

*Second Edition*

**The**

# **Public Administrator's Companion**

## **A Practical Guide**



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political activity. These nonprofits have their own specific reporting requirements which we will not pursue.

**Illegal Activities.** Although it should go without saying that nonprofit organizations cannot engage in illegal activities or violate fundamental public policy, seemingly simple actions can quickly put an organization's tax-exempt status at risk. For example, if representatives from an environmental group decide to handcuff themselves to trees to protest clearing land for another purpose, once the trespassing is deemed illegal and the protesters are arrested, the nonprofit can lose its tax-exempt status.

## WORKING RELATIONSHIP WITH NONPROFIT PROVIDING SERVICES TO PUBLIC SECTOR

A major challenge for the public sector is determining what is a public service that requires public authority and money and what is not a public responsibility. An intruder entering a business after hours requires public authority because the government polices what is a person's property and what is not. However, what sector is responsible for the homeless person asleep at the entrance to the business? The owner calls 911. The police are authorized to issue a citation and perhaps move the vagrant from the business's doorway. Where should the police relocate the vagrant to? Which business, doorstep, park bench would suffice? What about the following day when the vagrant returns? Do the police repeat the process? Does this repeated effort represent an efficient use of police resources?

While a public agency may be called to address a concern, it does not mean that the public sector has the means, personnel, or expertise to resolve the concern. It is said that *nature abhors a vacuum*. This means that no amount of citizen neglect and indifference will result in the issue fading away. It also means the public sector will remain the arena for the concern even though it is ill-equipped to address the problem.

What should be done with concerns that fall between private markets and public agencies that provide goods and services? This category includes homelessness, mental health incidents, drug addiction, and food insecurity to name a few. The public administrator has had to identify new ways to attend to these problems while avoiding taking time and resources away from services the public agency was designed to deliver.

In some cases, the public administrator has joined forces with nonprofits. The discussion below is how one city on the eastern area of San Bernadino County, Rialto, CA, took on the challenge of homelessness. This is not a typical practice in policing but is one example of how institutional capacity is built with NPOs.



## The Process of Working With a Nonprofit Organization

**Step 1: Recognize There Is a Problem.** The police initially identified 160 homeless in a city of approximately 108,000 (or 0.15% of the population). This was not considered an extraordinary level for a city of Rialto's size. However, the Chief of Police recognized that the level of homelessness drained police services as officers were called repeatedly to address panhandling, health concerns, defecating in a public area, etc. The police arrested the homeless, took them to jail, and in time, let them go. The next day they began again with no end in sight.

In 2019 the city got a grant from the state of California for homeless outreach. The program was assigned to Rialto's Community Services Department, which includes Parks and Recreation. The funds were used to provide pamphlets to the homeless on a myriad of services available from many sources, including the Social Security Administration, Veterans' Administration, Department of Social Services, health care, and mental health care providers. In addition, the funds provided a voucher for temporary housing, outside of Rialto. Access to the out-of-town housing and agencies assumed that the homeless knew where to go, had transportation and/or had a cell phone/internet connection that enabled them to secure the help they needed. None of the assumptions were workable. Parks and Recreation staff didn't have transportation resources, expertise, or personnel to address the issue of homelessness either. The pamphlets and vouchers offered little in terms of immediate relief and no long-term solutions. What the city had was \$600,000 in state funds which it could spend on tasks related to homelessness, but it didn't know how to address the problem.

An officer working in the homeless outreach section in the Rialto Police Department advocated for the homeless and attended a convention concerning issues regarding the homelessness in California. At this convention the advocate learned about the Social Work Action Group (SWAG), a nonprofit with an impressive track record. In a three-year period, SWAG served 2,669 people and permanently established 1,132 persons in homes. These 1,132 were called *street exits*. It was the street exits that attracted the attention of Rialto's administrators.

**Step 2: Proceed With Caution.** Rialto had found an option but was unsure it had found the solution. Rialto sought out information from neighboring jurisdictions currently using SWAG, observed SWAG operations firsthand, and got to know the staff and their capabilities. SWAG was able to provide the following:

- staff with practical experience in social services and with social service agencies such as the Department of Motor Vehicles for ID cards, Veteran Affairs for medical services, housing, and related services;



- staff knowledgeable and experienced in case management;
- staff experienced with housing programs such as rental assistance, emergency solution grants, rapid rehousing, and permanent support for housing;
- staff trained as mental health first responders and on substance abuse cases;
- staff with vehicles to transport the homeless to appropriate agencies;
- staff skilled at conducting follow-up visits with the homeless—these ongoing client contacts (eight to 10 meetings per client) served to build relationships and trust between the social worker and the client;
- staff that was knowledgeable about mental health services, medical care, dental care, and counseling;
- managers and staff with access to data on who was assisted, how, when, where, and the long-term outcome.

This latter capacity to maintain data that reflected the long-term efforts, rather than episodic police contacts, was the most important feature of the collaboration with the nonprofit. Any solution to serving the homeless would be based on building relationships with these clients that led to permanent housing.

**Step 3, Part A: Implementation: The NPO Working Relationship.** Implementation involves developing a working relationship with the nonprofit and determining what services will be used and paid for by the political jurisdiction. While these two criteria are developed simultaneously, this discussion will encompass how the working relationship was developed and the approaches taken to fund these efforts.

The social work/social service conference presentations, which the Rialto police staff attended, did not provide a plethora of organizations or programs to choose from, nor did it provide the criteria that jurisdictions needed to make an informed decision. Instead, it provided a platform for local organizations to discuss their programs, approaches, and resources for addressing the housing crisis.

After the preliminary exploration regarding who SWAG was and what they did, the Rialto Police Department considered what a working partnership would require. The city had state funding for a homeless outreach effort. It would be necessary to transfer these resources from Parks and Recreation to the Rialto Police Department (RPD). The demand for “homeless” services did not come from the homeless but from businesses, voters, taxpayers, etc., who wanted the homeless removed. The RPD service is to assess the level of threat to public safety and link the homeless person with someone who can assist with needed services.



The RPD established the Community Services Bureau within the police department to identify who and where support was located. The bureau was staffed with five officers and two civilians. The bureau had two teams and each team had two sworn officers and one civilian, identified as a community specialist who was the social worker from SWAG.

The city's sworn officers were trained in diagnosing cases concerning the homeless, substance abuse, mental health, and so forth. The community specialist provided case management and follow-up services. From this model the RPD established the Quality-of-Life Team, which included the two teams and a community compliance officer, and is housed in the Rialto Police Department. It is a multi-jurisdictional team comprised of Rialto police officers, SWAG, San Bernardino County behavioral health specialists, public works, and code enforcement.

When a call comes into the police department for homeless-related issues, an officer is dispatched to ensure the scene is safe. Once the scene is secured, it will be turned over to SWAG for additional homeless service support, and if needed a behavioral health specialist, public works staff, and/or code enforcement. Since all members of the Quality-of-Life Team are housed in the Rialto Police Department, all necessary members are immediately dispatched to the call simultaneously to ensure a comprehensive and timely delivery of services. Once a team member is no longer needed, they leave the scene to continue with other duties.

RPD services are in response to RPD calls for service. SWAG and police officers utilize police radios to assure they can communicate about the clients' needs (mental health, housing, etc.) and to enable the officer and SWAG specialist to begin to build the trust and links needed for the immediate and long-term solutions to homelessness.

**Step 3, Part B: Financing.** The initial funding for the RPD's bureau and two teams was drawn from a combination of the state's initial homeless outreach program (services) and from a federal Community Oriented Policing Services (COPS) grant for three of the bureau's officers (personnel).

Since California's initial funding, the state has continued its support for the homeless under a half-billion-dollar program called HEAP (Homeless Emergency Aid Program). From this state allocation Rialto received a grant of \$600,000. The city's primary approach to funding homeless services has been to closely follow the state's budget allocations and continually apply for state funding. In addition, the RPD seeks federal funds (e.g., COVID-19 Emergency Solution Grants) whenever possible. The ongoing cost, primarily for personnel, is \$20,000 per month or \$240,000 annually. Transportation and related operating expenses for officers are provided out of the city's general fund for policing. SWAG specialists have their own transportation and operating expenses provided by the nonprofit organization.



The close working relationship between SWAG and city police enable the city to efficiently and effectively utilize other city services to address citizen concerns. For example, RPD was concerned with homeless encampments in flood zones such as storm channels and riverbeds. With the assistance of SWAG, the RPD Quality-of-Life Team undertook an effort to remove a homeless encampment from these high-risk areas and have the public works department remove approximately 50 tons of trash. The coordination of city departments does not require additional funding but effectively utilizes the funding already available from the city's general revenues. The expertise of SWAG enables the city to make more effective use of County mental health services.

Finally, the city understands that federal and state funding may not last in the long run. To ensure the Community Outreach Team continues addressing quality of life issues in the City, Rialto has enacted an annual \$300 Community Facilities District (CFD) fee on new housing construction. These are dedicated funds that are attached to property but are not a property tax. The CFD fee enables the city to fund the RPD's Community Services Bureau in the absence of federal and state grants, should that need arise in the future.

**Step 4: Data and Thinking Strategically.** One of the major benefits of SWAG for Rialto is its case management relationship with the homeless, which provides data about the homeless population and the services needed. When homelessness is addressed as strictly a policing activity, the homeless avoid contact with police for fear of being jailed. Interacting and serving the homeless means that getting them the services they need that are available will take on average five to seven follow-up contacts by a social worker before trust is established between the city and homeless client.

In the short run a rise in homelessness among parolees and/or veterans may cause the city to use its influence and SWAG's expertise to leverage funds and resources from programs earmarked to provide services for these populations. The homeless problem for Rialto will not disappear in the long run. The factors that contribute to its persistence is the lure of the pleasant weather in Southern California. A contributing factor for the persistence of homelessness is the ongoing expansion of mass transit stations to suburban communities. The introduction of each new station along the expanding rail line introduces a pipeline for homeless from inner cities to the suburbs. The impact of transitory homelessness results in an impact on the quality of life in communities along the way.

Rialto is aware that each neighboring city has its own program and there is little coordination among cities. There is no regional approach to getting the homeless services, and the need for county and state policies to strategically address the problem are not forthcoming. It is as if the state, county, and local municipalities address homelessness in silos.



Data and what the data mean is critical. Meaningful data are what the NPO provides. When the homeless effort was initiated, the city guessed it had about 160 homeless. Today it has 233. Rialto appears to be losing ground in its effort to reduce homelessness. Rialto has determined the increase is consistent with the growing homelessness population in the Southern California region. However, the value of the program is not the per night snapshot of the number of homeless, but the number of *street exits* (those permanently housed). In this regard the city has made progress. In the most recent report from SWAG 46 persons are off the streets temporarily and 25 persons have exited permanently. This represents substantial improvement for approximately 44% of the original 160 homeless or roughly 30% of the city's current homeless population. Information is provided to the city council semi-annually on both program successes and challenges. During these semiannual reports RPD updates the council on program improvements and additional resource requests.

## ETHICS

There is an extensive discussion of ethics in Chapter 4, which views ethical issues from the perspective of the public administrator. The objective in this chapter is to explore the role and nature of ethics in the nonprofit sector.

The objectives of a code of ethics, or what is sometimes called a *statement of values*, are threefold:

- to attract talent (employees, board members, donors);
- to foster transparency in how the nonprofit relates to stakeholders; and
- to foster trust with all parties that have an association or relationship with the organization.

The nonprofit may have two distinct codes of ethics: one for employees/volunteers and another for its board of directors. Nonprofits typically have a three-step process with regards to their code of ethics.

1. Establish, revise and/or renew the code to assure that it is a strong reflection of its values.
2. Share the code. This task may take many forms: employees may have training sessions; the code may be posted in a public area, and/or be summarized on the organization's documents, such as advertising.
3. Periodically audit compliance with the standards by employees and board members.

Public and private audits typically focus only on the accounting system. While an accounting audit is appropriate for a nonprofit, the relationship between stakeholders is more critical to its long run

viability as an organization. Consequently, ethics audits examine practices and processes that support the ethical standards and use qualitative and quantitative methodologies to collect evidence that decisions and actions were supportive of ethical standards.

### Code of Ethics Design

A code of ethics is derived from the organization's mission statement (see Chapter 6, "Strategic and Other Types of Planning"). It is an opportunity to take the mission statement and develop the organization's standards of behavior in more detail. For example, the mission statement may identify core intentions such as providing professional and quality care. The code of ethics may identify the organizations' tasks (provide a service, assist, influence) and the specific behavior that is subsumed (timeliness, kindness, consistency). These statements serve as a basis for conducting an ethics audit of the organization. Are services provided, how frequently, are the intended behaviors found and is the behavior consistent?

When government contracts with a nonprofit, the government agency may request the codes of ethics and recent audits or audit reports. Like other documentation, it is a means for understanding the organization's culture, practices, and adherence to standards.

As mentioned earlier, Boards of Directors may have their own code of ethics. The overarching values of boards are to exercise care in carrying out board functions, be supportive of the organization's mission, and use any information and resources in a manner that promotes the organization's best interests. Finally, it is typically left to the board to assure that policies and practices of the organization comply with external laws as well as internal rules and regulations. As with the code that governs employees and volunteers, compliance audits of the board are a critical task of the nonprofit.

The duties of board members can be encapsulated in the three Ds:

- **Duty of Care:** Board members must be reasonably informed about the organization's activities and participate in the making of decisions in good faith. This is achieved by regularly preparing for and attending board meetings, obtaining information before a vote, and reviewing and providing oversight on legal and financial matters.
- **Duty of Loyalty:** Board members must exercise their power in the interest of the organization, and not in their own interest or the interest of another entity. They must put the organization's interest ahead of their own by disclosing any conflicts of interest and avoiding the use of corporate opportunities for individual benefit.



- **Duty of Obedience:** Board members must comply with applicable federal, state, and local law, adhere to the entity's article of incorporation and bylaws, and remain guardians of the mission. They must examine and understand all documents governing the organization and its operations, as well as make decisions that fall within the scope of the organization's mission and governing documents.

The National Council of Nonprofits has compiled standards for the nonprofit sector and have resources to help organizations develop their own ethical standards.

## CONCLUSION

Nonprofit collaboration and independent support for community efforts has been a time-honored practice in America since its founding. This sector has grown steadily in the 21st century. The definition of what is and what is not a nonprofit is defined by the federal tax code Section 501(c). What distinguishes nonprofits from other sectors of the economy is its reliance on fundraising as means for securing revenue. Similar to the for-profit sector, nonprofits also rely on a Board of Directors for governing the organization, and reporting requirements set by the IRS and others.

As the demands for public services evolve while the willingness of the public to pay for services declines, government agencies and civic groups are exploring new ways to work collaboratively to meet public expectations. The example provided in this chapter is the partnership between the city of Rialto's police department and SWAG to assist the homeless. These collaborations open new avenues to government agencies in their efforts to serve the public interest and address community demands.