Strategic Grantmaker Collaboration for Big Impact

Texas Education Grantmakers Advocacy Consortium

Annual Report | 2014
Dear Grantmakers,

The past year has been marked by pivotal changes for the Texas Education Grantmakers Advocacy Consortium (TEGAC). Our success is the result of strategic investments, effective collaboration and a shared desire to deepen our impact on improving public education in our state.

The Consortium had a big year for membership. We now have 27 foundation partners representing almost every part of Texas, a truly historic partnership! Moreover, interest in replicating the Consortium is growing outside of Texas. In 2014, we met with national organizations, including the Foundation Center, the Independent Sector, Exponent Philanthropy, and Alliance for Justice, who described the Consortium as “a model for research-based advocacy.”

2014 was also an important year because our members recognize the importance of the interim period between Texas legislative sessions. In many ways, the most important aspect of our work happens during the 18 months between legislative sessions. The Consortium formed three policy work groups based on grantmaker feedback: (1) Pre-kindergarten Access and Quality, (2) Effective Implementation of House Bill 5, and (3) Access to and Quality of Expanded Learning Opportunities. We then successfully raised $80,000 in grant funds to implement research projects around these work group issues. Combined with additional support from our partners, our research budget totaled $180,000. The final research reports, which were released in the fall 2014, provide objective data to help inform recommendations on best practices and policies moving into the next legislative session.

To ensure the Consortium’s investment in research was widely available and distributed, policy work group members decided to support non-traditional voices to disseminate the findings. Together, Consortium members contributed $110,000 to six nonprofit organizations with demonstrated experience and capacity to engage diverse audiences in at least one of the three education issues. While these efforts are ongoing, the research has already garnered considerable attention.

In a short time the Consortium has become a trusted partner among legislators, policymakers, and state agency staff. Our objective and outcomes-focused work is appreciated. In 2014 we accomplished our goal of providing critically needed research at the right time to the right people.

This report highlights the Consortium’s activities in 2014, as well as our plans for 2015. We could not do this work without the support of each of our members. A big thanks to our members for your investments in the Consortium and in the future of Texas. United across communities and hundreds of miles, the members of the Consortium are proving that education grantmakers working together can change Texas. Alone we are just one, but together there is incredible potential for major impact in 2015 and beyond.

Thank you for your continued support,

Jennifer Esterline
Project Founder, TEGAC
The Consortium’s Leadership Committee plays a critical role in shaping and guiding the future strategy of TEGAC.

Members of the Leadership Committee participate in quarterly conference call meetings, plan and participate in the Texas Education Grantmakers Advocacy Day at the Capitol during legislative sessions every odd year, and contribute expertise and ideas to the current and future work of TEGAC. Furthermore, because the Consortium does not have a formal board, the Leadership Committee handles many of the responsibilities normally managed by a board of directors. The following members serve on the Leadership Committee:

- Amanda Cloud, Senior Program Officer, Simmons Foundation (Houston)
- Bruce Esterline, Vice President for Grants, Meadows Foundation (Dallas)
- Charles Glover, Program Officer, Meadows Foundation (Dallas)
- Sandie Palomo-Gonzalez, Director of Education and Strengthening Nonprofits, San Antonio Area Foundation (San Antonio)
- Jami Hampton, Senior Program Officer, RGK Foundation (Austin)
- Janet Harman, President and Founder, KDK-Harman Foundation (Austin)
- Linda McDavitt, President, Genevieve and Ward Orsinger Foundation (San Antonio)
- Melanie Moore, Executive Director, KDK-Harman Foundation (Austin)
- Victoria Rico, President and Trustee, George W Brackenridge Foundation (San Antonio)
- Adrianna Cuellar Rojas, President and CEO, United Ways of Texas (Austin)
- Beau Ross, President and Founder, Kathryn and Beau Ross Foundation (Austin)
- Caroline Sabin, Executive Director, Powell Foundation (Houston)
- Eugene Sepulveda, Trustee, KDK-Harman Foundation/CEO, Entrepreneurs Foundation of Central Texas (Austin)
- Mark Williams, Trustee, KDK-Harman Foundation (Austin)
- Katherine Wright, Trustee, Wright Family Foundation (Austin)
TEGAC Mission and Rationale

The Texas Education Grantmakers Advocacy Consortium is a geographically and politically diverse Consortium of private, corporate, and community foundations working together to promote, protect and improve public education in Texas.

TEGAC History and Rationale

Philanthropy has always been a critical partner to the State of Texas. Foundation grants provide seed funding for innovation and quality improvement in our communities. Some of the most exciting things in public education have come about as a result of the state and foundations working together. Cuts to Texas public schools made during the 2011 Texas Legislative Session totaled nearly $5.4 billion with a $4 billion cut to the Foundation School Program and a $1.4 billion cut to “discretionary grants.” These discretionary grant dollars are often used by school districts to leverage private and foundation dollars on to school campuses. These large cuts to the state budget in 2011 weakened, and in some cases, eliminated many of these public-private partnerships.

At the same time, demand for scarce foundation dollars continues to rise as community groups see their revenues eliminated from school district budgets. Increasingly, public and private dollars are now targeted toward propping up basic educational services, instead of seeding innovation and research and development. At the same time, nonprofits—also reeling from cuts—are placing increasing demands on private philanthropy.

In 2011, the KDK-Harman Foundation surveyed over 60 Texas foundations to assess awareness of and response to the state’s cuts to public education, as well as grantmakers’ experience and interest in making grants toward education policy and advocacy. Not surprisingly, education grantmakers across Texas had been paying careful attention to the state’s budget debate and were deeply concerned about its impact.

The KDK-Harman survey went deeper and also asked foundations about their participation in and funding of advocacy-related activities. More than half of respondents reported that their foundations were indeed participating in advocacy – either through direct grantmaking or staff and trustee engagement with policymakers, and in some cases, both. They also expressed a strong interest in better understanding the role of private grantmakers in education policy and advocacy.

The 2011 survey found that foundations care about the budget but overwhelmingly are not making advocacy grants or using their staff and trustees to directly engage policymakers. This paradox can be explained, in part, by the fact that even though private foundations are allowed
to participate in the advocacy arena, many foundation trustees and staff are still unfamiliar with the IRS regulations and, therefore, do not engage in advocacy. In fact, there are many types of non-lobbying advocacy in which private foundations may legally participate.

In response to these cuts and the survey findings, a geographically and politically diverse consortium of foundations joined together to promote, protect and improve public education in 2012. The Consortium was designed to be a forum and serve as a focal point for organizing philanthropic efforts. By creating a consortium of funders focused on public education policy and advocacy, Texas grantmakers can pool their resources to increase impact on public policy. Not only will dollars go farther, but donors and trustees will have the strength of numbers. Aggregation includes money, knowledge, and relationships, and the Consortium model maximizes all of these.

The Consortium brings together the state’s most innovative and forward-thinking philanthropists. The focus of the effort is to protect the investments of education grantmakers by ensuring the long-term viability of public/private partnerships between foundations and the State of Texas. The Consortium also focuses on ensuring that legislators consider education grantmakers to be a resource to policymakers around education policy, informing policymakers about what works in public education to ensure every child has access to a quality education.

There is no wrong way for education grantmakers to engage in advocacy, only the manner most comfortable and productive for their trustees. Based upon its survey of education grantmakers, conversations with numerous foundation trustees and staff, and extensive research, the Consortium has created an approach that has a place for every Texas grantmaker, regardless of experience in advocacy and public policy.

In crafting its approach to facilitate philanthropic involvement in education policy, the Consortium created a clear and concise strategy for combining the resources and talents of education grantmakers in Texas. Since its inception, the work of the Consortium has included:

**STRATEGY 1:** Provide Objective Data on the Impact of Budget Cuts

**STRATEGY 2:** Mobilize Foundation Trustees beyond Direct Grantmaking

**STRATEGY 3:** Make Grants with an Emphasis on Public Awareness and Outreach

Philanthropists are welcome in policy debates. Policymakers want to hear from philanthropy – particularly from the benefactors and trustees of foundations. Foundation leaders working to make grants in the field of public education should consider themselves to be a resource for Texas policymakers. It is our responsibility as funders who know what works in public schools to speak up as advocates and thought leaders in public education.
All members listed below have contributed a minimum of $5,000/annually and are eligible to serve on the Consortium Leadership Committee.

KDK-Harman Foundation (Austin)
The Meadows Foundation (Dallas)
Powell Foundation (Houston)
The Kathryn and Beau Ross Charitable Fund (Austin)
San Antonio Area Foundation (San Antonio)
Wright Family Foundation (Austin)
The Dallas Foundation (Dallas)
Webber Family Foundation (Austin)
Andy Roddick Foundation (Austin)
Rainwater Charitable Foundation (Fort Worth)
United Way of Metropolitan Dallas (Dallas)
Austin Community Foundation (Austin)
Educate Texas/Communities Foundation of Texas (Dallas)
MR and Evelyn Hudson Foundation (Dallas)

Genevieve and Ward Orsinger Foundation (San Antonio)
George W. Brackenridge Foundation (San Antonio)
Simmons Foundation (Houston)
Trull Foundation (Palacios)
Still Water Foundation (Austin)
RGK Foundation (Austin)
Tapestry Foundation (Austin)
Sid Richardson Foundation (Ft. Worth)
Amarillo Area Foundation (Amarillo)
Bernard and Audre Rapoport Foundation (Waco)
United Ways of Texas (Austin)
Entrepreneurs Foundation of Central Texas (Austin)
The Harold Simmons Foundation (Dallas)

Foundations that are part of the Consortium represent all parts of the state and range in size from small private family foundations to large community foundations in major cities.

*Blue dots represent member cities.*
What Are The Benefits Of Membership?

Foundations that join the Consortium receive:

- Weekly legislative and policy updates during the legislative session; quarterly updates during interim period
- On-going training on the legal parameters of foundation and nonprofit advocacy
- Participation in the Texas Education Grantmakers Advocacy Day at the Capitol in February 2013 and 2015
- Participation in a variety of policy work groups during the 2013-2014 Interim Period leading up to the 2015 Legislative Session
- Participation in various other learning opportunities on public education policy issues during the interim and during legislative sessions
- Media related exposure (if desired)

Additionally, members can self-elect to be involved in developing the Consortium's strategy by participating in the TEGAC Leadership Committee.
"I believe that you are creating and modeling an incredibly powerful approach to engaging private foundation benefactors and trustees and empowering them to do what foundations are poised to do in our nation - bring their concerns to the policy table and be part of the essential process of educating lawmakers."
Andy Carroll, Policy Director of Exponent Philanthropy, regarding the TEGAC model.

**Foundation becomes a Work Group Funder**
(For Example: Support for Pre-Kindergarten Advocacy)

↓

**Participating foundations determine focus**
(Selection of Specific Public Education Policy to Be Addressed)

↓

**Evidence-based policy recommendations produced**
(Contract with Credible Academic or Other to Conduct or Compile Objective Research)

↓

**Foundations select diverse partners to promote policy recommendations**
(Research Dissemination Mini-Grants)

↓

**Texas Legislature and policymakers respond to revenue neutral proposals**

↓

**School districts implement new statutes**

Maybe the two most important questions in public policy and in grantmaking are, “What works?” and “How do we know?” Philanthropic investment in finding answers to those questions fills a gap that often exists in the public sector. The result can help bridge partisan differences and lead to important policy innovations.

The first collaborative project that the Consortium embarked upon was the desire to undertake an objective and thorough exploration of how $5.4 billion in cuts to public education impacted Texas schools and students. Founding member foundations from across Texas pooled their funds to commission a year-long, mixed-methods statewide study to objectively assess how budget reductions impacted public schools – for better or for worse. The research found that, although they were able to find some cost savings, districts were still forced to cut some of the very evidence-based practices that have been proven to work to improve student outcomes. Many of these best practices originated in successful public/private partnerships between the state and philanthropy. This research remains the only objective source of data on the impact of the budget cuts anywhere in the state.

In 2013, as part of its ongoing effort to provide objective and non-partisan data on public education in Texas, members of the Consortium traveled across the state discussing public education policy issues with over 80 grantmakers. In 2014 the Consortium then formed “Policy Work Groups” based on these discussions by identifying the three issues most often cited as important to Texas foundations: Pre-kindergarten Access and Quality, Effective Implementation of House Bill 5, and Access to and Quality of Expanded Learning Opportunities.

Once the policy work groups were formed, the Consortium successfully raised $80,000 in grant funds to implement research projects around the three policy work group issues. Combined with additional support from our partners, the project’s research budget totaled $180,000. The Consortium selected Texas-based and Texas-credible research organizations to conduct its policy work group research initiatives. The details of this research are outlined below.

Pre-kindergarten Access and Quality: Early education is an important issue to Texas philanthropists. According to a June 2014 Consortium member survey, members invest about $7.3 million a year in grants to early education. The Consortium commissioned CHILDREN AT RISK to: (1) assess current access to public pre-kindergarten programs in Texas to provide a better picture of the state of pre-kindergarten programs in our
state, (2) research policies in other states that promote high access to quality pre-kindergarten programs, and (3) conduct qualitative research and provide case studies on select districts that go beyond state mandates to identify successful implementation, funding, and partnership strategies to increase participation. The report, *The State of Pre-K: Realities and Opportunities in Texas*, serves as a tool kit for districts and provides legislators with examples of policies that promote high quality pre-k.

**Effective Implementation of House Bill 5:** College readiness and post-secondary access are major issues of concern for funders in Texas. The Consortium’s survey showed members provide more than $6.8 million annually in grants to ensure students are college ready and that they have access to post-secondary education, particularly low-income, first-generation college students. The changes to the educational requirements for graduation made by HB 5 has put increasing demands on counseling staff who guide students on decisions about courses and graduation plans. Accordingly, the Consortium commissioned the Ray Marshall Center for the Study of Human Resources at the LBJ School of Public Affairs at the University of Texas at Austin to conduct a study on the historical patterns of supply and demand between students and counselors across Texas since the year 2000. The final report, *Texas School Counselor Study: Exploring the Supply, Demand, and Evolving Roles of School Counselors*, provides information on the changes in supply and demand for counseling staff, projections of the supply of students and the demand for counselors for the next five years, and examples of non-traditional graduation counseling efforts using community-based organizations and/or technological innovations that could build capacity for counseling services.

**Access to and Quality of Expanded Learning Opportunities:** The Consortium’s survey also revealed that out-of-school Time (OST) is an important issue to our members, who invest more than $7.6 million in grants annually across the state. Many schools and districts that provide out-of-school time programs have decreased or eliminated these programs due to budget restraints, making it increasingly difficult for working parents to find childcare for their school-age children and threatening worker productivity. As such, the Consortium partnered with The George H.W. Bush School for Government and Public Service at Texas A&M University to survey businesses across Texas to determine employer attitudes about out-of-school time and their strategies for assisting their employees. This exploratory study supports the work of the Expanded Learning Opportunities Council by assessing corporate leaders’ awareness and attitudes of the out-of-school time challenge, as well as identifying the kinds of incentives that would motivate corporate support for innovative programming to address out-of-school time statewide. The comprehensive report, *Employer Strategies for Supporting Out of School Time Programming in Texas: Incentives for Action, Opportunities for Collaboration*, highlights high-functioning business models and unearths best practices among human resource managers currently at the cutting edge of preventing productivity loss during OST.
Freeing Research from the Confines of the Three-Ring Binder: TEGAC Advocacy Partners

Most research never makes it out of its three-ring binder prison. So in order to ensure that the Consortium’s investment in research was widely available and distributed, policy work group members decided to support non-traditional voices to disseminate the research findings. Together, Consortium members have contributed $110,000 toward this effort.

In the spring, the Consortium’s policy work groups released a Request for Proposals to identify advocacy partners well-positioned to disseminate the objective data gathered by our policy work groups. Not only did more than 30 nonprofit organizations from around the state and country apply, but the overwhelming majority of these proposals came from “non-traditional” voices. The Consortium made six grants totaling $110,000. These grantees include:

- Children At Risk
- Council for a Strong America
- E3 Alliance
- Greater Austin Chamber of Commerce
- Pastors for Texas Children
- Texas Partnership for Out of School Time (TXPOST)

In 2014, these grantees held numerous targeted advocacy events, scheduled meetings with key legislators, and reached out to local media to promote the Consortium’s research findings. In 2015, these partners will continue to disseminate the Consortium’s research through op-eds, social media, public presentations, and events.

“Public education is a key component of the common good and the social contract. It ensures the widespread distribution our economic wealth, and its institutions are at the center of our local economies.”

Rev. Charles Foster Johnson, Executive Director, Pastors for Texas Children
2015 Policy Recommendations

In preparation for the 2015 Legislative session and in partnership with the Bush School at Texas A&M University, the Ray Marshall Center for the Study of Human Resources at the University of Texas at Austin, and Children at Risk, the Consortium provides the following policy recommendations:

Pre-Kindergarten Policy Recommendations:
- Ensure transparency of prekindergarten assessments and program quality by increasing data available to taxpayers, parents, educators and policy makers about pre-kindergarten programs.
- Expand funding to school districts that limit staff-to-student ratios by requiring new funding for pre-kindergarten to be contingent upon the implementation of a staff-to-student ratio of 1:10.
- Create incentives for school districts to offer full-day pre-kindergarten by providing additional funding through the school funding formula or by establishing a sustainable grant program for districts wishing to expand to full-day.

House Bill 5 Implementation Policy Recommendations:
- Reduce time spent on administration of standardized tests to increase the time counselors have to perform the work they were hired to do.
- Provide counseling technology capacity building grants to allow high schools to partner with colleges, universities, and private vendors to develop and implement the technological tools to improve counseling efficiency.
- Enhance current data collection systems to ensure that House Bill 5 can be appropriately evaluated.
- Provide funding to school districts to increase the number of their counselors, to provide funding credit to colleges and universities who provide on-site college and career preparation services to non-dual credit high school students, and to take Advise Texas to scale.
- Specifically encourage school districts to create an 8th to 9th grade counselor position for each middle school to serve as a coordinator for graduating 8th grade students.
- Assist counselors to understand and use existing tools to evaluate local labor market demand.
- Encourage connections between local workforce development boards and high school campuses.
Engaging Businesses around Out of School Time Policy Recommendations:

- Establish regional or statewide coordinators to: (1) build a database of best practice models; (2) disseminate information and education about programs to working parents and companies; (3) lead the program evaluation process; (4) build new networks of stakeholders through provision of networking events across local communities and regions.

- Establish a statewide grant competition to incentivize cross-sector collaborations between a broader range of private and public stakeholders, to support innovative afterschool or summer programming.

- Create a workforce award (e.g. through Workforce Commission) for those companies leading in implementation of most family-friendly workforce/workplace policies.
# TEGAC 2014 Budget to Actual

<table>
<thead>
<tr>
<th></th>
<th>Estimated 2014</th>
<th>Actual 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TEGAC Membership Fee ($5,000 X 25 members)</td>
<td>$100,000</td>
<td>$139,590</td>
</tr>
<tr>
<td>Operating Grants for TEGAC Infrastructure</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$150,000</td>
<td>$189,590</td>
</tr>
<tr>
<td><strong>Personnel Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Consultant</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Advocacy Consultant</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Administrative</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Accounting</td>
<td>$0</td>
<td>$500</td>
</tr>
<tr>
<td>Professional Development (trainings)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Foundation Conferences (membership dev)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>ACF Admin Fees</td>
<td>$0</td>
<td>$4,784</td>
</tr>
<tr>
<td><strong>Project Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convening and Advocacy Day costs (food, venues, AV equipment rental, etc)</td>
<td>$9,000</td>
<td>$4,570</td>
</tr>
<tr>
<td>Printing and office supplies</td>
<td>$500</td>
<td>$1,214</td>
</tr>
<tr>
<td>IT (website design and maintenance)</td>
<td>$1,500</td>
<td>$1,349</td>
</tr>
<tr>
<td>Statewide Travel (mileage, flights, lodging, meals)</td>
<td>$7,000</td>
<td>$7,965</td>
</tr>
<tr>
<td>Office Space, Furniture Rental and Bills</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$150,000</td>
<td>$152,382</td>
</tr>
</tbody>
</table>
2015 will be another critical year for the Consortium. As a legislative session year, members of the Consortium will be focused on taking what was gleaned from the research during the Interim to policymakers to help inform policy making at the state level. Two of TEGAC’s three policy priority areas, Pre-K and implementation of House Bill 5, have already proven to be two of the biggest education issues moving into the 84th Legislative Session. The work of the Policy Work groups on both of these issues will continue to provide objective data for use by policymakers as they form recommendations on crucial education issues.

In addition, the Consortium will take its research on the road, traveling across the state to educate grantmakers on critical public education policy issues and to discuss the local impact of statewide public education legislation on communities across the state. These meetings will provide foundation leaders an opportunity to explore the local impact of public education legislation once the 2015 Texas Legislative Session is over. In all of the Consortium’s interactions at the Capitol and across the state, we share ideas, information and solicit feedback from foundation leaders, policymakers and advocates for public education to ensure the Consortium’s priorities represent the concerns of the larger education community.

Furthermore, the Consortium will host various events throughout the year to provide foundations an opportunity to be involved. In February, the Consortium will host the biggest event, the 3rd Texas Education Grantmakers Advocacy Convening at the Texas Capitol. This event brings together hundreds of foundation representatives in Austin to discuss current public education topics, specifically as they relate to public education policy, during the legislative session. This event constitutes the largest gathering of private philanthropy at the Texas Capitol in the history of the state on any public policy issue. With every new legislative session, these events grow in size and importance.

Lastly, our six advocacy partners will continue to disseminate the research findings by participating in advocacy events throughout the state. Each of our partners is poised to host multiple events for varied audiences throughout 2015, thus fulfilling the Consortium’s goal of ensuring the dissemination of objective, politically-balanced public education policy research.

Thank you for taking the time to read our annual report. We hope you are encouraged by the work of the Texas Education Grantmakers Advocacy Consortium in 2014, and look forward to sharing the successes of 2015 with you in the coming year.

To find out more about the Texas Education Grantmakers Advocacy Consortium, visit www.tegac.org or contact jennifermesterline@gmail.com.