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*This article tracks the challenges and opportunities faced by a university-based applied research institute that has grown and expanded through intellectual entrepreneurship. With minimal state support, the University of Washington's Institute for Public Policy and Management has grown into an influential shaper of policy for the state of Washington and the states of the Northwest. The institute and the specialized centers under its umbrella are currently examining options for continued growth and influence in the future.*

## **Applied Research: Entrepreneurial Style**

By creating a market for applied research that meets the needs of state and local governments in Washington and the other states of the Northwest, the institute for Public Policy and Management has grown in little more than a decade from a small state-supported organization into a four million dollar yearly grant-funded research and public outreach enterprise. It carved out a home within a traditional university for a group of intellectual entrepreneurs who knew how to design and find support for research projects that over time have helped shape a broad policy agenda for the Northwest and has developed strategic options for policymakers. Much of the growth has come because institute researchers have anticipated problems on the policy horizon and have been there ready with useful products when the demand for assistance surfaced.

If the institute sees itself as market-driven, what is its comparative advantage in the defined market? In the mid-1980s, as the growth spurt for the institute started, location played a role. At that point, there was essentially no other game in town or in the region. The University of Washington was the premier research university in the Pacific Northwest and, during the mid-1980s, there was little competition in the field of public policy research either from other universities or from private or nonprofit think tanks. And it began to draw people—the intellectual entrepreneurs mentioned above—who combined a deep understanding of policy and practice with the skills of trained researchers. Providing good advice to help policymakers make better decisions requires the ability to understand policy and its implementation and to view both in the context of a complex political world.

And, as markets have been identified, the institute has been clear about who its clients are. State legislators, agency heads, advocates, service providers, and the general public are all among the audiences the institute intends to reach. Researchers must check their findings with people in the field—practitioners who are actually charged with implementing policy, who have a keener sense of whether problems are accurately identified and whether proposed solutions will work. With such a diverse audience, it has become imperative to develop new and engaging means of communicating the results of institute research. It must also be recognized that the only way to work in the real world of policy and politics is to build relationships of trust and reputations for accuracy, timeliness, and innovative approaches in a variety of policy areas.

Over the last decade, the Northwest has experienced a number of sea changes. The institute early on recognized transformations in the region's economy, work force, and its physical and institutional infrastructure. It began to identify issues where applied university research could provide a neutral base of evidence to support and evaluate specific policy options. As market drivers, expertise, and financing began to concentrate, special-interest centers were created to allow the institute to focus work and resources to address critical issues.

### **The Changing Region**

Washington and the other states of the Pacific Northwest are grappling with major changes caused by the shift from a resource-based economy to one that relies heavily on information, technology, and trade. What strategies will help communities build and/or renew their economic foundations? How can public and private decision-makers guide these changes, anticipate economic impacts and job dislocations, and plan for the disruptions that accompany growth in a state and region deeply committed to protecting its environment and maintaining a high quality of life?

The Institute's Northwest Policy Center (NPC), supported initially by the Northwest Area Foundation in St. Paul, Minnesota, has created a regional agenda to promote economic vitality and environmental quality in the states of the Northwest. Program areas include regional economic trends, entrepreneurial vitality, workforce development, rural community development, and the link between economic vitality and environmental quality. Underlying all this work is the collection of data and the analysis of economic trends at the local, state, and multistate regional levels. For several years, *Northwest Portrait*, produced by NPC in conjunction with U.S. Bancorp, provided the region with valuable data on income, population, and employment, presenting performance reviews for past years and projections for the upcoming year.

The center works with economic development professionals to aid firms to become more competitive by devising strategies to foster networks of businesses; to build strong, service-oriented industry associations; and to develop sectorally-focused assistance centers. The center early on recognized the critical link between a healthy, competitive economy and the skills of the region's work force in growing and retaining high wage, high skill jobs. The Northwest Policy Center has advanced several work force development strategies, including those aimed at expanding work-based learning opportunities, building business and labor capacity as partners in work force and economic development, and improving service delivery.

Foundation funds were used to take public and private leaders and practitioners from the Northwest to Europe to examine flexible manufacturing networks and work force development systems. Strategies for developing value-added products strengthened a network of 300 wood products firms on Washington's Olympic Peninsula, an area that has long suffered from the economic dislocation of a faltering timber industry. The Northwest Policy Center continues its work to improve public strategies to foster the vitality of Northwest communities, the economic well-being of the region's people, and the health of the natural environment.

### **The Impacts of Change on People**

Linked to the institute's interest in the changing economy is its focus on the impact economic changes are having on children and their families in Washington State. How can we know more about and keep track of those whom the new economy is leaving behind? What are the impacts of federal and state policies on low income and vulnerable populations in this state? How can policies and delivery systems be changed to improve the condition of children and families in their communities? How can community development strategies support and encourage greater self-sufficiency at the local level?

This fundamental concern with the condition of children and families in their communities led to the development of the Institute's Human Services Policy Center (HSPC). With early support from the Stuart Foundations in San Francisco, a center was created that has for seven years tracked the changing health and well-being of children in Washington State on a variety of indicators. As the official home of the Annie E. Casey Foundation-supported Kids Count, this center gathers information and analyzes it at the state and county level and for the state's major cities. Kids Count has become the accepted source of information that is used by state and local decision-makers and by advocates for children and families in the state. HSPC has also focused attention on financing child care and on access to quality early childhood care and education in Washington State.

This concern about fragmented systems that make the lives of children and their families more difficult, led to a collaborative effort involving six professional schools at the University of Washington. This interprofessional training program focused on preparing graduate students to work together across professions so that, upon graduation, they could more effectively meet the real needs of families and children in real communities.

Another source of information about children and their families, particularly low income and vulnerable families and individuals, is provided by a third institute center, the Center for Fiscal Policy. Supported by the Ford and Annie E. Casey Foundations, this center investigates family income disparities and state support for working families. The center provides a strong base of evidence that is used extensively by state government and the legislature, as well as by a number of children's and welfare rights advocates. Researchers have also examined Washington State's spending policies and priorities, looking particularly at the implications for low-income and vulnerable populations.

Several units of the institute have focused on national and state welfare reform. Both the Human Services Policy Center and the Fiscal Policy Center have produced reports on the impact of this legislation on children and families. A study by HSPC

examined the relationship between work, welfare, and child care in Washington and found that having access to child care joined marital status and a well-paying job as the primary factors that determine whether low income mothers would be on welfare or remain economically self-sufficient. Researchers in the institute are also involved in a major national study examining the capacity of state and local governments in Washington to implement welfare reform.

Institute researchers have played a major role in developing strategies to carry out the Annie E. Casey Foundation-supported Seattle Jobs Initiative. By focusing on current and emerging jobs, identified by industry sectors, this project's goal is to create jobs and provide appropriate training for a targeted population segment within a specified geographic area. Other work has focused on the evaluation of community development efforts funded under HUD's Enterprise Community initiative.

On a national level, the Robert Wood Johnson Foundation initiated a new effort in 1996 to work with communities to help them design and implement their own approaches to improving the health and well-being of children. The Foundation located the office in Seattle and asked the institute to serve as its institutional home. Now known as the Urban Health Initiative, this program is working with five cities over a ten-year period as they carry out and evaluate their efforts to ensure the health and safety of their children.

### **Education and the Future of Work**

The creation of a strong educational and training system that can prepare people for a changing, demanding world of work is mandatory for states that choose to operate in a globally competitive economy. Such preparation must start with high quality early childhood education and extend through the traditional K-12 system to post-secondary opportunities, including two-year degrees and apprenticeship programs. If all links in this chain are not strong, linked, and flexible, the opportunity for a highly skilled, well paid population is greatly diminished. This is especially true for the majority of new entrants into the work force, who will be women, people of color, and immigrants.

How can we increase the capacity of our educational and job training systems to accommodate the new demands of a changing population, a changing work force, and new, high-performing workplaces? How can we ensure that the K-12 system provides a foundation of rigorous learning for all students in the state? How can public officials and managers create a new accountability that will stand up to the public's current cynicism and distrust?

In the 1980s, the institute established its reputation for meeting the needs of state and local governments by focusing on school finance and education reform across all levels of education. It conducted a thorough study of school information systems and the use of policy and management information by state-level officials and local school boards and administrators. As part of a national study, the institute examined the structure of the state's vocational education system and its capacity to implement the federal Carl Perkins legislation. Both through these kinds of studies and direct policy participation, the institute established itself as a source of reliable evidence and sound policy advice.

In 1993, discussion began about a joint University of Washington-Rand Center enterprise focusing on education, particularly the governance of urban schools. The

Center for the Reinvention of Public Education seeks to develop and evaluate methods of public oversight that can allow individual schools to be focused, effective, and accountable. The center pursues a national program of research and development on such proposals as charter schools, school contracting, choice, and school system decentralization. It also conducts research into reform initiatives nationally, in Washington State, and in the Seattle public schools.

Starting with participation in an Investment in Human Capital Study that led to a major reorganization of post-secondary education in Washington State, the institute has taken a lead role in work force development issues. Trips sponsored by the German Marshall Fund to Denmark, Sweden, and Germany exposed leaders in the states of the Northwest to European social partnership models in which business and labor, as customers of the system, play a dominant role in designing education and training programs. Washington and Oregon quickly took the national lead in developing policy responses to the lessons learned in Europe. Currently, the institute plays a key role in policy development and system change efforts at the state level and as a partner with the National Governors Association at the national level.

### ***On the Convening Side...***

Universities, with their deep resources of research and expertise, often do not apply these resources to help solve local and regional problems. Academic research that might be applied to real problems is often limited to an academic audience and often fails to influence the mainstream of policy deliberations. Solving the problems related to managing growth, developing a skilled work force, providing adequate housing, health, and education, demand a conscious, sustained application of funds, energy, and knowledge from all sectors. Despite recognized interdependence, leaders from these sectors too often do not speak the same language and rarely have the opportunity to work with each other on common problems. Leaders in all sectors need opportunities to understand each other's perspectives, interests and strategies—a "practice field" where each party can learn new skills and find creative ways to solve problems. A university can become part of a region's problem-solving infrastructure by providing a home for this kind of intersectoral, interjurisdictional exchange. And it can help leaders step back in order to examine common values and interests in a safe and stimulating environment.

A newly funded effort, the Northwest Policy Forum, grew out of a long time institute belief that the Puget Sound region needed an ongoing forum where pressing regional issues could be discussed by a broad range of public, private, and nonprofit leaders. The region needed an independent space for parties with conflicting interests and views to come to the table, thrash out differences, aided by good information and analysis, and build workable solutions across sectors and jurisdictions.

The forum will create a broad agenda that combines widely publicized large public gatherings with smaller meetings of elected officials who can work together closely to solve specific problems. The institute has a history of convening and has acted as mediator with individuals and groups ranging from transportation planners and environmental advocates, to industry representatives and people committed to clean up pollution in Puget Sound.

### ***On the Managing Side...***

The institute's Cascade Center for Public Service was created to provide leaders in public and nonprofit agencies with opportunities to strengthen their management skills and judgment. Clients include mid and senior executives at state and local levels in the Northwest. The center has also provided training for newly elected state legislators. The Electronic Hallway Network™ was created to develop and increase national access to case studies and other interactive teaching resources about public policy and management. Faculty at more than 100 universities are now connected to this system. Funding for the Electronic Hallway has been provided by a number of national foundations.

### ***On the Wilder Side...***

From its beginning, the institute has served as a kind of spawning ground or test center to determine whether a particular policy issue is ripe for increased attention, or whether there is truly a market for work in that area. Part of this involves an assessment of risk, both in terms of the ability to generate resources to work in an untested area and, on occasion, political risk if the question asked of the institute is controversial.

The institute generated early attention to the issues of uncontrolled growth in Washington State. In 1990, it became home to the Governor's Growth Strategies Commission and mobilized university research to help that commission frame its recommendations, including what became the current state law managing growth in Washington. This work led to one of the institute's most controversial studies, one involving potential economic and legal impacts of a voter referendum on the "The Private Property Regulatory Fairness Act." Despite strong criticism by the legislature that had originally passed the private property rights legislation, the institute and the university stood behind the methodology and findings of the study. The referendum was defeated at the polls in November 1995, essentially preserving the teeth of the state's growth management law.

In 1993, the institute established the Fiscal Policy Center described earlier, which is the only university-based center of the original eleven states chosen for this foundation initiative. It was selected because of its track record in providing timely, relevant research to policy-makers, advocates, and the general public. Nevertheless, because there is controversy around the populations that will be served by state resources, there are times when the questions asked by this center have created political problems with state legislators who view the center's work as biased. However, the institute and its centers have honed the skills required to conduct research and communicate results in various formats without compromising their independent status.

Another project conducted by the institute involved considerable risk but resulted in the creation of a new entity, the Hanford Joint Council for Resolving Employee Concerns. The institute had been asked by the state Department of Ecology to look at the very controversial issue of "whistleblowing" at the Hanford Nuclear Reservation. After interviewing management, unions, and whistleblowers whose cases were before the courts, the institute recommended the creation of a neutral council, with all key players at the table to intervene before problems escalated to a whistleblowing stage.

An emerging focus of attention relates to the criminal justice system. Having participated in work with the State Department of Corrections around the entry, treat-

ment, and exit of mentally ill offenders into and out of prisons, the institute is continuing related work focused on the rapidly rising costs for state and local government of the criminal justice system as a whole.

### **Within the University and Beyond**

The institute and its centers have always enjoyed considerable discretion in determining the scope of its work and the nature of its products. This freedom comes in part because almost its entire budget comes from grants and contracts rather than from state support. At the same time, the institute is always conscious that much of its research addresses critical and sometimes controversial and sensitive state issues. On a few occasions there has been consultation with university administrators, particularly state lobbyists, about the impact on the university of releasing certain findings and recommendations that might have political reverberations. The line between independent policy analysis and advocacy can sometimes appear thin and uncertain, and finding the divider between passionate research and careless advocacy is a constant test. The university, however, has been supportive of institute work.

A second factor favoring independence is that much of the institute's work is done by researchers who are hired by the institute or one of its centers on grants or contracts. Regularly tenured faculty members have played a role in some projects but they are not the primary researchers for the institute's work. Institute and center directors often are research faculty members, but they have not been part of the tenured faculty. This has freed them from some of the constraints that faculty reward systems impose on those who are intent on conducting timely, applied research.

The relationship with the Graduate School of Public Affairs that houses the institute and its centers is comfortable and relatively informal. The institute director reports to the dean. In addition to consulting and reporting individually, center directors work with the institute director as a kind of policy and practice steering committee for the combined institute and center structure. Individual centers have adopted various governing mechanisms that include councils, advisory committees, and programmatic consultants. The primary advice for the institute itself has come from a wide range of advisors. Every project benefits from regular consultation with other academics, practitioners, and program participants.

Because its work must be interdisciplinary in nature, the institute works closely with many other academic units at the University of Washington and on other university campuses. Other partners include a number of local and national foundations and a range of governmental, civic, and nonprofit organizations in the region.

### **Future Challenges**

The arrival of a new Graduate School of Public Affairs dean in January 1998 provided the ideal opportunity to look anew at the structure of the institute and centers, and their relationship to the school. What had been created has worked quite well. The institute and centers have built a firm reputation for methodologically sound analysis, lively means of communicating information, and realistic options to respond to problems. It has attracted smart, unconventional people who think creatively about problems and who have funded their work exclusively with soft money resources accumu-

lated as a result of each director's willingness to take entrepreneurial risks. Although there have been efforts to build consistency into the products of the institute and centers, a high premium has been placed on uniqueness and individuality, in part reflecting the focus of the field and the approach of individual directors.

The organization has been shaped by external circumstances, especially those related to funding and idiosyncratic interests, and the relationships of the principals. There is general agreement on the principles on which the overall enterprise was originally based, over the rigor with which the research would be conducted, and on the role to be played by practitioners and other invested parties. Each center operates in an organized way, building agendas, consulting advisors, and providing products and services to constituents. But there is little claim that the composite organization has grown out of a strategic plan that takes advantage of joint efforts or of cost savings. While condemning the silo mentality of many of its clients, the institute and its centers have created some of the same impenetrable walls within its own structure.

The relationship with the tenured faculty of the school has not always been collaborative. For example, there have been too many missed opportunities for natural connections between the applied research of the institute and centers and the teaching functions of the school. And there is no clear idea of how to manage the projected continued growth. Are new centers to be added indefinitely with the introduction of new research interests and new funding opportunities? What kind of physical and administrative structures can accommodate that growth? What kinds of more formal criteria should be developed to determine appropriate new topics for examination? And how can faculty research interests and those of the institute and centers be more closely integrated?

The institute, centers and the school are right now in the middle of this self-evaluation, and are drawing on the advice of public, private, and nonprofit partners, former students, faculty members in the school, and others. Probably the most important question is how this organization across centers and with the school can become the ideal of what is preached: more integrated, more collaborative, and more productive. And can this be done without sacrificing the competitive, entrepreneurial edge that has resulted in growth for the institute and centers over the last few years? Will the flexibility and vitality that have been the hallmark of its work and have brought satisfaction to those engaged in that work be lost? If anything has been gained from the experience, observations, and lessons learned, the institute and centers should be creative and clever enough to solve this problem. If that happens, the result may be prove to be even more valuable to students, this state, and the region.