

The Value of Grantmakers in Texas: A White Paper on Philanthropy's Contribution to Education

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Each year, grantmakers provide tangible value to the countless nonprofit organizations and schools working to educate Texas children. Although it is difficult to calculate the exact total amount invested by private foundations and other grantmakers to support education in Texas, it is safe to state that it is in the hundreds of millions.

Over the last decade, at the request of and in close partnership with state government, Texas grantmakers have played a critical role in investing in innovative programs and cutting-edge strategies and ideas to address some of education's most pressing challenges, including early reading and math instruction, improving high school graduation rates, and college access and success. Examples of some of these public-private initiatives include:

- **The Meadows Foundation (based in Dallas)**
In 2010, the Meadows Foundation awarded \$500,000 to the George W. Bush Institute's Middle School Initiative. With this initiative, the Institute is focused on developing, implementing and scaling a comprehensive, research-based middle school transformation model that gives students the academic foundation needed for success in high school. Over the next five years, the initiative will impact at least 20 schools, serving approximately 25,000-35,000 students. And as students matriculate in each participating school every year, the initiative has the potential to impact as many as 50,000 students in Texas alone.
- **Communities Foundation of Texas/The Texas High School Project (based in Dallas)**
Since 2004, THSP and its public-private partners (TEA, Bill and Melinda Gates Foundation, Michael and Susan Dell Foundation, Meadows Foundation, Greater Texas Foundation, and National Instruments) have allocated more than \$375 million to support the creation or redesign of 221 Texas schools serving more than 84,000 students. Statewide, THSP works to support 51 Texas Science, Technology, Engineering and Mathematics (T-STEM) Academies, 44 Early College High Schools and 7 T-STEM Centers, supporting more than 2,700 teachers.
- **United Way of Metropolitan Dallas**
Launched in 2005 with an initial investment of \$100,000 in mentoring support, Destination:Graduation is a parent engagement and college preparation program at Samuell HS in Dallas ISD. Since that time, UWMD has expanded the program to five campuses across the region and participating students are promoting and graduating at 10 to 15 percent higher levels than students who are not in the program. In 2011-2012, UWMD will expand the program to an additional eight schools.
- **Texas Guaranteed Student Loan Corporation Giving Program (based in Austin)**
Established in 2004, TG's corporate giving program seeks to improve higher education access and completion, particularly for students from low- to moderate income families. To date, TG has awarded more than \$28 million in grant funding for over 200 projects across the state in the categories of direct services to students and families, organizational capacity building, and educational research. Highlights of successful public-private partnerships TG has supported include: (1) Dual enrollment programs and academies (Abilene ISD, Vernon College, South Texas College, and the UT Brownsville); (2) Community College developmental education acceleration and support (Victoria College and Austin Community College); (3) Longitudinal data collection and analysis of college-going and persistence for Central Texas students and for Career/Technology Education students in the Rio Grande Valley (UT Austin/Ray Marshall Center and the UT Dallas); and (4) Accelerating student success at Texas' Hispanic Serving Institutions along the border (UT Brownsville, UT El Paso, UT Pan American, Texas A&M International University, Texas Southmost College, El Paso Community College, South Texas College, Laredo Community College).

- Applied Materials Foundation (based in Austin)
In 2010, Applied Materials and the Applied Materials Foundation donated over \$1 million in community grants in Central Texas. The Foundation focuses 50 percent of funding on education in core academic support and teacher development in two Texas districts, Austin ISD and Manor ISD. Applied and the Foundation partner directly with the districts as well as indirectly through strategic nonprofit partnerships.
- In 2010, 22 Central Texas corporate and private philanthropic foundations supported Communities In Schools in Central Texas, the leading drop-out prevention program for at-risk students that both increases graduation rates and decreases drop-out rates, at a dollar amount of over \$1,500,000 that has helped to leverage another \$1 million per biennium from TEA. As a result of this public-private partnership, CIS programs throughout Texas have been able to establish programs in 737 public schools across the state and effectively case manage over 85,000 students each year. For every dollar the state invests, local CIS programs are able to raise two additional dollars from private donors to serve more of the highest needs students in the highest needs schools.
- Over the last five years, over 85 Texas foundations have supported Teach for America—the national corps of outstanding recent college graduates coming who commit two years to teach in the highest needs schools—in Texas at an amount of \$45 million, leveraged by \$8 million in state funds. Because of the states’ and private stakeholder’s combined investment in the last biennium, TFA was able to bring more than 1,000 of their most outstanding future leaders from the top-third of college graduates to teach in Texas’ lowest-performing schools in Houston and the Rio Grande Valley and facilitated the opening of two new regions (Dallas and San Antonio).

Texas philanthropic foundations and other private funders such as United Way have partnered with the state to improve educational outcomes, understanding that private sector dollars are but a fraction of the state’s support for education, and that philanthropy’s grants are meant to provide seed funding to demonstrate proven programs that will affect public policy and leverage state dollars. However, given the proposed cuts to the state budget during this legislative session, many reform initiatives that began as public-private partnerships will lose state funding entirely. *As a result, private philanthropy risks losing much of its rationale and ability to create and drive meaningful education reform.* We may also lose access to federal funds and to many national funders who have been impressed with our shared vision for improving Texas schools and communities.

As a result of the US economic recession, the endowments of our foundations have decreased substantially and are just now beginning to recover, resulting in fewer and smaller grants. At the same time, private funders are receiving greater numbers of requests from the many groups and causes we traditionally support. Increased demand for grants combined with shrinking endowments means that foundations are in less of a position than ever to respond to the gaps left by state funding cuts in education and other health and human service areas. Texas has the second youngest population of any state, which means that today we have millions of children we must educate to remain competitive in the global economy. Yet the proposed state budget funds local school districts over \$9 billion *less* than what is required under school finance formulas.

We recognize the current Legislature must make extremely difficult decisions and choices to balance the state’s budget, and that realistically, no part of the budget can remain untouched. However, the Central Texas Education Funders (CTEF) and other members of the philanthropic community present today encourage Members of the Texas Legislature to continue funding education as the state’s top priority, and to identify all possible resources—including the Rainy Day Fund—to help preserve core funding for improving public education in Texas. Moreover, we urge the Legislature to invest strategically in the “highest impact educational reforms”—many of which are these same public-private partnerships mentioned above—in order to increase student achievement.

We also welcome any opportunity to be a thought partner and resource to the Legislature as it debates these critical matters.