

# Case Study No. 13

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

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## **Joining Forces:** How the Texas Education Grantmakers Advocacy Consortium is Engaging Funders in Education Policy

Lynn Jenkins and Dianne Johnson

APRIL 2016

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

Discipline & Focus	Knowledge	Resources Linked to Results	Effective Grantees	Engaged Partners	Leverage, influence & Collaboration	Persistence	Innovation & Constant Learning
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Grantmakers for Education's mission is to strengthen philanthropy's capacity to improve educational outcomes for all learners. We achieve this mission by:

1. Sharing successful strategies, effective practices and lessons that exemplify responsive and responsible grantmaking in education.
2. Creating venues for funders to build and share knowledge, debate strategies, develop leadership, collaborate and advocate for change.
3. Gathering and interpreting data to illustrate trends, highlight innovative or proven educational approaches and support informed grantmaking.

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grantmakers<sup>for</sup>education 

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As 2015 came to an end, education funders in Texas were reflecting not only on the results of their grantmaking over the past year but also on what the state legislature had (and had not) accomplished during its most recent session. Lawmakers had passed a major pre-kindergarten bill, for example, as well as bills aimed at helping students meet new graduation requirements and better aligning high school to post-secondary education and the workforce. While the new laws were far from perfect, progress was progress.

Thirty-four Texas funders felt a particular sense of satisfaction because they had helped shape some of the new policies through their involvement in a collaborative effort called the Texas Education Grantmakers Consortium (TEGAC). These funders varied widely in terms of their political outlook, type, assets, and areas of focus. Some were among the state's oldest and largest foundations, while others were young and entrepreneurial. Most had never been involved in advocacy before, while others were more experienced at navigating the world of politics. But despite their differences, they had some important things in common. They believed in the importance of collaboration. They knew that the magnitude of their grantmaking paled in comparison to the size of the state budget. They recognized that state policy could make or break their philanthropic investments. And they believed that lawmakers needed better information to guide their policymaking.

By the end of 2015, the TEGAC members had been working together for six years and three successive legislative sessions, and as a result of the quality and relevance of their work—and who they were—their influence was growing. Even so, the funders knew that hard times were ahead. More budget cuts were looming as a result of the declining price of oil, and on top of that, the politics of public education remained polarized. How should TEGAC respond to these challenges? And what did the members need to do to sustain TEGAC over the long term? These and other questions were on the funders' minds as they looked ahead to the coming year.

## **A BELIEF IN COLLABORATION**

Although TEGAC coalesced in 2011, it grew out of collaborative work that began years earlier. When Janet Harman established the KDK-Harman Foundation in 2004, she knew she wanted it to focus on expanding educational opportunities for economically disadvantaged families. She also knew that the efforts of a small foundation like hers would have more impact if they were aligned with the efforts of other philanthropists in the Austin area. And so, in 2008, Harman co-founded a group called the Central Texas Education Funders (CTEF), bringing more than 60 small Austin-area foundations together to learn from each other and explore ways to collaborate. Initially Harman hoped that the CTEF members would pool resources and make joint grants, but this never came to fruition. “The group was mostly interested in peer-to-peer learning,” she said.<sup>1</sup>

Jennifer Esterline, KDK-Harman's executive director at the time,<sup>2</sup> shared Harman's belief in working collectively to address complex problems. So did her father, Bruce Esterline, a senior officer at the Meadows Foundation in Dallas, one of the state's largest philanthropies. Over the past three decades, he had seen a major shift in the foundation world:

*Until about 15 to 20 years ago, the Dallas-area foundations didn't make much of an effort to work together. We had some informal contacts, but deliberate coordination and collaboration didn't exist much. The general sense was that foundations had their own founders, culture, interests, so it was more respectful to let everybody work on their own. The guiding hand of the free market. But then we began to see little expressions that things were changing, with a few foundations working together on a project here or there. Then more foundations and bigger projects—we were involved in some of those. And with that, there was a new zeitgeist around working together.<sup>3</sup>*

Bruce Esterline and his colleague Mary Jalonick at The Dallas Foundation had been instrumental, in fact, in bringing together more than 30 foundations in the Dallas-Fort Worth area to collaborate on an early childhood initiative called Zero to Five. Jalonick herself was a firm believer in the power of collaboration. “All of us together can do more than any individual foundation can,” she said.<sup>4</sup>

## **“WE CAN'T DO THIS ALONE”**

In the spring of 2011, a catalytic event occurred in Texas that made even the most independent funders contemplate the need for joint action. Soon after the legislature began its biennial session,<sup>5</sup> lawmakers were informed that Texas was facing a \$27 billion revenue shortfall as a result of the recession, and unless taxes were raised or funds were pulled from the state's rainy day fund, most areas of government would be severely cut.<sup>6</sup> The final budget agreement, reached in May, slashed \$5.4 billion from public education alone.<sup>7</sup>

Over the following months, Harman and other foundation leaders across Texas watched nonprofits they had invested in for years, along with cities, counties, and school districts, cut programs and struggle to fill their funding gaps. At the same time they were receiving more grant requests to fill holes left by the state budget cuts, the foundations were also experiencing a steep drop in their endowments due to the economic downturn. In an August 2011 article, Jennifer Esterline expressed the frustration that many funders were feeling:

*Whereas philanthropy's role has historically been one of seed funder and innovator for smart ideas in public education, we are now being asked to step out of that role and into one that provides basic education funding to keep buildings open, buses running, and after-school programs available to students who need them—a role that the state has traditionally filled. . . . Public-private partnerships between the government and private philanthropy are crucial to provide much-needed research and development in education and scale effective programs to reach more students, but we can't do this alone.<sup>8</sup>*

## **WHY NOT TRY?**

One day, Harman, Esterline,<sup>9</sup> and a few other grantmaking colleagues were sitting around the table at the foundation discussing the crisis and what to do about it. Someone asked, why not try to get foundations together to advocate for restoring funding? The idea was sparked by the KDK-Harman Foundation's involvement in a national program called Foundations on the Hill that brought grantmakers to Washington, D.C., every spring to meet with members of Congress.

It was also inspired by a presentation that Esterline and Harman had heard years earlier by an Austin-based advocacy consultant and lobbyist named Jason Sabo. When he had explained how foundations could and should be more involved in advocacy, they realized that foundations like KDK-Harman were missing out on a valuable opportunity to multiply their impact. "There seemed to be a great need to translate what was happening in the Capitol to the work we were doing and vice versa," Esterline said.

The KDK-Harman Foundation hired Sabo as a consultant to help guide the development of a new strategic plan that included a focus on advocacy. Then, to translate the plan into action, the foundation board and staff began brainstorming ideas for how to bring Texas funders together to learn about advocacy and pursue shared objectives related to the budget crisis. Out of these conversations evolved plans for a new program that the foundation decided to call the Texas Education Grantmakers Advocacy Consortium (TEGAC).

To inform their work in assembling this new collaborative, the KDK-Harman Foundation surveyed foundations across the state to gather information about their grantmaking priorities and assess their level of interest and involvement in advocacy. The results showed that most funders were worried about the budget cuts but few were engaging with policymakers around these concerns (see Attachment D).<sup>10</sup>

Esterline then began reaching out to colleagues in the Austin area and beyond to explain not only how foundations could engage in advocacy (see Attachment E) but also why it was more important than ever for them to do so.<sup>11</sup> As she visited philanthropists all over the state, she was constantly reminded how different they all were. As one foundation leader quipped, "about the only thing we all have in common is our 501(c)(3) status." Esterline valued and respected these differences. "Our goal was not to try to change them," she said. "It was to meet them where they were and encourage them to get interested in connecting their locally focused work with larger statewide education policy conversations."<sup>12</sup>

## **DECIDING WHERE TO BEGIN**

In late 2011, the KDK-Harman Foundation and CTEF invited a group of foundation leaders who had expressed interest in being involved in the advocacy consortium to come to Austin for an initial meeting to try to develop a set of shared goals for the interim session leading up to the 2013 biennium. As an example of what they could do, Sabo told the group about the RGK Foundation's work on child obesity. In 2010, the RGK trustees had hired Sabo and commissioned a leading researcher to conduct a study on obesity among Texas middle schoolers, highlight best practices in physical education, and develop a set of policy

recommendations that were then communicated to legislators.<sup>13</sup> As a result, Sabo said, better policies were developed, and the foundation's impact was much greater than it had been through grantmaking alone.

The attendees agreed that what Texas policymakers needed most was objective, nonpartisan research on the impact of the budget cuts on school districts and nonprofits across the state. As Harman put it, "Legislators are always hungry for high-quality research; they are pressed for time, and their staff are overworked. So we thought it would be best to start with research on an issue that had the most consensus—the budget cuts—because everybody was upset about that."

After the meeting, the KDK-Harman Foundation developed a scope of work for the research and solicited estimates, ultimately choosing a Houston-based advocacy organization called Children At Risk, in partnership with the University of Chicago, for the project. They had a strong reputation in Texas for high-quality, nonpartisan research and advocacy, and Sabo had seen their work first-hand as he had been engaged in consulting and lobbying work for Children At Risk on various policy issues.

Phase 1 of Children At Risk's budget impact study for TEGAC—an analysis of how the budget cuts were affecting a sample of 100 school districts across the state—would cost \$100,000, and the KDK-Harman Foundation and Kathryn and Beau Ross Foundation agreed to split the bill. Esterline would need to raise another \$230,000 over the next year to fund Phase II of the study, a more extensive analysis of the impact of the cuts on school districts and nonprofits.

Meanwhile, Sabo and the staff and board of the KDK-Harman Foundation were finalizing the business plan for TEGAC to provide a road map for its work. The plan reiterated why funders needed to be involved in advocacy: "It is our responsibility as experts in understanding what works in the field of public education to speak up as advocates and thought leaders in the public education space."<sup>14</sup> Yet it also stressed that this was not a one-size-fits-all proposition:

*There is no wrong way for education grantmakers to engage in advocacy, only the manner most comfortable and productive for their trustees. Some foundations may only be interested in advocacy efforts like research that informs best practices in public education. Others may be interested in funding more aggressive and overtly political strategies. Based upon its survey of education grantmakers, conversations with foundation trustees and staff, and extensive research, the KDK-Harman Foundation has created an approach that has a place for every Texas grantmaker, regardless of experience in advocacy and public policy.*

The TEGAC business plan outlined a three-pronged strategy for the Consortium: provide objective data on the impact of the budget cuts, mobilize foundation trustees beyond direct grantmaking, and engage in public awareness and outreach. Member foundations could choose to be involved in these activities at a minimal level or much more extensively, as their leaders and trustees saw fit.



## “ALWAYS BET ON THE JOCKEY”

In the months that followed, the KDK-Harman Foundation held “road shows” in major cities across Texas to encourage funders to consider joining TEGAC and supporting the Children At Risk research.<sup>15</sup> The suggested contribution for becoming a TEGAC member was \$5,000, but funders were encouraged to vary their contribution based on the size of their endowment. The Austin Community Foundation was designated as the fiscal agent to receive and manage the pooled funds.

Those who became members of TEGAC would receive a variety of benefits, including access to the results of the budget impact studies, frequent legislative and policy updates, media-related exposure and logo placement on Consortium materials (if desired), training on the legal parameters of foundation advocacy, and participation in TEGAC’s annual Education Funders Day at the State Capitol. Members were also eligible to join the Advocacy Circle (later renamed the Leadership Committee), which functioned like an advisory board for the Consortium.<sup>16</sup> There were other benefits, too, not the least of which was the opportunity to learn from and network with other funders from all over the state.

Some foundation leaders—like RGK Foundation trustee M. Jordan Scott—were enthusiastic about supporting TEGAC’s efforts. As Scott explained:

*I grew up in the “foundations do not advocate” world, but I think we need to tear down that wall. Foundation leaders have an important role to play in policy. That’s not just because of our knowledge and business experience; it’s also because no matter how big our budget is, it’s a drop in the bucket compared to the state budget. I had also served on a board with Jennifer and seen her expertise and her drive. When you meet really special people like that, you want to support them, especially if your goals are aligned.<sup>17</sup>*

Caroline Sabin of the Powell Foundation, a Houston-based family foundation that was one of the first to join TEGAC, had many of the same reasons for joining. “As a long-time foundation leader once advised me, always bet on the jockey.” She added:

*We had already come to the realization that our foundation wasn’t getting enough traction with only providing programmatic support and that to have more local impact we needed to go to the state policy level. We were already supporting a couple of groups that focused on advocacy, so that made the decision to join TEGAC a little easier. It seemed like a good opportunity to learn from each other. It was a way to put our toe in the water. Even so, it was an act of faith, because there really wasn’t a clear road map at the beginning.<sup>18</sup>*

Not all foundation leaders felt this way, though. Many thought that it was too risky to become involved in policy or politics. Others were intrigued but did not want to sign on until the effort was further along and had proved itself. The Meadows Foundation, for example, did not join TEGAC initially. As Bruce Esterline later reflected:

*I thought it was a rather novel approach, but we watched from a distance at first. To be honest, I wasn't sure they could pull it off. Meadows is one of the largest foundations in the state, but I wasn't even sure we could do it. Jen had an excellent network of similar-sized foundations in central Texas that were already working together, and they were ready for the next step. But I knew that, for Meadows, it would be quite a departure for us to jump into the deep end of the policy pool like that... an Olympic-sized pool! So it was very helpful that the KDK-Harman Foundation was willing to try to show that it could be done.*

As a result of the trepidation, membership in TEGAC grew slowly at first. “At a snail’s pace,” Harman said. “It took a lot of conversations, and many said no. It didn’t pick up steam til later, when people realized that what we were doing wasn’t so scary.”

## **AN UNEXPECTED TRANSITION**

In the midst of this formative work, Jennifer Esterline broke the news to Harman that her husband’s job was being transferred to South Texas and her family would be moving. Esterline’s move posed a dilemma for Harman, but she realized that it also presented an opportunity to turn TEGAC into a separate entity. As she later reflected:

*Jennifer believed very strongly in the potential of bringing the foundation world and the advocacy world together—and she had a real talent for it. Aside from that, I thought other foundations would feel more empowered if it were separate rather than the “owner” foundation having primary influence. Besides, I wasn’t even sure TEGAC would live beyond the next legislative session. It was an experiment brought on by the budget crisis, and my feeling was, let’s just try this and see what happens.*

Thus, in mid-2012, TEGAC was spun off from the KDK-Harman Foundation and became a separate entity.<sup>19</sup> Esterline assumed the new title of project consultant, reporting to the Consortium members rather than to the KDK-Harman board, and Sabo assumed the role of advocacy consultant.

At the time of this transition, some members of the Leadership Committee wondered if the Consortium should become an independent 501(c)(3) organization or even a 501(c)(4). But most of the Leadership Committee members opposed these ideas, and so did Sabo. “If TEGAC went in the (c)(4) direction,” he said, “philanthropy would become an outside agitator just like every other outside agitator. To be credible and have influence, we felt it was important for the Consortium to be objective. TEGAC is not an organization. It’s a campaign.”<sup>20</sup>

## **ESCAPING THE THREE-RING BINDER PRISON**

In September 2012, TEGAC issued its first newsletter, brimming with information about what to expect during the upcoming legislative session, including the anticipated battles over vouchers, testing, and school

finance. The same month, Children At Risk released the results of its first study, *Doing More With Less: Public Education in a New Fiscal Reality*. Highlights included the following:

- 31 percent of the school districts surveyed had drawn from their fund balance to compensate for the budget cuts.
- Three times more districts requested a waiver from the state's K-4 classroom size cap of 22 students in the 2011-2012 school year than during the previous year.
- Many districts were unable to avoid teacher layoffs. Despite growing student enrollment, more than 10,000 teaching positions had been lost statewide, mostly through attrition.
- 15 percent of districts reported cutting pre-kindergarten programs.
- Many districts had adopted effective business practices, such as using cost containment strategies and achieving economies of scale, in an effort to make their operations leaner.

“Texas school districts have met the challenge of lost funding with perseverance and a dedication to protecting student learning,” the report concluded. “However, the cuts have challenged the capacity of many districts to fully meet their educational mandates while providing robust learning opportunities.”<sup>21</sup>

The next month, Children At Risk released the results of its second study, which examined how the state cuts had affected nonprofits. Fifty-five percent of those surveyed indicated that their operating budgets had decreased, and 62 percent said they were less able to deliver services to public school students. Many reported having reduced programs, staffing, or operating hours to compensate for the loss of funding.<sup>22</sup>

Sabo and Esterline were emphatic that the TEGAC research would not be confined to a “three-ring binder prison.” And so, soon after the Children At Risk studies were completed, the Consortium members made a grant to the *Texas Tribune*<sup>23</sup> to provide a searchable database that listed the amount of the funding decrease per district, along with details on which categories were cut and by how much. Sabo also worked with the members to develop talking points they could use to share the research findings with state leaders. As M. Jordan Scott of the RGK Foundation emphasized, “It isn’t as easy as getting good research and hoping something happens. You have to be able to be able to get it out there.”

## **BRINGING RESEARCH TO THE CAPITOL**

On February 27, a little over a month after the state's 2013 legislative session began, TEGAC held its second annual Texas Education Grantmakers Advocacy Day at the Capitol. When the event was first held in 2011, only about 30 or 40 people had attended. In 2013, more than 100 came to Austin. It was the largest gathering of private philanthropy that had ever taken place at the Texas Capitol on any public policy issue. Attendees met the new education commissioner, the chairs of the House and Senate education committees, top education officials, and other advocates. Then, many of them walked to the Capitol to meet individually with legislators to share the findings of the Children At Risk studies and outline their concerns.

For many of the TEGAC members, this was a powerful experience. On the one hand, it was thrilling to be in what Bruce Esterline called “the theater of action” and meet the political leaders who held sway over Texas education policy. But other aspects of the experience were surprising, too, and not in such a positive way. As Caroline Sabin of the Powell Foundation remembered, “When I called on representatives and their staff, I was struck by how young and inexperienced most of the staffers were, despite their being very bright. They had such an influence in the policymaking process but so little understanding of the issues! The need for what TEGAC was doing really hit me then.”

## A PARTIAL VICTORY

As the legislature wrapped up its work in 2013, it reached agreement on a budget that restored \$3.9 billion of what had been cut from the education budget in 2011. But many pointed out that it was not a complete victory. As Bob Sanborn (Children At Risk) and TEGAC members Caroline Sabin (Powell Foundation) and Linda May (Simmons Foundation) wrote in a *Houston Chronicle* editorial:

*Our legislators deserve commendation for acknowledging the funding crisis and finding common ground in restoration. . . . However, we are not even back to where we stood before the cuts—and with more than 150,000 new students enrolled in public schools. Nearly 60 percent of that student population is economically disadvantaged. The stakes are too high for the legislature to continually short public education. A budget that puts Texas at the forefront of education spending would mark a victory for students.<sup>24</sup>*

Nevertheless, the fact that some progress had been made was a relief. Consortium members were cautious not to claim too much credit, since so many others had also pushed for the budget restoration, but they believed that TEGAC had played an important role. “We changed the conversation,” Esterline said. “Our research was the only objective source of data on the impact of the budget cuts in the state. It was also powerful for legislators to hear directly from foundation leaders who weren’t there asking for money.”

The reports’ positive reception also provided affirmation for participating foundations and reassurance for those still on the fence. “We liked to joke that if TEGAC were even 1 percent responsible for the restoration of almost \$4 billion in cuts to schools, this was the highest return on investment our members would ever receive from a grant,” Sabo said.

## WHAT NEXT?

In the weeks after the 2013 Texas Legislature ended, local Consortium members hosted “Follow Up Friday” meetings across the state to talk about the results of the legislative session, summarize what the Consortium had accomplished, and gather input on which policy issues TEGAC should focus on next.

As they had in 2011, they also sent out a survey to foundation leaders statewide (including non-members) to gather updated information on their priorities and involvement in advocacy. The results showed that two-

thirds of foundation leaders believed that their grantmaking in public education was affected by the Texas Legislature, but a similar percentage indicated that less than 5 percent of their grant dollars were devoted to advocacy and public policy. When asked what issues they believed were most important to address, school finance, pre-kindergarten education, reducing high-stakes testing, and improved teacher evaluations were frequently mentioned.<sup>25</sup>

Based on this input, combined with Sabo's knowledge of the Capitol and which issues were likely to be most "ripe" in the next biennium, TEGAC members identified four areas of strong policy interest for the Consortium: pre-kindergarten, implementation of the state's new policy on high school graduation requirements (House Bill 5), expanded learning opportunities, and teacher quality. After further discussion among the members, the latter was removed from the list, leaving three to be addressed.

Deciding how many policy issues TEGAC should prioritize was the subject of some debate. Everyone agreed that it was important to focus, but exactly what did that mean? Some members of the Leadership Committee felt that it would be difficult to address three policy areas effectively, while others were less concerned. Jacob Fraire—former vice president of TG, one of TEGAC's corporate philanthropy members—noted that the decision reflected an underlying tension:

*It's the nature of any collaborative effort to want broad buy-in and support, and that often means addressing a broader range of issues. But because policy work is such a 'long play,' I think it's better to focus on no more than two issues at any given time. There lies the tension. Focusing on fewer issues raises the risk that some partners will say "Neither of those are my space." But you have to balance between trying to be inclusive so that you can build your membership versus being too inclusive and pursuing too many policy objectives and achieving none of them.*<sup>26</sup>

As it turned out, TEGAC's decision to prioritize pre-kindergarten was serendipitous. Some funders that had been observing the Consortium from the sidelines joined because this was one of their priorities, too. By mid-2013, the group had 17 members, and over the next five months, it grew to 23. Many of the members were smaller family foundations, but some of the state's larger family and community foundations also signed on (see Attachment B).

One was The Dallas Foundation, which had been a leader in the Zero to Five Funders Collaborative in the Dallas-Fort Worth area. As foundation president Mary Jalonick commented:

*Policy work isn't something that most foundations like ours ever think about doing, and if we do, it's around tax regulations. We didn't sign up in the first round because we didn't really understand it. But over time, I became more interested and pushed it for our board because I could see it as an enhancement to what we were doing, especially in early childhood education. I am helping my community by doing this. The Dallas Foundation is all about Dallas, but what happens in Austin affects Dallas.*

Another organization that decided to join was Raise Your Hand Texas (RYHT), a nonprofit founded by billionaire Charles Butt. Over the past few years, RYHT had become “a seasoned lobbying force” in Texas education policy,<sup>27</sup> influencing charter school legislation, fighting private school vouchers, and advocating high-quality pre-kindergarten programming, among other issues. Because RYHT was already extensively involved in policy work and had a 501(c)(4) arm that was active in political races, some wondered why it would join TEGAC, but chief executive David Anthony was clear about the reasons:

*Jason and Jennifer came to us and presented their business plan and their vision for using a collective impact model for philanthropy, and I thought it was a great idea. In many cases, philanthropy continues to support endeavors without follow up or a research base. It’s just the will of the board or administrators: “We like things we like.”*

*They explained how they were seeking funding to do research on key issues that they thought were on the horizon for the next session, including high-quality, full-day pre-kindergarten, which is near and dear to Charles [Butt]’s heart. Pre-k was high on our list of priorities too, and we wanted to know what they were finding in their research, so we invested at the recommended level. Raise Your Hand Texas doesn’t join groups. But we joined this one because we believe in what they are doing.<sup>28</sup>*

The fact that RHYT was already deeply involved in the political realm and had its own policy agenda made it different from most of the other TEGAC members. Anthony felt that Raise Your Hand’s involvement in the Consortium would therefore need to be different too. For one thing, it would play a more distant role in TEGAC’s work. For example, Anthony did not join the Leadership Committee, and when Consortium members went to meet with legislators, RYHT would not join them, since they were meeting with them as part of their own work.

“We didn’t want the perception that we were trying to use their collective force for our purposes,” Anthony said. “At the same time, we wanted to be sure that TEGAC wasn’t speaking for us. Jason and Jennifer speak on behalf of many different philanthropy groups, but we speak for ourselves.”

## **THE WORK GROUPS WORK**

In October 2013, TEGAC submitted interim charges<sup>29</sup> to the education committees of the Texas Legislature related to the three policy areas that it had prioritized for the upcoming session. The content of the charges was the result of months of conversations that Esterline and Sabo had been having with philanthropists from across the state. When the Lieutenant Governor’s released his final charges a few months later, TEGAC’s leaders were pleased to see that some of the content was aligned with theirs.

The main focus of the Consortium’s efforts during the interim would be three new work groups. As Esterline described in a fall newsletter to members, “The work groups are being created to give foundations that want to wade a little deeper into the education advocacy and policy waters the opportunity to understand how the policy process works, especially during the interim period.”<sup>30</sup>

Each work group would focus on one policy area, and TEGAC members were urged to support their work either as a “seed funder” (an investment of at least \$50,000) or “partner funder” (at least \$10,000).<sup>32</sup> The work groups would spend the next 12 months commissioning high-quality, objective research; developing “no-cost and non-controversial” policy recommendations; and supporting “effective, balanced” advocacy organizations to help communicate the recommendations to policymakers in preparation for the 2015 legislative session (see Attachment F for a diagram of the work group timeline).<sup>32</sup>

Initially, there was some uncertainty among the TEGAC members regarding decision making authority within the work groups. Should only that particular group’s funders get to have a say in its decisions? Or should any TEGAC member be allowed to vote? The Leadership Committee decided to adopt the latter approach so as to maximize input and buy-in.

Over the next several months, the three work groups moved forward with their assignments, meeting regularly with each other as well as with legislative staff to hear what was on their minds with respect to the specific policy areas. The pre-kindergarten work group coalesced quickly, with seven foundations joining as partners. The group chose Children At Risk<sup>33</sup> to survey all 1,100 school districts in Texas and interview leaders in districts with innovative programs to generate a research report detailing the most effective district strategies for delivering pre-kindergarten services, along with policy recommendations related to full-day programming, class sizes and ratios, and financing methods. The Meadows Foundation provided an \$85,000 grant to Children At Risk (rather than to TEGAC) to help fund the study.

The second work group, in the meantime, was focusing on how the state’s new policy on high school graduation requirements (House Bill 5) would be implemented. This group chose 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 two studies. The first would document best practices for educating students and parents about the new requirements. The second would analyze the supply and demand for high school counselors across school districts, since counselors would play a key role in implementing the new policy.

The third work group, whose focus was expanded learning opportunities (e.g., after-school and summer learning), selected Texas A&M University’s George H.W. Bush School for Government and Public Service to research expanded learning opportunities that were available and needed across Texas. Their findings and policy recommendations would be submitted to the state’s new Expanded Learning Opportunities Council, as well as the Texas Workforce Commission and businesses.

While the TEGAC members brought varying perspectives to the work, and often had divergent opinions as to what the policy recommendations should be, they were consistently able to reach consensus. “We have vigorous debates,” said Charles Glover of the Meadows Foundation, “but the differences are always handled respectfully, and once a decision is made, everyone is cohesive.”<sup>34</sup>

From Caroline Sabin’s perspective, the members’ diversity not only resulted in better decision-making for TEGAC but was also personally beneficial:

*The members range from millennials and young entrepreneurs to very seasoned leaders and staff, so everyone has different perspectives. There is definitely no group think! But we learn so much from each other. Hearing how others think about policy issues helps me inform our trustees better and also helps me think about our grantmaking differently.*

By late fall 2014, all three research projects were completed, and the work groups—in collaboration with their respective research partners—had drafted policy recommendations for the upcoming legislative session. These were brought to the big group for discussion and feedback, and at that stage, everyone had the chance to weigh in. David Anthony of Raise Your Hand Texas valued this stage of the process and offered detailed input, especially on the pre-kindergarten recommendations. “Sometimes TEGAC and our organization are not entirely on the same page in terms of what we are looking for,” he said. “But we look at general intent and agree on what we can.”

Once the policy recommendations were finalized, the Consortium members voted on them (see Attachment G and accompanying text box). Esterline and Sabo then moved on to the next step: communicating them to legislators who could see the recommendations through to adoption.

#### **Excerpts from TEGAC Policy Recommendations, 2015**

##### *Pre-kindergarten*

- Expand funding to school districts that limit staff-to-student ratios.
- Create incentives for school districts to offer full-day pre-kindergarten.
- Ensure transparency of pre-kindergarten assessments and program quality by increasing data available to taxpayers, parents, educators, and policymakers.

##### *House Bill 5 Implementation*

- Provide funding to school districts to increase the number of [guidance] counselors.
- Provide funding credit to colleges and universities that provide onsite college and career preparation services to non-dual credit high school students.
- Encourage connections between local workforce development boards and high school campuses.

##### *Engaging Businesses Around Out of School Time*

- Establish a statewide grant competition to incentivize cross-sector collaboration between private and public stakeholders to support innovative extended learning programs.
- Create an award for companies with the most family-friendly workplace policies.



## UNUSUAL ALLIES

In 2013, TEGAC members had disseminated the Children At Risk budget impact study findings primarily by connecting funders with legislators and releasing periodic newspaper editorials. But as they prepared for the 2015 session, they were aware that taking a stance on specific policy issues, rather than simply calling for restoration of funding, could spark some resistance. They therefore believed that a broader communications strategy was needed and that the pool of messengers should be expanded beyond philanthropists.

In a previous consulting project with the RGK Foundation, Sabo had advised its leaders that “good advocacy requires good data and carefully selected partners.”<sup>35</sup> Following this advice, they had decided to award mini-grants to non-traditional advocacy partners to help spread the findings of the foundation’s obesity research, an approach that had proved to be very effective.

Replicating this model, Esterline and Sabo asked each of the three TEGAC work groups to help identify nonprofit advocacy partners—or, as Sabo sometimes referred to them, “unusual allies” —to receive small grants to help convey their research findings and policy recommendations to policymakers, the media, and the public.<sup>36</sup>

The RFP indicated that the Consortium was looking for advocacy partners who would:

- Bring non-traditional voices to the public education conversation
- Demonstrate ability to interpret and explain policy research in a non-partisan and consensus-driven manner
- Include a realistic plan for evaluation of project impact
- Incorporate a sophisticated communications plan for both traditional and social media

More than 30 nonprofits submitted proposals, and six—Children At Risk, Pastors for Texas Children, Council for a Strong America, E3 Alliance, Quality of Life Foundation of the Greater Austin Chamber of Commerce, and Texas Partnership for Out of School Time—received grants totaling \$110,000. (Each grant ranged from \$10,000 to \$25,000.) Then, the Consortium members began preparing the advocacy partners to help communicate TEGAC’s policy recommendations and respond to any pushback that might arise. “We wanted to make sure they were all singing out of the same hymnbook,” Sabo said.

## PRE-KINDERGARTEN MOVES TO THE FORE

When the 2015 Legislative Session began in January 2015, it was within the context of major leadership changes. Texas had a new governor, Greg Abbott, who had signaled during his campaign that education—especially pre-kindergarten education—was a top priority. The state also had a new Lieutenant Governor, Dan Patrick, as well as many newly elected legislators who were eager to make their presence felt. While controversies over border security, school vouchers, tax cuts, and handgun carry laws drew attention and press, the Consortium sought to keep legislators’ focus on education.

In February, TEGAC held its third annual Texas Education Grantmakers Advocacy Convening at the capitol—this time, a two-day meeting attended by more than 120 philanthropists from 48 foundations across the state. To Bruce Esterline, one aspect of the event seemed especially symbolic:

*In previous years, we had first met with high-level education leaders and then walked up the hill to have individual meetings with legislators in their offices. This time, TEGAC was able to get a room off the Senate chamber, and the legislators came to us. I don't know that that happens even when you have a bunch of powerful oil lobbyists in the room. When you realize the potential influence of that kind of access... it's incredible.*

Though TEGAC's leaders and members were pleased that the governor's emphasis on pre-kindergarten aligned well with their priorities, growing friction among Republicans in the Capitol suggested that progress might not be straightforward. In late April, Lieutenant Governor Patrick's Grassroots Advisory Board, composed mostly of Tea Party activists, blasted the governor's plans for the state to invest in improved pre-kindergarten programming. In a scathing letter to Abbott, the advisory board wrote:

*The early removal of children from parents' care is historically promoted in socialistic countries, not free societies which respect parental rights. . . We are experimenting at great cost to taxpayers with a program that removes our young people from homes and half-day religious preschools and mothers' day out programs to a Godless environment with only evidence showing absolutely NO LONG TERM BENEFITS beyond the 1st grade.<sup>37</sup>*

TEGAC's advocacy partners were well prepared to respond. A week after the advisory board's letter hit the news, editorials by pastors belonging to TEGAC grantee Pastors for Texas Children began appearing in newspapers all over the state. In an Austin American Statesman article on April 29, for example, Pastor Charles Foster Johnson wrote: "As ministers and faith leaders mobilizing in support of our neighborhood and community schools, we have been silent too long while those purporting to speak for God demean, belittle and slander Texas teachers as 'Godless.' This could not be further from the truth."<sup>38</sup> Similar editorials appeared in the other newspapers across the state, including the *Houston Chronicle*, *Fort Worth Star-Telegram*, *Lubbock Avalanche Journal*, *Odessa American*, and *San Antonio Express News*.

Another advocacy partner, Council for a Strong America, weighed in too, organizing retired army generals, law enforcement officers, business leaders, and sports figures to write letters to legislators and speak to the House Public Education Committee about the importance of pre-kindergarten to enhancing low-income children's development, breaking the cycle of poverty, and preventing crime. Other advocacy partners were working in similar ways to advance the Consortium's other policy recommendations.

For Sabo, the experience reinforced the value of TEGAC's model: "Pick the right topics, fund good research, and put it in the hands of those with credible voices."

In the end, Patrick distanced himself from the inflammatory rhetoric about pre-kindergarten, and both chambers overwhelmingly passed the new bill, which provided for almost \$120 million in grants to school districts that adopted new standards for pre-kindergarten curriculum and teacher qualifications. The new

legislation did not restore pre-kindergarten funding to what it had been in 2011,<sup>39</sup> and nor did it include other provisions that TEGAC had called for, such as limiting teacher-student ratios.<sup>40</sup> Still, the Consortium's leaders and members were pleased by the progress on pre-kindergarten legislation as well as their other policy priorities.

They knew that many key legislators and staffers appreciated their research and advocacy work, too. "Studies like TEGAC's are invaluable for us," said Ben Melson, legislative director for Representative Dan Huberty, author of the pre-kindergarten bill. "We rely on their research not only to help show the potential impact of legislation but also to determine whether what we have passed has the consequences we intended."<sup>41</sup>

Marian Wallace, education policy advisor to Lt. Governor Dan Patrick, also offered praise. "I really enjoy the group," she said. "I find them very thoughtful and proactive about improving student success, especially for economically disadvantaged students. They do great work and have been a great partner."<sup>42</sup>

## **RINSE AND REPEAT**

Soon after the legislature gaveled to a close, TEGAC consultants traveled around the state, as they had in 2013, to debrief grantmakers about the session. Consortium members in various cities and communities hosted these events, which drew participants from more than 50 foundations.

Esterline pointed out that although the legislature had not taken steps to fix the state's broken school funding system, it had made progress in other areas that TEGAC had helped advance. In addition to the pre-kindergarten legislation, these included studying implementation of the state's new high school graduation requirements, approving the creation of training academies for high school counselors, and permitting alternative approaches to counseling (e.g., mentorships, business partnerships). Other legislative achievements unrelated to TEGAC's work included replacing the existing public school rating scheme with an A-F grading system; approving the establishment of reading and math teacher training academies; and replacing "zero tolerance" with more flexible approaches to student discipline.

In addition to sharing the legislative summary, the TEGAC consultants asked funders what was on their minds and invited their thoughts on what the Consortium's next policy priorities should be. Their responses supplemented the results of the most recent foundation survey (conducted in August 2015) which, like the previous surveys, asked funders statewide what they were prioritizing and investing in. Out of these conversations and data came five potential priorities for TEGAC in 2016 and 2017:

1. Early childhood education and implementation of the new pre-kindergarten legislation
2. Public school finance (a perennial issue in Texas)
3. Blended learning (technology in education)
4. Expanded learning opportunities (out of school learning)
5. Guided pathways from middle school to post-secondary completion and career

In the fall, the TEGAC Leadership Committee discussed these options, with guidance from Sabo and Esterline on what the “hot topics” were likely to be in the upcoming session. After eliminating the thorny issue of school finance from the short list, the Committee chose three policy areas for TEGAC to concentrate on for the next session: early childhood education, guided pathways from high school to college and career, and effective teaching. The latter item (later reframed as “teacher development and support”) had come up in the survey responses and community meetings but had not made its way onto the short list. The Committee members agreed it was a topic they wanted to address.

Using the same model that had worked well in the interim leading up to the 2015 biennium, the Committee then spent the next few months forming policy work groups for these three issues and drafting research questions and scopes of work (see Attachment H).

### **“WE HAD SOMETHING TO SAY”**

As it had been with the addition of pre-kindergarten as a policy priority, TEGAC’s decision to add guided pathways and effective teaching to their policy agenda attracted more new members to the Consortium. During the summer of 2015, for example, the Greater Texas Foundation signed on. By the end of the year, more funders had joined, raising the total to 34.

Greater Texas Foundation President and CEO Wynn Rosser reflected on why his foundation decided to become part of TEGAC at that time:

*We have always believed in collaboration. We have a lot of formal and informal networks and partnerships with funders within the state and nationally. It makes sense for everyone with similar interests to be on the same page; otherwise, everyone is just doing “one-offs.” We also knew that to be an effective grantmaker, you need to know what’s going on in state policy, so we were interested in the idea of collaborating around policy, and we’d been paying attention to what TEGAC was doing. I attended their convening in February 2015, and it helped me understand how—together—foundations could engage in advocacy. At that stage, though, TEGAC’s priorities and ours were not well aligned. We focus intently on post-secondary outcomes, and while we know issues like quality pre-kindergarten are important, that wasn’t our focus.*

*But a couple of important things happened. The first was in 2013 when the legislature decided to stop requiring students to take four years of high school math. We had a strategy based on strengthening high school math preparation, then without any consideration of the research, poof—gone. Then in 2015, TEGAC made guided pathways one of its priorities, which lined up with what we were trying to accomplish. So it was a natural time for us to talk about joining. It would be another way to advance what we strongly supported.*

*In 2009 the GTF board considered becoming involved in policy, but they felt at the time that we didn’t have enough experience. But in 2014 during our strategy development process, given*

*the math strategy example and learnings from other grantees, the board felt like we had more experience—and we had something to say.<sup>43</sup>*

## LOOKING INSIDE

By mid-2015, some members of TEGAC's leadership committee were reflecting on where the Consortium was, not strategically so much as organizationally. Most believed it had been important during the early years not to be overly rigid. As Caroline Sabin observed, "I felt it was important to start with an open mind and make adjustments along the way." Harman agreed. "We wanted to take an experimental approach."

As a result, TEGAC had been quite flexible over its first few years, reacting to whatever was happening at the state level. Over time, the work processes had become more systematic, which in turn meant that fewer hasty calls or flurries of e-mails were required. Still, many operational details remained loose. As one member noted:

*Sometimes it's little things, like not getting calendar invitations for meetings; in today's world, just sending an email is not enough. If you send an invitation on the calendar, everything is organized; you can put the agenda, materials, where to park. The website isn't very good either, and it's been that way a long time. Also, I feel like I'm always chasing that last draft document because there's no central place to get materials. I know these things may not happen because TEGAC is so lean, but they would be helpful.*

Of greater concern to some members of the Leadership Committee was the fact that governance was also quite loose. As of late 2014, for example, TEGAC had no by-laws, and the makeup and responsibilities of the Leadership Committee (and what needed to be reported to the Committee) had not been defined in writing. Consultants' responsibilities were not documented, and procedures for hiring new contractors and disclosing potential conflicts of interest were informal. This worried a few of the Leadership Committee members. As one said, "These are the kinds of things that can get organizations in trouble and cause you to be perceived differently by others."

Being a self-identified "structure person," Sabin began pressing for more structure and found others on the Leadership Committee receptive. As she described:

*I sat down one day and, using the framework from an earlier philanthropic collaborative as a guide, I started drafting governing documents like bylaws and job descriptions of the roles of consultants. We created Leadership Committee roles that hadn't existed before—president, treasurer, etc. We included a conflict of interest statement requiring disclosures. We put it all together in one place,<sup>44</sup> the leadership committee reviewed and discussed it, and everyone went along with it.*

From Sabin's perspective, all of this was important for effective internal communications and operations, but that was not the only reason. "I think the introduction of more structure and clarity of roles creates more

shared ownership within TEGAC, and that is important for sustainability,” she said. “With a collective effort, you have to have shared ownership or things can fall apart so easily. Everyone needs to feel they have a voice and are making a substantial contribution.”

## REFLECTIONS ON THE PAST...AND FUTURE

As 2016 began, TEGAC’s members were reflecting on what the Consortium had achieved over the past four years. Eugene Sepulveda, an entrepreneur who served on the Leadership Committee and had also been a KDK-Harman Foundation board member when the Consortium was first conceived, offered this view:

*TEGAC has been more effective than anyone imagined. During the last legislative session, we spent less than \$250,000 total and earned an extraordinary return. We got much more money for pre-k than there ever would have been without us, and that is only part of it. We are entering the financial ice age in Texas due to the declining price of oil, so even not having significant setbacks will be a big deal in the next session.<sup>45</sup>*

Sepulveda believed that there were several reasons why TEGAC was having influence, despite its small operating budget (see Attachment C) and very small staff:

*One of the main reasons is that this is a collective of the most politically engaged families across the state. Given how we finance elections, elected officials pay attention to major donors. Texas foundations represent some of the wealthiest and most civically involved people in the state, so policymakers listen closely to what they say.*

*I think another key reason for TEGAC’s effectiveness is that we don’t crow about our successes. Jennifer and Jason are both very good at what they do, and they also deserve a lot of credit for having finesse and insight into using our research to make other people successful. That includes the Speaker’s office, Lieutenant Governor, the chairs of the Senate and House education committees, and others. From my perspective, this is the real secret of TEGAC’s success: empowering elected officials who share our objectives.*

Sabin believed that the Consortium’s success was also rooted in the collegial nature of philanthropy. “When something is driven by funders, it’s collaborative rather than competitive, and there aren’t hidden agendas,” she said. “All of us are contributing to the whole, no matter what size we are and no matter what our differences may be.”

Philanthropy experts in other parts of the country were also impressed with TEGAC; in fact, some said it was the nation’s largest group of funders collaborating around any issue. Consortium members were invited to speak at several national conferences, and after Esterline presented at an Exponent Philanthropy convening, senior program director Andy Carroll wrote her an effusive note: “Impressed is a word that utterly fails to capture my reaction to your AMAZING work. . . What you are showing is that philanthropists bringing their voices to the policy table is not only possible but unbelievably effective and necessary.”<sup>46</sup>

As for how TEGAC might continue to evolve over time, nobody knew. As Sabin said, “We’ve learned a lot along the way, re-evaluated, and made refinements. It may keep going that way. Who knows? Even five years from now, TEGAC could look very different.”

In early 2016, there were signs of at least one likely change within the Consortium: TEGAC’s community foundation members formed a new subcommittee to explore becoming involved in lobbying.<sup>47</sup>

Others also wondered if TEGAC might eventually shift from a somewhat reactive approach—in other words, pursuing policy priorities that policymakers seemed most interested in—to a more proactive strategy aimed at shaping the state’s policy agenda. “I think that a more deliberate strategy can develop and believe there’s a lot of potential to define long-term goals around particular policy issues,” said Priscilla Aquino Garza, who led policy and advocacy activities for Educate Texas (a public-private initiatives of Communities Foundation of Texas). “That would give everyone a north star to aim for.”

Garza also hoped that the experience of working together at the state policy level, through TEGAC, would motivate funders to collaborate and align their efforts more effectively at the local level:

*We used to have philanthropy circles and other kinds of local hubs that brought funders together, but they didn’t do what TEGAC is doing. Jennifer and Jason are herding cats, garnering ideas, sharpening the focus, keeping the momentum going. I think that’s the real value of the Consortium. The events at the capitol and meetings with leaders are phenomenal, but from my perspective, we also need more thoughtful conversations about what we are all funding and should be funding. How can we leverage our separate funding efforts? That would really expand grantmakers’ impact.<sup>48</sup>*

No matter what form their engagement took, many TEGAC members believed that foundations’ role in advocacy would become increasingly important in the years ahead. As Wynn Rosser observed:

*To get better outcomes for students, we have to do things dramatically differently and dramatically better. The policy context is increasingly important to that, especially since there are so many policy issues being considered at the state level—transportation and infrastructure, health and mental health, economic development, and the list goes on. How can we make sure policymakers are focused on issues that really matter to students and improving educational outcomes? And what is the role of this nonpartisan, objective group in charting the course? Because foundations have long time horizons, I think we’re uniquely positioned to help map out what the state’s education policy agenda should be. I’d like to see us be even more strategic going forward, thinking beyond session to session and talking about the long-term view—and how funders’ different strategies fit into it.*

## Self Study Questions

### Questions to consider while reading this case about effective education grantmaking:

1. Why might funders want to become engaged in advocacy or lobbying? What are the benefits vs. risks of engaging in advocacy through a collaborative effort like the Texas Education Grantmakers Consortium (TEGAC)? How can the risks be mitigated? What would make you want to join? What might make you decide to leave?
2. Who joined TEGAC? Who didn't? Do you observe any significant commonalities and/or differences among the funders that joined?
3. Do you think TEGAC's initially "loose" organizational structure was appropriate or problematic? Why? Would you have done anything differently?
4. What do you think of TEGAC's "organic" (reactive) approach to choosing its policy priorities vs. developing a more proactive longer-term strategy? Do you think it was appropriate for the Consortium to concentrate on policy issues that were "ripe" (of current interest to legislators), or would you have liked to see a more assertive approach? Do you think the Consortium spread itself too thin when it decided to pursue three policy priorities for each legislative session?
5. How do TEGAC members know what they are getting for their investment? What metrics or methods would you advise them to use to assess the Consortium's impact?
6. Drawing on evidence presented in the case, how successful do you think the Consortium has been, on a scale from 1 to 10, and what are the reasons for your score?
7. What elements would be needed to replicate this type of model successfully somewhere else?
8. What specific lessons and insights did you gain from this case, and how might they apply to your grantmaking work in education?



**Attachment A:  
TEGAC Timeline, 2012-2017**

**Phase I: January 31, 2012 – August 31, 2012**

- Texas Education Grantmakers Advocacy Consortium business plan created (March 2012)
- Consortium members recruited (Aug 2012)
- Fundraising project completed for Children At Risk Data Project (Aug 2012)
- Phase I of Data Project (Aug 2012)

**Phase II: September 1, 2012 – August 31, 2013**

- Dissemination of Phase I of Data Project findings (Sept 2012)
- Phase II of Data Project (Sept – Dec 2012)
- Dissemination of Phase II of Data Project findings (Jan 2013)
- Funders Day at the Capitol (Feb 2013)
- 2013 Legislative Session Activities (Jan – June 2013)
  - Social media / coordinated media outreach
  - Bi-monthly legislative updates via conference call
  - Regional face-to-face meetings
  - Development of policy work groups begins

**Phase III: September 1, 2013 – August 31, 2014**

- Seed investors and partner investors identified to sponsor work groups
- Work groups commission policy research to determine policy recommendations and best practices
- Work groups make advocacy grants to disseminate policy recommendations and best practices
- Interim TEGAC member meetings

**Phase IV: September 1, 2014 – August 31, 2015**

- Policy work groups action plan completed
- Texas Education Grantmakers Advocacy Day at the Capitol (Feb 2015)
- 2015 Legislative Session Activities (Jan – June 2015)
  - Social media / coordinated media outreach
  - Monthly legislative updates via conference call
  - Regional face-to-face meetings with legislators
- Leadership Committee retreat (May 2015)
- Legislative Wrap Up Meetings (June 2015)
- Determine next set of priority areas, including survey of members (August 2015)
- Interim TEGAC member meetings

**Phase V: September 1, 2015 – August 31, 2016**

- Seed investors and partner investors identified to sponsor work groups
- Work groups commission policy research to determine policy recommendations and best practices
- Work groups make advocacy grants to disseminate policy recommendations and best practices

- Interim TEGAC member meetings
- Interim meetings between TEGAC members and legislators/governor’s office/state agencies

**Phase VI: September 1, 2016 – August 31, 2017**

- Policy work groups action plan completed
- Texas Education Grantmakers Advocacy Day at the Capitol (Feb 2017)
- 2015 Legislative Session Activities (Jan – June 2017)
  - Social media / coordinated media outreach
  - Monthly legislative updates via conference call
  - Coordinated meetings with legislators/governor’s office/state agencies

**Attachment B:  
TEGAC Membership**

<b>Member</b>	<b>Location</b>	<b>Year Joined</b>	<b>Still A Member?</b>	<b>2014 Assets (in m)</b>
KDK-Harman Foundation	Austin	2011	yes	\$26.4
Beau & Kathryn Ross Charitable Fund	Austin	2011	yes	N/A
Powell Foundation	Houston	2012	yes	\$31.6
RGK Foundation	Austin	2012	yes	\$156.2
Austin Community Foundation	Austin	2012	yes	\$144.8
MR and Evelyn Hudson Foundation	Dallas	2012	yes	\$105.3
Meadows Foundation	Dallas	2012	yes	\$751
Genevieve & Ward Orsinger Foundation	San Antonio	2012	yes	\$10.9
George W. Brackenridge Foundation	San Antonio	2012	yes	\$30.1
Simmons Foundation	Houston	2012	yes	\$5.9
San Antonio Area Foundation	San Antonio	2012	yes	\$223.8
Trull Foundation	Palacios	2012	yes	\$23.2
Wright Family Foundation	Austin	2012	yes	\$5.4
Ewing Halsell Foundation	San Antonio	2012	yes	\$159.4
Amarillo Area Foundation	Amarillo	2012	yes	\$110.3
United Way of Metropolitan Dallas	Dallas	2012	yes	\$53.9
Still Water Foundation	Austin	2012	yes	\$64.4
Entrepreneurs Foundation of Central Texas	Austin	2012	yes	\$1.9
Laura & John Arnold Foundation	Houston	2013	no	\$1,600
The Dallas Foundation	Dallas	2013	yes	\$236.2
Sid Richardson Foundation	Ft. Worth	2013	yes	\$556.6
United Ways of Texas	Austin	2013	yes	\$987.6
Rainwater Charitable Foundation	Fort Worth	2013	yes	\$29.0
Tapestry Foundation	Austin	2014	yes	\$5.2
Webber Family Foundation	Austin	2014	yes	\$18.8

Andy Roddick Foundation	Austin	2014	yes	\$6.5
Bernard & Audre Rapoport Foundation	Waco	2014	yes	\$54.3
Communities Foundation of Texas/Educate TX	Dallas	2014	yes	\$589.8
Buena Vista Foundation	Austin	2015	yes	N/A
Greater Texas Foundation	Bryan	2015	yes	\$334.5
Community Foundation of No. Texas	Ft. Worth	2015	yes	\$200.4
Harold Simmons Foundation	Dallas	2015	yes	\$81.4
Raise Your Hand Texas	Austin	2015	yes	\$.19
Carl B. & Florence E. King Foundation	Dallas	2015	yes	\$78.8
TG Foundation	Statewide	2015	yes	N/A
Texas Pioneer Foundation	Texarkana	2015	yes	\$55.5

**Attachment C:  
TEGAC Operating Budget, 2015**

<b>Revenue</b>		
TEGAC Membership Fee (\$5,000 X 25 members)		\$125,000
Operating Grants for TEGAC Infrastructure		\$75,000
<b>Total Revenue</b>		<b>\$200,000</b>
<b>Personnel Expenses</b>		
Project Consultant		\$60,000
Advocacy Consultant		\$60,000
Administrative		\$30,000
Accounting		\$1,000
Professional Development (trainings)		\$5,000
Foundation Conferences (membership dev)		\$5,000
ACF Admin Fees		\$5,000
<b>Project Expenses</b>		
Convening and Advocacy Day costs (food, venues, AV equipment rental, etc)		\$15,000
Printing and office supplies		\$3,000
IT (website design and maintenance)		\$2,000
Statewide Travel (mileage, flights, lodging, meals)		\$10,000
Office Space, Furniture Rental and Bills		\$0
<b>Total Expenses</b>		<b>\$196,000</b>

**Attachment D:  
Selected Findings from 2011 KDK-Harman Survey of Education Grantmakers<sup>49</sup>**

The survey was distributed to 111 funders with 54 choosing to participate, a response rate of nearly 50%.

**Purpose of the Survey**

The KDK-Harman Foundation survey was designed to answer a focused set of questions, including:

1. How closely do Texas foundations monitor the Texas Capitol and make funding decisions based upon actions of the Texas Legislature?
2. How knowledgeable are Texas foundations about nonprofit and foundation lobby laws?
3. What advocacy efforts are Texas foundations already funding?
4. What are the concerns and priorities of Texas education grantmakers?

**How closely do Texas foundations monitor the Texas Capitol and make funding decisions based on actions of the Texas Legislature?**

- 79% of respondents acknowledged that decisions made by the Texas Legislature affect their foundation's grantmaking in public education.
- More than 60% reported "closely following" local education issues at least usually.
- An even higher percentage reported "closely following" statewide education issues.

**How knowledgeable are Texas funders about nonprofit lobby law?**

- 66% reported "some" knowledge or less of basic rules and regulations concerning nonprofit lobbying and advocacy, while 36% felt that they knew a "great deal."
- 56% reported a desire to learn more about the laws concerning nonprofit advocacy.

**What advocacy efforts are Texas foundations already funding?**

- Policy Research and Analysis: 30%
- Coalition Building and Grassroots Organizing: 19%
- Education of Policymakers: 19%
- Direct Advocacy on a Specific Education Issue: 15%
- Public Opinion Campaigns: 7%
- Education of Grantees about Advocacy / Lobbying: 4%

**What are the concerns and priorities of Texas education grantmakers?**

**Concerns (listed in rank order as reported by respondents)**

1. Lack of Funding/State Budget Cuts
2. Other Finance Issues
3. Teachers and Training
4. Curriculum
5. Drop-Out Rate
6. Leadership and Governance/Leadership

7. College Readiness/College Access
8. Achievement Gap for Low-Income Children
9. Early Childhood Education
10. Accountability and Assessment
11. English Language Learners
12. Parental Support/Engagement
13. Sexual Education/Pregnancy Prevention

**Recommendations for Action**

- *Mobilize Education Advocacy Taskforce*
- *Train Foundation Staff and Boards on Advocacy Basics and School Funding*
- *Support Efforts to Improve and Protect Public School Finance*
- *Move beyond Grants for Research and Fund Direct Advocacy and Lobbying*

**Attachment E:  
Sample of Materials Used to Explain Advocacy  
to Potential TEGAC Members**



Foundation Advocacy Initiative

## Advocacy Advisory

*Periodic summaries for grantmakers on the advocacy rules.*

### Private Foundations May Advocate!

Private foundations may participate in the advocacy arena. Although they incur a prohibitive tax on any lobbying expenditures, lobbying is only one type of advocacy. **There are many types of non-lobbying advocacy in which private foundations may legally engage.**

There are two types of lobbying—direct and grassroots. **Direct lobbying** is a communication with a legislator (federal, state, or local) or legislative staff member that refers to specific legislation and takes a position on that legislation. **Grassroots lobbying** is a communication with the public that refers to specific legislation, reflects a view of that legislation, and contains a call to action.

Private foundations may engage in any activity that does not qualify as lobbying. Therefore, while they incur a tax on expenditures for direct and grassroots lobbying, they may engage in:

Advocacy that falls outside of lobbying definitions, including

- Discussing broad issues, without mentioning specific legislation
- Litigation, either by signing on to *amicus* briefs or filing suit to challenge a law or enforcement of the law
- Advocacy before special purpose boards (e.g., school boards, planning commissions)
- Building relationships with legislators and helping grantees build and sustain relationships
- Training grantees how to lobby
- Convening nonprofits and decision-makers to discuss broad issues
- Educating legislators about broad issues
- Conducting public education campaigns that do not include calls to action or mention of specific legislation
- Regulatory efforts

Advocacy that meets one of the specific lobbying exceptions

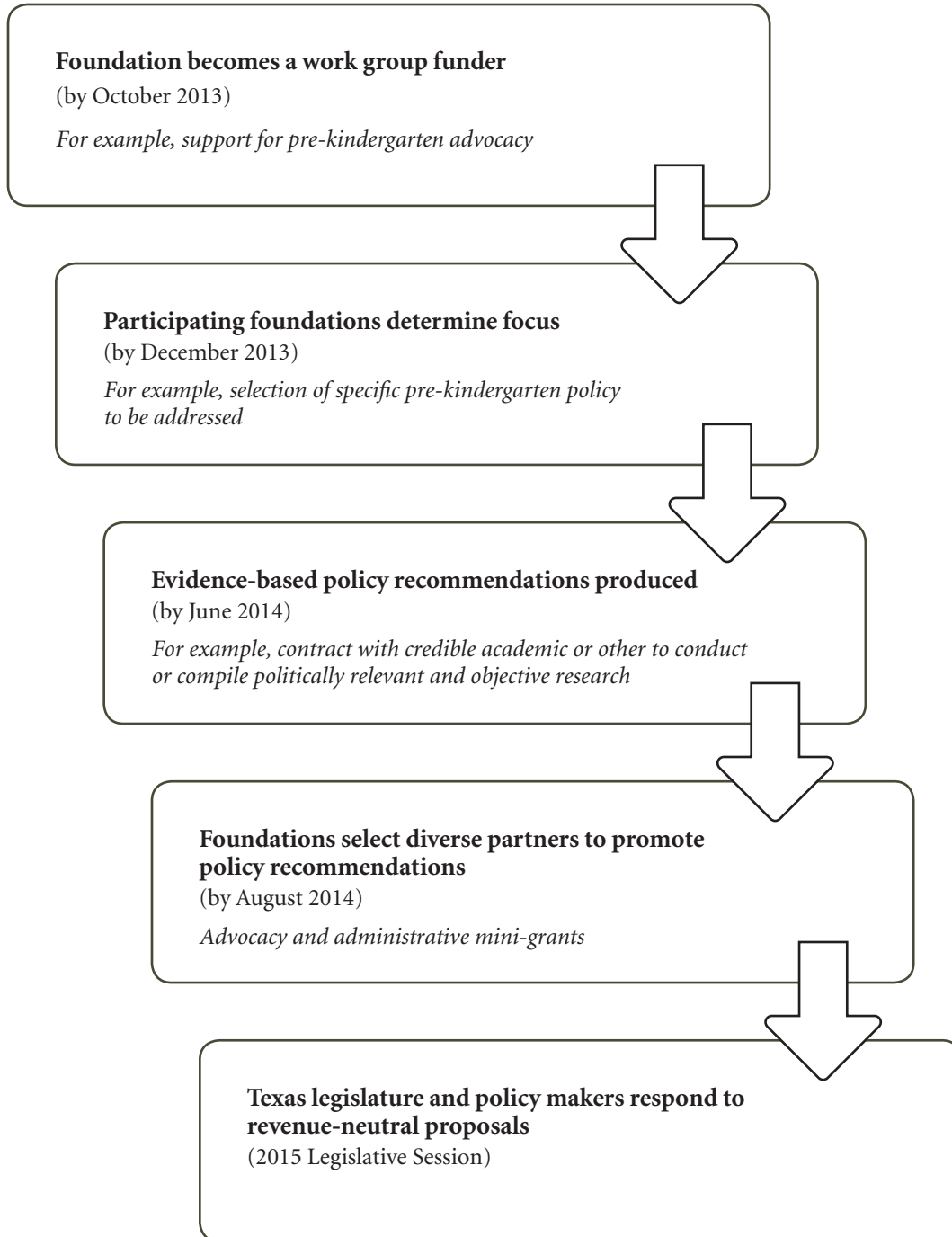
- Technical advice or assistance
- Nonpartisan analysis, study, or research
- Self-defense lobbying
- Discussions of broad social, economic, or other issues

See *Investing in Change: A Funder's Guide to Supporting Advocacy* for more detailed discussions of the rules, including the definition of lobbying and descriptions of the activities described above.

Note: This handout provides general guidelines only, and is intended to serve as an overview. Because the application of law is fact-sensitive and context is critical, it should not be relied upon as legal advice.

11/2005

**Attachment F:  
Grantmaker Advocacy in Action—  
Consortium Work Group Strategy Explained**



## **Attachment G: 2015 TEGAC Policy Recommendations**

### **Pre-kindergarten Policy Recommendations:**

- Ensure transparency of pre-kindergarten 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 on 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 onsite 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 build a database of best practice models, disseminate information and education about programs to working parents and companies, lead the program evaluation process, and 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.



**Attachment H:**  
**Draft Research Questions for TEGAC Work Groups, November 2015**

**Guided Pathways to College and Career**

- Are there regions of the state experiencing a lack of endorsement offerings? What are the attributes of a district that offers all five endorsements?
- How many districts are opting into the distinguished/college ready plan? What challenges and obstacles are districts experiencing?
- What are some examples of districts exhibiting best practices in endorsement offerings and capacity? What are the key factors for a district to consider when replicating best practices? What are the obstacles? What supports are needed?

**Early Childhood Education and Pre-kindergarten**

- Which Texas school districts applied for funding under House Bill 4? Which school districts did not apply for funding and what were the reasons behind that choice? Do patterns emerge among the school districts that chose to apply for pre-kindergarten funds? Did school districts in all regions of the state (on the Texas/Mexico border, in urban areas, and in rural communities) apply for funds? Are available funds sufficient to meet demand from school districts?
- How specifically are districts that successfully applied for funding using pre-kindergarten dollars?
- What role does teacher availability play in districts' decision making about applying for pre-kindergarten funds? What options are available to increase the supply and quality of pre-kindergarten teachers?

**Teacher Preparation and Support**

- Educate Texas (TEGAC member) will inaugurate and convene the Texas Teacher Preparation Collaborative for 2015-2017 working with school districts and higher education institutions to share and scale research about supporting the Texas teacher corps.

## ENDNOTES

- <sup>1</sup> Interview with Janet Harman, January 20, 2016. Unless otherwise indicated, all quotations from Ms. Harman are from this interview.
- <sup>2</sup> Esterline joined KDK-Harman as a program office in late 2006 and was promoted to executive director in 2009.
- <sup>3</sup> Interview with Bruce Esterline, February 4, 2016. Unless otherwise indicated, all quotations from Mr. Esterline are from this interview.
- <sup>4</sup> Interview with Mary Jalonick, January 27, 2016. Unless otherwise indicated, all quotations from Ms. Jalonick are from this interview.
- <sup>5</sup> Texas is one of the few remaining states whose legislature meets every other year (2011, 2013, 2015, etc.). Its legislative session begins in January and lasts for 140 days, unless a special session is tacked on at the end.
- <sup>6</sup> Texas Tribune Staff, "Texas House Budget Proposes Sweeping Cuts," *Texas Tribune*, January 19, 2011.
- <sup>7</sup> This included \$4 billion from the state's foundation school program, the largest item in the state budget and the primary vehicle through which Texas distributes money to districts. For more details, see Financial Allocation Study for Texas (FAST), *Public Education Funding in Texas*, www.fastexas.org.
- <sup>8</sup> Jennifer Esterline, "The Role of Public-Private Partnerships in the Texas Education System," *ForeFront Austin*, August 2011.
- <sup>9</sup> Hereafter, "Esterline" refers to Jennifer Esterline, unless otherwise indicated.
- <sup>10</sup> KDK-Harman Foundation, *Texas Foundations Speak: Assessing Philanthropic Support for Education Advocacy*, November 2011.
- <sup>11</sup> KDK-Harman Foundation, *What's Next for TEGAC?* [PowerPoint], May 2012.
- <sup>12</sup> Interview with Jennifer Esterline, January 27, 2016. Unless otherwise indicated, all quotations from Ms. Esterline are from this interview or follow-up communications.
- <sup>13</sup> RGK Foundation, *Revenue Neutral Policy Solutions to Youth Fitness Problems in Texas*, January 2012.
- <sup>14</sup> TEGAC, *Business Plan to Build Texas Education Grantmakers Advocacy Consortium, 2012-2015*. May 2012.
- <sup>15</sup> Ultimately, in addition to the KDK-Harman Foundation (Austin), others that helped fund the Children At Risk studies included the Genevieve and Ward Orsinger Foundation (San Antonio), Kathryn and Beau Ross Foundation (Austin), San Antonio Area Foundation, The Simmons Foundation (Houston), The Trull Foundation (Palacios), and the Wright Family Foundation (Austin).
- <sup>16</sup> As TEGAC's annual report stated, "The Leadership Committee plays a critical role in shaping and guiding the future strategy of TEGAC. Committee members participate in quarterly conference call meetings, plan and participate in the Texas Education Grantmakers Advocacy Day at the Capitol during legislative sessions, and contribute expertise and ideas to TEGAC's current and future work. Because the Consortium does not have a formal board, the Leadership Committee handles many of the responsibilities normally managed by a board of directors."
- <sup>17</sup> Interview with M. Jordan Scott, January 20, 2016. Unless otherwise indicated, all quotations from Mr. Scott are from this interview.
- <sup>18</sup> Interview with Caroline Sabin, February 3, 2016. Unless otherwise indicated, all quotations from Ms. Sabin are from this interview.
- <sup>19</sup> TEGAC's funds would continue to be managed as a special purpose fund by the Austin Community Foundation.
- <sup>20</sup> Interview with Jason Sabo, January 27, 2016. Unless otherwise indicated, all quotations from Mr. Sabo are from this interview.
- <sup>21</sup> Sarah Goff and Robert Sanborn, *Doing More With Less? Public Education in a New Fiscal Reality (Texas Public Education Cuts: Impact Assessment)*, May 2012.
- <sup>22</sup> Sarah Goff, Amy Madore, and Dr. Robert Sanborn, *Doing More With Less? Looking Beyond Public Schools (The Impact of the 2011 Texas Public Education Legislative Budget Cuts on Non-Profit Organizations)*, Oct. 2012.
- <sup>23</sup> *The Texas Tribune* is a nonprofit news organization.
- <sup>24</sup> Robert Sanborn, Caroline Sabin, and Linda May, "Challenges Remain for Schools," *Houston Chronicle*, June 10, 2013.
- <sup>25</sup> Nybeck Analytics, *Grantmaking for Advocacy and Education Policy: Findings from TEGAC's Online Survey*, April 2, 2013. The report cautioned that "the survey is not representative in the statistical sense."
- <sup>26</sup> Interview with Jacob Fraire, January 27, 2016. Unless otherwise indicated, all quotations from Mr. Fraire are from this interview.
- <sup>27</sup> Morgan Smith, "Texas Advocacy Group Wields Charter-Policy Power," *The Texas Tribune*, May 13, 2013.
- <sup>28</sup> Interview with David Anthony, January 27, 2016. Unless otherwise indicated, all quotations from Mr. Anthony are from this interview.
- <sup>29</sup> "Interim charges" are the priorities of the Lieutenant Governor and Speaker for the work of the Texas Senate and House of Representatives for the 18-month interim period between legislative sessions.
- <sup>30</sup> TEGAC newsletter, November 2013.
- <sup>31</sup> Combined with other support from funders, the research budget totaled \$180,000. As with the TEGAC member fees, the work group funds were managed by Austin Community Foundation.
- <sup>32</sup> TEGAC, *2013 Annual Report*.
- <sup>33</sup> An RFP process was used to select contractors for the work group research/policy studies as well as advocacy partners to help "spread the word" about the research reports and recommendations. Esterline presented the names of groups being considered as contractors to the Leadership Committee, which then voted on the nominees.
- <sup>34</sup> Interview with Charles Glover, February 4, 2016. Unless otherwise indicated, all quotations from Mr. Glover are from this interview.
- <sup>35</sup> Sabo credited The Pew Charitable Trusts with this guidance.
- <sup>36</sup> Each work group would also help support the *Texas Tribune's* development of a new weekly digest that would be "a primary source of objective data on public education policy issues in Texas."
- <sup>37</sup> Lt. Governor's Grassroots Advisory Board, *Letter to Honorable Texas Senate Members*, April 21, 2015.
- <sup>38</sup> Charles Foster Johnson, "Godless? Many Public School Leaders Are Also Faith Leaders," *Austin American Statesman*, April 29, 2015.
- <sup>39</sup> The legislature cut almost \$300 million from pre-kindergarten programs in 2011, then restored \$30 million in 2013.
- <sup>40</sup> John Savage, "Senate Votes to Increase Funding for 'Godless, Socialistic' Preki," *Texas Observer*, May 7, 2015.
- <sup>41</sup> Telephone interview with Ben Melson, February 22, 2016. Unless otherwise indicated, all quotations from Mr. Melson are from this interview.
- <sup>42</sup> Telephone interview with Marian Wallace, February 19, 2016. Unless otherwise indicated, all quotations from Ms. Wallace are from this interview.
- <sup>43</sup> Interview with Wynn Rosser, January 29, 2016. Unless otherwise indicated, all quotations from Mr. Rosser are from this interview.
- <sup>44</sup> Texas Education Grantmakers Advocacy Consortium (TEGAC) Structure: A Basic Framework (undated).
- <sup>45</sup> Interview with Eugene Sepulveda, February 10, 2016. Unless otherwise indicated, all quotations from Mr. Sepulveda are from this interview.
- <sup>46</sup> As quoted in TEGAC newsletter, March 2014.
- <sup>47</sup> Community foundations have fewer restrictions on lobbying than family and private foundations do.
- <sup>48</sup> Interview with Priscilla Garza, February 1, 2016. Unless otherwise indicated, all quotations from Ms. Garza are from this interview.
- <sup>49</sup> KDK-Harman Foundation, *Texas Foundations Speak: Assessing Philanthropic Support for Education Advocacy*, Prepared by Jason Sabo, November 2011.

# Effective Education Grantmaking

principle  
no.

1

## Discipline and Focus

In education, where public dollars dwarf private investments, a funder has greater impact when grantmaking is carefully planned and targeted.

principle  
no.

2

## Knowledge

Information, ideas and advice from diverse sources, as well as openness to criticism and feedback, can help a funder make wise choices.

principle  
no.

3

## Resources Linked to Results

A logic-driven “theory of change” helps a grantmaker think clearly about how specific actions will lead to desired outcomes, thus linking resources with results.

principle  
no.

4

## Effective Grantees

A grantmaker is effective only when its grantees are effective. Especially in education, schools and systems lack capacity and grantees (both inside and outside the system) may require deeper support.

principle  
no.

5

## Engaged Partners

A funder succeeds by actively engaging its partners – the individuals, institutions and communities connected with an issue – to ensure “ownership” of education problems and their solutions.

principle  
no.

6

## Leverage, Influence and Collaboration

The depth and range of problems in education make it difficult to achieve meaningful change in isolation or by funding programs without changing public policies or opinions. A grantmaker is more effective when working with others to mobilize and deploy as many resources as possible in order to advance solutions.

principle  
no.

7

## Persistence

The most important problems in education are often the most complex and intractable, and will take time to solve.

principle  
no.

8

## Innovation and Constant Learning

Even while acting on the best available information – as in Principle #2 – a grantmaker can create new knowledge about ways to promote educational success. Tracking outcomes, understanding costs and identifying what works—and what doesn’t—are essential to helping grantmakers and their partners achieve results.

Grantmakers for Education (GFE) is a national network of hundreds of education philanthropies, united by a passion and commitment to improve public education and learning for all students of all ages, cradle to career. GFE is a force multiplier, harnessing the collective power of education grantmakers to increase momentum, impact, and outcomes for this nation's learners. We are proud to promote a culture of learning among education funders and provide a forum for interaction and engagement that builds upon and deepens the impact of our member's individual investments. Grantmakers for Education and its members believe in the power of what we can all achieve when we work together and learn from each other's successes and challenges.

