The Center on Philanthropy & Public Policy

PHILANTHROPIC STRATEGIES FOR SCHOOL REFORM: AN ANALYSIS OF FOUNDATION CHOICES IN EDUCATION POLICY

James M. Ferris, Ph.D.
Guilbert C. Hentschke
Hilary A. Joy

UNIVERSITY OF SOUTHERN CALIFORNIA

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James M. Ferris: Professor and Director, The Center on Philanthropy and Public Policy; School of Policy, Planning, and Development, University of Southern California, Lewis Hall 210; Los Angeles, CA 90089-0626

Guilbert C. Hentschke: Professor and Richard T. Cooper and Mary Catherine Cooper Chair in Public School Administration, USC Rossier School of Education, University of Southern California, Waite Phillips Hall of Education 901, Los Angeles, CA 90089-40**39**

Hilary Joy: Principal, Axio Policy Research and Consulting, 760 Market Street, Suite 1025, San Francisco, CA 94102

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In order to make the research a catalyst for understanding and action, the Center encourages communication among the philanthropic, nonprofit, and policy communities. This is accomplished through a series of convenings and conversations around research findings and policy issues to help key decision makers work together more effectively to solve public problems and to identify strategies for action.

About the Authors

James M. Ferris holds the Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy in the School of Policy, Planning, and Development at the University of Southern California. He directs The Center on Philanthropy and Public Policy. Professor Ferris specializes in the economics of the public and nonprofit sectors, public finance and public policy. His research examines the shifting roles of the public, nonprofit and for-profit sectors in governance and the economy. He has done extensive work on public service delivery, focusing on the contracting decisions of local governments and strategies to improve public sector performance through competition, decentralization, and privatization. He is currently investigating the causes and consequences of the conversion of healthcare organizations from nonprofit to for-profit status and the implications for the nonprofit role in healthcare; the changing landscape of philanthropy; foundations and public policymaking; and intersectoral alliances for urban problem solving.

Guilbert C. Hentschke holds the Richard T. Cooper and Mary Catherine Cooper Chair in Public School Administration at the University of Southern California's Rossier School of Education where he directs programs in the business of education, and teaches courses in emerging educational enterprises and the education industry. Dr. Hentschke specializes in strategies for improving educational organizations through business development. Recent publications include *Adventures of Charter School Creators: Leading from the Ground Up, "Education Management Organizations: Growing A For-Profit Education Industry with Choice, Competition, and Innovation,"* and *"Incentives for Charter Schools: Building School Capacity Through Cross-Sectoral Alliances."* Dr. Hentschke serves on the boards of Aspen Educational Group, the National Center on Education and the Economy, WestEd Regional Educational Laboratory, the Galaxy Institute for Education, The College-Ready Charter Academy, and Giraffe Charter Schools.

Hilary A. Joy is Principal of Axio Policy Research & Consulting. She served as a research assistant at The Center on Philanthropy and Public Policy and recently completed her MPP in the School of Policy, Planning, and Development at the University of Southern California.

Philanthropic Strategies for School Reform:
An Analysis of Foundation Choices in Education Policy

ABSTRACT

Philanthropic foundations play an important role in shaping K-12 education policy to affect school reform. This paper examines three fundamental choices that foundations face in this arena: the decision to engage in education policy; the strategic choices foundations make on where to intervene; and the tactical choices foundations make to leverage additional resources. Findings suggest that foundations consciously seek to engage in education policy as an integral ingredient of their philanthropic initiatives, and are led by staff and board leadership in these decisions. Most foundation activities in this arena aim to create individual niches of activity within school reform based on an informed theory of change that the foundation has adopted. As a group, foundation engagement in education policy is collectively cautious and ultimately incremental as foundations attempt to make change at the state and district level primarily through demonstration projects and funding research and development activities.

INTRODUCTION

Education has long been one of the highest priorities among philanthropic foundations in the United States. And while much of that philanthropy goes to higher education, a substantial amount has been focused on elementary and secondary education. Today, according to the Foundation Center's sample of some of the largest 1,000 plus foundations, education accounts for 20 percent of grant dollars, and of that, 35 percent goes to K-12 philanthropy.[1]

The focus on K-12 philanthropy has changed over time, reflecting "concerns about the character of American society, the demands of the economy, and the upbringing of its children….The answers (to these concerns) have varied considerably, depending upon the source of the gifts, the role of government, and especially the ideas of donors about what is right or wrong with existing schools."[2] Since the release of the report, A Nation at Risk[3] over two decades ago, there has been a continual focus and interest on efforts to improve school systems, as evidenced by successive waves of reform. Various reform

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[1] These numbers are based on grants of over $10,000 made by a sample of larger foundations in the United States. Cumulatively, the grants represent approximately half of the total giving of all grantmaking foundations nationwide. See: *Foundation Giving Trends*, The Foundation Center. 2005.

[2] Lenkowsky, Leslie. (2005). "Chapter 1: The 'Best Uses' of Philanthropy for Reform." In *With the Best of Intentions: How Philanthropy is Reshaping K-12 Education,* ed. Frederick M. Hess. Harvard Education Press: Cambridge, MA. 77-104.

[3] National Commission on Excellence in Education (NCEE). (1983). *A nation at risk: The imperative for educational reform.* Washington, DC: U.S. Government Printing Office.

efforts during this period have focused on the quality of inputs, including teachers and curriculum, operational issues including those associated with school governance and management, and more recently on student academic performance, school and system accountability, and on school choice as reflected in the emergence of voucher programs and charter schools.[4]

Foundations have played an important role in these efforts. The foundations involved are varied. They include some of the oldest foundations with a long legacy of work in education policy such as the Ford Foundation and the Carnegie Corporation; some relatively newer foundations that have developed a record of involvement in education policy such as the MacArthur, Annenberg, and Hewlett foundations; some with strong regional interests such as the Gund and Joyce foundations; and some of the newer large foundations including the Gates and Broad foundations whose interests are substantially, if not exclusively, focused on education.

Foundation engagement in public policy is an important facet of the contributions philanthropy can make to society. However, in general, engaging in public policy is risky for foundations. Policymaking is a complex process and open-ended proposition. It is messy, unpredictable, and beyond the control of any individual or organization. As a consequence, it is risky in terms of producing the desired outcomes. In addition, political risks arise due to competing ideas for policy change with often quite disparate distributions of benefits and costs. This is particularly true for reforming K-12 education. The inherently public nature of elementary and secondary education – in terms of public funding, bureaucratic supply, the broad scale concern and expectations about education quality, and the entrenched interests of groups such as teacher unions and school administrators – makes foundation efforts to reform schools risky. And the decentralized locus of policy making to states and school districts only serves to make education policy engagement more challenging.

At the same time, philanthropic resources can be critically important for education. Although philanthropic dollars are but a rounding error on public budgets for education, they can be leveraged to create change. Foundations have an opportunity to leverage additional resources – knowledge and networks – to augment their philanthropic dollars. Such an approach requires that foundations are willing to incur the risks of public policy engagement and consciously adopt strategies to reform schools.[5] Some foundations realize this from the beginning, such as the Walton Family Foundation and the Broad Foundation, while others come to realize this only after being frustrated with the limited impact of funding schools and their programs, such as the Kellogg and MacArthur Foundations.

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[4] Viteritti, Joseph P. (2004). "From Excellence to Equity: Observations on Politics, History, and Policy." *Peabody Journal of Education*. 79 (1): 64-86.

[5] The great majority of K-12 education philanthropy appears to be directed to augmenting public budgets for school programs rather than creating systematic change.

This paper is an effort to understand the foundation choices in K-12 education reform. Increasingly, foundations are examining public policy as a way to leverage their philanthropic assets for greater impact in terms of improving the educational outcomes of America's schools through school reform. This paper seeks to examine three fundamental choices that foundations face:

1. The decision to engage in education policy, including the specific domain of reform such as child and family services, professional development, curriculum and teaching, school management and governance, and school choice.

2. The strategic choices regarding where to intervene in terms of the jurisdictional level and the stage of the policy process.

3. The tactical choices regarding the leveraging of resources, including grantmaking activities and collaboration.

The paper examines the range of options and factors that shape the actual decisions of foundations, based on a series of interviews with education program officers at foundations with a substantial focus on school reform. As a first step, the paper develops a framework for foundation engagement in public policy that builds on the foundation and public policy literature. This framework guided our interviews. Then, we review the methods used to identify foundations included in the survey before proceeding to describe the variety of responses and patterns that emerge. Finally, we consider the implications of these results for foundation choices in school reform.

FOUNDATION ENGAGEMENT IN PUBLIC POLICY: A FRAMEWORK

What are the factors that lead a foundation to engage in public policy, and what are the forces that shape their strategies?

The Decision to Engage

There is wide latitude for foundation engagement in public policy work. With the exception of lobbying (*i.e.*, working to affect a specific piece of legislation) and electoral politics, foundations have the discretion to use their resources to frame issues, develop public will, create and sustain advocacy organizations, and implement and evaluate public policies in the legislative arena. In addition, foundations can also support reform efforts in administrative and judicial arenas.[6]

Many foundations have chosen not to involve themselves in public policy, instead working to provide support to public charities. This was particularly true after the

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[6] Troyer, Thomas A. and Douglas Varley. (2002). "Private Foundation and Policymaking: Latitude Under Federal Tax Law." Research Paper-12, The Center on Philanthropy and Public Policy, USC.

passage of the Tax Reform Act of 1969,[7] which for the first time introduced regulations for foundation involvement in public policy. However, in recent years, there has been an increasing tendency for foundations to engage in such work. This increasing involvement in policy work is most evident among some of the larger foundations, though it is not limited to them.

This trend has been encouraged by the clarification of what foundations can and cannot do under federal law and through a concerted effort to educate both foundations and nonprofit organizations about what is permissible under the law. In addition, many foundations have come to realize that their greatest potential impact is to leverage their philanthropic assets – money, knowledge and networks – to change systems, rather than to merely fund programs. This is particularly true when one realizes that philanthropic dollars directed to K-12 education are but a rounding error on local, state, and federal public budgets.[8] As a result, an increasing number of foundations are placing public policy at the top of their agenda.[9]

Nevertheless, the decision to engage is likely to be determined by a confluence of factors: the foundation's mission and philosophy; the scale and scope of the foundation's programs and activities; and the ecology of the policy and philanthropic environment.

Some foundations were established with the explicit mission to shape public policy on a topic of particular concern to the donor such as the Broad Foundation.[10] In other cases, foundations may view public policy engagement as an important strategy in pursuing its mission and decide to engage in public policy work as an extension of their programmatic efforts, such as the Annenberg Foundation.

In addition to a foundation having a mission that is consistent with public policy work, it stands to reason that foundations of greater scale and scope will have a greater inclination to engage public policy. However, what matters is how scale and scope relates to the specific arenas of action. While it is easier to observe foundations engaged in national policy efforts, much of education policy plays out at the state and local levels. For

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[7] Troyer, Thomas A. (2000). *The 1969 Private Foundation Law: Historical Perspectives on its Origins and Underpinnings.* Council on Foundations.

[8] In 2002, $430.6 billion was spent on K-12 public schools in the U.S. See: *Statistical Abstracts of the U.S. 2004/05*, Census Bureau. Based on data from the The Foundation Center, we approximate that giving to K-12 education for all U.S. foundations is $ 2.4 billion in 2002. See: *Foundation Giving Trends*, The Foundation Center. 2004.

[9] While the numbers are increasing, it is true that the great majority of foundations still focus giving on service delivery.

[10] Hassett, Wendy and Dan Katzir. (2005). "Lessons Learned From the Inside." In *With the Best of Intentions: How Philanthropy is Reshaping K-12 Education,* ed. Frederick M. Hess. Harvard Education Press: Cambridge, MA. 227-252.

example, there are many efforts at school reform that are focused at the district level.[11] In this case, there are a greater number of foundations with the potential to impact policy than if policy engagement is limited to the national level.

Another factor that impacts the decision to engage is the philanthropic ecology (*i.e*., the activities of other foundations). Some foundations that prefer to act alone might refrain from entering the policy arena if others are already engaged, or conversely, foundations may choose strategies and tactics that complement the work of other funders. For example, the Gates Foundation is quite clear that it has taken on the issue of high school reform largely because other foundations interested in education policy have focused at other levels of education. For others, having other foundations in the policy arena might induce them to engage in public policy work. This is particularly true of a number of foundations that have made grants to NewSchools Venture Fund, a funding intermediary for charter schools.

Conversely, a foundation may also choose to enter a policy arena to counter the work of other foundations. In addition, the presence of funder collaboratives, affinity groups, and other structures may offer a foundation a way to overcome the limits of scale and scope. These structures spread financial and political risk and may encourage more cautious or smaller foundations to participate in public policy.

Strategy and Tactics

Once a foundation decides to engage public policy, there is an array of strategies and associated tactics from which the foundation must choose that are consistent with its mission, appropriate to its scale and scope, legally permissible, and cognizant of its philanthropic environment. This is critical given the desire to create policy change in elementary and secondary education, a system which is complex, uncertain, and risky. The choices made reflect the foundation's sense of what matters most in improving educational outcomes, and what leverage points foundations have to yield demonstrable results without undue risk.

Where to Engage?

Public policymaking is multi-dimensional and provides a variety of points at which a foundation may participate. The differing *stages* in the process, from problem definition to policy implementation and evaluation; the *venues* where public policy decisions are made –legislative bodies, school agencies, and the courts; and the *level* of government – local, state, and national – all provide opportunities for foundations to impact the policy process. The challenge is to determine at what point a foundation can best leverage its assets and resources given its interest, capacity, and the policy environment.

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[11] McKersie, William. (1999). "Local Philanthropy Matters: Pressing Issues for Research and Practice" in *Philanthropic Foundations: New Scholarship, New Possibilities*, Ellen Conditte Lagemann, ed. H-Business.

As a foundation crafts a strategy to make a difference in the education policy domain of interest, it has two critical strategic choices to consider: at what level of government should they work to advance their preferred school reform; and at what stage of the process is their intervention likely to be most effective. The issue of venue is likely to be intertwined with these two.[12]

How to Engage?

There are as many options for how to engage as there are leverage points. Foundations must choose how to best bring their resources to bear on their chosen leverage point. Many foundations fund work of policy relevance, including policy analyses and program evaluations, pilot programs, and technical support. However, such activities alone are not likely to have much impact on moving policy issues. A foundation that seeks to drive public policy will want to consider playing a more active role in influencing the policy environment. Potential strategies include the following:

- Funding nonprofit advocacy groups that are actively engaged in promoting policy agendas that resonate with the foundation's values and mission;[13]
- Building policy networks with others of like mind in the funding, research, and policy communities ranging from information sharing to joint funding;
- And being an active participant through its own work such as research and analysis and convenings with actors in policy networks and even policymakers.[14]

Summary

Thus, foundation engagement with public policy requires that foundations assess how such a role will enable them to pursue their mission given their asset base, programmatic focus, geographic scope, and the ecology of the policy area and the philanthropic sector. Such efforts require foundations to be willing to accept a degree of uncertainty in achieving outcomes and the political risks that are involved. Balancing the benefits, costs, and risks of public policy work ultimately shapes foundation choices about the decision to engage public policy as well as their strategy and tactics.

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[12] Of course, these choices are not necessarily sequential; they are often interdependent.

[13] Often this means offering operating support and grants of longer duration, and casting organizations as partners rather than grantees.

[14] The most active role for foundations involves choosing to engage with policymakers themselves through conversations about problems, issues, and solutions without direct reference to specific legislation.

METHODS

In order to examine the strategies utilized by foundations to influence and inform education policymaking, we conducted a series of interviews with the education program officers of twenty large foundations that we identified as substantially engaged in public policy work.

In order to identify the potential list of study participants, we reviewed several sources to determine which foundations, through their grantmaking programs, were engaged in education policy grantmaking. These sources included the following: Grantmakers for Education membership list; The Foundation Center's *Philanthropy News Digest*, which notes media releases on foundation activities; *Education Week*; and education policy and position papers published by several large foundations.

This research yielded an initial contact list of nine foundations involved in a range of policy issues related to improving K-12 education. Snowball sampling was subsequently utilized to identify additional participants. Twenty-six foundations were invited to participate in the study and of those, twenty agreed to be interviewed.[15] Further study of the twenty foundation participants revealed that one of the foundations was not sufficiently focused on K-12 education policy. As such, this foundation was dropped from the sample and subsequent analysis was conducted on the nineteen remaining foundations, all with a primary focus on K-12 education policy.[16] The nineteen foundations in the sample are listed in Box I.

Box I. Foundations Interviewed and Analyzed

The Annenberg Foundation	The Joyce Foundation
The Broad Foundation for Education	W.K. Kellogg Foundation
Carnegie Corporation of New York	John D. and Catherine T. MacArthur
The Annie E. Casey Foundation	Foundation
The Ford Foundation	The Pew Charitable Trusts
Thomas B. Fordham Foundation	Rose Community Foundation
The Milton & Rose D. Friedman Foundation	The Spencer Foundation
Bill and Melinda Gates Foundation	Stuart Foundation
The George Gund Foundation	Stupksi Foundation
The William and Flora Hewlett Foundation	The Wallace Foundation

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[15] The six foundations that declined to be interviewed range from small to large, and are varied in terms of their policy domain and level of focus (national, state, and regional/local). These observations are based on what we were able to ascertain from public information and the other interviews. As a consequence, we feel this sample of foundations is relatively representative of those foundations with a substantial presence and involvement in K-12 education policy.

[16] Fourteen foundations in the sample (74 percent) focus solely on K-12 policy. Three foundations (16 percent) identified Pre-K and K-12 as substantial areas of focus and two foundations (11 percent) focus their grantmaking on K-12 and higher education. None of the foundations in the sample engage at all three levels.

Of the nineteen foundations surveyed, one is a public charity, one is an operating foundation, one is a community foundation, and 16 are private foundations. Most of these foundations are national in scope, though there are several which are more regionally focused such as the Gund, Joyce, Rose, and Stuart foundations.

The assets of foundations in the sample range from $3.6 million to $26 billion, for fiscal year 2002/03. Half the foundations in the sample have assets over $1 billion. Total giving of the sample ranges from $815,000 to $1.2 billion annually. Seven foundations in the sample make grants in excess of $100 million a year. Several of the foundations in the sample focus solely on giving to education while a majority of the foundations interviewed fund education as part of their grantmaking strategy. The percentage of giving targeted toward education programs ranges from 3 percent to 100 percent of total giving within the sample. For those foundations where education is one of several program areas, the average percentage given to education is 21 percent. These figures include giving to both general educational programs and education policymaking activities. Six foundations in the sample solely fund education.

The interviews inquired about two critical areas of foundation strategy related to education policy:

1. How does the foundation decide to engage in education policy, and what are the particular policy domains within education they choose to focus on?
2. What are the strategies and tactics the foundation pursues in their education reform efforts?

All interviews were conducted in one-hour sessions via telephone between March and September 2004. The findings presented in this paper are based on an in-depth analysis of each foundation interview. Box II illustrates the matrix used to analyze the strategies and choices foundations make when they engage in education policy. For each element of a cluster, a value was assigned based on a scale from 1-3, with 1 meaning little or no priority for the foundation, 2 meaning a moderate priority for the foundation, and 3 meaning a substantial priority for the foundation.

Box II. Foundation Choices for Engaging Education Policy

DECISION TO ENGAGE	STRATEGIES & TACTICS
Factors that Influence Policy Engagement • Founder/Board/Executive Director • Mission/Philosophy • Legislation • Public Interest/Media attention • Outside research or expertise • Philanthropic environment	**Stage of Policy Process** • Problem definition • Agenda setting • Policy adoption • Implementation • Evaluation **Jurisdiction** • National • State • City/Region/District • Local/Individual School(s)
Education Policy Domain • Child and family services • Professional development • Curriculum and testing • School management and governance • School choice	**Grantmaking Activity** • Fund research and convene the policy community • Develop new models and demonstration projects • Fund nonprofit advocacy groups/coalitions • Fund intermediaries • Create policy networks **Partners** • School reform advocacy groups • School system • Community organizations • Other foundations

Each interview was analyzed using the 1-3 scale by two separate readers to ensure inter-coder reliability. A comparison of each scaled matrix revealed that the codes differed by two points only 9 percent of the time (*e.g.,* Reader 1 scaled the variable 1 and Reader 2 scaled the variable 3). The three-point scaled matrix was then converted into a binary 0/1 matrix, where 1 was substituted for 3 (substantial priority) and 0 was substituted for 1 or 2 (little priority and moderate priority). This binary matrix was then used to detect patterns between the foundation strategies and tactics.

This research scheme – both the sample and the interview questionnaire – is best suited to our efforts to understand foundation strategy and tactics in education policy. It is necessary to identify those foundations that have chosen to engage in education policy in order to explore what has shaped those decisions. This is not easy since most foundations choose to fund programs and do not always explicitly state that their objective is school policy reform.

However, the method has limits. The identification of a set of foundations with a recognized interest in engaging education policy, as opposed to a random sample, restricts the generalizability of our findings to foundations in general. Moreover, the fact that we relied on those foundations which were known or became known through our

interviews as focused on education policy tends to limit our work to foundations that are larger and have a more national presence. To examine explicitly foundations that are smaller and locally focused requires a different approach to identifying foundations to be interviewed, and would be worthwhile to attempt in a future study.

Nevertheless, this analysis provides a framework for understanding the factors that shape foundation choices for engaging school reform and represents an initial effort at a more comprehensive and systematic assessment of foundation engagement in K-12 education reform.

FOUNDATION CHOICES FOR POLICY ENGAGEMENT

A foundation's decision to engage education policy is shaped by the interplay among the organizational imperatives of the foundation, the policy and philanthropic context in which the foundation operates, and the contours of the education policy domains. These choices, in turn, shape the strategy and tactics for policy engagement.

The Decision to Engage Education Policy

Foundations that participate in the policy process make a deliberate decision to do so. The decision to engage in education policy is based on several factors including those internal to the foundation, such as foundation mission/philosophy or leadership, as well as external factors such as current education research, the policy climate, or the philanthropic environment. As such, we explored six important factors that influence the decision to engage education policy and the strategies used to affect education policy: founder or executive leadership, mission/philosophy, legislation, public interest or media attention, outside research, and the philanthropic environment.

All nineteen foundations in the sample identified the influence of people in leadership positions including the founder, board members, and executives as a substantial factor in the decision to engage education policy. Nine of the nineteen foundations in the sample also rank mission and philosophy as a substantial factor in deciding how and where to engage in education policy.

The importance of leadership charting a foundation's direction cannot be overstated, based on the responses from our interviews. Below are three illuminating quotes about foundation leadership and policy work:

> "The founders' vision still guides the overall policy direction."

> "The (executive director) helped transform the education interest area from something that had always been important to the community to a whole other scale and helped the trustees articulate a new vision for education policy grantmaking."

> "Recently, our board indicated an interest in having us focus on a couple of things that would really make a difference. There was a sense that we had made a lot of good grants over the years individually, but that it was hard to see the forest through the trees. They asked (staff) to do a strategic evaluation of where we might have the greatest impact, were we to target our resources more narrowly."

These quotes illustrate the fact that sometimes a foundation's policy direction is set from the start or with a change in leadership, as in the case of the first two quotes. In other instances, the policy direction evolves as the foundation learns from its past grantmaking experiences, sometimes from frustration and sometimes from a search for greater impact. One interviewee summarized it this way: "Many foundations focus on more traditional charity and often get frustrated because they see it's a never ending treadmill and nothing gets any better. If you don't come up to the policy arena and begin to change the environment in which these issues are playing out, you can never change things."

Although internal factors are decidedly important in the decision to engage, several foundations in the sample are also influenced by forces external to their organization. Outside research and expertise was cited most often as being an influential factor. Nine foundations (47 percent) ranked this factor as a substantial priority. For example, one interviewee noted that research demonstrating that high-quality early childhood education and strong teachers are the two biggest determinants of success in schools led the foundation to choose to focus on these two areas.

The second most commonly cited external factor was the philanthropic environment (seven foundations, 37 percent). As one program officer noted: "We asked the question: what is our distinctive niche where we can add value and potentially develop models that others might learn from?" Our analysis revealed that only one foundation identified legislation as an important factor: "We decided that the political conditions were right for new progress to be made on teacher quality because of the No Child Left Behind Act; the most sweeping federal education law in a generation. NCLB created new opportunities and new pressure for states and districts to do something about teacher quality." This quote speaks to the observation that just as A Nation At Risk served to identify and publicly crystallize the problem of low achievement, NCLB has served to crystallize the character of government's response to the problem.

None of the foundations in the sample cited public interest or media attention as a driving factor. This is not surprising, given that education has been at the top of the public agenda for the last two decades. Hence, such external forces would not be initiating factors, but rather serve to reinforce interests that had been made previously.

The findings demonstrate that although both external and internal factors are at play, internal factors, especially the influence of organizational leaders, appear to have the greatest impact. Six foundations in the sample (32 percent) did not appear to be influenced in a substantial way by any external factors. Nine foundations (47 percent)

indicated that there was only one external factor that had a substantial impact. Of these nine, five foundations cited outside research and expertise, three citied the philanthropic environment, and one cited legislation as the external factor influencing both choice of policy arena and strategy. With few exceptions, external and internal factors also tended to align, each acknowledging the problem of schooling associated with low performance and seeking to identify solution strategies.

Choice of Education Policy Domain

Given the ongoing debate about how to improve the quality of K-12 schooling in the U.S., there are a variety of issues that foundations may choose to pursue in their public policy work. As discussed above, foundations often look to current research to determine which issue areas to engage. For the purposes of this study, we identified five broad policy domains that have currency as routes to improving educational outcomes: child and family services, professional development, curriculum and teaching, school management and governance, and school choice. Examples of areas of interest under these broad policy domains are included in Box III. These five policy areas, while neither mutually exclusive nor collectively exhaustive, seemed to capture the range of principal interests of foundations that claimed K-12 education as an area of programmatic interest.

Box III. Policy Area Descriptions

Child and family services include education services for children in primary grades downward into pre-kindergarten; programs of early childhood education that formally and substantially include family members such as parent education programs; programs that focus on a specific dimension of early childhood education (*e.g.*, early literacy); and programs that include education as one of a cluster of inter-related services for parents and children (*e.g*., health and nutrition, social welfare, domestic relations).

Professional development includes programmatic support for the professional education of certificated staff, both teachers and administrators, largely focused on in-service, but occasionally on pre-service programming. These include programs to recruit educators into the profession and/or into particular positions such as teachers in urban classrooms or district superintendents, or to enable them to function more effectively in their current roles. The content of professional development is variable from program to program, but the prominence of the activity of professional development is common.

Curriculum and testing includes the activities which deal directly with what is taught to children in classrooms, how it is taught, and how it is assessed. Projects include those that focus on specific content areas (*e.g*., science) or categories of students (*e.g*., English language learners) or linkages between curriculum, instruction, and student performance (*e.g*., standards-based instruction and data-based instructional decision making).

School management and governance includes initiatives which focus primarily on the manner in which schools and districts are managed and governed, including those who lead them, how those leaders are recruited and trained, and how organizational conditions impact their effectiveness. There is less attention here to pushing for specific governance alternatives, such as charters, choice, and vouchers, and more attention focused on enhancing the effectiveness of existing governance arrangements. Not unlike the case with curriculum and teaching, professional development can be an important part of these initiatives, but the primary emphasis appears to be more on improvement of management and governance than on professional development per se.

School choice includes a range of initiatives from support for public and/or private vouchers, to charter school development and support, to home schooling, to broader agendas for enhancing school options for households in school districts. Specific governance alternatives as well as concrete policy goals are the primary focus.

Of the five major education policy areas, professional development and school management and governance were the major priorities. Less than a third of the foundations in the sample focused on the three remaining policy areas: curriculum and testing, child and family services, and school choice. Figure 1 illustrates the distribution of foundations by policy area.

Figure 1: Distribution of Foundations by Policy Area
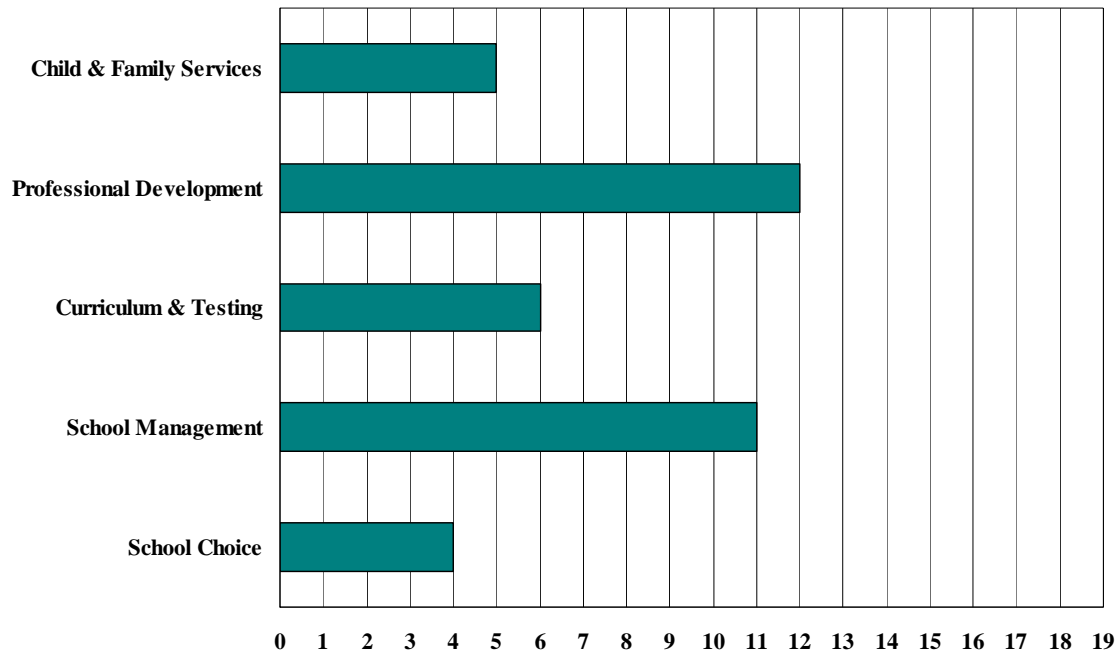
Although several foundations chose to engage in more than one policy area, none of the foundations in the sample were significantly engaged in all five areas. As Table 1 demonstrates, a majority of foundations in the sample focus their grantmaking on one or two policy areas, with a handful that work across three or four areas. This finding is consistent with our hypothesis that most foundations engaged in public policy grantmaking are cognizant of their scale and scope, realizing that their resources are limited relative to the nature of the problem.

Table 1: Policy Area Engagement by Foundation

	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Child & Family Services	5				•							•	•	•	•					
Professional Development	12	•	•	•						•	•	•		•		•	•	•	•	•
Curriculum and Testing	6			•		•					•			•		•			•	
School Management & Governance	11		•	•	•	•				•	•	•		•		•			•	•
School Choice	4				•		•	•								•				

Summary

This analysis of the decision to engage underscores the importance of foundation leadership in driving an education policy agenda for foundations. The choice as to what issues within education policy to focus on reflects an interplay between both internal and external forces. Professional development and school governance and management are the two most prevalent areas that these foundations believe will lead to important improvement in student outcomes via policy change. The preponderance of emphasis on

these two areas is consonant with the broader contextual change in K-12 education over the last three decades.

Many interviewees cited or alluded to the gradual but widely acknowledged shift between 1983 and the present in school governance from monitoring inputs and operational compliance to student academic performance. Earlier policy focus on schooling procedures (*e.g.*, minutes devoted to reading in the school day, minimum school day length, and the number of school days in the school year) began to be viewed as misplaced emphasis. Schools were complying and students were failing. In response during this time state and federal "accountability plans" came into being, composed of three primary elements – state-level instructional standards, state-level testing, and incentives (positive and negative) for school-level and district-level educators to focus greater effort on student academic performance and away from procedural compliance. No Child Left Behind, the most recent reauthorization of the federal 1966 Elementary-Secondary Education Act, was symptomatic of growing public attention being focused on the problem of low levels of student academic achievement and on strategic initiatives to address it.

Arguably, the capacity of schools and school districts to respond to this fundamental, externally imposed sea change has been limited. Professional development and school governance and management constituted both the primary points of school and district impact of this fundamental change and the levers whereby educators sought to affect these changes in the behavior of schools and school districts.

FOUNDATION STRATEGIES: WHERE TO INTERVENE?

Foundations employ a multitude of strategies to engage education policy. They have a variety of options for where to leverage their resources. Here we focus on two of the most critical: the stage of the policy process and the jurisdictional level. The stages of the policy process include problem definition, agenda setting, policy adoption, implementation, and evaluation. And, given the federal design of K-12 education, foundations have the option as to what jurisdiction to focus on including the national, state, regional, or local level.

Intervening in the Policy Process

The policy process is inherently fluid and complex, and involves five main stages: problem definition, agenda setting, policy adoption, implementation, and evaluation. Foundations can elect to engage at one or more of these stages, with some restrictions under federal law as to their involvement in the policy adoption stage.

The survey responses show that sixty-eight percent (13 foundations) are engaged in the first two stages of the policy process: problem definition and agenda setting. Of these thirteen, ten engage in both the problem definition stage and the agenda setting stage. In

our study sample, substantial participation in subsequent policy stages decreases as one goes from policy adoption to evaluation. We identified eight foundations (42 percent) conducting grantmaking at the policy adoption phase, seven foundations (37 percent) at the implementation phase, and six foundations (32 percent) at the evaluation phase.

Because the policy process is highly interconnected and fluid, most of the foundations in the sample attempt to influence more than one stage of the process. Fifteen foundations engage in two or more levels, while only four foundations focus their grantmaking activities on one specific stage of the policy process. The most common approach in the sample is to engage in two of the five stages. Table 2 illustrates the stage or stages where each foundation is substantially engaged in the policy process.

Table 2: Policy Stage Engagement by Foundation

	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Problem definition	13				•	•	•		•		•	•	•	•	•	•	•	•		•
Agenda setting	13	•		•	•	•	•		•	•	•		•	•	•			•		•
Policy adoption	8		•	•	•		•	•	•						•			•		
Implementation	7	•			•		•							•		•		•	•	
Evaluation	6	•			•		•				•	•				•				

Further analysis of these thirteen foundations was conducted to identify patterns of giving between the stage of the process and the policy domain. The patterns that emerge demonstrate that engagement in problem definition and agenda setting are often closely linked to the policy domains of professional development and school management and governance. The interplay between two early stages of the policy process – problem definition and agenda setting – and two areas of the policy domain – school management and professional development – indicate that there is a preoccupation with "getting the problem and solution framed correctly," in particular where the system can be improved closest to where the children are taught (*i.e*., school management and professional development).

Jurisdictional Engagement

Foundations working in education policy have the option to engage at four distinct jurisdictional levels: national, state, region/district, and local/individual school(s). Perhaps not surprisingly given the significance of the school district in the education system, 79 percent (15 foundations) focus their education policy grantmaking at the region/district level. In addition, 68 percent (13 foundations) focus on state education policy. Only four foundations (21 percent) work on a national level and only three foundations (16 percent) attempt to effect policy change at the local level, meaning funding to individual schools.

These findings demonstrate a primary focus on state and district-level policy, where arguably the vast majority of funding and policy for schooling is generated, rather than at the individual school or at the federal level. This focus on the state and district level can be attributable to the notion that there is a shorter distance between policy change and

results. As one program officer remarked: "We wanted the good changes to endure…and that could only come about through public policy at the level of the cities and the states."

Eighty-four percent of the sample engages in two or more jurisdictions: three foundations engage in three levels and ten foundations engage in two levels. Of the six foundations that focus on a single level, one targets national policy and the other five foundations target either the state or district level. Table 3 illustrates the distribution of jurisdictional engagement by foundation.

Table 3: Jurisdictional Engagement by Foundation

	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
National	4						•		•						•		•			
State	13	•		•	•	•		•	•		•	•	•		•	•		•		•
City/Region/District	15	•	•		•	•	•		•	•	•	•	•	•		•		•	•	•
Local/Individual School(s)	3						•		•							•				

Given the sample's focus on state and district policy, further analysis was conducted to determine which policy domains are targeted by foundations at these two jurisdictional levels. Of the twelve foundations engaged in professional development, seven foundations (58 percent) focus on state-level policy and ten foundations (83 percent) focus on district-level policy. Of the eleven foundations making grants to school management and governance activities, seven (64 percent) target state policy and ten (91 percent) target district policy.

These findings demonstrate that professional development and school management and governance are the primary policy areas of engagement at both the state and district levels.

Summary

Interestingly, foundation strategies seem to intersect at the early stages of the policy process and at the state and/or district level. The early stages of the policy process are typically the arena where foundations feel most comfortable with engaging the process. The focus on the state and district level reflects the structure of America's education system where critical education policy choices are made. Moreover, the prevalent interest in the policy domains of professional development and school governance lead foundations to focus on the jurisdictional levels that present the best opportunity to make a difference. We now turn to the question of how to engage.

FOUNDATION TACTICS: HOW TO ENGAGE?

Once a foundation identifies a strategy for leveraging their resources for public policy, it then chooses the tactics best suited to the strategy. Foundations have a range of options for deploying their resources, including grantmaking activities and partnering.

Grantmaking Activities

This study identifies five major types of grantmaking activities used by foundations to affect public policy: funding research on problems and potential solutions; developing new models or demonstration projects; funding advocacy groups; funding intermediaries; and creating policy networks and convening the policy community. The most common tactic used by foundations in the sample is to develop new models or demonstration projects (64 percent).[17] The second most common tactic is to fund research and development, with eleven foundations (58 percent) engaged in this type of activity. While ten foundations (53 percent) fund advocacy groups as a primary tactic, only one foundation makes grants to intermediaries. Nine foundations (47 percent) indicated that they work to create policy networks.

A majority of the foundations in the sample (74 percent) employ more than one grantmaking tactic, but none of them engage in all five. Table 4 illustrates the types of activities conducted by each foundation. No clear patterns emerge from an examination of the combinations of tactics that are chosen.

Table 4: Grantmaking Activity by Foundation

	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Fund research and development	11			•		•		•	•		•	•		•	•	•	•			•
Develop new models	13	•	•	•	•		•		•		•	•		•		•		•	•	•
Fund advocacy groups	10	•			•	•		•	•	•	•	•	•		•					
Fund intermediaries	1													•						
Create policy networks	9				•	•			•		•		•	•	•			•		•

However, we do see a link between grantmaking activities and the stage of the policy process. Funding research and developing new models or demonstration projects are grantmaking activities that are often considered to be linked to the early stages of the policy process, namely problem definition and agenda setting. Often the goal of funding research is to demonstrate which types of school reform activities lead to greater student achievement, thus defining the problem and setting an agenda for future policy or programmatic actions. Of the eleven foundations funding policy research, nine (82 percent) work at the problem definition stage.

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[17] While the approach of foundations developing models and government taking "successes" to scale is somewhat outdated given constrained public budgets, it is still relevant in education given the perceptions that K-12 education is an inherently public function and deserves public funding.

The role of demonstration projects is often to attempt to implement research findings on a small scale in order to illustrate their effectiveness and set the agenda for further policy action. Our analysis shows that 69 percent of foundations who create new models work at the problem definition and agenda setting stages.

Partners

Foundations engaged in public policy often choose to partner with other organizations such as advocacy groups, schools, community groups, and other foundations. Our findings show that collaboration across all four types of groups is fairly common. A majority of foundations in the sample partner with community groups (58 percent), schools (53 percent), and other foundations (53 percent). Only eight foundations (42 percent) seek out partnerships with school-reform advocacy organizations.

Five foundations in the sample identified partnerships with three or more types of organizations compared to eight foundations that partner with only two types of organizations and six foundations that identified fairly specific criteria for partnerships and form collaborative relationships with only one type of organization. Three of these six foundations partner directly with schools.

Of the ten foundations who partner with schools, eight are engaged in professional development activities and seven are engaged in school management and governance issues. Findings also demonstrate a link between professional development activities and partnering with other foundations. Seven of the ten foundations who often collaborate with other foundations are significantly engaged in professional development activities.

Our analysis also demonstrates several patterns related to partners and the stage of policy engagement. The most common foundation partner in the sample was community groups (58 percent of the sample). Of the eleven foundations who partner with community groups, eight engage at the problem definition stage and nine engage at the agenda setting stage. Problem definition and agenda setting are also linked to those foundations who partner with schools and other foundations. Of the ten foundations who partner directly with schools and school systems, seven target grants to problem definition and six target agenda setting. This finding is odd, as one might assume that foundations that work directly with schools would be at the implementation or evaluation stage.

Similarly, of the ten foundations that collaborate with other funders, seven engage in the problem definition stage and seven engage in the agenda setting stage. Additionally, six foundations who partner with other funders focus grants in the policy adoption stage.

Of the thirteen foundations working at the state level, seven partner with advocacy organizations, six directly fund schools, eight partner with community groups, and six collaborate with other foundations. Of the fifteen foundations working at the region/district level, seven work with advocacy groups, ten directly work with schools, eight work with community groups, and eight collaborate with other foundations.

Identifying and cultivating partners is an important activity for those foundations working at the district and local level, especially if the foundation is not rooted in that community. Many of the program officers interviewed discussed the importance of identifying local partners. This is a mechanism not only to build support, but also to create a constituency for tracking change over time.

Several foundations in the sample discuss the difficulty of working directly with schools. Despite this sentiment, ten foundations (53 percent) in the sample cite schools as important partners. And, all ten foundations that identify schools as important partners work at the region/district level. This finding illustrates a clear link between choice of partners and jurisdictional engagement.

Summary

These results suggest that foundations engage in education policy work primarily by funding demonstration or model projects, partnering with community groups and working directly with schools. Given the proclivity of foundation's to seek out local partners, whether they are schools, community groups or other funders, foundations often play the role of convener and catalyst for policy change among the various policy actors. Foundations promote the testing of ideas and models within schools systems and encourage the community to work toward change that will lead to improvements in student achievement. However, the wide range of activities and models funded within the study sample underscore the fact that foundations, as a group, do not have a single answer to the question of how to improve student achievement.

CONCLUSION

The foundations we studied consciously seek to engage in education policy as an integral ingredient of their philanthropic initiatives. This choice has been shaped by the vision of their leaders, whether founding donors, boards, or senior foundation staff. As they engage in education policy, foundations choose from a range of alternatives, including which area(s) of school reform to address, the strategies to employ, and the tactics to adopt. In so doing, there is recognition of the need to link these strategies and tactics to improvements in student achievement. The inherent difficulty in measuring impact, given the multitude of factors and the time needed to realize changed student outcomes, leads many of the foundations to view success in terms of program replication, policy change, and leveraging additional resources.

In pursuing policy change in K-12 education, foundations are consciously fashioning individual niches and focuses. Each foundation seeks to position itself as making a unique contribution – differentiating itself and its approach from other foundations and developing a distinctive perspective. This is reflected in the rationales each foundation offers for its choice of policy area(s) and its theory of change as revealed by its strategy

and tactics. Despite the inherent independence of each foundation and its determination to fashion a distinctive approach to addressing the problems of student achievement, certain patterns or central tendencies emerge among these foundations in their approaches to education policy. On the whole, and with a few notable exceptions, education foundations tend to focus their attention on the policy domains of professional development and school governance, limit their engagement to early stages in the policy process, and for the most part select state and school district venues for their policy work.

In their choice of policy domain, foundations tend to gravitate toward professional development and school governance and management. These domains are most directly associated with changing what happens in the classroom either through instructional quality or the decisions surrounding the classroom by principals and school boards. Many of the foundations in this study presume, at least implicitly, that changing the minds of sufficient quantities of key people, whether through advocacy, professional development, or demonstration projects, leads to changes in organizational behavior. In addition, efforts in these two domains are played out by a substantial majority of the foundations at "mid-levels" of policy engagement, usually a small number of state and/or district education agencies. This selective "mid-level" policy focus reflects foundation assessments of where a majority of the policy decisions affecting classroom practice are made. It also reflects what is feasible for foundations given their resource constraints.

This nexus between policy domain and strategy and tactics leads foundations to play the "investor" role in the policymaking process, presuming that new practices brought about through targeted professional development will ultimately yield new policies. There are, however, a small number of foundations that believe the ultimate focus should be on the policymakers, and thus place greater emphasis on the policy adoption and implementation stages. These foundations tend to adopt a more entrepreneurial approach to policy engagement and are inclined to work more directly with legislators and policymakers.

For the most part, the foundations tend to try to engage the policy process at the early stages of the policy process (problem definition and agenda setting), reflecting the general tendency of foundations that are involved in public policy work beyond education. These early stages reflect a perhaps necessary preoccupation with securing sufficient understanding and agreement among a large enough numbers of stakeholders regarding the nature of problems and appropriate education solutions. Without sufficiently shared understanding about both, policy change is not feasible. Again, a small proportion of foundations are comfortable focusing on later stages of the policy process in large part because they have consciously sought potentially "winnable" issues and policy venues. This is not, however, characteristic of most.

The challenge to articulate and act upon a model of change reflects the three-decade policy shift from compliance to student academic performance in K-12 education. This evolution in focus has pulled along with it greater attention not only to student outcomes, but also has highlighted the difficulty in reaching consensus about the relative importance of the many factors that contribute to student outcomes. In effect, foundations believe

that it is possible for schools to close the achievement gap, but they also understand that many extra-school factors have a major influence on that achievement gap. Recent efforts to increase accountability have led many foundations to develop tools to measure the outcomes of their grantmaking. These tools are often appropriate for determining impact when grants are made to specific programs where outcomes are measurable and where the causal link between program and outcome is obvious (*e.g.*, a program designed to increase student attendance that measures increases in attendance as its primary outcome). However, increased foundation interest in student academic performance, coupled with increased interest in program impacts, has led foundations to support programs that might improve student achievement, even when those programs address only a fraction of the influences on student learning.

The choices of foundations we studied for the most part mirror the local, decentralized nature of public schooling in the U.S. They are characterized by a wide variety of interests, played out in different combinations of policy domains, policy levels, and stages of the policy-making process, each developing a rationale for its unique approach to improvement. Like U.S. schools, foundations seeking to improve schooling outcomes do not constitute a monolith. Each is betting on its own approach. Yet, foundations as a whole tend to be focused on direct approaches to changing educator behavior in a subset of schools, presuming or hoping that these changes will pay off in improved practices first, then improved levels of student achievement, and then changes in policy which will institutionalize these improved practices.