

# Case in Brief No.2

## PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

### Persistence, Partnership and Public Will: The Annie E. Casey Foundation’s Investments in Kentucky School Reform

#### 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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“Persistence, Partnership and Public Will” explores the sustained role the Annie E. Casey Foundation played in Kentucky for more than a decade to help create an environment in which the state’s ambitious and comprehensive effort to improve education for all of its students would have the time, resources and attention needed to prove its worth.

The case study illustrates the importance—and challenges—of two of Grantmakers for Education’s eight Principles for Effective Education Grantmaking: *persistence* and *engaged partners*.

In 1999, Kentucky became the first state to combine school funding equity with a clearer focus on student outcomes. Legislators enacted a comprehensive reform plan—the Kentucky Education Reform Act (KERA)—that included a new accountability system focused on ensuring that all students learned key skills and knowledge, new programs to support student learning, and significantly increased funding.

Despite strong support from the state’s governor and business community, Kentucky’s sweeping school reform effort faced potentially powerful resistance. The whole structure of local education—steeped for decades in patronage, misspending, nepotism and anti-authority politics and accustomed to a classroom regime of “time on task” as opposed to “outcomes”—was bound to resist change.

The goals and design of Kentucky’s efforts were revolutionary for the country in 1990, and they caught the attention of the Annie E. Casey Foundation. The foundation works to build better futures for disadvantaged >

children and believes that changing public systems is essential to improving public welfare. Interested in expanding its grant-making in education, the foundation concluded it could learn a great deal from working in Kentucky.

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The foundation's involvement in Kentucky school reform came about in an unusual way: Kent C. "Oz" Nelson, who was both CEO of United Parcel Service (UPS) and chair of the Casey Foundation's board in 1990— together with David Jones, CEO of Humana Inc., and John Hall, CEO of Ashland Inc.— had made a substantial commitment to support Kentucky's education reform efforts. Nelson invited the foundation and key reform advocates to work with them.

The group soon agreed that private dollars could best support Kentucky school reform by buying time for the new education law to work and mobilizing public support for change in schools. They developed a three-pronged strategy to leverage the assets of both the corporate donors and the foundation:

- The foundation provided financial support to the Prichard Committee, a 10-year-old nonprofit with a history of advocating for Kentucky school reform, good relationships with key decision-makers, and an understanding of both the content and need for school reform. Essentially, the foundation funded the Committee to continue to do, more

widely and aggressively, what it was already doing: provide outside pressure to maintain momentum for reform. These grants helped the Committee build its capacity and support the law's implementation.

- The CEOs created a business-led communications effort to raise awareness and support for the law's implementation, and Oz Nelson persuaded the foundation to financially contribute to that effort as well. This campaign was led by the Partnership for Kentucky School Reform, which was organized initially by the Prichard Committee, led by the CEOs and financed primarily by their companies.
- The foundation, with the Prichard Committee, created an independent research entity, the Kentucky Institute for Educational Research, to assess the implementation of KERA over time and document lessons learned. The foundation provided funding for the Institute, and a high-level UPS executive served on its board.

The three parts of the strategy were intentionally intertwined: "The Institute, the Partnership and the Prichard Committee were parts of the same piece," observed Robert Sexton, the Prichard Committee's executive director. Also essential to the strategy, noted the Partnership's executive director, Carolyn Witt Jones, was the foundation's willingness to provide consistent funding for all three efforts over a sustained time period. "The Casey Foundation recognized it was going to take a long time to get changes in every community and every school," she said. "Its approach set the tone for other foundations supporting our work."

The foundation's choice to invest heavily in nonprofit partners—rather than in the school system itself—produced one of the most important lessons from the Kentucky school reform experience.

Bruno Manno, who took over management of the foundation's education grants portfolio in 1999, said that the Kentucky experience reaffirmed the foundation's long-term approach to reform of public systems and to creating nonprofit advocates for change: "It's a distinct foundation strategy not to invest exclusively in public agencies because, for example, department of education leaders come and go. Rather, we try to build nonprofits that will endure...and keep everybody's feet to the fire."

Although the foundation had never set an end date for its investment in Kentucky school reform, the decade anniversary celebration of KERA in 2000 stimulated thinking about the status and trajectory of reform in Kentucky, whether the foundation was still uniquely essential to the work and what an appropriate exit should be. The key question for foundation leaders was, "What do we need to do to sustain the work?"

In 2001, the foundation proposed a closing three-year commitment grant to the Prichard Committee to help it develop a plan to become more self-sufficient, beginning with a business plan; the Ford Foundation joined in financing this strategy. With respect to the Partnership for Kentucky Schools, the foundation worked with Jones to develop a strategy for applying the research and practice lessons from Kentucky—particularly the need to engage communities in education improvement—to schools in other states. The foundation's

## Lessons learned

This case study—the full text of which is available at [www.edfunders.org](http://www.edfunders.org)—suggests four important lessons for grantmakers seeking to increase their impact:

- **Make a long-term commitment.** "It's necessary to keep at it in order to see results," observed the Casey Foundation's Ralph Smith. In Kentucky, persistence meant 11 years of active engagement and 14 years of funding. The foundation staff also paid careful attention to keeping the board of directors informed about progress.
- **Build a broad constituency for support of your solution or project.** The foundation focused its investments on public awareness, advocacy and data collection efforts—realizing, said one foundation leader, that "you can't think that you can ignore either politics or policy." Ensuring deep public support is also a strategy for maintaining a project after a grant has ended.
- **Engage partners and grantees in designing the solution.** The foundation was always clear about its mission of supporting at-risk families and children and its interest in using research and data to inform policy debates. Still, it coordinated closely with the key leaders in Kentucky who were steering the school reform effort, and its grants evolved in response to their input about what was needed. The foundation came to be seen by its partners as part of the "inner circle" for debating strategy and policy proposals.
- **Remain flexible.** Even while it stayed true to its initial grantmaking strategy, the foundation provided additional grants in Kentucky for emerging projects on an as-needed basis. This approach allowed it to meet unanticipated needs as grantees' work evolved and to quickly address unanticipated issues.

investments in the Kentucky Institute for Education Research were less successful, as the institute struggled to find its niche and eventually merged into the university system, and so no “close-out” grant was made.

In deciding how to get involved in a significant and sustained way to support Kentucky

quote—we weren’t going to have that kind of influence. But we could be influential with maintenance of attention at the political, legislative and community levels.”

Student achievement in Kentucky has improved significantly since the early 1990s, and student test scores have increased faster than in many other states. The foundation’s grantees are widely credited with nurturing and sustaining Kentucky’s school improvement strategy, despite sometimes fierce opposition and shifts in the state’s political leadership—and most observers agree that the Annie E. Casey Foundation’s early and persistent investments in Kentucky helped build the capacity of the system and public institutions to have a shot at success. “By engaging and supporting strategic partners, the foundation’s funding and influence have had a long-standing impact,” said Carolyn Jones.

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school reform, Tony Cipollone—the foundation’s lead staff person for this work through the 1990s—envisioned a role for the Annie E. Casey Foundation that was both limited and essential: “We believed that given the magnitude of funds that full implementation of KERA would require, the foundation’s resources were not ade-

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Drawn from the experience and wisdom of our members, GFE’s Principles for Effective Education Grantmaking are designed to help strengthen philanthropy’s capacity to improve educational outcomes for all students. Our series of accompanying case studies is designed to help donors, leaders and program staff reflect more deeply on what the principles mean for their own grantmaking, how to integrate them into their efforts and how to improve the results of their grants in education.

This Case in Brief provides a synopsis of an in-depth case study and the lessons it suggests for education funders. We encourage you to review and consider the full text of the case study; free copies are available online at [www.edfunders.org](http://www.edfunders.org) or by calling 503.595.2100. In addition, the case studies in this series are being taught at many of GFE’s programs, and also can be taught in individualized settings by special arrangement.

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