theories of the Nonprofit Sector

In-class movie :

- ✓ “**Holding Ground**” (New Day Films, 1996)

This documentary film shows how a Boston community, the Dudley Street Neighborhood, was able to create and carry out its own agenda for change.

Link on course webpage:

- Learn about the Dudley Street Neighborhood Initiative today: <http://www.dsni.org/>

Required Reading:

- Frumkin, Ch. 2, “Civic and Political Engagement”
- NNS, Part 7, “Social and Community Theories of the Nonprofit Sector”
- WEB, Smith, Steven Rathgeb. 1999. “Civic Infrastructure in America: The Interrelationship between Government and the Voluntary Sector.” Ch 6 in Ed. Robert Fullinwider, *Civil Society, Democracy, and Civic Renewal*. Oxford: Rowman & Littlefield Publishers, Inc.

❖ Week 4: September 28 - Organizational Theories of the Nonprofit Sector

Required Reading:

- NNS, Part 8, “Organization Theories of the Nonprofit Sector”
- TSP, Salamon, Lester. Ch. 2, “The nonprofit sector at a crossroads: the case of America.”
- TSP, Wolch, Jennifer. Ch. 4, “Decentering America’s nonprofit sector: reflections on Salamon’s crisis analysis.”
- TSP, Dekker, Paul, Ch. 5, “What crisis? What challenges”? When nonprofitness makes no difference.”

Case:

- NUA, Ferman, Barbara and Patrick Kaylor, Ch. 5, “The Role of Institutions in Community Building: The Case of West Mt. airy, Philadelphia.”

III. Challenges Facing the Nonprofit Sector

❖ Week 5: October 5 - Tax Treatment of the Nonprofit Sector

*** Paper: Topic Proposal due in class.

In-class handout:

✓ “Tax Exemption” (www.irs.gov)

Required Reading:

- NNS, Part 4, “The Rationale for Tax Exemption”
- NPOG, Ch. 4, Brody and Cordes, “Tax Treatment of Nonprofit Organizations: A Two-edged Sword?”
- WEB, “Playing Tough with the Tax-exempt.” *New York Times*, May 7, 2006
- WEB, “Looking for Taxes in All the Wrong Places.” *National Review Online*, Aug. 10, 2007
- WEB, “Opinionator” blog on taxing private educational endowments, “Taxing Big Bucks on Campus”: <http://opinionator.blogs.nytimes.com/2007/08/10/taxing-big-bucks-on-campus/>

❖ Week 6: October 12 - Charitable Choice

Link on course webpage:

- White House statement on charitable choice:
<http://www.whitehouse.gov/government/fbci/guidance/charitable.html>

Required Reading:

- Frumkin, Ch. 4, “Values and Faith”
- WEB, Chaves, Mark. 2003. “Debunking Charitable Choice: The evidence doesn’t support the political left or right.” *Stanford Social Innovation Review*. Summer:28-36.
- WEB, Chaves, Mark. 1999. “Religious Congregations and Welfare Reform: Who will take advantage of “charitable choice”?” *American Sociological Review* 64:836-846.
- WEB, “Faith-Based Initiatives.” 2001. *Congressional Quarterly Researcher*.
- WEB, Owens, Michael Leo and R. Drew Smith. 2005. “Congregations in Low-Income Neighborhoods and the Implications for Social Welfare Policy Research.” *Nonprofit and Voluntary Sector Quarterly* 34:316-339.
- WEB, Farnsley, Arthur. 2001. “Can Faith-based Organizations Compete?” *Nonprofit and Voluntary Sector Quarterly* 30:99-111.

Case:

- NUA, Owens, Michael Leo, Ch. 8, “Black Church-Affiliated Community Development Corporations and the Co-production of Affordable housing in New York City.”

III. Challenges Facing the Nonprofit Sector (continued)

❖ Week 7: October 19 - Resource Acquisition

*** Complete mid-course reviews on course website this week.

Required Reading (continued):

- **NPOG**, Ch. 5, Smith, “Government Financing of Nonprofit Activity”
- **NNS**, Ch. 35, McCormack, Patrick. “Nonprofits at the Brink: Lean Budgets, Growing Needs, and the Fate of Nonprofits.”
- **WEB**, Cheever, Kathryn A. L. and Peter de Leon. 2001. “Fair Housing Advocacy Groups: Litigation as a Source of Nonprofit Funding.” *Nonprofit and Voluntary Sector Quarterly* 30:298-320.
- **WEB**, Ostrander, Susan. 2007. “The Growth of Donor Control: Revisiting the Social Relations of Philanthropy.” *Nonprofit and Voluntary Sector Quarterly* 36:356-372.
- **WEB**, Schervish, Paul. 2007. “Is Today’s Philanthropy Failing Beneficiaries?” *Nonprofit and Voluntary Sector Quarterly* 36:373-379.
- **WEB**, Ostrander, Susan. 2007. “Ostrander’s Response to Schervish.” *Nonprofit and Voluntary Sector Quarterly* 36:380-382.

Case:

- The Hestia Fund of Massachusetts (**KSG, 2003**)

❖ Week 8: October 26 - Commercialization and For-Profit Philanthropy

Required Reading:

- **Frumkin**, Ch. 5, “Social Entrepreneurship”
- **NPOG**, Ch. 7, Goddeeris et al, “Why Not For-Profit? Conversions and Public Policy”
- **NNS**, Part 10, “The Blending and Blurring of the Sectors”
- **WEB**, Weisbrod, Burton. 2004. “The Pitfalls of Profits: Why nonprofits should get out of commercial ventures.” *Stanford Social Innovation Review*. Winter:40-47.
- **WEB**, Bales, C. and S. Pinnavaia. 2001. “Art for more than art’s sake.” McKinsey & Company.
- **WEB**, Alvord, Sarah. 2004. “Social Entrepreneurship and Societal Transformation.” *Journal of Applied Behavioral Science* 40:260-282.
- **WEB**, Letts, Christine et al. 1997. “Virtuous Capital: What Foundations Can Learn from Venture Capitalists.” *Harvard Business Review* 75:36-44.

Case:

- Neighborhood Revitalization in Philadelphia (**KSG, 2000**)

III. Challenges Facing the Nonprofit Sector (continued)

❖ Week 9: November 2 - Service Delivery and Devolution

*** Paper: Rough Draft due in class.

Required Reading:

- Frumkin, Ch. 3, “Service Delivery”
- NPOG, Ch. 6, De Vita, “Nonprofits and Devolution: What Do We Know?”
- WEB, Grønbjerg, Kirsten. 2001. “The U.S. Nonprofit Human Service Sector: A Creeping Revolution.” *Nonprofit and Voluntary Sector Quarterly*. 30:276-297.

Cases:

- Beyond Housing: Community Revitalization in the South Bronx (**KSG, 1999**)
- NUA, Cordes, Joseph, Jeffrey Henig, and Eric Twombly, Ch. 3, “Nonprofit Human Service Providers in an Era of Privatization: Organizational Adaptation to Changing Environments in Three Policy Arenas.”

❖ Week 10: November 9 - Nonprofits and Political Advocacy

In-class handout

- ✓ “Tax Exemption and Political Advocacy” (www.irs.gov)

Required Reading:

- NPOG, Ch. 9, Reid, “Nonprofit Advocacy and Political Participation”
- WEB, Chaves et al, 2004. “Does Government Funding Suppress Nonprofits’ Political Activity?” *American Sociological Review* 69:292-316.
- WEB, “Regulating Nonprofits.” 1997. *Congressional Quarterly Researcher*.
- WEB, “Learn to Love Lobbying.” 2007. *Stanford Social Innovation Review*.
- TSP, Brilliant, Eleanor, Ch. 12, “The American third sector at the end of the twentieth century: public and private revisited.”

Case:

- NUA, Hula and Elmoore, Ch. 6, “Nonprofit Organizations, Minority Political Incorporation, and Local Governance.”

❖ Week 11: November 16 - Nonprofits and Social Movements

Required Reading:

- WEB, Zald, Mayer. 2004 “Making Changes? Why does the social sector need social movements?” *Stanford Social Innovation Review*.
- WEB, Bartley, Tim. 2007. “How Foundations Shape Social Movements: The Construction of an Organizational Field and the Rise of Forest Certification.” *Social Problems* 54(3):229-255.
- WEB, Jenkins, J. Craig and Craig Eckert. 1986. “Channeling Black Insurgency: Elite Patronage and Professional Social Movement Organizations in the Development of the Black Movement.” *American Sociological Review* 51:812-829.

Case:

- NUA, Orr, Marion. Ch. 7, “Baltimoreans United in Leadership Development: Exploring the Role of Governing Nonprofits”

III. Challenges Facing the Nonprofit Sector (continued)

❖ **Week 12: November 23 - THANKSGIVING BREAK - NO CLASS**



❖ **Week 13: November 30 - Accountability and Performance Measurement**

In-class handout:

- ✓ IRS 990 Tax Form

Required Reading:

- **WEB**, Porter, Michael and Mark Kramer. 1999. "Philanthropy's New Agenda: Creating Value." *Harvard Business Review* 77(6):121-130.
- **WEB**, Powell, Walter. 2007. "Close Encounters: The Circulation and Reception of Managerial Practices in the San Francisco Bay Area Nonprofit Community" in Ed. Barbara Czarniawska and Guje Sevón, *Global Ideas: How Ideas, Objects and Practices Travel in the Global Economy*. Copenhagen: Liber & Copenhagen Business School Press.
- **WEB**, Sawhill, John and David Williamson. 2001. "Measuring What Matters in Nonprofits." McKinsey & Company.

Case:

- **NUA**, Eisinger, Peter, Ch. 2, "The Quality of Mercy: the Capacity of the Nonprofit Emergency Food System in Detroit"

❖ **Week 14: December 7 - Individual Presentations**

*** Paper: Final Draft due in class.