

# Texas Foundations Speak: Assessing Philanthropic Support for Education Advocacy

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## **Texas Foundations Speak: Assessing Philanthropic Support for Education Advocacy**

Education is at a critical moment in Texas. In 2011 the Texas Legislature cut approximately \$5.4 billion from public schools. Included in these cuts was a reduction in the Foundation School Program by \$4 billion – the first time the core funding of public education in Texas had been cut in sixty years. As a result of these cuts, local communities are scrambling to readjust school budgets and are implementing massive cuts.

Texas philanthropists are feeling the impact of the actions of the Texas Legislature. Foundations across the state are already reporting an increase in requests for assistance. Existing efforts to close the achievement gap between low-income students and their more advantaged classmates are being dismantled or dramatically scaled back. Competition for scarce resources is forcing grantmakers to choose between supporting innovative new programming and assisting communities with the simple basics of maintaining core programming in public schools, particularly but not limited to schools in low-income communities.

As awareness about the deep and detrimental impact of budget cuts has grown, interest among philanthropists in addressing the root legislative cause of these cuts has increased. In response to this growing interest, the KDK-Harman Foundation launched the first-ever effort to assess the interests of Texas foundations in funding education advocacy in September 2011.

Using a web-based survey tool, the Foundation gathered feedback from staff and board members of foundations and other funding agencies from throughout Texas. The survey instrument was distributed to 111 funders with 54 choosing to participate – an impressive response rate of nearly fifty percent.

### **Purpose of the Survey**

Nobody knows how many Texas foundations are currently funding advocacy or exactly which education issues they are prioritizing in their grantmaking. Nobody knows the reasons why other foundations have chosen to avoid making advocacy grants. No consensus exists on which issues are most important to foundation benefactors and staff.

Until these questions are answered, it will be impossible for the Texas foundation community to create the kind of consistent and disciplined effort necessary to stem the bleeding caused by deep cuts to public education. Once Texas foundations know the status of and challenges to education advocacy in Texas, collaboration between institutions and across issue priorities will be easier.

The KDK-Harman Foundation's efforts were 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?

Another purpose of the survey project was to raise awareness of KDK Harman Foundation's efforts to increase the number of education advocacy grantmakers in Texas. The Foundation will create a Texas Grantmaker Education Advocacy Taskforce interested in possible future collaborative education advocacy grantmaking and in participating in KDK-Harman Foundation's 2012 Texas Education Funders Day at the Capitol.

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

Texas grantmakers care about education policy – a lot. They also understand that what happens at the Capitol impacts the foundation board room. Seventy-nine percent of survey respondents acknowledged that decisions made by the Texas Legislature affect their foundation's grantmaking in public education. One foundation representative commented, "Many of our grantees are either funded by the state or school districts, and they were negatively impacted by state cuts in education."

More than sixty percent of respondents reported "closely following" local education issues at least usually. Interestingly, an even greater percentage of respondents reported "closely following" statewide education issues. While the stark budget cuts of the 2011 Texas Legislature may have increased interest, it is undeniable that Texas foundations know that what happens at the Capitol impacts their work and their organizations.

Ironically, recent budget cuts have been a boost to the cause of advocacy grantmaking. Survey respondents noted that foundation boards of directors were more likely to understand the connection between their foundations and decisions made at the Texas Capitol because of the actions of the Texas Legislature. Foundation leaders also acknowledge that many organizations will be forced to turn to private grantmakers for support and survival after cuts to public education.

An underlying concern about the loss of foundation flexibility also emerged in the survey findings. As the state cuts back, foundations increasingly feel the need to fill the new holes. Funders agree that their dollars pale in comparison to state coffers, but feel compelled to do all they can to mitigate the impact of the cuts. One respondent commented, "We fund programs in the schools. Items cut by the budget process have determined where funding needs to be applied. Policies and procedures for schools by the legislature dictate limits or expansions to the initiatives we can enter into with the schools."

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

Nonprofit organizations are allowed to lobby under federal tax laws. Moreover, Foundations, although restricted from lobbying activities, can directly engage in a wide array of advocacy activities. Unfortunately, many nonprofit and foundation staff and boards of directors are still confused about the laws governing nonprofit lobbying and foundation advocacy. As a result, many foundations unnecessarily put themselves on the sidelines of the very debates that create the conditions their grants work to address.

Most respondents to the survey admitted that they have more to learn about nonprofit lobby laws. Sixty-six percent of survey participants reported only “some” knowledge or less of basic rules and regulations. On the bright side, thirty-six percent of foundation respondents felt that they knew a “great deal” about the laws governing nonprofit advocacy.

Many Texas foundations want to know more about nonprofit and foundation advocacy. Fifty-six percent reported a desire to learn more about the laws concerning nonprofit advocacy. This interest is a positive sign for the future of nonprofit education advocacy in Texas.

## What advocacy efforts are Texas foundations already funding?

Texas foundations are very interested in funding advocacy related to public education. In fact, many foundations are already investing money in advocacy and public policy activities. As Figure 1 demonstrates Texas foundations have funded a diverse array of advocacy related activities.

**Figure 1: Current Advocacy-Related Grantmaking among Survey Respondents**

Funding for...	
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%

Grantmakers are most inclined to fund policy research and analysis and less likely to fund campaigns to influence public opinion or educational programs for grantees about advocacy and lobbying. Research projects and reports are generally regarded as a less risky but can often serve as a first step into advocacy grantmaking.

Grants to fund more direct forms of advocacy, including direct outreach to policymakers and other efforts to influence public opinion, were less common. Because so few grantmakers currently support targeted advocacy campaigns, great potential exists to train and mobilize a new cadre of foundations supporting education advocacy.

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

Texas grantmakers have grave concerns about the state of education in Texas. They also have substantial – but limited – resources to put toward addressing those concerns. Ironically, the KDK-Harman survey reveals a clear disconnect between what foundations see as the largest threat to public education and where foundation resources are being invested.

Grantmakers were asked to name the three most critical public education issues facing Texas. State budget cuts are front and center in the minds of Texas grantmakers. While worries about money and funding are paramount, issues like teacher quality and curriculum are also of great importance to Texas foundations.

### Figure 2: Education Concerns in Rank Order

1. Lack of Funding and 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 and 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 and Pregnancy Prevention

Concerns about the state budget dominated the responses. Respondents were specifically concerned about the structural deficit in Texas public school finance. Other respondents feared that more cuts will come soon and expressed frustration at the Texas legislature's declining support for public education.

Respondents were asked to rank their top five program areas in education according to the amount of money reserved for each program area. Even though many grantmakers identified the budget cuts and leadership/governance as critical issues, very few said that their organizations devote funding to these issues. (Note that this list of program areas does not control for the dollar amounts, so it is possible that an area listed at the bottom actually receives more grant dollars than one at the top of the list.)

**Figure 3: Education Funding Priorities in Rank Order**

1. College readiness / College Access
2. Early Childhood Education
3. Science, Technology, Engineering Math (STEM)
4. Out of School Time (OST)
5. Achievement Gap for Low-Income Children
6. Literacy
7. Teacher Quality and Effectiveness
8. Arts Education
9. Post-Secondary Completion
10. Charter Schools
11. Dropout Prevention
12. Family, Community, and Social Supports for Students
13. Professional Development for Education Workforce
14. Data Systems and Performance Management
15. Campus and District Leadership Development
16. English Language Learners
17. Digital and Online Learning
18. Mentoring
19. School Turn-Around and Support for Low-Performing
20. Special Education
21. School Board Governance
22. Public School Finance and the Texas State Budget

Education grantmakers understand that that learning begins early and progresses throughout the lifespan. Survey respondents reported grantmaking that targeted both early childhood education from birth to pre-kindergarten and post-secondary success. However, Texas grantmakers are most concerned about the core of education – kindergarten through twelfth grade. The funding decisions of foundations reflect this focus.

**Figure 4: Education Funding Priorities by Age Cohort**

Early Childhood Education (0-3 and Pre-K)	56%
Kindergarten to 12 <sup>th</sup> Grade	82%
Post-Secondary	48%

A focus on low-income children and “closing the achievement gap” was consistent across most survey participants. Many foundations have a mandate from benefactors or boards of directors to prioritize specific ages and/or populations.

## **Recommendations for Action**

Education grantmakers want to do something about cuts to public education. They also want to be strategic and produce measurable results. The following actions are based on survey respondents' interests and could help to motivate increased advocacy grantmaking and general support for nonprofit advocacy.

- **Mobilize Education Advocacy Taskforce**

This is a unique opportunity to both educate grantmakers about the basics of advocacy and to convene new and returning grantmakers at the education advocacy table. The size and scope of cuts to the Texas budget have intensified interest in the work of the Texas Legislature among grantmakers and the general public. The budget cuts of the 2011 Texas Legislature will impact every Texas – regardless of income and geography.

New foundation voices want to be a part of the conversation. Roughly fifty percent of survey respondents who had never made an advocacy grant said they would like to learn more about the Education Advocacy Taskforce.

- **Train Foundation Staff and Boards on Advocacy Basics and School Funding**

Foundation staff and boards want to learn about KDK-Harman's organizing efforts and about how to safely and effectively make change as a grantmaker. Many people affiliated with organizations that have not funded advocacy or policy initiatives stated their interest in learning more about KDK-Harman Foundation's initiatives and the laws governing advocacy and lobbying among foundations and other nonprofits. Only 34% of all respondents said they knew a great deal about these laws.

Foundation staff and boards must also learn the basics of public school finance in Texas. Foundation staff and board members are very concerned about the potential impact of state budget cuts on foundations. Basic information about how schools are funded and why they are hurting so badly will improve the advocacy and programmatic grantmaking of any foundation.

- **Support Efforts to Improve and Protect Public School Finance**

Many respondents identified the budget cuts to education, other financial issues, and leadership/governance as the most critical issues facing public education in Texas. And, most of the critical issues identified by respondents are related to the budget cuts in education. However, few funders make grants in the area of local or state public education advocacy.

Grantmakers are focused on the latest innovations in education reform and are aggressively supporting initiatives addressing early childhood education and college access. The state budget and public school finance are far down on the list of currently supported education

activities. However, because of the fundamental nature of public school finance, every education initiative is ultimately tied to broad public education spending debates.

As the state has cut funding for public education, foundations have been and will continue to be asked to make up the difference. Philanthropists know that this is an impossible feat. As budget cuts worsen with each passing year, the ability of foundations to control their own grantmaking destinies will decrease. If foundations want to continue their role as incubators of innovation and not become just fillers of budget holes, now is the moment to engage in the public school finance conversation.

- **Move beyond Grants for Research and Fund Direct Advocacy and Lobbying**

Texas has entered a new normal. The cuts enacted by the Texas Legislature are sweeping in their scope and will be devastating in their impact. Communities across the state are already reeling as school districts cut tutoring, mentoring and afterschool programs, fire teachers, and crowd classrooms with more and more students. This has an impact on every student, but it is particularly devastating for the many low-income and at-risk students that foundations work so hard to serve. Unless Texans exert the public and political will necessary to protect public education, Texans can expect more and deeper cuts in years to come.

Change doesn't happen by chance. Texas foundations have a rich history of supporting some advocacy work, primarily research. Now is the moment to expand upon this foundation of advocacy philanthropy and to bring new foundations into the advocacy grantmaking fold. The sooner a more comprehensive approach combining research, organizing, communications, and lobbying is employed, the more successful education grantmakers will be in the new normal of cuts to public education access and quality.