

# National Programs: *Understanding The Robert Wood Johnson Foundation's Approach to Grantmaking*



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## *Editors' Introduction*

When The Robert Wood Johnson Foundation became a national philanthropy, in 1972, it had to come up quickly with a way to distribute millions of dollars a year to its grantees. The National Program model that the Foundation staff developed in the early years—in which the management of a related group of grants is delegated to an outside organization—has served as the Foundation's principal grant management mechanism for more than thirty years. It has been particularly well suited to demonstration programs where an approach to a problem, or variations of an approach, are tested at a number of different locations. Delegating program management has also created opportunities for talented professionals working outside the Foundation to assume leadership roles on specific aspects of health and health care.

In this chapter, Robert G. Hughes, the chief learning officer at The Robert Wood Johnson Foundation, examines the historical roots of the National Program model, explores the factors that led the Foundation to adopt it, discusses the ways in which the model has evolved, and analyzes the issues facing the Foundation as it re-examines its options for making and managing grants. Hughes also assesses the strengths and the weaknesses of this approach to grant management, particularly in the context of the tension between maintaining a small program staff and exercising careful oversight of programs.

The Robert Wood Johnson Foundation recently established a new office of National Program Affairs headed by its former treasurer, Peter Goodwin. The creation of this office signals an interest in updating and reconsidering the Foundation's approach to managing National Programs. Given a total annual budget of nearly \$117 million a year for the staffing and administration of more than eighty different National Program Offices, finding ways to manage National Programs more effectively and efficiently is emerging as an important Foundation priority.

Thanks to the many people who have shared their understanding of National Programs with me. In particular, Calvin Bland, Peter Goodwin, Ruby Hearn, Rona Henry, Frank Karel, Terry Keenan, Julia Lear, Janice Opalski, and Warren Wood helped develop my understanding of National Programs. Bob Blendon, who by all accounts was a principal architect of the National Program model, was especially helpful in articulating the impact of the Ford Foundation Report on the Foundation's thinking early on. Special thanks to Andrew Harrison for assistance in locating Foundation historical material. Of course, I remain ultimately responsible for the ideas expressed in this chapter.

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In 1972, six people sat around a lunch table down the hall from rented offices at the former site of a nuclear accelerator in Plainsboro, New Jersey. Their wide-ranging lunchtime discussions touched on the many ways philanthropy could help improve health care and, ultimately, the health of the population. There were many such discussions among that group, all of whom were early staff members of The Robert Wood Johnson Foundation. The ideas emerging from these sessions, along with those of the Board of Trustees, numerous advisers, and health care experts from around the country, shaped the basic direction of the Foundation during its formative years. Outside observers and potential grantees were most interested in what the Foundation would choose as program areas and the problems and issues that the Foundation would try to address in its grantmaking.<sup>1</sup> But the Foundation Trustees and staff members had another question to answer—a more mundane one in some ways—how to distribute the Foundation’s substantial funds responsibly.

When the Foundation received the proceeds from the estate of Robert Wood Johnson, it became the nation’s second-largest philanthropy in the country overnight, with assets of more than \$1 billion. The Foundation needed to award about \$45 million per year. Its challenge was to make grants that would reflect Robert Wood Johnson’s values and further the Board’s vision for the Foundation. At the heart of the challenge was a practical administrative problem: reconciling the desire to review each grant proposal carefully and to monitor the work of each grantee with the desire to minimize the costs of this review and oversight. Underlying the practical problem were issues of control and delegation; the roles of the Board, the staff, and the grantees; and how the grantmaking mechanisms adopted would affect the Foundation’s standing with its constituents.

Representing a practical compromise between the Foundation’s desire to maintain a relatively small staff and minimal bureaucracy and its need to monitor programs scrupulously, a mechanism called the National Program emerged as the Foundation’s principal vehicle for grantmaking. In a National Program, an organization outside the Foundation would oversee a set of grants related to a particular field. Experts in fields that were the focus of National Programs would not have to be hired by the Foundation as employees but would remain in their home institutions, devoting a percentage of their time to the program. When the program ended, they would simply resume their former duties.

Throughout the Foundation’s thirty-three-year history as a national philanthropy, National Programs have been used to distribute the bulk of the Foundation’s grants. Approximately 65 percent of the more than \$5 billion in grants since 1972 has been awarded via 219 National Programs.

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### What Is a National Program?

While no two National Programs appear exactly alike, most of them have six basic characteristics in common:

1. *Foundation staff members and national experts, sometimes working with a consultant not on the Foundation’s staff, develop a program designed either to address a problem of national scope or to take a promising model or idea that has received limited exposure and subject it to broader testing.* Such programs typically emerge over a year or two through a process of meetings, reviews, consultations, and revisions that involve Foundation staff members, outside experts, and practitioners from the field. During this

developmental period, a program's purpose is refined, and many of its basic features—such as desired outcomes, number of grantees, grantee activities, eligibility criteria for applicant organizations, amount of grants, and duration of the program—are discussed and drafted.

2. *A Call for Proposals, or CFP, is distributed to potential applicants and others in the field.* The CFP defines the problems or the issues central to the program and describes the program's purpose; the desired outcomes; eligibility criteria for applicants; how the funds may be used; the criteria and the process for selecting grantees, grant amounts, and duration; and the number of grants or sites to be funded. In addition, a CFP includes the application and selection timetable, and identifies the individuals and the organizations responsible for management, oversight, and evaluation of the program. CFPs are distributed after the Board of Trustees authorizes a program. Substantial changes in the program—such as major revisions of its purposes or activities, an extension of its duration, and additional funding—must be approved by the Board.

3. *Grantees are selected through a national competitive process, and any organization that meets the program's eligibility criteria can apply.* The selection of program sites—grantees under the program—from among the applicants is done by a national advisory committee, or NAC, made up of experts from a variety of areas related to the program. The NAC members review the written proposals, conduct site visits at selected applicant institutions, and recommend applicants for funding to the Foundation. The NAC is typically asked to meet periodically throughout the life of the program, providing advice and counsel to the national director of the program as well as monitoring and reporting on the progress of the program to the Foundation.

4. *The Foundation establishes a National Program Office, or NPO, external to the Foundation.* Usually based at a university or other nonprofit organization, an NPO organizes the grantee selection process and the work of the national advisory committee. After grantees are selected by the Foundation and funds are awarded, an NPO monitors the work carried out under the grant, provides technical assistance to the program sites, and facilitates collaboration and the sharing of information—through annual meetings, for instance. In most cases, NPOs are expected to provide leadership to the field. A distinctive feature of National Programs, NPOs are the Foundation's solution to the basic administrative dilemma of wanting knowledgeable and thorough program oversight while at the same time avoiding an unduly large home-office staff.

5. *Formal program evaluations, intended to help the Foundation and the field learn from National Programs, are conducted by organizations independent of the Foundation, the NPO, and the sites funded under the program.* Selected by a competitive process, the evaluators use social science and anthropological and other widely accepted techniques to assess program impact, effectiveness, implementation, and other aspects of performance. Evaluators are expected to produce final reports meeting the standards of appropriate scientific and professional journals, and are encouraged to submit their reports for publication in peer-reviewed and other journals and to present their findings at professional meetings.

6. *Information about the programs is shared with the field through communications activities.* National Programs are supposed to have an impact beyond the sites themselves, and publicity about a program's activities and results is essential if this is to occur. Similarly, communications support,

often from a program's inception, is needed if the activities of participating sites are to continue after the grant ends. These communications functions may be carried out by the NPO staff, by Foundation staff members, by outside consultants, or by a combination of these options.

These six characteristics make up the basic framework of the Foundation's National Program model. A brief overview of more than eighty National Programs operating in 2003 conveys the scale and the considerable range within this general model: the number of sites in a National Program ranges from fewer than ten to several hundred, with an average of about twenty-five. Grants to program sites vary from tens of thousands to millions of dollars; the average is \$300,000.

These numbers indicate the flexibility that the National Program mechanism allows. Indeed, highlighting the common features of National Programs may convey the idea that National Program structures are straightforward and are more similar to one another than different. In fact, however, National Programs vary in size and scope, and the six components are often modified to reflect a particular program's needs.

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### Philanthropy and The Robert Wood Johnson Foundation in 1972

How did The Robert Wood Johnson Foundation come to develop National Programs with these six basic characteristics as its principal grantmaking approach? The answer begins in 1972, when the Foundation received the endowment from the estate of Robert Wood Johnson. At that time, all of the ten largest foundations had been established for at least twenty years, and it would be twenty years more until the next cluster of new large foundations came along. The Robert Wood Johnson Foundation might have relied on established foundations as models, but in the 1960s a series of congressional hearings critical of big philanthropies culminated in 1969 legislation establishing stricter laws to govern foundations. The hearings raised concerns about the political influence of foundations—from supporting voter-registration drives to being refuges for governmental officials who had left office. These hearings and the resulting legislation received considerable public attention, and thus sensitized Robert Wood Johnson Foundation officials to the risks that had brought controversy to other large foundations.<sup>2</sup>

The Foundation's initial focus on health care set it apart from other large foundations (which made grants in multiple areas, such as education, economic development, the arts, poverty, and the environment) and limited its substantive area of grantmaking. Funding only in the United States further concentrated the Foundation's grantmaking; many other large foundations made grants for international projects. Thus, The Robert Wood Johnson Foundation's domestic health care mission helped set the stage for the development of a distinctive grantmaking approach.

While the health care mission conveyed clearly what would not be funded, the task of selecting from the many worthwhile topics and problems within health care remained. By 1972, the country had come to rely on government for basic biomedical research (via the National Institutes of Health, which began to burgeon in the 1960s) and for health care financing for the elderly and the poor (via Medicare and Medicaid, begun in 1965). Counterparts to notable philanthropic health successes earlier in the century—such as Rockefeller's hookworm eradication in the South and the development

of a yellow fever vaccine—would not be matched in this new era of huge government funding. Rather, a new, more selective focus within health care was needed to avoid duplication with governmental activities and to leverage the Foundation’s grantmaking.<sup>3</sup>

The widely expected passage of national health insurance legislation during the Nixon administration provided a framework. As the very first Foundation staff paper stated, “the reconstitution of the Robert Wood Johnson Foundation as a national philanthropic organization comes at a unique point in American history. The nation has reached the culmination of a forty-year debate over the need to eliminate economic barriers to access to personal health services. Thus, within three years, we believe we are likely to see the enactment of some form of national health insurance program.” National health insurance would address financing, but it also would highlight the health care system’s inability to deliver care, especially primary care, for the entire population. This led the Foundation to choose improving access to primary care as one of its three initial goals.<sup>4</sup> The Foundation planned to reach this goal in part by demonstrating innovative models of service delivery that the federal government could adopt for the anticipated new national health care financing system. Demonstration projects in multiple locations fit well with the grantmaking mechanism of National Programs.

These factors influenced the Foundation’s initial grantmaking approach, but the biggest influence was a 1949 report prepared for the Ford Foundation as it coped with a similar stage in its organizational history. As Robert Wood Johnson Foundation officials talked with those at other large foundations to learn how they had structured their grantmaking, this report emerged as a seminal document. The *Report of the Study for the Ford Foundation on Policy and Program* was a wide-ranging document, the culmination of an effort that included twenty-two other special and individual reports.<sup>5</sup> It was prepared in anticipation of the Ford Foundation’s receiving large endowments from the estates of Henry Ford and Edsel Ford. One section of the report, “The Administration of the Program,” was particularly relevant for The Robert Wood Johnson Foundation, because it presented a “suggested pattern of operations”—grantmaking approaches—for the Ford Foundation. The practical issues associated with granting large sums of money are seldom the topic of thoughtful analysis, so this was an unusual document.

The report’s authors highlighted two ideas that guided their thinking in producing recommendations: maintaining flexibility of operations and giving Trustees the best opportunity to guide the program in a general way. These ideas were reflected in recommendations for the types of institutions the Ford Foundation should work with and the roles of the Trustees and the staff. First, the report recommended that the Ford Foundation not become involved in direct program operations but, rather, work through other organizations: These so-called intermediary organizations, which could be existing institutions such as universities or new entities established specifically to further the program’s purpose, “would be free to administer the fund and make grants from it quite independently of the Foundation.”

According to the Ford report, the role of the Trustees was to set the general direction and to address policy questions—not to review individual grant proposals. The report pointed out that for the Trustees to carry out their responsibility, they should not get involved in the detailed operations of

the foundation. In keeping with the independence of intermediary organizations, the report stated, “Once a grant is given for a project, the foundation officer should not attempt to control it. On the contrary, he should make every effort to leave full responsibility in the hands of the man in charge of the project and if asked for advice he should give it only with restraint and detachment.” The staff and the Trustees could review a body of work when an intermediary’s term was done, with an eye toward renewal of work in that topical area, or not, depending on the merits. The report recommended recruiting a staff with a broad range of interests so that expertise in one area did not become a liability when the Foundation moved on to other areas.

In sum, the report to the Ford Foundation envisioned a structure in which the Trustees would operate at a policy level (by examining broad issues, setting the foundation’s direction, and judging performance); the staff would be more involved in implementation but would have sufficient detachment to make critical judgments and recommendations about the grantmaking directions and to assess the performance of intermediary organizations; and intermediaries would do most of the operational work of making and monitoring individual grants.

Many of the basic features of this proposed structure appealed to The Robert Wood Johnson Foundation. Both the Board and the early staff members wanted to maintain flexibility and did not want to develop a large staff. On the other hand, in 1972 there were strong influences on The Robert Wood Johnson Foundation to maintain tight oversight of future grantees. These influences included the public scrutiny of philanthropy in general and of a new large foundation in particular; the values of Robert Wood Johnson; and the culture of Johnson & Johnson, from whose ranks most of the early Board members came, which called for careful attention to detail and for close monitoring of budgets. So while the proposed Ford Foundation model of operations was appealing, the extent to which it ceded responsibility to intermediaries was not compatible with the heritage of the founder and the company whose stock was the source of the Foundation’s endowment. It also ran against the environment of the time, which culminated in the 1969 Tax Reform Act—the act that required greater accountability and oversight on the part of private foundations.

As a result of these tensions—maintaining flexibility versus exercising control; delegating responsibility versus maintaining careful oversight; utilizing the expertise of leaders in the field versus delegating too much authority over Foundation resources—the Foundation adopted a variation on the approach recommended by the Ford Foundation report. It built on the idea of using intermediaries, but the design features were developed over time through the practical work of grantmaking.

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### Initial National Programs

Every year from 1972 to 1978, the Foundation initiated two to four programs that, in retrospect, can be recognized as National Programs. The 1973 *Annual Report* noted that two external organizations, the National Academy of Sciences and the American Fund for Dental Education, were responsible for administering programs to establish emergency medical systems and dental care for the handicapped, respectively. The term “National Program” was used only to describe the *Clinical Scholars® Program*, which was administered by an outside director on the faculty of the University of California, San Francisco, although the use of the term was not intended at the time to denote

a set of specific program characteristics. The 1974 *Annual Report* stated that the Foundation had “launched seven National Programs of differing size and complexity,” emphasizing several structural features: they were invitational, open to “a wider group than commonly receive foundation assistance,” and used outside professional groups for formulation and design. It also noted, “In an effort to keep our internal staff small, an outside organization has often been asked to assume responsibilities for implementation and day-to-day management.” The 1975 *Annual Report* listed eight National Programs and contained a chart showing the amount and percentage of grants that went to these programs. It captured this constellation of characteristics in a summary description: “Foundation-initiated invitational programs—our National Programs.”

How did the National Program model become established in just a few years? Several early programs incorporated design features that became part of the Foundation’s National Program model. The Board authorized the first National Program, for scholarship funds at American medical and osteopathic schools, at a level of \$10 million. The Association of American Medical Colleges, or AAMC, administered this program for \$10,000 a year, foreshadowing the role that would become a National Program Office. “The Association has ready access to the information required, an experienced statistical staff, and first-rate management,” a staff paper noted at the time. “Thus the Foundation can undertake a program involving the administration of 115 grants with minimal expenditure of the time of its own limited staff.”

The *Emergency Medical Services Program* was the first to include a competitive *Call for Proposals*, or CFP. The CFP told the field the grant amounts (\$400,000) and the number to be awarded (forty to fifty), who could apply, and the selection criteria a national advisory committee of experts from the field would use to choose grantees. The Foundation awarded a separate \$300,000 grant to the National Academy of Sciences to administer the program, which included managing the advisory committee, site visits, and evaluation. In choosing an outside organization, “the Foundation is following a policy of decentralizing the administration of single-purpose national grantmaking programs of limited time duration,” thus augmenting the responsibilities of an intermediary beyond what the AAMC had done in administering the student aid program.

Quickly on the heels of the *Emergency Medical Services* National Program, three new demonstration programs—*Dental Training for Care of the Handicapped*, the *Community Hospital–Medical Staff Group Practices Program*, and the *Regionalized Perinatal Care Program*—reinforced the basic design features: a program developed by staff and senior program consultants, a widely publicized CFP, and the use of expert national advisory committees to review proposals and conduct site visits. However, the Foundation did not use the National Program model only for demonstrations. Two programs the Foundation started funding in 1973—the *Clinical Scholars Program* and the *Health Policy Fellows Program*—illustrated the versatility of the National Program model by using it for initiatives supporting leadership training for health professionals. These programs supported individuals rather than organizations providing services, but they used the basic design structure, including an external National Program Office and a national advisory committee to review applicants. The *Clinical Scholars Program*, which had been picked up from the Commonwealth Fund and the Carnegie

Corporation of New York, already had projects at five universities, so the existing multisite idea was consistent with the developing National Program model.

Evaluation has been a critical component of the National Program model. But the model didn't create the institutional commitment; rather, the commitment to assess programs existed from the time the Foundation became a national philanthropy, and it was incorporated into the model. A 1973 staff paper noted, "We envision a Foundation which supports demonstration programs as proposed solutions to health problems, which provides explicit mechanisms for evaluating these demonstrations, and through such processes, attempts to resolve those health problems that arise." The earliest National Programs had evaluations built in, and as the model evolved, it became the norm for the Foundation to make a grant to an outside organization—not the NPO—for the purpose of evaluating a National Program.

A final National Program design element—communications—was prompted by staff thinking about what, if anything, the Foundation should do as a National Program neared its conclusion. As the EMS program was ending, staff members examined options for the sustainability of existing program sites and the replication of the tested model in other sites. Replication, in particular, was a conceptual underpinning of the National Program model when it was used for service demonstrations. The Foundation added communications to the National Program design for two purposes: "to ensure that new options emerging from our programs gain sufficient visibility to receive appropriate consideration nationally" and "to share the knowledge, experience, and insights gained in our programs with those who decide to accept the new option and begin the process of replication."

The application of communications to foster sustainability came later. Other types of technical assistance, for grantees as well as for similar programs throughout the country, were prompted in order to help promote replication and foster the sustainability of funded projects. While technical assistance was typically provided by the National Program Office, other organizations were also used. "We have found that companion efforts can maximize the success of a National Program," a 1974 staff paper noted. "For example, as part of the EMS program administered by the National Academy of Sciences organization, the Foundation and the American Medical Association are co-sponsoring four workshops open to all program applicants."

The Foundation's initial grantmaking experience with unsolicited proposals from the field reinforced the value of inviting organizations to compete for grants through National Programs. David Rogers, the Foundation's first president, captured this aspect of National Programs in the 1974 *Annual Report*. After noting that the Foundation had made many single grants to organizations that sought help for projects within the Foundation's areas of interest, he wrote that this kind of grantmaking

made us recognize that in a number of instances, multiple groups or institutions simultaneously wish to attack the same problem in different regions, using their particular resources, or their particular circumstances, in different, yet quite similar ways. This kind of broadly voiced interest in a particular problem has led us to develop a series of one-time grants nationally announced, and awarded in a number of institutions participating in a broader national effort directed at a particular need. These are Foundation-initiated programs in areas where a certain critical level of activity seems needed to gain experience with, or demonstrate the worth of, a particular approach.

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**Early Assessment of the National Program Approach**

Aware that its behavior was closely scrutinized by Congress, staff members of the young Robert Wood Johnson Foundation thought carefully about how they did their grantmaking. Around the time that the idea of a National Program coalesced, a staff paper entitled “National Competitive Grant Programs” examined the advantages and the disadvantages of such programs.

Heading the list of advantages was the fact that programs were “open to all.” Early on, the Foundation decided on a process open to a wide variety of applicants. “We made these decisions with the belief that the difficulties many groups have obtaining information about and access to grants has been the Achilles’ heel of foundations, and it has caused many to feel that foundations are elitist or arbitrary in their awards,” David Rogers and two of his senior Foundation colleagues wrote in 1983. “Because of unfamiliarity with foundations in general, or a lack of understanding of our mission in particular, many who might make important contributions to the improvement of health affairs might not find their way to us unless we make a special effort to reach out to a broad constituency.”<sup>6</sup> The Foundation valued the fairness and the benefits of a competitive process based on expert judgments and clear criteria. This process was an antidote to the reality and the perception that philanthropy was an insider’s game in which who you knew was more important than demonstrated merit or promise. It also reduced the risk that The Robert Wood Johnson Foundation would be criticized for perceived political bias in its grantmaking practices.

This open competition was compatible with the emphasis on the “national” in National Program. For Board members, a national perspective was important as a way of distinguishing the post-1972 Foundation from the earlier Robert Wood Johnson Foundation, with its focus on central New Jersey. In fact, The Robert Wood Johnson Foundation’s first letter to potential applicants said that it would concentrate on programs that were “fully national in scope” and that it would support those that showed “promise of having significant regional and national impact.”<sup>7</sup>

A national perspective was also important in its geographic sense. Annual reports typically included a chart showing percentage of grants, dollars, and American population for each region of the country to demonstrate that the Foundation’s activities were widely distributed (and, implicitly, that they were not bundled locally as a result of favoritism). An anecdote, perhaps apocryphal, indicates how valuable this distribution was to Gustav Lienhard, chairman of the Board from 1972 to 1985. A conference room had a United States map displayed with pins to indicate the location of early Foundation grants. After looking at this map one day and seeing a concentration of pins in the Northeast, Lienhard said, “Scatter the pins!”—an admonition that has shaped Foundation grantmaking ever since. This approach, which supported a large number of local projects nationwide, also satisfied Board members who valued a traditional charity program that helped people, while accommodating those who valued the analysis and evaluation activities that contributed to useful knowledge about program effectiveness.

Moreover, the National Program model was valued for its efficiency. “The development of a National Program is a time-consuming process, but probably modest in contrast to the considerable time and resources that are expended by the Foundation staff in developing a single proposal,” an early staff paper noted.

While a National Program approach using a competitive grant application process had great advantages for the fledgling Foundation, it did not answer the question of whether programs should be overseen from inside or outside the Foundation—the very question raised by the 1949 report to the Ford Foundation. An analysis of the pros and cons of using external National Program Offices to administer grants identified the several advantages and disadvantages, as shown in Table 8.1.

**Table 8.1 Advantages and Disadvantages of Using External Program Offices to Administer Grants**

Advantages	Disadvantages
Keeps headquarters staff small	Less control over programs
Permits Foundation staff to plan longer range	If poorly administered by partner, considerable Princeton staff time required
Removes the Foundation from basic selection process—reduces criticism and places pressure directly on Princeton staff	Partner organization may have different perception of its role from that of the Foundation
Involves a major organization as a partner with the Foundation—which should enhance the Foundation’s prestige	Key executive officer of partner organization may have different perception of his role than the Foundation
Educational for the Foundation—partner organization will learn things from the field that the staff would not	Complicated to administer

The list suggests the underlying issues at play. The desire to keep the staff small was pitted against the risk of losing control over program administration. Inconsistencies between the Foundation’s view of a program and a partner organization’s view could create conflicts. The division of responsibility between the Foundation and an outside institution was ambiguous. But one design feature not mentioned was unambiguous—who controlled the money, and that was the Foundation. The outside institution received its own grant, of course, but the program sites were funded directly by the Foundation, not through the partner organization. Accordingly, advice from national advisory committees about which applicants to fund went to the Foundation, not to the National Program Office. This role for NPOs was considerably less than the intermediary role recommended in the Ford Foundation report. The decision to retain fiscal oversight by the Foundation was a critical one that has shaped the roles, responsibilities, and relationships of Foundation staff members, NPOs, and program grantees ever since.

In addition to the substantive and administrative issues, the emergence of National Programs had a political dimension. The National Program model afforded considerable credibility to a new foundation. As a new entity, The Robert Wood Johnson Foundation had an uncertain standing in philanthropy and in health care. The Foundation gained immediate prestige when the Board of Trustees selected David Rogers, dean of the Johns Hopkins School of Medicine, as the Foundation’s president. The recruitment of experienced staff members from other foundations also gave the Foundation credibility in the philanthropic community. Within the health care community, the National Program model helped the young Foundation establish credibility because it engaged

health care experts in all facets of the program, especially as leaders of National Program Offices, as members of national advisory committees, and as senior program consultants.

Many National Program Offices and grantees were also part of the Foundation's primary constituency—academic health centers and medical schools in particular. Indeed, in the Foundation's first three years, 65 percent of the funds went to academic centers.<sup>8</sup> The National Program model was compatible with the way academic health centers operated. They relied extensively on grants; faculties cooperated across institutions in multisite clinical trials and other research projects; they were accustomed to a competitive peer-review system of grant selection; and the intermingling of practice with science in medicine paralleled the combination of demonstration with evaluation in Foundation programs.

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## Evolution of National Programs

As a grantmaking vehicle, the National Program mechanism has been remarkably consistent since it was established in the mid-1970s. The basic structure has become institutionalized within The Robert Wood Johnson Foundation. A 2003 National Program such as *Active Living by Design*, which integrates physical activity into community planning efforts, looks, in its grantmaking structure, remarkably similar to the *Emergency Medical Systems Program*, launched thirty years earlier. But this consistency in basic structure should not obscure two important aspects of the evolution of National Programs: the increasing number of programs and the variations within the basic model.

The increasing number of National Programs—the Foundation had more than eighty in 2004—was driven by five interrelated factors: growth in Foundation assets and staff, staff incentives, increased diversity of funding areas, decreased size of programs, and the continuation of existing programs, even as new ones were added. As Foundation assets have grown over the years, new staff members have been hired to oversee the concomitant increase in grants. For Foundation staff members, developing a National Program became a hallmark accomplishment; it was one of the few ways a program officer could gain recognition within the Foundation and in the field generally. Over the past thirty-plus years, the Foundation has entered new substantive areas—tobacco control and end-of-life care, for instance—and this has required new programs with new institutions and people. The pressures for new programs led ineluctably to smaller programs, although this was not obvious because the nominal size of National Programs remained fairly constant, at around \$10 million. But \$10 million in 1973 dollars was approximately \$40 million in 2003, so in real dollars the programs became smaller. Finally, as existing programs were renewed while new programs were developed, the net result was an increasing number of active programs.

The second important aspect of the evolution of National Programs was the variation among NPOs.

- The types of organizations used as NPOs have been diverse: professional associations, medical care delivery organizations, independent nonprofit entities, and policy institutes joined academic institutions as NPOs.

- The staffing of NPOs became less standard—some had full-time program directors, communications staff, and financial monitoring staff; deputy directors, who formerly were responsible for standard administrative functions, assumed more prominence, and in some cases were virtually indistinguishable from the directors in their substantive contributions to the field.
- NPOs have played a variety of roles. Some NPOs, such as the Center for Health and Health Care in Schools at George Washington University and Join Together, are resource centers that provide technical assistance to organizations in their fields across the country. The Center for Prevention Research at the University of Kentucky, the NPO for the Research Network on the Etiology of Tobacco Dependence, administers a network program structure that fosters intellectual work among grantees. Several NPOs experimented with new grantmaking roles—for example, by administering special grant funds for projects to take advantage of fast-breaking opportunities. A few NPOs, such as the Center for Health Care Strategies, which is the NPO for the *Medicaid Managed Care Program*, took on direct responsibility for grantee selection under the program, moving closer to a more independent intermediary role.

The evolution of National Program structures is reflected in their nomenclature and brief descriptions found in the Foundation’s *Annual Reports*. Table 8.2 lists these for 1973–2002.

**Table 8.2 National Programs: 1973–2002**

Date	Title	Information	No. of NPs
1973–1987	Senior Program Consultants	Name, degree	4–24
1988–1992	Program Directors	Name, degree	24–37
1993–2000	National Program Offices and National Program Directors	Program name Director’s name Organization and address	37–80
2001–2003	National Program Offices and Resource Centers	Program name Organization and address	80
	Web site address Director’s name and e-mail address		

Initially, only the names and the degrees of the senior program consultants were listed; the job title changed to “program director” in 1988. This original listing emphasized a person rather than an organization, and that person was considered an expert with a consulting relationship to the Foundation (even when the consultant’s home institution had a grant to administer the program). Defining that person as a consultant reinforced the Foundation’s authority over the program. The shift to “program director” in 1993 connoted that the program’s leader shared responsibility for the program with the Foundation, an idea that was strengthened by adding “National Program Office” to the heading. Contact information for the NPO was included for the first time, along with an explanation that stated, “Most of these programs are managed by institutions outside the Foundation.” The most recent change, in the 2001 *Annual Report*, emphasized the growing heterogeneity of program structures and associated strategies by referring to intermediary organizations as “National Program Offices and Resource Centers.”

The quantity and the variety of National Programs have produced administrative challenges for the Foundation. The large number of small programs increased the staff needed to develop, monitor,

and learn from individual programs. The variety of program models has resulted in ambiguity and duplication of roles between Foundation staff and NPO staff. This is costly and erodes the benefits of delegation to outside offices. Growing recognition of these issues led to an October 2003 staff paper that reviewed the Foundation's use of NPOs. Based on an internal study of National Program Offices as a vehicle for grantmaking and grant management, the staff paper found that using so many different NPOs to perform common functions led to "inefficiencies." The paper focused on the same question raised in the report to the Ford Foundation's board back in 1949—which functions should be performed internally by the Foundation's staff and which should be delegated to outside organizations.

The answers are still not in, and The Robert Wood Johnson Foundation is still looking for the appropriate balance between in-house and external program management. In the current environment, where nonprofit organizations must be more accountable, foundations must devote appropriate resources not only to making grants but also to monitoring programs, assessing performance, learning what works, and communicating with the field and the public. To meet the challenges, the Foundation needs to identify clearly the variety of program models it will use, so that staff and grantees alike understand their roles in the program model they work within. Equally important, to increase the overall effectiveness of its programs, the Foundation needs to learn how different program models relate to the impact of the programs.

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## Conclusions

National Programs as a grantmaking approach emerged as a compromise between the delegation of grantmaking responsibility to an intermediary organization and retaining the responsibility within the Foundation. The benefits of delegation (avoiding a foundation bureaucracy, flexibility, use of outside experts, and a staff focus on learning from investments rather than spending time on the mechanics of retail grantmaking) were at odds with the benefits of maintaining direct control over the use of Foundation grants (specifying program goals and activities, understanding grantees' work, and holding grantees accountable financially and programmatically). The hybrid that developed had the benefits of both approaches, but it also had their disadvantages. Almost inevitably, the insistence on control and detailed plans for the use of grant funds required staff growth within the Foundation and an emphasis on grantmaking over learning about the results of multiple investments in a program area. At the same time, partial delegation of program responsibilities has resulted in inefficiencies and confusion about the relative roles of Foundation and National Program Office staff. The future challenge for National Program design is to use grantmaking approaches that exploit the advantages and minimize the disadvantages of both approaches.

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## Notes

1. Farber M., "Suddenly Wealthy Johnson Foundation Maps Plans." *New York Times*, May 12, 1972.
2. Chapter Seven in this volume.
3. Blendon, R. "The Changing Role of Private Philanthropy in Health Affairs." *New England Journal of Medicine*, 1975, 292, 946–950.
4. The other two initial goals were improving the quality of health and medical care and developing mechanisms for objective analysis of public policies in health. *The Robert Wood Johnson Foundation Annual Report*. Princeton, N.J., 1972.

5. Study Committee (H. R. Gaither, Jr., Chairman). "Report of the Study for the Ford Foundation on Policy and Program." Ford Foundation, November 1949.
6. Blendon, R., Aiken, L., and Rogers, D. "Improving Health and Medical Care in the United States: A Foundation's Early Experience." *Journal of Ambulatory Care Management*, November 1983, 1–11.
7. "Information on The Robert Wood Johnson Foundation." Informational letter to all applicants, September 25, 1972.
8. "Chartbook of Expenditures 1972–1974." The Robert Wood Johnson Foundation, Princeton, N.J., 1975.