

# Case Study No. 2

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

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

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PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

Discipline & Focus	Knowledge	Resources Linked to Results	Effective Grantees	<b>Engaged Partners</b>	Leverage, Influence & Collaboration	<b>Persistence</b>	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

This case study was researched and written by Kay Sherwood, a New Jersey-based consultant. The accompanying self-study questions were prepared by James Honan, a senior lecturer at the Harvard Graduate School of Education. Consultant Meg Storey carefully proofread drafts of this document. Grantmakers for Education thanks all three for their careful work and insights.

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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.



PERSISTENCE, PARTNERSHIP AND PUBLIC WILL:

# The Annie E. Casey Foundation's Investments in Kentucky School Reform

Kay E. Sherwood<sup>1</sup>

## Introduction

[The Kentucky Education Reform Act] has endured . . . with most of its original initiatives intact. That kind of longevity is virtually unheard of in an era marked by politicians' partisan bickering and the public's limited patience with broad social change. Kentucky defied the odds and provided the world with a detailed record of its accomplishments and failures.<sup>2</sup>

This case study explores the sustained role the Annie E. Casey Foundation played for more than a decade to help create an environment in which an ambitious and comprehensive effort to improve public education for all children in Kentucky would have the time, resources and attention needed to prove its worth.

As the case describes, the sweeping goals and aspirations of Kentucky's school reform efforts—revolutionary in 1990—caught the attention of the Annie E. Casey Foundation. The foundation's mission is to build better futures for disadvantaged children who are at risk of poor educational, economic, social and health outcomes, and it believes that changing public systems is essential to making progress in issues regarding public welfare. Interested in expanding its grantmaking in education, the foundation concluded it could learn a great deal from working in Kentucky.

## Effective education grantmaking: Persistence and engaged partners

This case study illustrates for grantmakers the importance—and the challenges—of staying focused and collaborating closely with grantees and partners over a long period to implement solutions for difficult education problems. In particular, this case study illuminates two of Grantmakers for

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<sup>1</sup> Kay Sherwood authored this case study, and Grantmakers for Education prepared the introduction.

<sup>2</sup> Roger S. Pankratz and Joseph M. Petrosko, eds., "Introduction: An Ambitious Plan for Improving Schools," in *All Children Can Learn: Lessons from the Kentucky Reform Experience* (San Francisco: Jossey-Bass Inc., 2000), page 3.

Education's Principles for Effective Education Grantmaking: *persistence* and, to a lesser extent, *engaged partners*.

In the end, the Casey Foundation's investment to support Kentucky education reform was significant, with large grants primarily to three nonprofit advocacy and research organizations in the state that lasted over a 14-year period. Also significant was its investment of staff time for ongoing advice, ideas and consultation with grantees who were steering the implementation of the law.

The result: 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 (including four different governors and three different commissioners of education between 1990 and 2004).

## **The Kentucky Education Reform Act: A model for the nation**

In 1990, Kentucky became the first state to enact a comprehensive plan for improving student achievement featuring 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.

Kentucky's actions followed on the heels of the first National Education Summit with the nation's governors, hosted in 1989 by President George H.W. Bush. At the summit, state and national leaders pledged to help the United States make dramatic gains in the quality of its public education system.

As such, the new state law—the Kentucky Education Reform Act, or KERA—drew national attention from policymakers and education reformers. The state soon became a model for other policymakers, its schools a fertile ground for researchers who wanted to see what it would take to help all students achieve high levels of performance, and its government and education leaders sources of advice and insight.

Within a decade, nearly every state adopted in some fashion many of the same components included in Kentucky's law, such as clearer standards for what students should learn, a more robust state testing system and a school accountability system to track progress. But in 1990, the environment for bold actions in education policy by state leaders was very different, and Kentucky's actions were groundbreaking. Some politicians doubted whether a statewide policy for improving schools could succeed. Further, no state or foundation had any experience managing such a comprehensive reform initiative in the public education system.

## **Kentucky Supreme Court finds school system unconstitutional**

School reform in Kentucky began as an effort to achieve greater fiscal equity between wealthy school districts and poorer ones and to improve the quality of education, especially in the very poor rural areas of Eastern Kentucky Appalachia.

A lawsuit against the state originally filed in 1985 on behalf of a coalition of poor school districts, several local school boards and individual students made its way to the Kentucky Supreme Court in 1989. The Supreme Court found for the plaintiffs, calling the entire system of public education in



Kentucky unconstitutional because it was underfunded and inadequate, fraught with inequalities and inequities, and not uniform among the districts in educational opportunities.

In June 1989, the court directed the Kentucky General Assembly (the state legislature) to re-create public education from top to bottom, including its financing, governance structure and curriculum—and to do it by the end of the 1990 legislative session.<sup>3</sup>

The bill that would become the Kentucky Education Reform Act of 1990 (KERA) was filed, debated and passed in March of that year and signed by the governor on April 11. Kentucky politicians were able to act so quickly, in part, because of a seven-year political movement within the state to promote school reform (led most prominently by the nonprofit Prichard Committee for Academic Excellence) and emerging proposals across the country for how states could better ensure fiscal equity, greater accountability and improved student achievement.

### **Key components of the reform effort**

KERA included provisions for

- a new funding formula for local school districts that provided a state-guaranteed minimum amount of funding for every student in the state;
- a new student assessment and school accountability system to gauge the progress of students' learning, to permit comparisons with other states and the nation as a whole, and to reward successful schools;
- new preschool programs targeted to economically disadvantaged children;
- an ungraded K-3 primary program intended to ensure that children entered fourth grade with the necessary skills;
- new services for disadvantaged children and their families, to be provided through new institutions called Family Resource Centers and Youth Services Centers;
- restructuring the State Department of Education and the entire education governance system down to the school level, emphasizing school-based decision-making with parent and teacher participation;
- significant changes to professional standards for educators and school administrators;
- major upgrades in technology for classrooms and schools; and
- a \$1.3 billion tax increase for the next two years (to be reconsidered by legislators in future years) to begin paying for these reforms.

The timetables in the law varied by provisions and programs, but KERA called for an assessment and accountability system to be in place no later than the 1995-96 school year. New learning objectives for the public school system were specified in the law and a state council was charged with creating a

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<sup>3</sup> Kentucky's legislature met biannually through the 1980s and 1990s. For a detailed history of its efforts to adopt education reforms, see Roger S. Pankratz, "The Legal and Legislative Battles," in Pankratz and Petrosko, pages 11-45.

framework for curriculum linked to these outcomes, but curriculum decisions were still left to school districts.

## **Barriers to implementation**

Despite its swift passage, Kentucky’s sweeping school reform—the first in the nation to combine fiscal equity with a clearer focus on student outcomes—faced potentially powerful resistance.

The law was enacted by a majority of the Democrat-controlled House and Senate, signed by a Democrat governor and supported by the Kentucky Education Association as well as business groups, business leaders and grassroots reform organizations.

But representatives of the wealthy school districts of Louisville and Lexington were not sure what they would gain or lose from greater state spending on schools in eastern Kentucky. Also, some Republicans felt themselves unheard in the debates leading to KERA’s enactment. And many parents were unsure what school reform, if they had even heard of it, would mean for their children.

But most important, the whole structure of local education—steeped for decades in patronage, misspending, nepotism and anti-authority politics in some communities and accustomed to a classroom regime of “time on task” as opposed to “outcomes”—was bound to resist change.

Thus, while state leaders’ quick adoption of KERA was auspicious, there were clear signs that implementation of the law would be anything but easy. It was entirely possible that implementing the law’s far-reaching components could still replicate the history of school reform in Kentucky during the 1970s and 1980s, described in the 1989 lawsuit as one step forward by the General Assembly and two steps back.<sup>4</sup>

But that didn’t happen. Over the next few years, school improvement efforts in Kentucky were injected with outside resources and energy that proved targeted, strategic and adequate enough to help keep KERA implementation on course for a decade. The Annie E. Casey Foundation played an essential role in fueling those efforts.

## **Attracting the attention of the Annie E. Casey Foundation**

The Annie E. Casey Foundation’s involvement in Kentucky school reform came about in an unusual way: through the involvement of Kent C. “Oz” Nelson, who was both CEO of United Parcel Service (UPS) and chair of the Annie E. Casey Foundation Board in 1990.<sup>5</sup>

Nelson was also a member of the national Business Roundtable, an association of chief executive officers of leading U.S. corporations that, after the 1989 National Education Summit, had made a substantial commitment to support state education reform efforts. As part of its agenda, the Business Roundtable asked each member of its education task force to organize and lead education reform

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<sup>4</sup> Pankratz, “The Legislative and Legal Battles,” in Pankratz and Petrosko, page 12.

<sup>5</sup> UPS, through its founder Jim Casey and his siblings, was the original source of the foundation’s assets, and there were close ties between the two entities before Casey died in 1983 that continue into the present.

initiatives in a state. The CEOs were asked to commit to this work for 10 years in order to help states meet the new national education goals for the year 2000, which were set at the summit.

Nelson chose Kentucky for his commitment because at that time UPS's national air transportation headquarters was located in Louisville and employed 10,000 people, the largest concentration of UPS employees in the country.<sup>6</sup> Nelson was personally convinced of the importance of school reform by his experience at UPS, where the company's practice of creating study teams for problem solving showed him that too few UPS employees could write clearly, especially to prepare effective written procedures and solutions.

David Jones, CEO of Humana Inc., a Louisville-based health-care conglomerate, and John Hall, CEO of Ashland Inc., an oil refiner based in the eastern Kentucky town of the same name, were also Business Roundtable members committed to school reform work in Kentucky.<sup>7</sup>

Nelson made his first visit to Kentucky in November 1990 to meet these partners, to encourage them to work together with him, and to better understand how the corporate leaders could help advance school improvements.

### **A match with the foundation's mission**

Nelson invited Doug Nelson (no relation to Oz), director (now president) of the Casey Foundation, and Tony Cipollone, then one of three associate directors of the foundation, to join him. Cipollone had been asked to develop and oversee a new portfolio of grants in education for the foundation. Oz Nelson told his Casey Foundation colleagues that he felt Kentucky school reform was "right up our alley."

The Annie E. Casey Foundation's mission is to improve outcomes for America's most disadvantaged children and families. In 1990, the foundation was just beginning to articulate a systems-change theory for its grantmaking in education, building on its previous work to support school-based prevention efforts. Until that point, it was more prominently known for grantmaking in child welfare systems and juvenile justice reform.

As Cipollone came to understand the school improvement plan in Kentucky, he found that the state's ambitions were aligned with the foundation's mission and grantmaking goals.

Kentucky's approach to school reform was attractive to the Casey Foundation because of the comprehensive nature of the change KERA called for, its statewide scope, and its potential effects on disadvantaged children and families. The foundation also appreciated KERA's focus on changing policy, administration and practice—all these components were essential to successfully changing systems and improving outcomes for children, foundation leaders had concluded.

There were other important ways in which KERA fit principles that the foundation had begun to articulate as essential for systems change, such as moving authority and resources down to the level of people being served, requiring change to be data-driven, and having a long time frame for change and

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<sup>6</sup> UPS's corporate headquarters were in Connecticut in 1990 and are now in Atlanta.

<sup>7</sup> Ashland formed a joint oil-refining venture with Marathon Oil in 1998; moved its headquarters to Covington, Kentucky, a year later; and recently sold its share of the venture to Marathon. Its primary businesses now are chemicals, transportation construction and Valvoline products.

a structure for taking local differences into account. In short, Kentucky school reform looked like a potential opportunity for the Casey Foundation, observed Cipollone.

But it was not a given that because Oz Nelson was involved, the Casey Foundation had to be involved. Nor was it assured that the foundation's involvement would last 10 years, as it was for the CEOs' involvement. From the foundation's perspective, according to Cipollone, "If Kentucky school reform had legs, we [the foundation] would be in Kentucky for a long time."

## Buying time and mobilizing support

During their November 1990 visit to Kentucky, the CEOs and the foundation executives met with state leaders to explore ways in which they could support the implementation of KERA. They heard a consistent message about where help was most needed.

According to Oz Nelson, some of the legislators who had pushed for KERA argued that the increased taxes they had voted for to support the act would cause them to be voted out of office. These legislators "reminded the corporate chiefs that the elected officials who had courageously approved the reforms needed political cover to stay in office so they could keep the law from being repealed."<sup>8</sup>

The first appointed commissioner of education under the KERA reforms, Thomas Boysen, and leaders of an influential nonprofit advocacy group, the Prichard Committee for Academic Excellence, also maintained that the task ahead was to sell to the public the reform plan that had been enacted by their representatives.

Boysen proposed that the business leaders and the extra resources they provided could best support the reform on the political front with a communications strategy. According to Boysen, the biggest challenge for Kentucky would be keeping the reforms in place. Based upon his experience on the school reform frontlines in large school districts, including San Diego County, Calif., he observed that "every reform is vulnerable over time, especially when the legislature meets every two years. When things start to pinch, people push back."

Eventually, CEOs Oz Nelson, John Hall and David Jones—supported and advised by Tony Cipollone, Kentucky Commissioner of Education Thomas Boysen, the legislators who were on the line for the reform, and Robert Sexton, executive director of the Prichard Committee for Academic Excellence—agreed that the best way private dollars could support school reform in Kentucky was to buy time for KERA to work and to mobilize public support for change in schools.

The principal needs identified were

- communications for public awareness of what KERA entailed and would mean for children, families and the education system as well as for the business sector;
- a close eye on implementation progress and challenges; and
- capacity throughout the school system—including among parents, educators, school administrators, service providers and decision-makers—to implement what KERA required.

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<sup>8</sup> Holly Holland, *Champion for Student Success: The 10-Year History of the Partnership for Kentucky Schools* (Lexington, KY: Partnership for Kentucky Schools, 2002), page 5. (Support for this work was provided by the Annie E. Casey Foundation.)

## A three-part strategy

Together, the group developed a three-pronged strategy that leveraged the unique assets of both the corporate donors and the Casey Foundation:

- First, an initial decision was made that the Casey Foundation would provide financial support to the Prichard Committee, a 10-year-old nonprofit, nonpartisan, volunteer, citizens' advocacy group created to push for improved education at all levels.

The Prichard Committee had a history of advocating for Kentucky school reform, good relationships with key decision-makers, an understanding of both the content and need for school reform, and a "laserlike" focus on local capacity building, according to Cipollone. These strengths uniquely positioned it to play a role in the successful implementation of KERA. Essentially, the Casey Foundation funded the Committee to continue to do, more widely and more aggressively, what it was already doing: provide outside pressure to maintain the momentum for reform.

- Second, the CEOs decided that a new business-led communications effort to raise awareness and support for KERA implementation was essential, and Oz Nelson persuaded the Casey Foundation to financially contribute to that effort as well.

This campaign was led by the Partnership for Kentucky School Reform, which was to be organized initially by the Prichard Committee, led by the CEOs and financed primarily by their companies. Eventually, a research and dissemination effort focusing on the professional development of teachers also became a focus of the Partnership's work.

- Third, the Casey Foundation, with the Prichard Committee, took the lead in creating an independent research entity that would assess the implementation of KERA over time and document lessons learned about the state's groundbreaking approach. The foundation provided funding for the new Kentucky Institute for Educational Research for eight years, and UPS committed a high-level executive to serve on the board. Sexton, of the Prichard Committee, also served on the board of this organization for the duration of its existence.

Noting how intertwined the three parts of the strategy were to the funders' goals in Kentucky, Sexton said, "The Institute, the Partnership and the Prichard Committee were parts of the same piece." However, each of the three entities supported by the Casey Foundation was created under different circumstances and worked a different piece of the reform territory.

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 these efforts over a sustained time period, a commitment that is not typical of many foundations. "The Casey Foundation recognized it was going to take a long time to get changes in every community and every school. Its approach set the tone for other foundations supporting our work," she said.

## The Prichard Committee for Academic Excellence

Founded in 1980, the Prichard Committee was “meant to be the outside pressure to maintain momentum for reform,” according to Sexton.<sup>9</sup>

In its first few years, with 70 volunteer members, two staff and a small budget, the Committee created a statewide conversation about “what we want for our schools.” In 1984, it organized a statewide town forum that was attended by 20,000 people, generated data on Kentucky’s school performance, published a guide to help citizens engage in their schools’ decision-making, built alliances with business and the media, and traveled around the state continuously to speak about the need for Kentucky to do better for its schoolchildren.

By the 1990 passage of KERA, the Committee had developed a specific school reform agenda, built a coalition of reform-minded groups, and participated by invitation in discussions about the specific changes that were eventually outlined in KERA. The organization “had become the most visible sign of a movement in public activism demanding accountability”<sup>10</sup> and was positioned to become a change agent inside the system, “encouraging, monitoring and constructively criticizing.”<sup>11</sup>

According to Sexton, the Committee’s strategy shifted after the passage of KERA:

Before the Kentucky Education Reform Act was passed, the challenge was to demand change and channel frustration into action. After KERA, the challenge was to encourage patience and support for the reform agenda and retain enough credibility to be able to suggest changes in that agenda as needed.<sup>12</sup>

From 1991 through 2001, the Casey Foundation provided about \$150,000 per year for the general operations of the Committee—a total of \$1.7 million over this period.<sup>13</sup>

These grants helped the organization to build its capacity and to start and support new initiatives that facilitated KERA implementation, such as the Partnership for Kentucky School Reform and the Commonwealth Institute for Parent Leadership (which is dedicated to engaging and training parents in leading reform efforts in their schools and communities).

By 2000, the Committee employed 17 people and had an annual budget of \$2 million, with much of these funds coming from other foundations. Just as significant, the Prichard Committee had become a national model for citizen engagement in supporting school policy change; Sexton and his staff were

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<sup>9</sup> The Committee was named after its first chair, Edward Prichard, a New Deal lawyer; a “distinguished Kentuckian,” according to Kentucky Educational Television; a leader of the state’s Council on Higher Education; and “the undisputed champion of educational excellence,” according to Sexton. See [www.prichardCommittee.org/pubs/who\\_was\\_prichard.pdf](http://www.prichardCommittee.org/pubs/who_was_prichard.pdf).

<sup>10</sup> This characterization came from one of the Committee members just after KERA’s passage, when the organization was trying to decide whether it should “declare victory and go home” or reconceive its mission. Reported in Robert F. Sexton, *Mobilizing Citizens for Better Schools* (New York: Teachers College Press, Columbia University), page 61.

<sup>11</sup> *Ibid.*, page 66.

<sup>12</sup> *Ibid.*

<sup>13</sup> In 2001, an additional three-year “closing” grant was made to help the Committee develop a plan to become more self-sufficient, carrying the Casey Foundation’s funding through 2004. The Ford Foundation was a funding partner in this work.

widely sought after by other states and organizations for advice and counsel on how to replicate the Committee's successes.

## **The Partnership for Kentucky School Reform**

The Casey Foundation was a less prominent funder in the Partnership for Kentucky School Reform (later renamed the Partnership for Kentucky Schools and then the Partnership for Successful Schools), behind UPS, Humana Inc. and Ashland Inc.

Still, the Partnership was considered a key part of the foundation's involvement because it was a "sentinel," in Cipollone's words, of whether reform could succeed:

The Partnership established the premise that reform couldn't be short-term, fly-by-night. "We're making a 10-year commitment to ensure that the provisions of KERA will be implemented" was the Partnership message. The Partnership idea was to get a group of influential people to say, "Come hell or high water, we want to do the best to allow reforms to get implemented and to then see whether it works."

Established in 1991, the Partnership started out with a large budget for communications that came mostly from the corporate partners, who also contributed full-time staff to the effort as well as the creative and strategic thinking of very senior public relations and government affairs executives, such as Ashland Inc.'s vice president for corporate affairs, Dan Lacy. According to Lacy, each of the three corporate partners contributed \$300,000 per year for 10 years and sometimes the companies put in extra funding for special efforts.

The Casey Foundation and the corporate leaders believed that building public awareness about reform and successfully involving key constituencies such as parents and the business community in implementing the reforms were both essential to achieving the ambitious policy goals of KERA. With the Partnership's executive director, Carolyn Witt Jones, a former college professor and school administrator, Cipollone, Lacy and senior executives from UPS and Humana Inc. constituted an operating committee and a strategy group to support and advise the CEOs, who were the active, visible leaders of the Partnership.

The Partnership's public awareness efforts included a toll-free telephone resource center, radio and TV ads, special events, a speakers' bureau and a traveling information exhibit, the KERA Bus. It also provided businesses across the state with ideas and opportunities for supporting reforms in their local schools. At the same time, the Partnership's CEO leaders were chiefly responsible—through persuasive conversations with political opponents of school reform—for keeping debates about KERA out of gubernatorial election politics.

The Partnership focused initially on communicating the importance of school reform to Kentucky's families and businesses. About three years into the Kentucky school reform effort, the Partnership adjusted its strategy to also include work on teacher quality, which was identified as a weak spot in KERA implementation.<sup>14</sup> The Casey Foundation played a key role in encouraging the Partnership to

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<sup>14</sup> For a discussion of the difficulties in achieving the teaching quality goals of Kentucky school reform, see G. Williamson McDiarmid and Tom Corcoran, "Promoting the Professional Development of Teachers," in Pankratz and Petrosko, pages 141-58.

reassess where new efforts might be needed to shore up the reform effort, and it helped underwrite the Partnership's new work on teacher professional development.

“Our agenda needed to evolve because the needs—identified from opinion surveys, work in communities, and changes in policy and the state level—kept changing,” observed Jones. “This work is about more than implementing a legislative decision; it’s about supporting a fundamental change in the system, and you can’t stick to the same strategic plan you had in the beginning.”

The Casey Foundation gave \$1.2 million to the Partnership over 10 years (from 1991 through 2001) to support its advocacy and communications efforts in Kentucky.<sup>15</sup>

### **The Kentucky Institute for Educational Research**

The Casey Foundation was the principal funder of the Kentucky Institute for Educational Research, which was charged with studying and evaluating Kentucky’s school reform initiatives. This organization was written into KERA and later created by executive order of the governor in 1992, but it was not funded by the state legislature.

The foundation had a long-standing belief in the power of data to empower advocates and enrich policy decisions, and it saw that the Institute could play an important role by supplying data to Kentucky leaders and citizens. Both Cipollone and Sexton considered a nongovernmental, independent, evaluation entity that could provide credible analysis of progress and problems critical to maintaining the momentum for reform. They also believed that the Kentucky Department of Education did not have the capacity to do all that was required of it by KERA to put in place a student- and school-focused assessment and accountability system and also keep track of how well the reforms were taking hold and achieving the purpose of improving student performance.

After about two years of seeking a home for the Institute in existing institutions, the Casey Foundation decided to start it as an independent entity. Roger Pankratz, a teacher education professor at Western Kentucky University who had been actively involved in a state commission to develop the state’s new learning outcomes for students, was tapped to lead the Institute.

The Institute produced or solicited from other researchers more than 20 studies of different aspects of KERA implementation, including reviews of relevant research and opinion surveys. Among its prominent findings in 1996 was that the majority of Kentucky teachers did not believe that “all children can learn—most at high levels,” which was the pre-eminent philosophy stated for Kentucky education by the legislators who created KERA. (This finding changed in subsequent surveys.) It also produced a popular version of the Kentucky education reform story, *All Children Can Learn: Lessons from the Kentucky Reform Experience*.

But the Institute’s products did not find an audience in Kentucky, nor did it attract interested funders, and thus this investment was possibly the least successful of the foundation’s efforts to support Kentucky school reform. According to Cipollone, the Institute provided a mechanism for producing informative, if not definitive, research, but it did not answer the major questions about “whether the reform efforts were working, which parts were working and what the overall picture

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<sup>15</sup> With a new mission and a new name—The Partnership for Successful Schools—the organization continues to receive funding from the Casey Foundation for its work with schools across the country on involving parents and communities in school improvement efforts.



was.” Such summative judgments were the initial objective of the Casey Foundation’s funding for the organization.

In addition, because Kentucky was the first state to pass a comprehensive school reform law focused on student outcomes, many other researchers and organizations around the country were conducting and publishing their own evaluations on all aspects of Kentucky’s work.

Pankratz believed that the Institute was in a politically difficult position from the start. He concluded that Commissioner Boysen wanted to control its messages about research findings and to discredit negative findings about the new and controversial assessment system. The organization’s board of directors, composed mainly of corporate executives with little interest in or knowledge of research, was removed from the core research issues.

Also, according to Pankratz, the Institute was in competition with the Prichard Committee for funding because the distinction between the two organizations was never clear to potential funders. Sexton concurred, noting that the two organizations were “in competition for attention; it was hard for the Institute to get the visibility needed because the Prichard Committee was already quite visible.”

The most important indicator of the organization’s influence, in Pankratz’s opinion, was that “a lot of things that we pointed out [in our research reports] got addressed” as Kentucky school reform was revisited and adjusted over time. These issues included the need for professional development for teachers and administrators and better teacher education, the fact that teachers were not prepared to deal with children’s special needs, and a lack of assessment tools.

According to Pankratz, Cipollone never wanted the Institute to be housed in a university because he was concerned about the difficulty of keeping university-based institutes focused on an outside agenda and the possibility of large overhead costs for university homes. Nevertheless, when Pankratz left as head of the Institute in 1997, the organization was transferred to the University of Kentucky, under a joint center operated by that university and the University of Louisville.

Within three years, it closed shop. Funding and leadership were the main reasons, according to Pankratz. Cipollone’s view was similar:

There wasn’t enough of a distinctive profile for the Institute and not a strong board stepping up to champion for funding [from other sources]. There wasn’t any entity stepping up to provide a vision of what the organization could be. There wasn’t clear leadership.

The Casey Foundation’s thinking, as a result, was “maybe this has run its course,” Cipollone stated. The foundation provided \$2.8 million for the Institute from 1993 to 2001, which funded research, publications, dissemination and a statewide conference on the accomplishments of KERA on the 10th anniversary of the law’s enactment.

### **Flexibility to meet emerging and immediate needs**

While the Casey Foundation’s main investments were in the three nonprofit partners—the Prichard Committee for Academic Excellence, the Partnership for Kentucky School Reform and the Kentucky

Institute for Educational Research—it also provided “opportunistic” grants that enabled public agencies to undertake specific tasks.

For example, as Commissioner Boysen was trying to attract a new team to lead the re-created Department of Education in 1990 and 1991, the foundation put up money for the moving expenses of new team members. This was a “gap-filling” strategy intended to respond to short-term needs that could not be satisfied within the public system.

The foundation also provided funding to state agencies to underwrite training and technical assistance to establish the Family Resource Centers and Youth Services Centers, which were dictated by KERA but underfunded by the legislature. This element of Kentucky school reform, intended to support and assist low-income and troubled families in order to help their children succeed in school, was closely aligned with the Casey Foundation mission.

## **Effective grantmaking: Partnerships and persistence**

In many ways, the Annie E. Casey Foundation’s strategies and work to advance Kentucky school reform were characteristic of the way the foundation worked in other areas. Strategic methods used in Kentucky that were commonly used by the foundation included

- a long-term commitment—resulting in 11 years of active engagement and 14 years of funding in Kentucky;
- hands-on involvement—providing a liaison (Tony Cipollone) to offer guidance and support to grantees; and
- flexibility—moving quickly to fill gaps and meeting unanticipated needs as grantees’ work evolved.

Over the decade or so that the foundation was deeply involved in supporting the implementation of KERA, its investments were characterized by

- funding, primarily for public awareness, advocacy and research (as opposed to direct services);
- a low public profile for the foundation in the Kentucky school reform scene; and
- partnerships, mainly with nonprofit entities, to effect change in the public school system (rather than grants to schools or school districts or government agencies).

While working through nonprofits to effect change in public systems was becoming a hallmark of Casey Foundation strategy by 1990, playing a low-profile team-member role was unusual for the foundation, which typically initiated, designed and managed systems change projects.

## **Partnership in practice**

The Casey Foundation’s investments in Kentucky school reform began as an opportunity to support something significant that was already underway. The foundation’s decision was therefore, by

definition, a decision to enter into partnership with others—and thus it had to confront these questions about its relationship to the work:

- What would be the foundation’s greatest “value added” to an already-existing reform effort?
- How should foundation staff be involved and how intensively (and expensively)?
- Which partners were essential to the foundation’s effectiveness and to Kentucky’s overall school reform goals?

## **Overcoming organized and serious resistance**

First and foremost, Kentucky school reform looked to Cipollone like an opportunity for the foundation to understand—and thereby help the field understand—what would be involved in large-scale system reform in public education and what was needed to stimulate meaningful change.

Cipollone already recognized the limits of advocacy for policy change alone as a strategy and knew that “you can’t think that you can ignore either politics or policy” once a change has been enacted. His perspective at the beginning of Kentucky school reform was that winning policy change was only half the battle; staying the distance to achieve systemwide reforms begun by policy change was even more difficult.

In addition, the scale of what was going to happen in Kentucky was new for the foundation and “everyone else in the country,” according to Cipollone. One of the attractions of joining with other funders to support the work of the Prichard Committee and to create the Partnership for Kentucky School Reform was to participate in, observe, learn from and disseminate the lessons from a long-term campaign for improving all public schools in a state.

As the work in Kentucky began to roll out, the obstacles to reform that local leaders had identified earlier with Casey Foundation staff and corporate leaders became very real. “Before 1990, bad schools were the target,” said Sexton. “After 1990, KERA was the target. That’s the nature of reform.”

A low point in KERA’s rollout, recalled Jones, was when opponents of the effort aired a TV commercial showing a guinea pig walking across a stage. “The ad alluded to the idea that the state didn’t know what it was doing. So the resistance was organized and serious, and we realized that we would need to step up and address that,” she said.

According to Sexton, the Prichard Committee and the Partnership invested a great deal of energy addressing these conditions:

- Inertia—and sometimes outright resistance to any sort of change—at the school building and school district levels; many educators took a “this too shall pass” attitude.
- The complications and errors that arise from implementing such a complex set of policy changes; in particular, ensuring the new student testing and student accountability systems could perform as state leaders expected was a difficult technical challenge.
- Maintaining interest from supporters whose advocacy for better schools for nearly a decade had culminated in the passage of KERA and who now thought the problem was solved.

- Sustaining the reform package amid outright political opposition, especially from social conservatives who worried about the state meddling in what children were learning.

### **Supporting advocates outside the system**

The foundation's choice of nonprofit partners for the largest share of its investment produced one of the most important lessons from the Kentucky school reform experience. Bruno Manno, who took over the Kentucky grants portfolio from Cipollone 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 beyond the governor who was there at the beginning of reform, or the chief state school officer who was there at the beginning, and thus keep everybody's feet to the fire.

Ralph Smith, senior vice president at the Casey Foundation, referred to the foundation's strategies as "leading change with changing leaders." He explained:

Public system reforms are prone to being buffeted by the normal process of turnover. We want to know not only who will lead change but also who will steward the reform. For deep reforms to succeed, there need to be partners with commitment and stewardship—enduring institutions like the Prichard Committee that have as their mission: Keep it moving, defend it, articulate why it matters.

### **The foundation as advisor, strategizer and co-creator**

The Casey Foundation's work in Kentucky ultimately encompassed a large circle of participants in school reform beyond its grantees—in other words, its influence was much greater than simply supporting the work of its grantees.

Education Commissioner Boysen, for example, considered the foundation to be an active partner in figuring out the implementation of KERA, even though the Department of Education was not a major Casey grantee. Cipollone served as advisor and strategizer on so many occasions over the years of the foundation's involvement in Kentucky school reform that he was considered part of the "inner circle," according to Jones, Sexton, Lacy and the other leaders of Kentucky's reform efforts.

According to Cipollone, he was in Kentucky two or three times a month and on the phone with the Kentucky school reform team members about three times a week to discuss questions of direction and strategy.

This level of commitment, and Cipollone's particular expertise in recognizing when new policy development would be needed to support implementation, was valued by the team members, according to Jones. In addition, she noted that the Casey Foundation, through Cipollone, was helpful to state leaders because of its ability to identify national experts and bring them to Kentucky.

Behind the scenes, Cipollone was also actively involved in the specific activities and key decisions by the state on how to implement important provisions of the law—including, for example, the creation of a new student assessment and accountability system. KERA intended for this new measurement system to test the knowledge and skills of students and to provide the data for rewards and sanctions for educators and schools.

The assessment system was one of the most complicated, difficult and controversial aspects of Kentucky's school reform agenda; significant changes were made in this aspect of Kentucky school reform over the first decade of implementation. For example, according to Boysen, the Kentucky Instructional Results Information System (KIRIS), first put in place in 1992 to assess student performance statewide, was revised in 1998 after two years of intense legislative debate and replaced by a new testing system that had fewer performance assessments and better technical reliability. Cipollone was involved in the negotiations that led to these and other revisions to the testing and accountability systems.

### **A low public profile**

Still, to those outside the inner circle of state leaders and grantees—including other elected officials, parents and teachers (the larger target audiences of the foundation-funded communications campaign and public will-building efforts)—the foundation's involvement was obscured by the prominent leadership and advocacy role played by UPS and Oz Nelson.

To some extent, this low profile was purposeful. The active, visible leadership by business executives of the Partnership for Kentucky Schools was a conscious strategy, deemed to be the most effective way to carry the message about the necessity of school reform.

As part of the Partnership's communications strategy, the CEOs were up front about their self-interest, according to Lacy, saying that school reform was essential to their ability to create jobs in the state and to the state's prosperity and economic growth; in terms of business economics, they said, school reform was worth the investment of more public dollars in the schools. In contrast, the Casey Foundation's priority of improving the opportunities for disadvantaged children and families held little appeal in Kentucky politics.

According to Sexton, in terms of the reform agenda, "Casey was Oz Nelson. He [Nelson] was very hands-on, very much a presence. There was a good feeling about UPS, which was more visible than Casey." Jacob Adams, a board member of the Kentucky Institute for Educational Research from 1996 to 2001 and board chair from 1999 to 2001, underscored the low public profile of the Casey Foundation, noting:

I never heard anything about Casey goals in Kentucky that conflicted with the overarching goal of supporting education reform implementation. But I certainly knew about Casey's goals of supporting educational reform by supporting independent research, funding the Prichard Committee and the Partnership to do their work. The foundation had a low profile on the Institute's board but a known profile in terms of overarching goals.

## Persistence in practice

With the foundation's three-pronged grantmaking strategy in place, the stage was set in the early 1990s for an effort to give Kentucky's school reformers the time, resources and support needed to make KERA work and to confront the considerable challenges ahead. And thus a related challenge the foundation faced was persistence: How long should it stay engaged in Kentucky? How would it know when it had met its goals there?

### Recognizing the slow pace of school reform

Sexton described Kentucky's circumstances after KERA's adoption in 1990 by drawing from the work of Harvard education professor Richard Elmore:

Elmore emphasizes that the political clock runs faster than the school-change clock. Immediate results are what elected officials want to take home to their constituents, but the complexities of school improvement require time to implement and show results. Indeed, the process never ends as teachers, administrators, parents and community members sort out what works and what doesn't. For politicians, two or maybe four years is the limit and then they want to move on; the school-change clock runs at a much slower pace.<sup>16</sup>

With this pace for school reform in mind, Sexton believed—echoing one observation made about the work of the Prichard Committee about five years into the implementation of the Kentucky reforms—that “what the Prichard Committee does is buy time for the system to ingest the reforms.”<sup>17</sup>

The foundation's Ralph Smith said a long time line in its grantmaking is characteristic of the foundation:

We take it for granted that in the kind of work we do, it's necessary to keep at it in order to see results. We never get a whole lot of pressure from the board or others to leave before the story is over. The decade [for Kentucky's school reform] wasn't a question.

Cipollone concurred with Smith's observation, adding:

The foundation's board is not averse to investing in a particular place over a number of years, given what the foundation is trying to achieve in systems reform. The year-to-year questions are about how well specific funding recommendations are working and how well the overall investment seems to be doing.

Of course, a “big picture” intention to support major social changes over the long haul still needed to be reconciled with the foundation's process of looking at every grant every year in order to determine whether the specific activities and the general direction are in line with the original expectations, according to foundation executives. For Kentucky school reform, the foundation's goals were primarily expressed in terms of strategic support for activities that could ensure the successful

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<sup>16</sup> Sexton, page 9.

<sup>17</sup> Ibid.

implementation of a promising state policy initiative—and thus make a lasting difference in the education of disadvantaged children.

### **How long is long enough?**

According to Smith, the most difficult year-to-year judgment for long-term grantees, after a review of their progress and results, is the question, “Is this *still* the best use of the dollars that the foundation has to spend?”

Cipollone said there were no serious objections to the staff recommendations each year for continuing support of Kentucky school reform. But he also observed that the staff would not have recommended support for anything they knew would make the board members “squeamish”—such as the support of organizations that were not clearly in line with the overall strategic vision of ensuring the successful implementation of KERA.

In Smith’s view, the Casey Foundation stayed in Kentucky for a decade because each time the grants were reviewed, Cipollone and the grantees were able to persuade foundation leaders that the grantee activities were compatible with the foundation’s mission and that they were effective strategies.

As for Oz Nelson, he recognized the difference between the Business Roundtable commitment to a state’s education reform over 10 years and the Casey Foundation’s way of operating—and therefore he wore two hats: CEO operating under the Business Roundtable promise of a decade of involvement and leadership in Kentucky; and Annie E. Casey Foundation board chair responsible for a process of approving the best use of limited funds.

In practice, there was little debate among Casey Foundation board members and never a question about the foundation’s continued investment in Kentucky, according to Nelson. While some members would have preferred to put all the available foundation funding for Kentucky education reform into scholarships to send disadvantaged children to private schools, others did not want to leave the public school reforms because they saw progress.

Originally, Nelson thought in terms of five to six years of foundation support for the Kentucky reforms, but at the five-year mark “we were just hitting our pace, just beginning to win major battles.” The recommendation to continue in Kentucky past the initial years met with no opposition from the foundation’s board, according to Nelson.

Another advantage that helped the foundation stay engaged over such a long time period, according to Cipollone, was that its staff typically works closely with grantees and provides advice and technical assistance that other foundations often contract out. Staying close to grantees makes it easier to be persuasive when decisions are being made about next steps and continuation, he observed.

### **Progress at 10 years**

At KERA’s 10-year mark, there were two views of KERA implementation among the key participants: Significant progress had been made; not enough progress had been made.

Some state leaders had concluded that achieving the goals of KERA would take longer than predicted; change was more difficult than anticipated, and thus the public and political will to keep working on

school reform had to be sustained. Others participants argued successfully for reducing the scope of the reforms and, as a result, compromises were made throughout the 1990s; “pieces” of KERA were jettisoned as unworkable or too costly.

However, after a decade of hard work in the state, undisputed improvements were evident by 2000. As reported by the Kentucky Department of Education in a document whose title signals the department’s take on the story—*Results Matter: A Decade of Difference in Kentucky’s Public Schools, 1990-2000*—the school reform progress was summarized in this way:<sup>18</sup>

- School funding is far more equitable now. The reform’s school funding formula has narrowed the per-pupil spending gap between the wealthiest and poorest districts. The gap was \$1,199 in 1989-90 and \$757 in 1998-99.
- All demographic groups of Kentucky children are achieving at higher levels now than when we began, according to state test results.
- Kentucky children are performing better—in comparison to their peers nationally—than they ever have before, according to the National Assessment for Educational Progress (NAEP), commonly known as “the nation’s report card.”
- According to the Comprehensive Test of Basic Skills, some of Kentucky’s highest-achieving schools are also among the highest-poverty schools.
- Scores on the national ACT have remained basically flat—but many more Kentucky students are taking the test and aspiring to higher education. And the core courses that are known to result in higher ACT scores are now high school graduation requirements in Kentucky.
- Kentucky is a national leader in education technology.
- The state dropout rate, which is about in the middle nationally according to the National Council for Education Statistics, has not improved significantly since 1990.
- Race and gender achievement gaps have not been eliminated.
- Public opinion surveys show broad and growing support for our system of education and for our local public schools.

### **An exit strategy**

In 1999, Cipollone’s responsibilities at the Casey Foundation expanded—he began overseeing all foundation evaluation work, communications, policy advocacy and Baltimore community development. Bruno Manno was hired to manage the foundation’s education portfolio, including work with the Kentucky school reform grantees.

When Manno joined the foundation in 1999, there were general conversations about not being in Kentucky “forever,” he said. Although there had never been a fixed commitment to a 10-year investment in Kentucky school reform, the decade-anniversary celebration of the enactment of the Kentucky Education Reform Act—as well as the end of corporate funding for the Partnership for

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<sup>18</sup> Kentucky Department of Education, *Results Matter: A Decade of Difference in Kentucky’s Public Schools, 1990-2000* (undated), page vi.



Kentucky Schools—stimulated thinking about the status and trajectory of reform in Kentucky, whether the foundation was still uniquely essential to the work, and an appropriate exit.

Manno took on the responsibility for figuring out how “to disengage in a thoughtful way” from Kentucky school reform. According to Manno, the key question was, “What do we need to do to sustain the work?” This question was particularly focused on the Prichard Committee: The foundation wanted a “premier nonprofit” in place to steward the education reforms after its large investment in Kentucky, he explained.

After consulting with the foundation’s senior staff, Manno’s recommendation in 2001 with respect to the Prichard Committee was a closing three-year commitment grant to help the Committee develop a plan to become more self-sufficient, beginning with a business plan. The Ford Foundation joined in financing this strategy and one of the results was the Prichard Committee’s establishment of the Center for Parent Leadership, a revenue-generating consulting service. The last year of formal support for the Prichard Committee was 2004.

With respect to the Partnership for Kentucky Schools, Cipollone 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 provided funding for the newly named and much leaner Partnership for Successful Schools to work in eight schools in eight communities.

As for the Kentucky Institute for Education Research, “there was a general inclination in the foundation that it was going to close down” so there was no plan for sustaining its work and no “close-out” grant was made to bridge to other funding sources, according to Manno.

## **A lasting difference—and a new push**

Looking back to the 1990s, most observers agree that the Annie E. Casey Foundation’s early and sustained 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 Jones.

In deciding how to get involved in a significant and sustained way to support Kentucky school reform, Cipollone 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 adequate—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.

Kentucky school reform needed the public at large to fully understand. In any large-scale reform, there will be people who don’t support it. There was enough support for KERA to generate an intricate, sophisticated plan, one of the most creative we have seen. Reform requires sustained leadership. Where reform dies, it’s because of turnover at the top—in schools, school districts, legislatures, governors. This is at odds with the need for a long-term perspective.

In 2000, the 20th anniversary of the Prichard Committee, Sexton reflected on the essential role time—and persistence—played in helping Kentucky achieve these impressive gains. Building on an analysis of George Washington’s success as the Revolutionary War leader who managed to “keep his army in the field,” Sexton said, “Endurance is an important aspect of civic capacity.” He concluded:

“The leader’s job is to hold the vision,” said one of our activist members . . . . It’s critical that reform advocates publicly commit to being there until the job is done. Those in authority—and those in opposition—most certainly will be there. Persistence is tough. Volunteers get tired. Money is hard to find. And when reform is in place, the toughest work has started.<sup>19</sup>

For Kentucky advocates, education reform remains a year-to-year—or biennium-to-biennium—battle. Still, while bemoaning the difficult work remaining and the uneven progress of the state’s reform efforts—including its continued low national ranking in total school funding—Sexton and others are quick to assert that the state remains strongly positioned to continue its upward trajectory.

In 2006, state lawmakers increased teacher pay, added days to the school year, and provided more money for preschool and technology in the two-year state budget. “The legislature moved Kentucky forward,” said Sexton. “This needs to be the first step of something they do year after year.”

To build on the momentum of the 2006 legislative session, the Prichard Committee discussed plans to develop a 5- to 10-year plan for advancing Kentucky’s education system. According to Sexton, that agenda could include priorities such as improving teaching quality and incorporating differentiated pay, expanding preschool and kindergarten access, reducing racial and gender achievement gaps, moving Kentucky’s high school and college graduation rate into the nation’s top 20, and targeting national math and reading scores in the top quarter of all states.

“There are encouraging signs telling us the time is right for a new push,” Sexton said.

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<sup>19</sup> Robert F. Sexton, “Mobilizing Citizens for Better Schools,” *Louisville-Courier Journal*, January 2, 2000.

# LESSONS FOR EDUCATION PHILANTHROPY

This case study 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 by the foundation to build a strong and stable basis for sustaining the improvement of Kentucky’s public schools. Importantly, the foundation paid careful attention to keeping its board of directors informed about progress so it could maintain this long-term focus.

- **Build a broad constituency for support of your solution or project.**

The Casey 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 interests in strategies such as 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 the foundation to meet unanticipated needs as grantees’ work evolved and to quickly address issues that were being neglected.

# SELF-STUDY QUESTIONS

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

1. What was the Annie E. Casey Foundation's theory of change—the assumptions, activities and expected outcomes—for its school reform work in Kentucky? To what extent did it change over time?
2. What steps did the foundation take over the years to inform its decision to stay involved with school reform efforts in Kentucky? How did the foundation conclude that a decade was long enough and it was “safe” to shift funding to other priorities?
3. How would you assess the overall success of the foundation's grantmaking for school reform in Kentucky?
4. How important were the two GFE Principles for Effective Education Grantmaking—*persistence* and *engaged partners*—in the foundation's overall grantmaking strategy for school reform efforts in Kentucky?
5. What is your assessment of the overall success of the Annie E. Casey Foundation's education grantmaking initiatives in Kentucky?
6. Compare the grantmaking described in the case to your own grantmaking: What is the normal amount of time you are willing to continue supporting the work of a single grantee? How do you know this time frame is long enough to support the changes you want to see? How do you gauge—in Ralph Smith's words—that the work of a grantee is “still the best use of the dollars the foundation has to spend”?
7. What specific lessons and insights did you gain from this case study and how might they apply to your grantmaking work in education?

# EPILOGUE

**In December 2000, Bruno Manno of the Annie E. Casey Foundation offered remarks at the Kentucky Education Reform Conference, which celebrated the reform law’s tenth anniversary. His assessment below of what the foundation accomplished and what it learned during its grantmaking in Kentucky over the decade is adapted from those remarks.**

Let me comment on the magnitude, the radicalness and the unprecedented nature of what Kentucky undertook many years ago—something that might be lost to many today.

What Kentucky did was start a new brand, or a new line, of public education reform that included clearer standards, accountability for results and a commitment to helping every child in the public school system succeed. Just as important, education reform in Kentucky was a community, civic and political endeavor. While it positioned professional educators on the front line of the classroom, it also benefited from the leadership and support of a multitude of others from many organizations, who created new institutions outside of the formal education system. These institutions have done many things, including giving new and substantive meaning to the term “partnerships,” educating the public about the reform effort, and keeping the heat on different stakeholders and other individuals to make sure there was no backsliding on the reform effort. Deliberately, the Casey Foundation’s grants to support education reform in Kentucky went largely to these institutions.

Because reform Kentucky-style is a broad-based community, civic and political undertaking, it has been able to endure. Kentucky hasn’t engaged in “policy churn”—tossing aside one new idea for the next. No one has been working at standards-based reform on a statewide level as long. Kentucky is giving this innovative approach to education reform a chance to be tried and tested.

My prediction as to what will happen next is that the type of battle Kentucky has been fighting will shift terrain. As tough as it’s been, up to now, it’s really been an air war; the next stage will be a ground war. It will be “hand-to-hand combat,” that is, much more community-by-community, neighborhood-by-neighborhood, school-by-school, classroom-by-classroom, teacher-by-teacher, student-by-student, family-by-family than it has been until now.

Schools are an important community and neighborhood resource or tool—a public service—for helping individuals and families make connections with economic opportunities, social networks, and other public services and supports. Through Kentucky-style education reform, the foundation’s staff has gained great insight into how we can better support communities and systems in their efforts to create high-performing schools that strengthen families and neighborhoods for all our nation’s kids, especially those who are in our toughest neighborhoods. The Kentucky experience has strengthened and deepened the foundation’s view that all effective education reform must be a community, civic and political endeavor.

Finally, in an important way, Kentucky has given us and the nation insight into the need to be fearless and transparent when it comes to collecting information that tracks the progress being made in reaching the goal of higher standards for—and higher performance by—all children.

In 1996, after five years at working on education reform Kentucky-style, Oz Nelson, David Jones and John Hall wrote the following: “We have an historic opportunity [in Kentucky] before us, not merely to reform the mechanics of a statewide system for delivering instruction, but ultimately to provide our children with the education they will need to live productively and successfully in a new century of challenge and change.”

That was the challenge then and it continues to be the challenge now.

# 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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