

# Case Study No. 5

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

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## **Focus for Impact:**

The PacifiCorp Foundation for Learning's  
Early Childhood Literacy Initiative

by CAROLINE KING

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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<sup>for</sup>education

Grantmakers for Education's mission is to strengthen philanthropy's capacity to improve educational outcomes for all students. 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.

Grantmakers for Education developed this case study as a reflection and discussion tool. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of successful or unsuccessful grantmaking. In addition, to help make the case a more effective learning tool, it is deliberately written from one foundation's point of view, even though other foundations may have been involved in similar activities or supported the same grantees.

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## Case Study Jury

Grantmakers for Education appreciates the counsel of these former and current education grantmakers who helped us select case studies from the many proposals we received from our members:

James Canales, president—*The Irvine Foundation*

Susan Hanson, president—*Glikbarg Foundation* (liaison to the jury from GFE Communications Committee)

Ted Lobman, former president—*Stuart Foundation*

Hayes Mizell, former program director—*Edna McConnell Clark Foundation*

Gabriella Morris, president—*Prudential Foundation*

Robert Schwartz, former director of education—*Pew Charitable Trusts*

Teresa Sloyan, executive director—*Hyde Family Foundations*

Ruby Takanishi, president—*Foundation for Child Development*

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## Authors and Contributors

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# **FOREWORD:**

## **A Roadmap for More Effective Education Philanthropy**

The mission of Grantmakers for Education, a diverse national network of over 200 grantmaking organizations, is to strengthen philanthropy's capacity to improve educational outcomes for all students.

In June 2005, we announced eight education grantmaking practices—drawn from the experience and wisdom of our members—that we think lead to results in education. These Principles for Effective Education Grantmaking seek to promote the wisdom, craft and knowledge education funders need to achieve maximum results.

As a complement to the principles, Grantmakers for Education is developing this series of case studies designed to encourage foundation trustees, leaders and program staff to reflect more deeply on what these principles mean for their own grantmaking and how they might be integrated into their efforts.

With the help of a distinguished set of advisors from our field, we have chosen case studies that we believe represent rich, thought-provoking examples of how funders might aspire to use these principles in their education grantmaking. Hindsight is always 20/20, and while we think these cases showcase exemplary efforts in education philanthropy, we also chose them because each sheds light on the careful work a funder must invest to make a grant effective, the challenges that crop up along the way, and the messiness inherent in grantmaking despite the best-laid plans.

In the end, we hope these principles—and the cases that help illuminate them—affirm a set of positive attitudes about the future: philanthropy, done wisely, can contribute solutions to the problems that prevent too many students from learning and achieving.



**FOCUS FOR IMPACT:**

# **The PacifiCorp Foundation for Learning's Early Childhood Literacy Initiative**

**Caroline King**

## **Introduction**

The PacifiCorp Foundation for Learning was at a turning point in August 2006.

It had been five years since the corporate foundation had shifted its focus from general-purpose grantmaking to supporting individual and community learning, and its flagship Early Childhood Literacy Initiative—launched in 2003 to raise literacy rates in the communities served by PacifiCorp power companies—was nearing the end of its grant term.<sup>1</sup>

The multiyear \$1.3 million initiative had supported five grantees—one from each of the western states where PacifiCorp concentrates its business—representing a range of approaches to improving early literacy. The initiative was considered unique for a small corporate philanthropy, particularly within the utility industry, given the foundation's discrete area of focus, proactive selection of programs and ongoing support for grantees. Also noteworthy were the results of the four-year initiative: emerging evaluation data suggested its programs were contributing to increased early childhood literacy rates and all five grantees were on the road to becoming self-sustaining.

Yet change was afoot. PacifiCorp had been acquired by the private MidAmerican Energy Holdings Company in March 2006. MidAmerican operated its own foundation with a more general-purpose orientation, and consequently PacifiCorp Foundation for Learning's board of directors would be reconstituted in September 2006. As part of an overall evaluation, the new board would review both the foundation's grantmaking guidelines and its focus on learning. Additionally, the foundation's executive director, Isaac Regenstreif, who had designed and managed the Early Childhood Literacy Initiative from its inception, planned to retire in October 2006.

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<sup>1</sup> "Learning," as defined by the PacifiCorp Foundation for Learning, "increases the capacity and willingness of individuals, groups, organizations, and communities to acquire and productively apply new knowledge and skills, to grow and mature, and to adapt successfully to changes and challenges."

Reflecting on the Early Childhood Literacy Initiative and the foundation's organizational life cycle in August 2006, Regenstreif commented:

Five years ago, the foundation wanted to make large-scale investments in order to leverage maximum impact within the area of learning. Now that we've accomplished what we set out to do, which was to help scale up an effective early childhood literacy program in each of our five states, this is an opportune time for the foundation to reflect on the initiative's impact and re-evaluate the foundation's mission.

Regenstreif continued:

We've had to manage the tension between supporting a focused programmatic area and retaining the flexibility to respond to other needs within the communities we serve. The new foundation leaders will have to strike their own balance. I hope the lessons we learned from the Early Childhood Literacy Initiative will help them as they chart the foundation's course going forward.

### **Effective education philanthropy: Discipline and focus**

To better advance its mission of promoting lifelong learning, the PacifiCorp Foundation committed in 2001 to devote 20 percent of its grantmaking budget to a long-term initiative. Established by PacifiCorp, a regional power company, the PacifiCorp Foundation's annual grantmaking budget is \$2.5-3 million. It awards grants to nonprofits in the western states in which the company does business.

This case study is intended to help funders see ways of applying *discipline and focus*—one of Grantmakers for Education's Principles for Effective Education Grantmaking—to their work. Because public dollars in education will always dwarf private investments, a funder has greater impact when grantmaking aims to impact a specific social need, is carefully planned and targeted, and concentrates resources to make a difference.

PacifiCorp's culture emphasizes solving problems by going "upstream" to intervene at the earliest possible opportunity, and so the foundation trustees chose the area of early education literacy for the first initiative. At that time, the foundation also chose nonprofit partners in Oregon, Utah and Wyoming (and, later, Idaho and Washington) to implement or scale up a highly effective childhood literacy program.

## **PacifiCorp**

Serving more than 1.6 million customers in 2006, PacifiCorp is one of the largest public-utility companies in the western United States. Originally founded as Pacific Power and Light Company in 1910, PacifiCorp formed in 1984 with the consolidation of electric utility, natural-resource development and telecommunications businesses. PacifiCorp merged with leading United Kingdom utility provider ScottishPower in 1999 and was later sold to the Iowa-based MidAmerican Energy Holdings Company for \$5.1 billion in 2006.



Headquartered in Portland, Oregon, PacifiCorp is the corporate parent of three business units: Pacific Power delivers electricity to customers in Oregon, Washington and northern California; Rocky Mountain Power delivers electricity in Utah, Wyoming and Idaho; and PacifiCorp Energy conducts electric generation, commercial and energy trading, and coal-mining operations. The company's service territory covers 136,000 square miles. PacifiCorp's residential customers live in over 800 diverse communities, ranging from large urban centers, such as Salt Lake City, Utah, to small, rural areas like Riverton, Wyoming (*see Exhibit 1 for company facts and figures*).

### **The foundation's early years: A general-purpose grantmaker**

PacifiCorp executives established the PacifiCorp Foundation in 1988. Until recently, seven PacifiCorp senior executives served on the foundation's board.<sup>2</sup> The foundation is staffed by an executive director; a grants manager and staff assistant positions were created later.

At its start, the foundation's mission was to "support the vitality, general welfare and quality of life in communities where PacifiCorp, its divisions and its subsidiaries have operations, employees or interests." Ernie Bloch, the first executive director, explained, "The PacifiCorp Foundation was established to institutionalize the company's long-standing history of being a good community citizen. The foundation was intended to act as the company's philanthropic arm and embody our business and cultural values."

Initially, the foundation did not have an endowment but acted as a "pass through" foundation, according to Bloch. The company made tax deductible contributions to the foundation and awarded 100 percent of the funds within the same tax year.

In 1992, PacifiCorp decided to create an endowment for the foundation. Under Internal Revenue Service guidelines, the foundation is required to award 5 percent of its total funds each year. The remainder of the company's contributions could be reserved (and invested) in order to build the endowment. The endowment provided the foundation with a permanent source of funds, rather than having to rely upon annual contributions that could be affected by the company's financial performance in a given year, and enabled the foundation to pledge a consistent level of giving from year to year. PacifiCorp eventually devoted 0.7 percent of its annual pre-tax income to the foundation's endowment, surpassing the industry average of 0.5 percent.

PacifiCorp's 15 regional managers, who oversaw company operations in their respective service territories, recommended grant proposals to the foundation board. The foundation awarded between \$2.5 and \$3 million in grants each year. Average grants during this time period ranged from \$2,000-\$5,000 and typically represented contributions to capital campaigns (Utah Opera, for example) or paid for capital expenses (such as a freezer for a food bank). Application guidelines, evaluation criteria and reporting requirements were not highly formalized during this time.

PacifiCorp former Senior Vice President Michael Pittman, a long-standing foundation board member and chair from July 2000 through September 2005, commented, "We operated as a general-purpose foundation for our first 10 years. Like many corporate, especially utility company, foundations, we

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<sup>2</sup> With MidAmerican Holdings Company's acquisition of PacifiCorp, the foundation's board of directors was reconstituted in September 2006 to have four members.

wanted to foster goodwill in the communities in which our customers and employees lived, many of which are rural and isolated from other donors. We knew we were responding to real needs, but our dollars were spread so thin that it was hard to see if we were really making an impact.”

### **Merger sparks change in foundation’s direction**

The merger between ScottishPower and PacifiCorp in November 1999 affected the foundation in multiple ways.

Management turnover at PacifiCorp led to turnover on the foundation board. Concurrently, an external investment manager projected that the foundation’s current rate of annual giving was unsustainable and would deplete the endowment of \$40 million. In response, board members decided to phase in a reduction in annual giving to about \$2 million per year. Foundation Grants Manager Pam Bradford added, “At the same time, our number of grant requests continued to grow each year. The board was looking for guidance in how to most effectively allocate the foundation’s money.”

In June 2000, the board raised the possibility of identifying a “theme” or “focus” for foundation funding. Pittman, who remained board chair through the transition, recalled, “There was a growing sense that we needed to do more than just give money away; we wanted to make a long-term impact in our communities. We also wanted to build our foundation ‘brand’ so that our work could be easily recognized and valued.”

ScottishPower’s CEO Alan Richardson was committed to supporting “lifelong learning” both as a corporate value and through the company’s philanthropy. Pittman and Bloch hired an external consultant to facilitate board discussions about the foundation’s grantmaking strategy and about the possibility of lifelong learning as a potential programmatic focus. PacifiCorp’s Rocky Mountain Power President and foundation board member A. Richard Walje noted, “There was not consensus at the beginning that the foundation needed a focus on ‘learning’ if it meant visibly taking the money away from our communities. In a small community of 500 people, building a park might be the most important civic effort of the year and PacifiCorp could make it happen with only \$2,000. Our former CEO [Richardson] deserves a lot of the credit for our focus—he had a vision and was committed to building the capacity of our communities through learning.”

### **A new focus on supporting “learning”—and a new grantmaking strategy**

By the March 2001 board meeting, the foundation board was ready to agree on a new strategic direction. The board changed the foundation’s name to the PacifiCorp Foundation for Learning and adopted a new mission statement for the organization:

The PacifiCorp Foundation for Learning supports activities that leverage learning opportunities to achieve sustainable results in developing and expanding important capabilities of individuals and communities. Through its charitable investments, in support of individuals of demonstrated excellence, the foundation prizes learning as the cornerstone of our brightest future.

The board worked throughout 2001 to design a new model for its philanthropy that would fit its new mission. Board members also decided that within three years the foundation would transition away from responsive, general-purpose grantmaking in order to engage in two new major categories of giving:

- **Learning Initiatives:** The foundation would allocate a significant amount of its giving (roughly 20 percent) to high-impact, long-term “learning initiatives.” The board intended to identify a particular problem to address through the learning initiatives and invite organizations to apply for the funding (*see following section*).
- **Grants:** Under new grantmaking guidelines, the foundation would award smaller grants (under \$10,000 and totaling about 80 percent of annual giving) to nonprofits to support four programmatic areas: 1) civic and community betterment; 2) arts and culture; 3) health and human services; and 4) education.

Preference would be given to projects with a learning focus. For example, the foundation was more likely to fund a food bank’s nutrition program versus a new freezer. As a general rule, the foundation would not fund capital campaigns, endowments, operating deficits or events.

Finally, the foundation made its guidelines and evaluation criteria available publicly and allowed organizations to submit proposals directly to the foundation rather than through the company’s regional managers. The foundation board agreed to review the proposals for only one programmatic area per quarter and also formalized reporting requirements for grantees.

### **A commitment to promoting literacy**

Pittman, Bloch and two foundation board members, PacifiCorp Senior Vice President Jack Kelly and Regenstreif (at the time, senior policy consultant at PacifiCorp), formed a subcommittee to explore alternatives for the potential learning initiatives. “The strength of PacifiCorp comes from the strength of our communities, and education is the greatest driver for building community capacity,” Regenstreif explained. “Our challenge,” he continued, “was how to support a large-scale, focused ‘learning’ effort across our service territories, yet still respect our communities’ differences and retain the flexibility to respond to other pressing needs.”

Ultimately, the subcommittee recommended allocating \$1 million over three years to focus on developing the literacy skills of children in PacifiCorp’s service areas from infancy to age nine. Bloch explained, “There is a growing trend in philanthropy to go ‘upstream’ and intervene at the earliest opportunity. All of the research on brain development indicates that developing a young person’s ability to read is the most important determinant to success in school and beyond.”

Indeed, the subcommittee pointed to national research estimating that 20 percent of low-income kindergartners entered school at risk of reading failure and that children who were not proficient readers by the end of third grade performed poorly in other subjects throughout the course of their schooling. “We felt that by focusing significant resources on improving early childhood literacy, the foundation could demonstrate our commitment to individual and community learning and drive maximum impact in PacifiCorp’s communities,” added Pittman.

## The Early Childhood Literacy Initiative

At its December 2001 meeting, the foundation board approved \$1 million to create the flagship Early Childhood Literacy Initiative. The grants budget provided \$300,000 over three years (\$100,000 each year, commencing with the company's 2003 fiscal year) to a program partner in each of PacifiCorp's three largest service territories: Utah, Oregon and Wyoming. The remaining \$100,000 was set aside to convene annual grantee meetings and provide technical assistance to grantees.

The foundation later allocated an additional \$300,000 in order to add its smaller service territories, Idaho and Washington, to the initiative. The board approved a three-year, \$150,000 grant (\$50,000 each year) to each of its program partners in Idaho and Washington in fiscal years 2004 and 2005, respectively.<sup>3</sup>

### The selection process

Initially, the foundation thought it might be possible to identify one highly effective early childhood literacy program that could be replicated across all five states. Regenstreif explained, "PacifiCorp's corporate culture values scaling up effective models over launching start-ups. The board felt more comfortable investing in piloted programs that had demonstrated track records of success."

Pittman tasked Regenstreif with conducting due diligence on potential programs. Regenstreif visited schools of education, nonprofit organizations, policymakers, community leaders and

**TABLE 1**

#### **Early Childhood Literacy Initiative Selection Criteria**

- Focus on early childhood literacy
- Participation of solid, proven partners
- Experience in delivering quality programs in reading
- Community credibility/visibility
- Unique opportunity to build successful, innovative program and "brand" PacifiCorp Foundation for Learning as a major advocate for childhood literacy
- Based on local community needs . . . not one size fits all
- Accountability: ability to track/benchmark over time to know that we have achieved what we set out to do. Contractual agreement with partners to assure accountability.
- Affordable/cost effective
- Realistic goals
- Sustainable . . . program in it for the long haul
- Possibility of replicating programs/best practices
- Helps build the capacity of individuals and groups to learn and apply new skills
- Must be 501c3 [nonprofit status] or appropriate governmental entity to receive funding
- Program cannot be of direct benefit to the company
- Provides opportunity to involve PacifiCorp employees as volunteers
- Possibility of incorporating learning centers

Source: PacifiCorp Foundation for Learning.

<sup>3</sup> Northern California was not included in the initiative given the area's relatively small customer base and concurrent negotiations to sell the service territory, which later fell through.

company executives in PacifiCorp's service territories. Regenstreif recalled, "Early on in my discussions, we realized that without local buy-in and investment, a program could not achieve the high-impact and long-term sustainability that we were looking for because each community has unique needs and ideas about how to address those needs." He added, "We also came to see the value of supporting different interventions with different age cohorts for furthering our own learning, and our grantees' learning, about early childhood literacy development."

Ultimately, the foundation decided that it would hand select a partner from each state to submit a proposal for funding from the Early Childhood Literacy Initiative. Pittman elaborated, "We decided to be opportunistic and identify the most effective early childhood literacy program partner in each state. We believed that different models could all be successful if they were effectively designed and implemented. In addition, it was our hope that the partners could learn from one another and build on each other's successes." The board outlined criteria to help Regenstreif scout potential candidates (*see Table 1 on page 6*).

Regenstreif identified one program partner per state that best met the board's criteria and, based on his recommendations, the board invited the organizations to apply for funding. All five of the grantees proposed by Regenstreif were awarded funding. Regenstreif, who became the foundation's executive director after Bloch's retirement in June 2002, reflected on the grantees' selection: "We believed that picking strong program partners would be a key determinant of the initiative's success—which turned out to be true. I like to say that we weren't just betting on the horse, we were betting on the strongest jockeys who could win the race today, tomorrow and five years from now."

## Grantees

The Early Childhood Literacy Initiative supported one program per state. The five grantees represented various approaches to improving early childhood literacy, ranging from a school-based intervention in Oregon to a collaboration among health-care providers in Wyoming to an effort to engage parents in Utah, Idaho and Washington. By 2006, over 10,000 children had been served by the five programs' combined efforts. The programs, PacifiCorp's support and results are described briefly below.<sup>4</sup>

- **Oregon: Project Optimize.** Project Optimize helped teachers in six underperforming Oregon elementary schools (two urban and four rural, all in low-income communities) remediate children who arrived at kindergarten unprepared to learn how to read. Developed by faculty at the University of Oregon, Project Optimize uses the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) assessment to identify kindergartners at risk of reading failure and offers a daily 30-minute curriculum to provide identified kindergartners with intensive reading support. Project Optimize had been successfully piloted in Oregon's Bethel School District and showed encouraging results.

After learning about the pilot program, PacifiCorp asked the Oregon Department of Education to help it expand Project Optimize to six low-performing, high-need elementary schools. Together, the foundation and the department identified the six participating schools

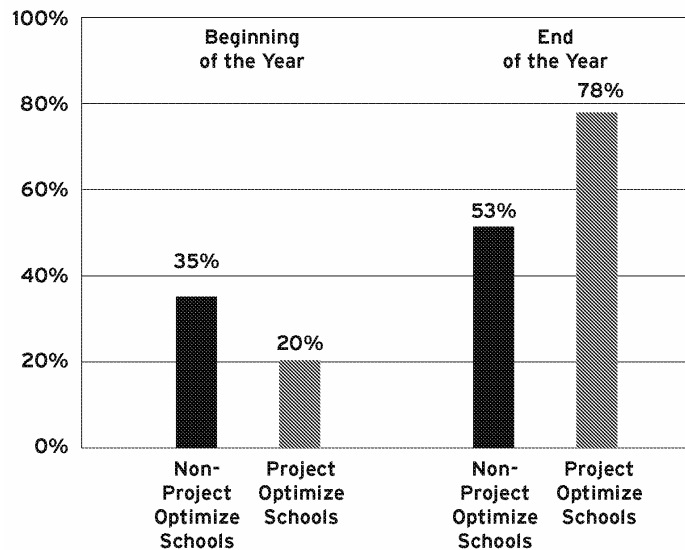
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<sup>4</sup> For more information, visit the foundation's Web site at [www.pacificorpfoundation.org/Article/Article25119.html](http://www.pacificorpfoundation.org/Article/Article25119.html).

by considering student demographics, school interest in the program and the school’s participation in an existing statewide volunteer reading initiative. The three-year, \$300,000 PacifiCorp funding, which was distributed among the six schools, paid for teacher training, materials and support for teachers from a literacy coach. The Oregon Department of Education contributed program administration and annual evaluation services for free.

As of 2006, 76 percent of the 700 participating children improved their reading ability during their kindergarten year. Forty-seven percent moved from “at-risk” to “emergent” readers; 29 percent moved from “at-risk” to “established” readers. In a 2004-05 comparison of demographically similar Project Optimize and non-Project Optimize schools, Project Optimize schools were able to help more kindergartners read on grade level by the end of the school year (*see Table 2, below*).

**Table 2**  
**Percentage of Kindergartners at “Established Reader” Benchmark**  
 (2003-04 School Year)



Student performance is measured by the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) assessment.

Source: *PacifiCorp Foundation for Learning Early Childhood Literacy Program Evaluation, 2005.*

- Utah: Motherread/Fatheread.** Motherread/Fatheread works with both adults and children to raise early childhood literacy levels. Developed by the national Motherread/Fatheread organization in North Carolina, the curriculum builds parenting, critical thinking, and literacy skills and promotes daily reading and story sharing in the home. The Utah Humanities Council had been training Motherread/Fatheread facilitators in four Utah counties since 1996 with promising results but lacked funding to reach more families throughout the state.

As the foundation searched for a program in Utah, Motherread/Fatheread surfaced as a well-established, high-impact partner. Regenstreif noted, “The Humanities Council had an

effective literacy program, an established delivery mechanism and had identified its target audience: the Head Start and Even Start teachers who already worked to improve literacy skills of low-income families and children.” The three-year, \$300,000 PacifiCorp grant paid to train every Head Start and Even Start teacher in the state, which allowed the program to target low-income children, and also covered annual evaluation and program administration costs.

Approximately 400 teachers served 2,440 families and children, and Motherread/Fatheread classes were held in 27 of Utah’s 29 counties in 2006. In a sample of participating parents, 65 percent increased their reading level by at least one level after a 10-week Motherread/Fatheread class. Improving parents’ literacy levels is believed to increase their ability and likelihood of reading to their children.

- **Wyoming: Raising Readers in Wyoming.** Raising Readers works to increase the number of times parents read to their children, to support families as they prepare their children to enter kindergarten and to improve child health by increasing immunization rates. The program aims to provide each child, within his or her first five years, with 10 books, distributed during well-baby checkups and immunizations.

In a departure from the foundation’s philosophy of scaling up existing programs, PacifiCorp funding helped launch Raising Readers in Wyoming. As Regenstreif engaged in conversations with local actors in Wyoming to identify a program partner, PacifiCorp Vice President Robert Tarantola became aware of then First Lady Sherri Geringer’s desire to bring Raising Readers, a successful program in Maine, to Wyoming. The three-year, \$300,000 grant to the Wyoming Department of Family Services paid to introduce Raising Readers to all 23 counties, reaching nearly 9,000 children and supporting program administration, books, training and evaluation.

Evaluators found that participating parents increased the number of times per week that they read to their children, rising from an average of four times per week to 5.5 times per week, a statistically significant increase.<sup>5</sup> The number of books in the home also increased from an average of 48 to 71. Wyoming’s immunization rate improved by 10 percentage points to 80 percent during the grant period, reaching the national average for the first time—although the evaluation could not determine if, or to what extent, Raising Readers contributed to this increase, given that other interventions were taking place simultaneously. Raising Readers dropped the immunization goal in July 2006 to focus its efforts entirely on improving early childhood literacy.

- **Idaho: Parents as Teachers Plus.** Idaho’s Madison School District had managed Parents as Teachers since 1998. In Parents as Teachers, a certified parent educator visits a child’s home each month to help parents encourage continuing growth in each area of a child’s development. PacifiCorp funding enabled Parents as Teachers to add a 10-minute literacy component (the “Plus”) to each home visit and, in conjunction with the Dollywood Foundation, to deliver 12 books per year to children involved in the program. The three-year,

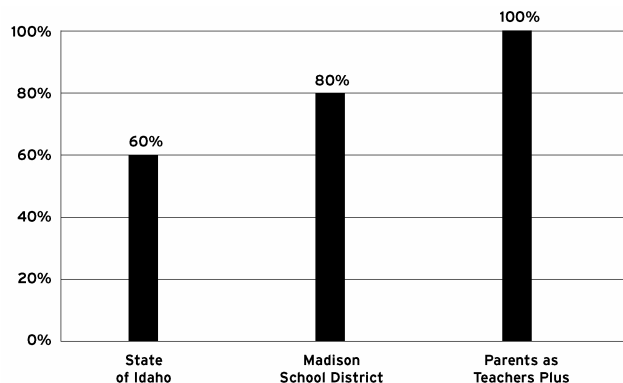
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<sup>5</sup> *Raising Readers Progress Report 2006*. Wyoming Survey and Analysis Center, University of Wyoming.

\$150,000 grant also paid for faculty from Brigham Young University-Idaho to develop the literacy curriculum, train parent educators and assist with program administration and annual evaluation costs.

PacifiCorp’s grant enabled Parents as Teachers Plus to reach an additional 60 families each year (for a total of 150 families per year) and deliver books to over 600 children. Participating families increased the amount of time they read to their children from an average of 14 minutes to 21 minutes per day—a promising result given that national reading experts recommend that parents read to their children a minimum of 15-20 minutes a day.<sup>6</sup> Results from the first two years of the program showed that 100 percent of children participating in Parents as Teachers Plus scored at or above grade level on the Idaho Reading Indicator when they entered kindergarten, compared to only 80 percent of kindergartners in the Madison School District overall and 60 percent across the state—despite the fact that Parents as Teachers Plus served a higher percentage of low-income and English as a Second Language families (*see Table 3, below*).

**TABLE 3**  
**Percentage of Entering Kindergartners at Grade-Level Standard**  
(2005 School Year)



Student performance is measured by the Idaho Reading Indicator assessment.

Source: *PacifiCorp Foundation for Learning Early Childhood Literacy Program Evaluation, 2005.*

- **Washington: Motherread/Fatheread.** The Washington Humanities Council had been training Motherread/Fatheread facilitators in the state since 1996 but, like its Utah counterpart, lacked funding to reach some of Washington’s most underserved communities.

PacifiCorp Foundation’s three-year, \$150,000 grant expanded Motherread/Fatheread to Yakima and Walla Walla counties—largely rural, agricultural, and migrant communities and PacifiCorp service areas—through partnerships with Head Start agencies, 21st Century and

<sup>6</sup> *PacifiCorp Foundation for Learning Early Childhood Literacy Program Evaluation.* Report submitted by Steffen Saifer, Ed.D., Northwest Regional Education Laboratory, December 2005. Available at [www.pacificorpfoundation.org/File/File63378.pdf](http://www.pacificorpfoundation.org/File/File63378.pdf).



Title 1 schools, and community organizations.<sup>7</sup> As a result, 120 new Motherread/Fatheread facilitators were trained, who in turn reached 2,400 new families (representing approximately 5,000 children). The PacifiCorp grant also covered books for families, administrative costs and annual evaluation expenses.

In an evaluation of 61 Motherread/Fatheread classes held in Yakima between 2005 and 2006, more than two-thirds of participants reported that they were reading to their children at least once a day compared to less than 50 percent who were doing so at the first session. Parents also reported that they were better able to engage their children as they read to them, evidenced by the children pointing to pictures or reading along.

## Assessing impact

Focusing roughly 20 percent of its annual giving on the Early Childhood Literacy Initiative between fiscal years 2002 and 2007 had a tangible impact on the PacifiCorp Foundation for Learning and its grantees. The foundation and program staff described trade-offs, benefits and challenges stemming from the initiative's discrete area of focus of improving early childhood literacy in PacifiCorp service areas.

### Balancing focus and flexibility

“Defining a clear focus has helped us make more thoughtful decisions about where to allocate our resources,” observed Regenstreif. “We knew that if we really wanted to make a dramatic and sustainable impact, we would need to provide sizeable, multiyear funding.” Indeed, the Early Childhood Literacy Initiative grants, which totaled over \$1 million and between \$150,000 and \$300,000 per grantee, were unprecedented in the foundation's history.

In addition to the 20 percent of annual giving budgeted for the Early Childhood Literacy Initiative, the foundation also allocated about 30 percent for grants with a learning focus. Thus, total “learning” efforts comprised nearly 50 percent of the foundation's yearly budget (*see Exhibit 2*). As a result, the foundation redirected money away from capital campaigns and other general community projects that it had funded in the past (*for a comparison of the foundation's budget allocations in 1999 and 2003, see Exhibit 3*).

The foundation notified several organizations it had supported for a number of years, such as United Way, the Portland Museum of Art and Utah Opera, that it would only accept proposals aligned with its new grantmaking guidelines and that programs with a learning component were preferred.<sup>8</sup> Pittman reflected, “Initially, some foundation board members were nervous about our decision to terminate funding for capital campaigns of institutions that we had well-established relationships with. And our regional managers were skeptical. They lived and worked in communities where

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<sup>7</sup> 21st Century Schools receive federal funding for training or other activities to work with local communities to provide safe and drug-free school environments in support of improved academic achievement. Title I schools receive federal funds to strengthen academic supports for low-income students. See [www.ed.gov](http://www.ed.gov) for more information.

<sup>8</sup> PacifiCorp Foundation for Learning continued to match annual employee contributions to charitable organizations.

PacifiCorp's support for community projects was highly valued because there were not other large corporations or organizations for people to turn to."

In 2004, the foundation made a midcourse correction by creating an annual \$100,000 small-community capital grants budget for rural areas. Regional managers could present one proposal per year to contribute up to \$10,000 in support of deserving capital projects in small rural areas, such as a community center or park. Pittman explained, "In light of the pressing needs in our rural communities, the board revisited our decision not to fund capital works in favor of focusing on the learning efforts. We started asking, 'Why can't we have the best of both worlds?'"

While many PacifiCorp employees and communities came to embrace the Early Childhood Literacy Initiative, Regenstreif remarked that "the foundation faces a constant tension over how to strike the right balance between having a clear focus and retaining the flexibility to respond to important local needs." He added, "We were explicit about our decision not to allocate 100 percent of foundation resources to the learning efforts in order to retain the ability to support other worthy causes."

### **Promoting scalability**

Grantees appreciated that the size and duration of the Early Childhood Literacy Initiative grants helped them take their projects to scale. Utah Motherread/Fatheread Program Manager Pippa Keene noted, "We had always existed by cobbling together small grants, so our work from year to year was contingent on the resources available. The \$300,000 from PacifiCorp—our largest grant to date—finally allowed us to design and implement a long-term plan to scale up Motherread/Fatheread statewide. We were also able to leverage the grant with other Utah funders. Once donors saw how much PacifiCorp valued our work, they looked at us in a new light and we garnered new or higher levels of funding."

### **Facilitating high-touch partnerships**

Grantees also praised non-monetary aspects of the Early Childhood Literacy Initiative. The foundation convened an annual meeting of the grantees each spring in order to facilitate networking, share best practices and provide technical assistance on common challenges. The foundation contracted Steffen Saifer, Ed.D., director of the Child and Family Program at the Northwest Regional Educational Laboratory, to facilitate the annual conferences and, later, to assist grantees in designing and conducting program evaluations. Many local PacifiCorp employees volunteered for the program in their respective service areas.

Washington Motherread/Fatheread Program Manager Lydia Bassett commented, "The annual conferences were an amazing professional development opportunity. The foundation brought in guest speakers and PacifiCorp executives to help us strengthen our work in areas in which we had limited expertise, such as marketing and fund-raising." Idaho Parents as Teachers Plus Program Manager Janet Goodliffe added, "Even though we all run different programs, we were able to learn from each other. I incorporated pieces of the other programs into our program design, such as some of the ideas and literacy activities used in Utah's, Wyoming's and Oregon's programs." Reflecting on the role of the foundation's staff, Raising Readers Director Jolene Olson observed, "Isaac seemed to know that as a new organization we would need support in a number of areas, such as resource

development, promotion and evaluation. He was able to gather together the people and organizations, such as the Wyoming Community Foundation, who could help us grow in those areas.”

Regenstreif noted, “We were only able to provide these ‘value-added services’ to the grantees precisely because we had a sizeable, multiyear program in which we shared the same agenda—improving early childhood literacy. We did not want to just give money away. We wanted to help our grantees be successful and we wanted to learn ourselves.”

## **Recognizing the need for persistence**

“Committing to a focused partnership over multiple years forced us to ‘hold the line’ and work through some challenging situations,” observed Regenstreif, who offered two examples.

- The nonprofit that managed Raising Readers in Wyoming under contract with the Wyoming Department of Family Services notified the foundation that it would be unable to manage the program after year three, given its other program and fund-raising commitments. Regenstreif spent “many hours” in Wyoming meeting with Director Joleen Olson, members of the state’s early childhood advisory council and PacifiCorp’s Wyoming Vice President Robert Tarantola to work out a transition plan.

Ultimately, Tarantola and some advisory council members decided to establish an independent nonprofit organization to oversee the continuation of Raising Readers. The foundation helped the fledging organization by providing legal assistance and fund-raising workshops. At the foundation’s behest, the Wyoming Community Foundation assisted with board formation, goal setting and the creation of a development plan. “Raising Readers was the only ‘start-up’ program that the Early Childhood Literacy Initiative supported, and for that reason, it required more hands-on support from the foundation,” reflected Regenstreif. Wyoming’s former First Lady Sherri Geringer, who served on the Raising Readers board, commented, “PacifiCorp Foundation for Learning’s support during our transition helped our staff and board develop the managerial and fund-raising skills that we needed to become a self-sustaining organization. Now that we’ve shown that we can be successful, other foundations are more eager to make large-scale contributions.”

- The foundation also encountered challenges in Oregon when the state’s Office of Public Instruction and Department of Education experienced substantial leadership turnover at the end of Project Optimize’s second year of funding. The department’s new leadership wanted to retain a portion of PacifiCorp’s grant to cover administrative expenses for coordinating trainings and conducting evaluations—services the department had previously provided for free, which allowed 100 percent of the foundation’s grant to reach the six Project Optimize schools. The foundation and department negotiated a settlement, but Regenstreif commented, “Public-private partnerships are inherently risky due to political changes. The challenge is to respect each other’s organizational cultures and be able to demonstrate real results that will convince successors to stay invested and committed.”

## Measuring results

From the outset, the foundation required grantees to have an evaluation in place to measure program effectiveness and to submit biannual reports on the program's implementation and outcomes. "The board was clear that if we were going to allocate significant resources to this initiative, we had to be able to prove that we were making a dramatic impact," Regenstreif observed. "However, we underestimated how hard it is for nonprofits to design and effectively conduct evaluations, particularly in the field of early childhood literacy, where so many of the benefits are long-term." In response, the foundation contracted Saifer to provide grantees technical assistance with their evaluations.

"Even though it was difficult and time-consuming to meet the foundation's evaluation requirements, I'm glad they held our feet to the fire," reflected Goodliffe. She added, "I want to know we're providing the most effective program possible and we need good data to know that. Reliable impact data also enabled me to demonstrate our results to other funders and attract more support." Saifer reflected, "The evaluations show that the grantees are helping teachers and families to improve young children's literacy skills. I would argue that the Early Childhood Literacy Initiative's comprehensive approach—the foundation's proactive selection of grantees based on due diligence, strong grantee partners, and 'value-added' supports for grantees such as assistance with evaluation or with transition planning—increased the initiative's impact and likelihood of sustainability."

## Working toward sustainability

In 2005, the foundation made another notable midcourse correction by offering the initial Early Childhood Literacy grantees in Oregon, Utah and Wyoming, who were nearing the end of their three-year grants, a fourth year of funding. Regenstreif explained, "We wanted to give the programs additional time and incentives to attract new sources of funding to sustain their work." In fiscal year 2006, Raising Readers in Wyoming and Utah's Motherread/Fatheread applied for and received \$50,000 challenge grants by raising an additional \$50,000 from other donors. Four Oregon elementary schools each received \$4,000 "transition grants" the same year.

MidAmerican's acquisition of PacifiCorp in 2006 and the upcoming leadership transitions at the foundation created uncertainty around the availability of challenge grants for Idaho's Parents as Teachers Plus and Washington's Motherread/Fatheread. Regenstreif encouraged these grantees to continue to submit proposals to the foundation as part of its regular grantmaking cycles.

By August 2006, the foundation felt confident that all five programs would achieve long-term sustainability, according to Regenstreif. Notably, the Oregon Department of Education had secured federal funding to make Project Optimize (now known as Early Reading Intervention) available to qualifying schools; 45 of the state's 49 eligible schools elected to implement the program.<sup>9</sup> Wyoming's Raising Readers had stabilized operations under its new parent organization for a full year and had even secured a \$25,000 challenge grant from another foundation.

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<sup>9</sup> Qualifying schools received federal Title I funds to provide supplemental tutoring in reading (known as Reading First Grants).

Utah's Motherhead/Fatheread planned to focus on providing follow-up training to current facilitators while it engaged in long-term planning and fund-raising. Additionally, the Utah Motherhead/Fatheread program had found broader applications across the state. Parts of the Utah corrections system, several Native American tribes and some high school Graduate Equivalency Degree programs had adapted aspects of the curriculum. Idaho's Parents as Teachers had solidified its partnership with Brigham Young University-Idaho and was receiving additional hands-on and financial support from the school, as well as from other donors. Washington's Motherhead/Fatheread would celebrate its 10-year anniversary of operating in the state in October 2006 and, according to Program Manager Lydia Bassett, "felt stronger than ever."

## **The Road Ahead**

Under MidAmerican's ownership, a new board and a new executive director, it was unclear if the PacifiCorp Foundation for Learning would maintain its focus on learning beyond 2006. Notably, the foundation's flagship Early Childhood Literacy Initiative was under review, as the foundation had already fulfilled its commitments to its five program partners.

Multiple viewpoints existed within the foundation. Regenstreif reiterated, "Even without the MidAmerican acquisition, I think we would have revisited our strategy and focus. The Early Childhood Literacy Initiative accomplished our goal of scaling up highly effective early literacy programs in our service territories. It is the perfect time for the foundation to reflect on lessons learned and envision what it wants to achieve going forward." Walje, who had been appointed the foundation's chairman in March 2006 and would remain in the role, reflected, "PacifiCorp has had three different owners in 12 years and each owner has had its own philosophy about philanthropy. Through the Early Childhood Literacy Initiative, we were able to make a real impact in our communities because we focused our dollars and support over a sustained period of time. We're still evolving our approach to align with MidAmerican's approach to philanthropy."

As the September 2006 meeting of the foundation's new board neared, those close to the foundation wondered what was in store for the PacifiCorp Foundation for Learning. Would the foundation declare victory with its "learning" efforts and identify a new focus? Would the foundation return to making smaller, more general-purpose grants? The board's decisions would certainly affect the foundation's grantmaking guidelines, its presence in its service territories and its impact.

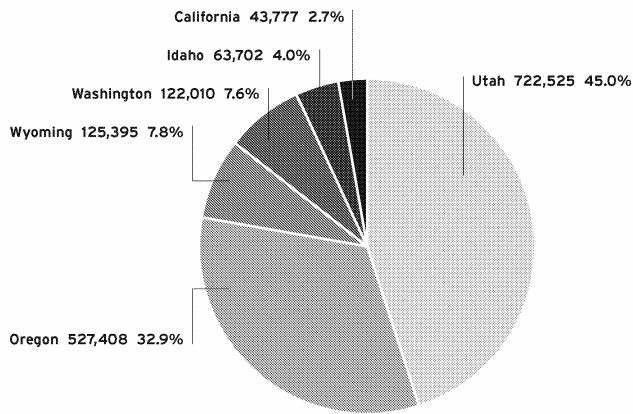
# **EXHIBIT 1**

## **PACIFICORP FACTS AND FIGURES**

<b>Revenues (2006):</b>	\$3.8 billion
<b>Number of Employees:</b>	6,556
<b>Headquarters:</b>	Portland, Ore.
Business Unit Headquarters:	
Rocky Mountain Power	Salt Lake City, Utah
Pacific Power	Portland, Ore.
PacifiCorp Energy	Salt Lake City, Utah

### **PacifiCorp Customers by State**

Total customers = 1,604,817 (as of March 2005)



### **Service Territory**

Service area (shaded area below) covers 136,000 square miles



Source: PacifiCorp fact sheet. Available at [www.pacificorp.com/File/File46798.pdf](http://www.pacificorp.com/File/File46798.pdf).

**EXHIBIT 2**  
**PACIFICORP FOUNDATION FOR LEARNING**  
**ANNUAL BUDGET ALLOCATION**  
**FY2002-FY2007**

	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>
<b>Early Childhood Literacy Initiative</b>						
Oregon	-	100,000	75,000	50,000	16,000	-
Utah	-	100,000	100,000	100,000	50,000	-
Wyoming	-	100,000	100,000	100,000	50,000	-
Idaho	-	-	50,000	50,000	50,000	-
Washington	-	-	-	50,000	50,000	50,000
Facilitation		3,560	12,669	24,763	20,310	5,500
		<b>303,560</b>	<b>337,669</b>	<b>374,763</b>	<b>236,310</b>	<b>55,500</b>
<b>Grants</b>						
Learning focus	556,465	700,000	456,335	644,175	620,000	740,000
Community citizen	1,893,535	1,100,000	1,108,665	945,825	1,090,000	555,000
Rural small capital grants	-	-	-	100,000	125,000	100,000
	<b>2,450,000</b>	<b>1,800,000</b>	<b>1,565,000</b>	<b>1,690,000</b>	<b>1,835,000</b>	<b>1,395,000</b>
<b>Reserve Fund</b>						
	-	-	-	-	100,000	-
<b>Total</b>						
	<b>2,450,000</b>	<b>2,103,560</b>	<b>1,902,669</b>	<b>2,064,763</b>	<b>2,171,310</b>	<b>1,450,500</b>
Total learning = % of total	22.7	47.7	41.7	49.3	39.4	54.8
Early childhood literacy initiative = % of total	0.0	14.4	17.7	18.2	10.9	3.8
Learning grants = % of total	22.7	33.3	24.0	31.2	28.6	51.0
Total grants = % of total	100.0	85.6	82.3	81.8	84.5	96.2

For FYs 2002-2006, the fiscal year spanned the 12-month period of April 1 through March 31. FY2007 spanned a 9-month period from April 1, 2006 through December 31, 2006.

The FY06 Reserve Fund was expended to match employee contributions for emergency relief efforts in response to the Asian Tsunami (December 2004) and Hurricane Katrina (New Orleans, LA; August 2005).

From FY2003 through FY2005, the six Oregon elementary schools delivering Project Optimize only spent \$225,000 of the original three-year, \$300,000 allocation.

Source: PacifiCorp Foundation files.

**EXHIBIT 3**  
**PACIFICORP FOUNDATION FOR LEARNING**  
**COMPARISON OF BUDGET ALLOCATIONS**  
**1999 vs. 2003**

	<b>CY1999</b>	<b>FY2003</b>
<b>General Community Support</b>		
<u>Non-Discretionary:</u>		
Spirit of Excellence Awards	\$73,000	\$123,500
United Way	\$601,455	\$575,794
<i>total non-discretionary</i>	\$674,455	\$699,294
<u>Discretionary:</u>		
Capital	\$520,130	\$121,333 [1]
Non-capital	\$393,585	\$77,210
<i>total discretionary</i>	\$913,715	\$198,543
<b>TOTAL COMMUNITY SUPPORT</b>	<b>\$1,588,170</b>	<b>\$897,837</b>
<b>Learning Focus</b>		
Initiatives	\$ --	\$300,000
Other Learning	\$1,186,618	\$939,065
<b>TOTAL LEARNING FOCUS</b>	<b>\$1,186,618</b>	<b>\$1,239,065</b>
<b>GRANTS TOTAL</b>	<b>\$2,774,788</b>	<b>\$2,136,902</b>

[1] \$83,333 for 2nd year pledge pmts to OBT, Ballet West, Utah Opera

	<b>CY1999</b>	<b>FY2003</b>
Organizations supported both BEFORE & AFTER learning focus	\$1,667,872	\$1,414,530
Organizations supported only AFTER learning focus	\$ ---	\$422,372
Learning Initiatives	\$ ---	\$300,000
Organizations supported only BEFORE learning focus	\$1,106,916	\$ ---
<b>GRANTS TOTAL</b>	<b>\$2,774,788</b>	<b>\$2,136,902</b>

Spirit of Excellence Awards are awarded by PacifiCorp executives to employees as rewards for high performance on the job or in the community. In turn, employees designate a 501c3 nonprofit organization of their choice to receive the funds.

Source: PacifiCorp Foundation files.



# LESSONS FOR EDUCATION PHILANTHROPY

This case study suggests four important lessons for grantmakers seeking to increase their impact:

- **Choosing a discrete area in which to focus your grantmaking can help clarify intended impact and necessary resources—and the resulting trade-offs.**

A desire to support significant change rather than address needs led the PacifiCorp Foundation to adopt a radically different grantmaking strategy. The result was greater clarity about how exactly it would help boost early childhood literacy in five states and what its grantees needed to succeed. Still, “the foundation faces a constant tension over how to strike the right balance between having a clear focus and retaining the flexibility to respond to important local needs,” according to Isaac Regenstreif, executive director. “Defining a clear focus has helped us make more thoughtful decisions about where to allocate our resources.”

- **Maintaining focus is hard work.**

“Committing to a focused partnership over multiple years forced us to ‘hold the line,’” observed Regenstreif. The PacifiCorp Foundation had played an important role, especially in rural areas, as a general-purpose grantmaker and it struggled with the trade-offs inherent in a more focused giving strategy. Still, its successes came not only from a limited focus on early childhood literacy (which it shares with other funders) but also from its concentration of foundation resources, its persistence and its commitment to building the capacity of its grantees.

- **Balance focus with a willingness to respond to unforeseen developments.**

Even as it made a big bet on a few early childhood literacy grantees, the foundation was equally clear about its intention not to allocate 100 percent of its resources to the new focus area. And board members made further adjustments to the foundation’s giving strategy to ensure it could still respond to needs outside the focus area when it was uniquely positioned to help.

- **Focus does not mean “one size fits all”; with a clear end in mind, different program models can be effectively supported.**

The PacifiCorp Foundation supported a range of approaches to improving early childhood literacy in order to engender local buy-in and commitment, which were essential to the success and long-term sustainability of these programs.

# SELF-STUDY QUESTIONS

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

1. What was the PacifiCorp Foundation for Learning's theory of change—the assumptions, activities and expected outcomes—for its Early Childhood Literacy Initiative? Was it a plausible theory? Why or why not?
2. What evidence did you see in the case that *discipline and focus*, one of GFE's Principles for Effective Education Grantmaking, were part of the PacifiCorp Foundation grantmaking strategy? Was the foundation effective in this regard? Could it have been more effective? Why or why not?
3. What are the trade-offs, benefits and challenges of maintaining a more narrow grantmaking focus?
4. What advice would you give the foundation's chair, A. Richard Walje, and the new incoming board members as they chart the foundation's course going forward? What would you recommend the PacifiCorp Foundation do next regarding the Early Childhood Literacy Initiative?
5. Were there unique challenges—or opportunities—the PacifiCorp Foundation faced as a corporate foundation in designing and implementing its Early Childhood Literacy Initiative that would not have applied to other types of grantmaking organizations (such as private or community foundations)? Or was the work roughly the same?
6. What specific lessons and insights did you gain from this case and how might they apply to your grantmaking work in education?

# EPILOGUE

**In September 2006, Isaac Regenstreif reflected on the foundation’s impact—and what its work suggested for other funders:**

As our four-year Early Childhood Literacy Initiative winds down, it is an appropriate time for reflection. I see a lot to be proud of—and also a few mistakes we made along the way worth noting. Reflection leads to the following lessons learned, which might be useful for others:

## **1. Balance focus and flexibility.**

A constant challenge for a foundation like ours is the balance between having a focus while maintaining the need to be flexible and respond to community needs in over 800 communities. I think our approach here was just about right. We committed about 20 percent of our funds to the Early Childhood Literacy Initiatives, about 40 percent to other related educational grants in response to requests and reserved the remainder for other community support. Most notably, a midcourse correction to fund small-community capital projects allowed us to be very responsive to community needs without distracting at all from our primary focus on education.

## **2. Involve the board.**

One key to our success was that the foundation’s board of directors was directly involved at every step of the way. One board member was a key part of the due diligence team that helped pick our partners and design the programs. This led to a level of buy-in, commitment and support from the board that a staff- or consultant-driven project might not have been able to deliver.

## **3. It’s not just the money.**

Most participants have told us that the other ways we provided support were as important as the grant money we provided. Convening program participants from all five states annually to discuss best practices and challenges led to some wonderful cross-fertilization of ideas. Bringing in the Northwest Regional Education Lab to help on evaluation issues brought much-needed technical assistance to the program participants. Throughout the four years, we stayed close to the projects, helping on a number of fronts, including board development, legal issues and even some training on how to work with the press.

I think this is perhaps the most important element that distinguished the Early Childhood Initiative from traditional corporate philanthropy—and from many other grantmakers—and it was a departure from our usual practice. I think our approach created a feeling of partnership—a team relationship more than a grantmaker-grantee relationship. We couldn’t possibly do this for every grant we make, but having a multiyear initiative with a clear, primary focus afforded us the opportunity for this kind of partnership and is a big reason for the success we achieved.

#### **4. Use contracts rather than grant applications.**

I think with an initiative it was better for us to handpick our partners by conducting our own due diligence and negotiating individualized contracts with each partner instead of selecting our partners through an application process. Our approach got the process off to more of a partnership from the get-go, led to some very useful give-and-take, and resulted in more of a hands-on relationship where each party knew the expectations of the other. The contract also gave us a useful document to return to when players changed.

#### **5. Pick the right partners.**

The key to our success was more about the partners we picked and their abilities than it was about the specific programs they implemented. A committed partner, with strong community ties and local buy-in, was critical. At first we thought that we would pick one strong program in one of the states and use our connections in the other states to spread that program. But we changed our plan early on when we discovered that having local partners with slightly different programs in which they were invested was the way to go. You might call it the “not invented here” problem. I think you get further by empowering local folks to carry out their programs than by having “the pros from Dover” bring a solution to them.

#### **6. Working with government agencies presents special challenges.**

With two of our programs (Oregon’s Project Optimize and Wyoming’s Raising Readers), our initial partners were state agencies who served as coordinators of the programs. At first they were enthusiastic, valuable partners, but things changed on the political horizon in both instances that led to some change in priorities. Elections happened, and new governors were selected. Legislative Ways and Means Committees changed and had new priorities. Key staff retired with the changes at the top. This all led to some difficult transition issues that took time to manage. In the end, however, the new elected officials and key staffers were all supportive and helped move the programs forward. It just took more time.

#### **7. Focus on evaluation earlier.**

While each of our program partners included an evaluation design plan in the original grant proposals, we frankly didn’t pay enough attention to the strength of the evaluation designs. We were so focused on getting the programs up and running that we didn’t address key evaluation issues as early as we should have. By years two and three, we were focusing a lot more energy on helping our program partners conduct strong evaluations with Northwest Regional Education Lab’s help, but we had lost some valuable opportunities to gather baseline data or conduct comparative research across the five programs. It is the major criticism I have of our start-up efforts to pick, design and implement the programs.

#### **8. Everybody needs a coach.**

After our experience with a couple of these programs, I am a big fan of coaches. There is nothing like the presence of a skilled, capable role model to help program implementers “get it right.” Having that coach available over time, not just at the front end, maximizes the value.

# NOTES



PRINCIPLES FOR

# 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.

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