

Report on 2018 Direct Charitable Activities

Direct charitable activities¹ (DCAs) are philanthropic activities that the foundation engages in directly, rather than by making grants to grantees. Under IRS regulations, the expenses associated with DCAs count as part of a foundation's qualifying distributions and must be reported annually on IRS Form 990-PF.

In 2018, foundation-wide expenses for DCAs totaled \$5,646,269 for 94 projects. Compared to 2017, this represents a 5 percent decrease in total dollars spent, and 10 percent decrease in the number of projects. The most common uses of DCAs were conducting research, convening conferences, providing technical assistance to grantees, and disseminating research findings. This report provides details of DCA expenses by program and describes DCA projects with expenses greater than \$100,000.

Program: Cyber

Active Projects: 7

DCA Expenses: \$807,015

Creating imagery for the cybersecurity field (\$116,000)

IDEO developed a creative brief and report to help guide the development of better-quality cyber policy imagery for the field.

2018 Cyber Initiative grantee meeting (\$162,587)

For a grantee meeting of the Cyber Initiative to promote collaboration and discussion on cybersecurity policy and field building.

Cyber Initiative media roundtable (\$331,455)

The Foundation hired a consultant to create and execute a media roundtable focused on cyber policy in March 2018. Participants included representatives from media, industry, academia, government, and civil society in the cyber field.

Program: Education

Active Projects: 27

DCA Expenses: \$1,903,843

¹ These materials were prepared as part of the Hewlett Foundation's internal planning process. Although some of the progress indicators, targets, or metrics may reflect the passage of legislation (based on inputs from grantees and experts in the field), the Hewlett Foundation does not lobby or earmark its funds for prohibited lobbying activities, as defined in the federal tax laws. The foundation's funding for policy work is limited to permissible forms of support only, such as general operating support grants that grantees can allocate at their discretion and project support grants for nonlobbying activities (e.g., public education and nonpartisan research). Further, the foundation may fund nonpartisan political activities in compliance with the electioneering rules. The foundation does not engage in or use its resources to support or oppose political candidates or parties.

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2019 Education grantee meeting (\$132,322)

To conduct a meeting with Deeper Learning and Open Educational Resources (OER) grantees, provide technical advice to facilitate the convening, promote information sharing among grantees and other charitable organizations, and disseminate findings and results that demonstrate the impact and importance of deeper learning and OER to the education community and the public.

EducationCounsel 2017 policy framework to advance Deeper Learning (\$125,001)

EdCounsel assisted the Hewlett Foundation and its core grantees in expanding capacity to help identify, define, support, field build, position, and advance deeper learning policy ideas.

EducationCounsel to support grantees, education researchers, and advocates with policy ideas (\$185,000)

EdCounsel, a leader in education strategy development and implementation, supported grantees, education researchers, and advocates with federal, state, and district policy ideas related to deeper learning and OER.

Sustaining emerging OER business models (\$156,271)

The consultant engaged the field in a discussion regarding the longer-term sustainability of OER business models. The project sought to build consensus in the field around the future sustainability of the OER commons and opportunities for philanthropic support. Activities and deliverables included rounds of structured expert interviews; a convening of the experts in a workshop; and a summary of the results of the work, which was shared with the OER field.

GMMB: Development and implementation of an OER communications strategy for the field (\$250,000)

The Foundation hired a consultant to continue to develop and implement a fieldwide communications strategy with open educational resources (OER) grantee stakeholders. The communications strategy is intended to drive the conversation surrounding OER forward among key audiences by shaping and amplifying a narrative that builds support for OER to effectively navigate a competitive and dynamic landscape, and by positioning leaders at grantee organizations as credible thought leaders in the broader education field.

Preparing for the next phase of the OER movement (\$420,000)

The Foundation hired a consultant to help navigate the next phase of growth of the open educational resources (OER) movement. The work focused on understanding the funding landscape in support of OER around the world and the research that underpins OER's educational impact. The consultant will highlight interventions that sustain the OER ecosystem and share the key results with the field.

Program: Environment

Active Projects: 8

DCA Expenses: \$134,028

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Program: Global Development and Population

Active Projects: 14

DCA Expenses: \$964,551

Incandescent: Support of a Community of Practice to facilitate using human-centered design to improve adolescent reproductive health (\$234,000)

Incandescent's services helped accelerate learning in the field of human-centered design, as it applies to adolescent sexual and reproductive health (HCD-ASRH). The consultant, with input and guidance from the Hewlett Foundation and two peer foundations, facilitated communication among members of a newly created Community of Practice for HCD-ASRH. The Community of Practice allowed practitioners to learn from one another, and raised the profile and improved the efficacy of HCD-ASRH programs through knowledge-sharing, collaboration, and dissemination.

Reboot Design: participatory budgeting (\$270,000)

The Foundation hired a consultant to provide practitioners in the transparency and accountability field with new information and insights on participatory budgeting. The work involved a literature review and key informant interviews that synthesized successful tactics for public sector innovation, challenges in participatory budgeting implementations, and user experiences with participatory budgeting platforms. In addition, the consultant planned and facilitated a workshop to discuss coordinated learning and evaluation of participatory budgeting experiences, and to co-design possible approaches and initiatives to address identified challenges. Lastly, the consultant created an outcomes and next steps report summarizing findings and forward opportunities to be disseminated along with conference presentations, briefing notes, and writing in relevant channels.

Program: Madison

Active Projects: 15

DCA Expenses: \$751,234

2018 Madison grantee convening (\$139,672)

The 2018 Madison Initiative Partner Meeting convened 90 grantees and co-funders, hosted at Airlie House in Warrenton, Virginia, on June 19-20, 2018. The meeting offered an opportunity for members of a diverse network to connect with each other, share best practices, and develop joint projects and collaborations together. The goal was to strengthen the overall capacity of the network and the individual organizations within it.

SKDKnickerbocker grantee communications support (\$192,000)

To support the goals of the Madison Initiative, the Hewlett Foundation contracted with SKDK to provide communications support to a subset of grantees whose programs help improve the institution of Congress by strengthening staff capacity, forging more cross-party collaboration, and enhancing the practice of bipartisan oversight. The grantees who received this support are

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smaller organizations whose budgets constrain their ability to pay for this kind of high-profile, high-impact communications assistance to amplify their work.

Program: Performing Arts

Active Projects: 8

DCA Expenses: \$312,874

2018 Open Mind Consulting case studies on distributed leadership (\$103,731)

To produce a series of case studies on the practice and promise of distributed leadership (DL) in arts organizations and peer nonprofits. Case studies were complemented by a series of short videos featuring discussions by DL practitioners. These case studies and videos are for wide distribution to the nonprofit arts field, and were disseminated by the Hewlett Foundation through its communications channels, funding partners, intermediary arts organizations, and other partners.

Program: Philanthropy

Active Projects: 7

DCA Expenses: \$354,031

Constituent feedback digital content campaign on SSIR.org (\$216,082)

Milway Consulting executed a digital content campaign on SSIR.org that aimed to influence nonprofits and foundations to seek more constituent feedback and act on it. The campaign commenced September 2018 at the SSIR Nonprofit Management Institute (NMI) and concluded February 2019, with the launch of feedback tools.

Program: Special Projects

Active Projects: 8

DCA Expenses: \$418,693

True Cost Initiative (\$235,000)

The True Cost Initiative is a funder collaborative with the Hewlett Foundation as a participant and steering group member, along with other foundations. The purpose of the initiative is to create collective research, learning insight, and action regarding grantee cost structures, associated funding dynamics, the nonprofit starvation cycle, and different models of funding's both direct and indirect costs. Ultimately this work will result in shared, scalable solutions that will support the best outcomes for the sector as a whole. In 2018, the collaborative focused on a pilot with select grantees from each foundation to experiment with verification processes.