

# Case Study No. 7

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

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## Strengthening Grantee Effectiveness: The Hyde Family Foundations

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PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

Discipline & Focus	Knowledge	Resources Linked to Results	Effective Grantees	Engaged Partners	Leverage, Influence & Collaboration	Persistence	Innovation & Constant Learning
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## grantmakers<sup>for</sup>education

Grantmakers for Education's mission is to strengthen philanthropy's capacity to improve educational outcomes for all students. We achieve this mission by:

1. Sharing successful strategies, effective practices and lessons that exemplify responsive and responsible grantmaking in education.
2. Creating venues for funders to build and share knowledge, debate strategies, develop leadership, collaborate and advocate for change.
3. Gathering and interpreting data to illustrate trends, highlight innovative or proven educational approaches and support informed grantmaking.

Grantmakers for Education developed its series of case studies on effective education grantmaking as reflection and discussion tools. 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

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

Ted Lobman, former president—*Stuart Foundation*

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## Authors and Contributors

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# **FOREWORD:**

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

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

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

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

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

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



## STRENGTHENING GRANTEE EFFECTIVENESS:

# The Hyde Family Foundations

Tiffany K. Cheng

### Introduction

In August 2007, Hyde Family Foundations Board President Barbara Hyde and Executive Director Teresa Sloyan began compiling a list of promising candidates for the position of superintendent of the Memphis City Schools in Tennessee.

Rocked by the sudden departure of Superintendent Carol Johnson—who had worked closely with the foundations but was leaving to serve as the new superintendent for the Boston Public Schools—they were committed to informing the school board’s decision by identifying high-quality candidates. Although they had no formal role in choosing the school system’s top post, they knew that whoever was hired would impact the foundations’ mission of making Memphis a thriving and progressive city.

Hyde and Sloyan believed that improving the city’s education system was critical to Memphis’ future. Residents of Memphis, dubbed “Memphians,” numbered over 670,000 by 2005. City residents were proud of their city’s history as a key site for the civil rights movement and as a vibrant music and arts community.

However, Memphians continued to live in largely segregated communities; according to one report, Memphis was the most economically segregated of the 50 largest American cities in 2006, measured in terms of the distance between low-income and high-income neighborhoods. In 2006, more than half of all children in Memphis started life in families made vulnerable by poverty.<sup>1</sup> Enrollment in the Memphis public schools disproportionately consisted of the city’s African-American school-aged children: 97 percent compared to 49 percent of the city’s white children. Although Memphis public schools’ graduation rate had improved from 48.5 percent in 2003 to 69.6 percent in 2007, the district was still underperforming compared to urban districts of comparable size nationwide.

Operated as a pair of philanthropic funds, the Hyde Family Foundations works to improve the quality of life in Memphis. In order to counteract persistent socioeconomic and racial barriers and improve opportunities for underserved families in Memphis, the foundations have made improving the city’s education system a priority of its grantmaking. Each year, the foundations award grants totaling over \$10 million; of this amount, \$4 million is designated to K-12 education initiatives.

Hyde and Sloyan hoped the foundations’ grantmaking would, over time, spur improvements that could demonstrate what is possible in a city that shares many of the political, social and economic challenges of other large, urban communities. Sloyan reflected, “We now have many of the most

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<sup>1</sup> Center for Urban Child Policy, *The Well-Being of Children in Memphis: A Snapshot of Families, Income and Education*, (2006).

powerful and effective education reforms in place in Memphis. As long as we can accelerate the impact of these programs, I see tremendous potential for our city to reach the tipping point sooner than other cities because we are operating at a smaller scale than cities the size of Chicago or New York.”

But Johnson’s departure and the potential for additional resignations from other district leaders who had followed the former superintendent to Memphis from her previous post worried Hyde and Sloyan. Since many of their grantees worked in partnership with the city’s school system, the foundations’ greatest short-term priority was to ensure continuity in programs and performance improvements for children until a new superintendent was chosen.

At the same time, even as Hyde and Sloyan wanted a new superintendent who would be as supportive as Johnson in advancing the work of their grantees, they wondered how they could build more ownership, engagement and buy-in at every level of the city’s leadership and communities. Encouraging both inside-the-system and outside-the-system reforms, the foundations’ education grantmaking had sought out high-performing schools and organizations and worked to strengthen the capacity and effectiveness of school leaders. Given the changing dynamics in the Memphis City Schools, what else could the foundations do to support and accelerate their grantees’ impact and influence?

### **Effective education grantmaking: Effective grantees**

Recognizing that a grantmaker is effective only when its grantees are effective, this case study is intended to help funders consider ways of promoting *effective grantees*, one of Grantmakers for Education’s Principles for Effective Education Grantmaking.

The case study illustrates a number of practices—including the importance of ensuring strong leadership at grantee organizations, brokering relationships between grantee organizations and donor and civic leaders, providing technical assistance, convening community stakeholders to support grantees, creating learning communities to link and network grantees, and setting clearly defined goals and performance expectations for grantees—that can support and build the capacity of grantees and lead to greater impact. In addition, it underscores the importance of human capital, talent and leadership to grantee success, whether the grantee is a nonprofit organization or a publicly funded school or institution.

## **The Hyde Family Foundations**

Founded in 1961 with an initial \$1 million investment from Memphian Joseph Hyde Sr., the first Hyde Foundation was created to further the family’s philanthropic interests. In the 1990s, Hyde Sr.’s grandson—J.R. Hyde III—created an eponymous foundation after founding AutoZone, the nation’s largest auto-parts retailer.

The two foundations have since become known as the Hyde Family Foundations and are operated in tandem, sharing board leadership from various Hyde family members and a common staff. Both foundations exist to “support efforts to improve the quality of life in Memphis” and they provide funding in the same areas, although the Hyde III Foundation tends to be more proactive in its approach. With over \$140 million in assets and an annual average grantmaking budget of about \$10



million, the foundations are the leading and most visible grantmakers in their region (*see Exhibit 1 for an overview of the foundations' investments by program area in 2007*).

### **A focus on grantee capacity and effectiveness, not education reforms**

Each year, the foundations award over \$4 million to a select number of education organizations. In choosing which organizations to fund, the foundations are agnostic about education reforms—“We’re open to anything, whether it is inside or outside the district,” explained Sloyan—but explicit about the importance of each grantee achieving measurable impact.

Grantees are assessed against benchmarks that are established in grant agreements, and they are expected to prepare periodic, formal progress reports that the staff carefully review and discuss with grantees (*see Exhibit 2 for a sample quarterly report from foundation grantee The New Teacher Project and Exhibit 3 for a sample evaluation matrix used to assess individual school performance and progress*).

Greg Thompson, the foundations’ education program director, explained the organization’s grantmaking ethos, saying, “Our primary goal is to build the capacity of our grantee organizations so that they are able to meet short- and long-term goals.” Sloyan added, “We are data- and results-driven and build measurements into our gifts. All of the programs we fund understand that they must deliver results for kids.”

Reflecting the foundations’ focus on results and grantee effectiveness, most of their education awards are designated as general operating support (as opposed to project-specific support) grants. But this wasn’t always the foundations’ approach. Prior to 1999, their education-grantmaking budgets supported college scholarships, funding for higher-education initiatives and partnerships with a range of K-12 education programs.

Sloyan reflected on the foundations’ decision to make improvements in K-12 education in Memphis their top priority: “Previously, 50 percent of our education giving was on general K-12 initiatives, with the rest going toward higher education. While we were still committed to investing in higher education, it became clear that we needed to focus our grantmaking, since the K-12 programs consumed such a large percentage of our time. Mostly, we felt the community needed our investments here the most.”

Still, the foundations struggled to see the impact of their investments on student achievement. “Like many donors, we started out funding things that we thought were important: after-school programs, classroom libraries and other things that are somewhat important but essentially on the periphery of improving student achievement or changing systems,” recalled Hyde. She and Sloyan also realized the value of focusing grantmaking on programs with strong leaders who might have a greater likelihood of leveraging the foundations’ investments, thus yielding better outcomes for students.

### **Do whatever it takes to help grantees succeed**

Hyde and Sloyan began a deliberate strategy to woo nationally recognized education innovations that could accelerate improvement efforts in Memphis. In doing so, they realized their approach of bringing innovations and organizations from outside the region demanded new strategies and levels of involvement from the foundations. To help their grantees succeed, the foundations’ leaders leveraged their networks, expertise and staff to help their grantees overcome a myriad of challenges.

In addition, Sloyan and Hyde believed that leadership gaps in the city’s education and nonprofit sectors presented other barriers to grantee effectiveness. As a result, the foundations engaged in problem-solving activities that ranged from providing office space and negotiating real estate deals to chairing fund-raising events and convening meetings with public officials (*see Exhibit 4 for a chart summarizing a range of strategies undertaken by the foundations to strengthen the effectiveness and capacity of their grantees*).

“We don’t want to be a check-writing investor,” Sloyan explained. “When we make investments, we’re really rolling up our sleeves to do whatever it takes to make these initiatives successful.” She elaborated, “We dedicate tremendous human capital and sweat equity to all our K-12 partnerships. We have also hired top talent to manage our education portfolio and develop our proactive partnerships.”

Hyde was keenly aware of the wide-ranging implications that arose from such involvement, saying, “The unintended consequence is that our grantees can get too dependent on us. Other times, they feel like we are the 800-pound gorilla. We’re sensitive to it, but everyone here is actively engaged and entrepreneurial in the way we interact with our grantees. In the end, this work is important to all of us.”

The foundations employed just six people but drew upon the collective network of their 13 board members. Hyde, who was a board member of both foundations and served as the president of the J.R. Hyde III Foundation, dedicated a great deal of energy and leadership to the foundations’ activities, especially in education.

### **Three levers for change: Supply, demand and governance**

The foundations seek to support organizations and education-reform initiatives that clearly align with three specific “levers” for change (*see Exhibit 5 for a summary of the foundation’s K-12 education grants since 2003*):

- **Supply:** Increase the number of high-quality school choices for urban families.
- **Demand:** Equip and empower parents with information that can help them effectively advocate for their children and for significant changes in school policies and options.
- **Governance, leadership and talent:** Develop human capital for effective leadership at all levels of school systems to increase student achievement.

### **Change lever #1: Increasing K-12 options for Memphians**

The first component of the Hyde Family Foundations’ education grantmaking strategy is a focus on “supply”—increasing the number of high-quality schools for low-income children and families. While some funders narrow their education investments to one particular type of school or school choice, the Hyde Family Foundations support public schools, charter schools, inner-city parochial schools and private independent schools. Hyde explained the foundations’ reasoning: “Competition is important, and a big part of our focus has been expanding educational opportunities outside of the traditional public-school delivery system. We recognize that the majority of children are in public

schools, and we want to push those schools from the outside at the same time that we're trying to nurture change and support positive models from within."<sup>2</sup>

### **Re-opening inner-city Catholic schools**

In the late 1990s, as Hyde and Sloyan were beginning to consider new ways of supporting high-quality schooling options for children in Memphis, they met with Dr. Mary McDonald, the superintendent of schools for the Catholic Diocese of West Tennessee. McDonald had been approaching private donors, making a case for reopening Catholic schools in the inner city that had closed due to shifting Catholic populations and decreasing finances. McDonald recalled, "I spent months talking to people. Most people thought I was crazy—it's the opposite of what everyone else is doing and what good sense would tell you. I heard, 'No one will teach there, there aren't any kids there.' But we wanted to reclaim and reopen our schools in order to live out our mission of educating children who live in deep poverty."

In evaluating the opportunity to support this project, Hyde and Sloyan began to see the potential impact and leverage their dollars could have. Not only did the diocese have empty facilities available for use, it also had a strong school administration office to lead the efforts. Moreover, the foundations were excited by the prospect of working with other funders.

"One of the inherent challenges of being in Memphis—where there's not a deep pool of philanthropists, foundations and major corporate funders—is figuring out how to draw other people into this work," said Hyde. Sloyan agreed: "We're not the lead funder on this initiative, but we felt our time and resources could be leveraged through others." Shortly after the diocese made the decision to reopen the schools, the foundations issued a \$5-million challenge grant to encourage equal contributions for other donors in the community.

Since 2000, the West Tennessee diocese has reopened eight schools—called the Jubilee Schools—that now serve over 1,400 students. "Our schools are giving hope to the people in these neighborhoods. They see it as a place where children are growing and being nurtured, and who will go to college and be able to lift up their communities as the next generation," McDonald said. For her part, Hyde considered the investment a logical step in the foundations' then-new grantmaking strategy. "When you look at urban schools of every type and ask yourself who's doing a great job for at-risk kids using only a moderate amount of resources, you find Catholic schools doing a fantastic job," she observed. "We found great commitment and talent in these schools."<sup>3</sup>

McDonald considered the broad range of support provided by the Hyde Family Foundations, as well as its challenge grant, instrumental to the Jubilee Schools' success, explaining, "The Hydies not only contribute money, but they help connect us with other people who may see this as a good thing." She noted one particular example: "One of the best things they do is bring their grantees together in order to build a support system. We all have the same issues and problems. It's a wonderful space for collaboration, which has been essential to making all of this work because we can learn from one another in a noncompetitive environment. It's a huge gift to us that they promote our work."

She also valued the foundations' ethos of driving results with accountability. "I never considered what the Hydies did for us a grant. They're investing in you and making sure you have the support

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<sup>2</sup> "Barbara Hyde's Passion for Education Reform and Community Revitalization," *Philanthropy Magazine* (January/February 2006).

<sup>3</sup> *Ibid.*

systems in place to fulfill the mission of your work. They don't invest in things that will disappear tomorrow. They provide feedback, hold me accountable for what I've promised to do and truly make their money count," said McDonald.

## Creating a KIPP-sponsored school

As they considered other ways of increasing the supply of high-quality schools available to children in Memphis, Hyde and Sloyan actively sought out ideas and organizations from across the country that had a record of success and the capacity to inject new ideas and talent.

Although it was a fledgling organization in 2001, the Knowledge Is Power Program (KIPP) caught their attention.<sup>4</sup> Founded by two Teach For America corps members to prepare students in underserved communities for success in college and in life, the KIPP school design includes a college-preparatory curriculum, a culture of achievement, excellent teachers and more time in school learning. Sloyan recalled, "We were impressed by KIPP's work in various cities across the country and decided to facilitate an introduction between KIPP and the district." The foundations believed that the KIPP model could achieve similar exemplary results for children in Memphis and challenge conventional school-district practices.

To entice KIPP to Memphis, the foundations provided an initial grant of \$35,569 in 2002 and ongoing support totaling \$1.45 million between 2002 and 2008. With support from then-superintendent Johnnie Watson—and, later, Johnson—a new KIPP middle school opened as an in-district contract school in 2002.<sup>5</sup> Hyde became the founding board chair of KIPP Diamond Academy. Sloyan recalled, "There were children whose needs were not being met, and a level of competition can be healthy to spur change in the status quo. Dr. Johnson was very open to alternative models and approaches as one way of leading the district to think of education in a different way."

Aside from Hyde's formal role on the KIPP Diamond Academy board and the foundations' significant financial investment, both Hyde and Sloyan continued to support the school through challenges typical of a start-up organization. For example, the foundations and Memphis City Schools soon realized that school leaders were not performing well within the KIPP model: in its first four years, the school had four different principals. Each transition was difficult for the school to weather, especially when candidate searches left the leadership post vacant for months.

Michael Goar, Memphis City Schools' chief operating officer said, "Teresa and I have worked on a lot of issues together, particularly those affecting human resources. She came to parent meetings and board meetings and met with me to discuss school-leadership issues. The foundations also have helped us identify the right candidates for principals. Through this process, we've developed a good working relationship."

Sloyan agreed that KIPP's introduction in Memphis was met with mixed results but considered the process invaluable to the foundations' focus on increasing the supply of high-quality school options for families. She explained, "The KIPP Academy was, in effect, the first time school choice was introduced into Memphis. It certainly required all of us to have thick skin. Parents expressed great

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<sup>4</sup> According to KIPP, as of September 2008 there are now 66 KIPP schools in 19 states and the District of Columbia serving over 16,000 students. The organization publishes results of KIPP schools and studies of student outcomes at [www.kipp.org/01/resultsofkippsch.cfm](http://www.kipp.org/01/resultsofkippsch.cfm).

<sup>5</sup> As part of the Memphis City Schools system, contract schools operate within the district and adhere to the district's staffing policies. They are, however, given certain autonomies in curriculum, schedule and resources.

excitement and enthusiasm for KIPP but the entrenched bureaucracy resisted change. We continue to believe in KIPP and think it's a strong model for school reform.”

The lessons from this experience became fodder for the foundations' next step to increase the supply of high-quality schools, which was to encourage civic and grassroots leaders to consider whether charter-school legislation could help encourage innovation and choice in schools throughout the state.

### **Paving the way to new charter schools**

In 1998, the Hyde Family Foundations began funding advocacy and grassroots organizations that were mobilizing support for a state law that would authorize charter schools in Tennessee.<sup>6</sup> State legislators eventually enacted a law in 2002 that granted local school boards the authority to charter up to 50 schools statewide in sponsorship with a nonprofit entity. Local pastor and charter-school advocate Kenneth Robinson recalled the foundations' influential role: “The foundations had identified the national trend for creating charter schools in more than 30 states and articulated it as an innovative approach that needed to be offered as an education enhancement in Tennessee. They were tenacious, committed and practical in helping to generate broad support for this reform idea.”

However, as was the experience in many other states, the bill's passage was only a first step; the harder work of actually opening new charter schools remained. For example, charter-school organizers typically face difficulties finding facilities that support educational activities, and they often struggle to procure start-up funding and organizational support. While some federal grants are available to help schools with these initial start-up challenges, the money is slow to reach states with new charter-school laws.

In Memphis, the foundations quickly stepped in to fill these funding gaps and operational needs and to work with charter-school leaders to overcome barriers that might prevent successful school openings. Tommy Henderson, founder and principal of Memphis Academy of Science and Engineering, described the foundations' extraordinary support: “Not only did they provide seed money, but they helped us open lines of credit. They also connected us with the Memphis Bioworks Foundation, which matched the mission of our school.”

When Memphis Academy of Health Sciences Middle School purchased property in the North Memphis area, its principal, Curtis Weathers, did so with a loan that had been negotiated with the help of the foundations. The foundations helped in other ways too, he related: “We were also experiencing difficulty getting a general contractor to help manage the property. The Hydes were extremely helpful in leveraging their connections for us and getting the project off the ground. They've helped develop our board and given us resources to supplement our academic programs. They really understand the necessity of growing capacity to support change.”

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<sup>6</sup> Now allowed in 40 states and the District of Columbia (as of 2008), charter schools are public schools of choice that operate free from many of the rules and regulations that apply to district schools. Although local, state or other authorities authorize and oversee charter schools—through a term-limited but renewable contract or “charter”—each charter school determines its own academic mission, instructional model, budget, human-capital management and most other operational issues.

## **Strengthening the ranks of charter school leaders**

Learning from its experience at the KIPP Academy and seeking to nurture more strong charter-school leaders who could provide support to schools, in late 2005 the Hyde Family Foundations awarded a \$58,333 grant to the Leadership Academy, a local nonprofit organization that had trained dozens of top business executives. With the foundations' grant, the Leadership Academy provided a full year of coaching and professional development to a cohort of 12 charter-school leaders in Memphis and Nashville whose schools served a total of 2,400 students.

Susan Chase, senior vice president of the Leadership Academy, explained the goal of the grant: "Teresa thought it was really important for the charter-school principals to participate in this training and develop their own support networks. They need to have the opportunity to develop relationships and count on one another because it can seem like they are on an island by themselves." Academy President Nancy Coffee added, "The sense that there's momentum and a possibility for more charter schools in Memphis is only there because the Hydes are leveraging their financial, political and social capital to help start charter schools and sustain the work."

The foundations also invested in leadership development beyond school principals in order to instill accountability at all levels; in particular, it focused efforts on supporting school-board leadership, as Tennessee's legislation made local schools the authorizers of charter schools. Sloyan remarked, "When the law was initially passed, we wanted to help our charter authorizers understand their role in approving applications that could ensure great outcomes for kids." In 2002, the foundations enlisted the National Association for Charter School Authorizers to train key Memphis public school personnel, school board members and the superintendent on how to identify strong charter proposals and evaluate prospective charter-school leaders.

The foundations were committed to developing the charter-school movement and keen on maintaining balanced expectations of their partners. School leaders reported having strong, collaborative relationships with the Hyde Family Foundations but insisted that the foundations' emphasis on accountability equally enhanced their work. "We have formal and informal reporting mechanisms with the foundations, which spurs us to continue at a high level of performance," said Henderson. STAR Academy Charter School's Principal Kia Young Tate summed up her perspective of the foundations' role: "Accountability is very important; however, the foundations have achieved a balance of holding us accountable and providing the necessary flexibility and support to achieve maximum success. They are neither controlling nor overbearing, which makes such a huge difference."

## **Change lever #2: Building public will for system change**

The second component of the Hyde Family Foundations' education grantmaking strategy is a focus on "demand"—building a stronger, more activist constituency for better public schools. The foundations' leaders believe that grassroots advocacy by parents and community members can create a greater urgency for excellent schools among district leaders.

## **Educating parents about school quality—and organizing them for action**

The foundations consider grassroots initiatives and community organizing key parts of their efforts to build an informed and active constituency for better schools. Empowered citizens, they believe, can demand and spur significant changes in the educational system. In 2004, the Hyde Family Foundations began identifying and funding programs aimed at educating parents and community leaders about school quality. “This is such an important area to address, especially here in Memphis. If it’s just a handful of philanthropists and business leaders involved in education reform, we will not succeed on a system level,” said Hyde.

As part of their focus on mobilizing parents and the community, the foundations invested in Stand for Children, a national nonprofit organization that creates state and local affiliates to teach citizens how to join together in an effective grassroots voice in order to influence policy decisions affecting children. Stand for Children had achieved notable success in Massachusetts and Oregon by organizing communities in local chapters and forming a state lobby. “We saw their organizing model holding promise for our community. As much as we work to enhance leadership at policy and school levels, the bottom-up push from parents and community members for high-quality education also is important and necessary,” said Greg Thompson, of the foundations’ staff. Between 2004 and 2007, the foundations’ total support to Stand for Children equaled \$426,225.

Stand for Children’s co-founder and executive director, Jonah Edelman, described the relationship he had with Sloyan and the foundations’ program staff: “They wanted us to tell them the outcomes we hoped to achieve and be in regular communication about how we were doing. There’s a real learning orientation on their part in addition to a focus on achieving results.”

As Stand for Children brought its community organizing model to Tennessee, it found engaging parents and community members in Memphis difficult. “Memphis is a very challenging place to work if you’re trying to organize a grassroots movement,” explained Edelman. “It’s hard to do community organizing and advocacy in a state that has a very entrenched culture of powerlessness in a citizenry.” However, he believes the foundations’ active role in Stand for Children’s initiatives helped them support his organization better to confront these challenges, commenting:

They’re very hands-on and understand how difficult it can be to get things done in the real world. When you’re just a grantmaker and less involved in a particular community, your approach can be more theoretical and less realistic. They really know Memphis and have great relationships that allow them to strategically leverage their engagement in a way that has a higher impact. The foundations are taking on the real issues in a very smart way.

Hyde acknowledged that creating effective grassroots organizing remained a challenge for the foundations and their grantees, but resolved, “People tend to jump around when they don’t see immediate results. It’s important to stay the course and not feel too wounded if you take arrows in the back. We will tough it out.”

## **Raising academic standards: Clearer expectations for high school graduation and college readiness**

“Every governor says they’re about education,” Hyde observed, “but you can tell whether that’s the case by how much time they spend working on it.” To strengthen their local investments in

Memphis, Hyde and Sloyan began building relationships with state-level policy leaders. In part, they hoped state policies and state leaders could provide further demand-side pressure for better schools in Memphis. And so they were pleased when Governor Phil Bredesen made education—especially the disparity between Tennessee’s standard of proficiency on state tests as compared to the National Assessment of Educational Progress (NAEP)—his top priority beginning with his second term in 2007.

During 2006, the Hyde Family Foundations funded a series of roundtables and forums across seven counties to bring together business leaders and higher education officials to discuss the knowledge and skills gaps they had observed in Tennessee’s high school graduates. To their surprise, Bredesen attended every roundtable to hear discussions firsthand. His policy chief, Drew Kim, recalled the next steps:

Teresa and I began talking with one another about the work they were doing in Memphis and the goals the governor was trying to accomplish. She knows that in order to get improvements to happen in Memphis, there are certain levers you need to pull at the state-policy level. She picked up the phone and told us about the American Diploma Project that other states had signed onto.

At Bredesen’s urging, Tennessee joined the national American Diploma Project, a coalition of 33 states dedicated to aligning education standards, graduation requirements, assessments and accountability policies with the demands of college and careers, in 2007<sup>7</sup>. Throughout the process, Kim insisted, the Hyde Family Foundations remained a key contributor:

They are clearly the leader in making this happen in Tennessee. There were different pockets of people talking about college and job preparation without any direction, but the foundations came in and realized they could bring value as a convener instead of jumping into this and saying, ‘We know best and we have the money to invest to dictate public policy.’ They do their homework, build relationships and continually ask how they can be helpful. There’s a great deal of work ahead in terms of getting curriculum recalibrated, but we’re moving forward. There’s no doubt that this interaction at the state level is helping them understand how to make a deeper impact in Memphis.

### **Change lever #3: Developing a high-quality talent pipeline**

The third component of the Hyde Family Foundations’ education grantmaking strategy is a focus on “governance, leadership and talent”—increasing the talent pool of education leaders who have the skills to directly impact student achievement levels in Memphis, particularly those of low-income students of color. Although some education reformers advocate for a focus on improving curriculum design and delivery systems, Hyde and Sloyan were convinced that they could best leverage their grantmaking by developing leadership in schools and in the school district.

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<sup>7</sup> The American Diploma Project was created by the nonprofit organizations Achieve, Inc., The Education Trust and the Thomas B. Fordham Foundation. The network of states involved in the project is supported by Achieve, which was founded in 1996 by governors and business leaders to help states raise standards and expectations for high school graduates so that all young people are prepared for postsecondary education, work and citizenship.



Increasingly, they acted on this conviction by recruiting nationally recognized programs that held promise for attracting, developing and retaining the best education leaders in Memphis.

### **Producing stronger school principals**

Founded in 2000, New Leaders for New Schools is a national nonprofit organization that recruits, trains, deploys and supports school principals in urban cities. In 2003, Sloyan identified New Leaders for New Schools as a promising approach that infuses district systems with highly trained leaders.

According to data collected by New Leaders in 2003, like many other school districts, the Memphis City Schools were projected to lose a substantial percentage of its principal corps within three years, due to retirement. While the foundations agreed that this situation was a looming crisis facing the city's public schools, they also realized that it was a unique opportunity to leverage their resources to affect change. "We had a light-bulb moment and realized that if we can help produce and support strong principals—who have deep commitments to excellence and who understand what good management requires—then we can dramatically multiply the impact of our dollars," said Hyde.<sup>8</sup>

As part of its growth strategy, New Leaders conducts competitions to select which cities present the best opportunity for its expansion efforts. To make sure Memphis would be seriously considered, the foundations geared up for New Leaders' 2003-04 competition, which required engagement from a broad-based coalition of private, public and foundation support. "This expectation led us to create an alliance of civic partners in the city composed of other philanthropists, the local teachers union, and school district and political leadership. It was certainly a way to get strange bedfellows together," remarked Hyde.

Hyde and Sloyan worked to ensure that every stakeholder understood the important role that a school leader plays in a successful school. Additionally, they elicited sponsorship from FedEx, whose corporate headquarters are in Memphis, and support from congressional representatives and Memphis Tomorrow, an association of chief executive officers of the city's largest enterprises.

Smart City Consulting, a Memphis-based communications and organizational development firm, was hired to support the foundations throughout the application process. Consultant Tom Jones recognized the sophistication with which the foundations bridged connections with various groups: "Watching them, it's about more than having a great idea—particularly when so many ideas intersect with the public sector. They are so adept at finding new ways to succeed in affecting change. They used this national competition to galvanize everyone's energy behind changing the school system and brought more people to the table to keep fighting for education."

Memphis was eventually chosen, in large part, because of its wide support from key stakeholders. The Leadership Academy's Nancy Coffee said, "There were many other cities competing, but Barbara was explicit with New Leaders that we could deliver world-class leadership training in the context of the Memphis culture. Equally important was that we had an established network of 450 executives already trained by the Leadership Academy's leadership-development initiative and whose number one concern was education."

The Leadership Academy eventually became a key partner with New Leaders, conducting training for participants in the New Leaders program as well as for the mentor principals with whom they were

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<sup>8</sup> "Barbara Hyde's Passion for Education Reform and Community Revitalization," *Philanthropy Magazine* (January/February 2006).

paired. So successful was the partnership that New Leaders subsequently approached the Leadership Academy about expanding this leadership-development program to its principal-training institutes nationally.

Hyde also joined New Leaders' national board of directors, further deepening the foundations' connection with the organization. In addition, the foundations' strong relationship with Superintendent Johnson also allowed New Leaders to work collaboratively with the Memphis City Schools on creating school governance reform—including agreements for greater school autonomy and new training programs—that all parties hoped would support changes at every school in the system. “Once Memphis was chosen, it wasn't like that was the victory,” said Jones. “For example, they made sure to press New Leaders to bring the highest caliber person to run the Memphis office. They were actively involved in interviewing candidates. They stayed engaged in the overall process.”

In the first three years of the partnership with New Leaders, 40 principals were trained. Twenty entered Memphis public schools as principals; the rest filled assistant-principal roles. After two to three years in a school, New Leaders-trained principals typically achieve double-digit increases in student performance across reading and math exams. The foundations' Thompson said, “New Leaders has done some good work on the ground—academic gains are starting to show, although there is still a lot of room for growth.”

In 2007, a new three-year agreement to produce an additional 30 principals was approved with unanimous support from the school board. “It's shaping how the district views principal leadership. There is a much more performance-driven selection process in place rather than promotion by seniority. The autonomy we hoped for in making site-based decisions is powerfully shaping the district, going beyond individual principals,” said Hyde.

### **Removing barriers to recruiting highly capable teachers**

In 2002, Hyde and Sloyan initiated a meeting with Teach For America's founder, Wendy Kopp, to explore the possibility of bringing the program's teacher-recruitment efforts to Memphis. Sloyan recalled, “We went to see her to persuade her to choose Memphis as an expansion project. Instead, she encouraged us to look at The New Teacher Project.” The New Teacher Project, founded by Teach For America graduates, works in partnership with school districts to reform human-resource practices to improve the quality of teachers hired.

As it happened, The New Teacher Project had been recently awarded a federal grant to investigate whether it was possible to change policies and practices that acted as barriers to recruiting talented teachers, and it was actively seeking three demonstration sites.

Victoria Van Cleef, the organization's vice president of business development, remembered reviewing the Memphis application for inclusion as one of the three sites: “The community support we saw behind the superintendent was remarkably strong. The Hyde Family Foundations played a large part in mobilizing people—they recognized this opportunity and said, ‘We've got to win this money.’ They brought many community leaders to the table and made sure everyone was aligned with the superintendent's vision.” Ultimately, The New Teacher Project chose Memphis as one of its three project cities.

In 2004, with the Hyde Family Foundations acting as the local funding partner, The New Teacher Project set out to increase the quality and number of teacher applicants to the Memphis City Schools.

A key part of the work was helping the district implement a new technology process that would systematize and enable best practices in human-resource management and significantly shift the hiring time line from late summer to early spring. Known locally as the Urban Teacher Hiring Initiative, the effort created a direct working relationship between The New Teacher Project and Memphis City Schools. After a three-year engagement, a number of successes emerged:

- The number of applicants for teaching positions increased 270 percent (1,519 applicants in 2004 to 5,618 applicants in 2007).
- The number of hires who held advanced college degrees—one indicator of teacher knowledge and experience—rose 300 percent (10 percent in 2004 to 40 percent in 2007).
- The average grade point average—one indicator of the academic qualifications of teachers—of new hires rose from 2.87 in 2004 to 3.15 in 2007.

“We track every measure and have shown dramatic improvement over the last three years. Word got out that Memphis City Schools was no longer an easy place to get a job,” said Van Cleef.

Having the Hyde Family Foundations engaged as a community partner was important to The New Teacher Project, as it sought to build a true partnership from district leadership. “We learned early on that you need someone who can be your advocate, help you bring pressure for change and hold people’s feet to the fire. We saw that the Hyde Family Foundations could play that role for us here,” said Van Cleef. The foundations helped convene meetings for The New Teacher Project, connected it with resources and helped raise additional funds. Sloyan also stepped in to problem-solve when Van Cleef had difficulty getting early phone calls answered at the school district.

Van Cleef considered the foundations’ focus on accountability and transparency a supportive mechanism: “Their expectations helped me clarify our direction. We produced quarterly reports to update them on our progress, as well as an annual report that we presented to their boards of trustees. It was a great exercise for us” (*see Exhibit 2 for a sample quarterly report from The New Teacher Project to the Hyde Family Foundations*).

While The New Teacher Project was successful in improving the quality of teachers hired and integrating a technology platform in the human-resource department, no changes were made to the district’s hiring time line. The foundations’ Thompson said, “I suspect we still lose a significant number of high-quality teacher applicants.” Van Cleef elaborated, “The foundations’ frustration is as great as ours—they were with us, pushing the superintendent the same way we were pushing, but at the end of the day, you don’t want to undermine the district’s work.”

When the Urban Teacher Hiring Initiative ended in fall 2007, the foundations opted to continue their support of The New Teacher Project through a one-year partnership that would pair the organization with the 20 lowest-performing district schools. As part of this new initiative to improve teacher quality, The New Teacher Project trains principals on effective hiring and retention practices, helps schools manage the hiring process and provides ongoing consulting sessions aimed at improving human-resource systems. Thompson reflected on the new initiative, saying, “Given the challenges of working at the district level, we strongly agreed with this change in direction and believe it is a strategic decision to work more at the school level. We consider The New Teacher Project a long-term ‘thought partner’ on teacher quality and will be looking to them in future years to help us with that work in Memphis.”

## Attracting new energy and talent through Teach For America

Having achieved marked improvements in school-based governance and leadership, Memphis at last became an ideal expansion site for Teach For America. Sloyan said, “Since 2002, we had been in constant dialogue with Teach For America and continued to express our desire to bring the organization to Memphis. After we recruited New Leaders to our city, passed charter-school legislation and landed a reform-minded superintendent in Carol Johnson, Teach For America was ready to join us on the ground.”

With the goal of building a movement to eliminate educational inequity, Teach For America is a national teacher corps of outstanding recent college graduates who commit two years to teach in under-resourced urban and rural public schools. While corps members may not have education backgrounds, Teach For America recruits them for their experiences as high-achieving, driven and motivated individuals.

In 2006, the foundations’ staff and Teach For America’s leaders worked out the details of a two-year grant to underwrite the organization’s expansion to Memphis. Brad Leon, a former Teach For America corps member, became the local office’s executive director.

Leon recalled meeting Hyde and Sloyan at the press conference announcing the deal: “They asked us what we were planning to do about office space and then offered space at the foundations’ offices. I began working out of one of their offices. From the moment I got there, I felt like I was part of the family. They were really involved in connecting us to other donors, FedEx and anonymous individuals, which allowed us to be fully funded in 2006.”

Hyde chaired an individual-giving campaign and teamed up with Sloyan to organize an event that raised \$100,000. Thereafter, an additional \$225,000 was donated, bringing the total number of Teach For America “sponsored teachers” in Memphis to 65, well beyond Leon’s initial goal of 50.

This success had implications beyond the Teach For America-led classrooms. Leon explained, “We learned an important lesson in Memphis about just how critical it is to have a local champion to support and build a funding base before we even arrive.” Indeed, Teach For America soon revised its expansion criteria to include a requirement that funders help develop capacity in local offices by connecting the organization with other sources of funding.

While the Hyde Family Foundations’ close interaction with their grantees could be construed by some as a power imbalance, Leon insisted that the foundations’ vision empowers organizations such as his. “I know we are central to their education strategy. I never feel as if I can’t push back if I disagree with a decision. They know exactly what they want to accomplish with their dollars and are extraordinarily proactive about achieving those ends.”

For their part, Hyde and Sloyan were committed to Teach For America’s success in order to impact the quality of teachers entering Memphis City Schools. Sloyan remarked, “What led us to focus on teachers was the work with New Leaders—we saw how its success was dependent on having quality teachers.”

## Early results prove encouraging

Since they narrowed the focus of their education grantmaking in 1999, the foundations had, in effect, done whatever it took to support their grantees' efforts to improve student achievement—and, tentatively, those efforts seemed to be making headway in the overall Memphis school system.

While Memphis public school students still struggled to meet state academic standards, their performance during Johnson's tenure and the foundations' newly focused investment period had steadily improved and appeared to be headed in the right direction. In particular, student achievement as measured by the state's mathematics and reading/language arts tests was increasing at all grade levels tested. Perhaps even more important, achievement gaps were closing between white and disadvantaged students (*see Exhibits 6-A and 6-B for recent math and reading student achievement results in Memphis*).

Results from each of the foundations' grantees also were notable:

- By the end of 2007, 40 principals and assistant principals—trained through New Leaders for New Schools—held leadership roles at more than 20 percent of the city's 191 schools.
- The New Teacher Project substantially improved the quality of new teachers hired at all of the city's schools for three consecutive years by increasing hiring standards and application reviews, and it had begun a recent project to improve teacher recruitment and retention at the city's lowest-performing schools.
- Teach For America infused the Memphis teaching corps with highly motivated recent college graduates.
- Outsiders widely credit the foundations with paving the way for charter schools in Tennessee; under the state's 2002 charter-school law, 12 new schools—including 10 in Memphis—opened, serving 2,600 students.
- Overall, the new schools created through the charter legislation, KIPP presence and Catholic diocese were outperforming existing district schools. In particular, KIPP Diamond Academy students successfully posted double-digit gains on various subjects across all grades over an eight-month period (*see Exhibit 7 for KIPP performance data*).

Although the foundations had yet to meet their expectations for improving the education of all Memphis students, Sloyan remained unabashedly committed: "Foundations need to have a focused grantmaking strategy, and we're committed to the long-term view."

## Looking ahead: Creating leadership and capacity at multiple levels

While the marked improvements in the Memphis City Schools' performance were heartening, the foundations' staff acutely recognized the challenge of maintaining momentum and improvement.

Even as Hyde and Sloyan were generating their list of potential superintendent candidates in 2007, they also were reconsidering the foundations' accomplishments and challenges. It was clear that some of their efforts and grantees had achieved measurable successes, but they were less certain about the impact of their other programs. Although the superintendent search was on their minds, they started

to wonder how they could simultaneously support their grantees and build ownership on multiple levels—regardless of who was tapped for the position.

Hyde reflected, “Great initiatives get mired in midlevel bureaucracy, even if the superintendent is a huge supporter. How do you build the public will and demand for high-quality alternatives and the policy changes that need to happen?”

In particular, the foundations’ leaders were re-assessing their strategy for supporting grassroots demand for better schools, as results in this area of work were less clear. Thompson observed, “It’s difficult to know how to systematically set up structures that engage parents and community members on issues of education. This is an area we are still trying to figure out because it is important for there to be support and ownership among community members—they are the ones who can hold leaders accountable.”

In addition, the foundations’ team was puzzling over questions of how best to spread innovations they had funded beyond single classrooms and schools. “We’re doing great things in some schools, but in the end we exist to catalyze programs that get great results for all children. There are a lot of achievement models serving several hundred students, but we want to be able to affect thousands of kids at the system level,” said Thompson.

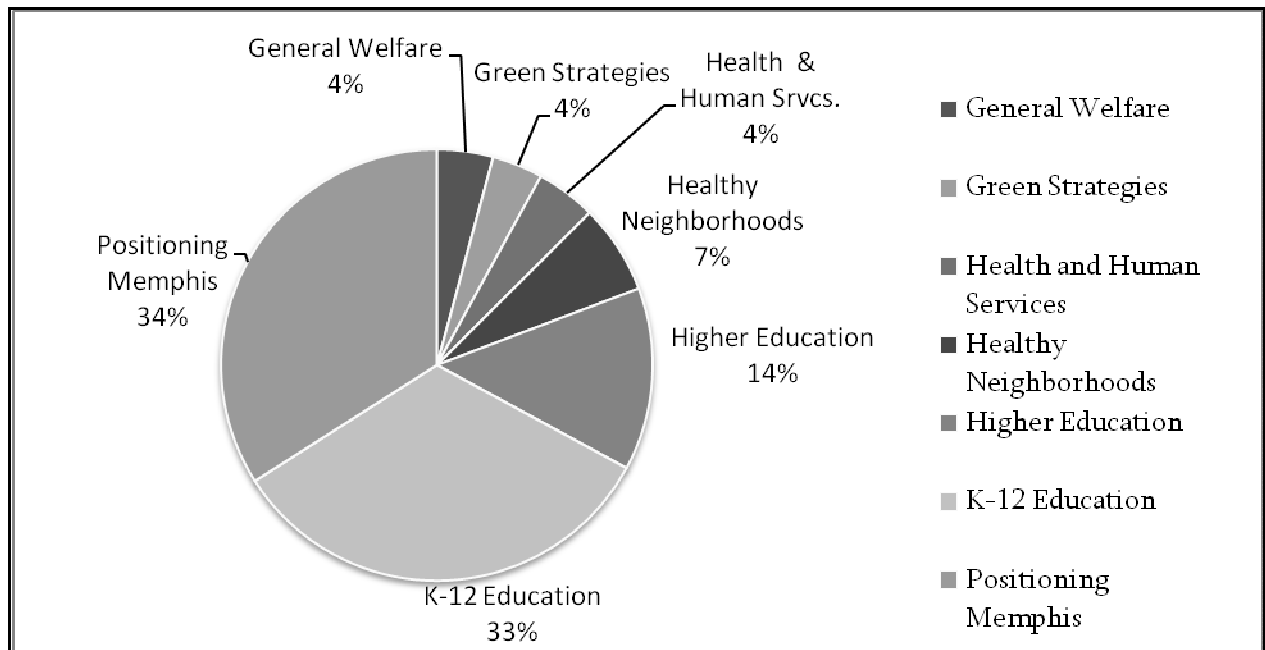
What was clear was that the top priority for the organization would remain seeking out and funding organizations that could impact leadership quality. “We are really focused on developing human capital,” Sloyan explained. “We believe that if we can get to the tipping point where there are increasing numbers of high-caliber leaders at every level of our education system, student achievement will improve and we will begin to see important policy changes.”

**EXHIBIT 1**  
**OVERVIEW OF FOUNDATIONS' GRANTMAKING PORTFOLIO IN 2007**

**Total Funds Allocated in 2007: \$12,315,272**

<b>Program Area</b>	<b>Funds Allocated</b>
Green Strategy	\$468,445
General Welfare	\$525,110
Health and Human Services	\$557,852
Healthy Neighborhoods	\$835,000
Higher Education	\$1,688,562
K-12 Education	\$4,058,389
Positioning Memphis	\$4,247,023

**Funds Allocated in 2007 (by percentage of total budget)**



Source: Foundation files.

## **EXHIBIT 2**

### **QUARTERLY REPORT EXAMPLE (THE NEW TEACHER PROJECT)**

**Hyde Family Foundations  
Progress Report for Memphis Urban Teacher Hiring Initiative  
Project Support  
Mid-April 2007**

#### **Description of the Project**

Through the Urban Teacher Hiring Initiative (TJTHI), The New Teacher Project (TNTP) will improve the quality of the teaching force in the Memphis City Schools (MCS) by increasing the number and quality of applicants, raising the quality of actual hires, and opening the start of school with fewer vacancies and fewer unqualified teachers.

#### **Goals for the Project**

##### **Overall goals and outcomes**

###### Goals

- 1) Establishment of innovative and efficient human resources processes that produce the effective recruitment, selection, hiring and placement of an adequate number of high quality teachers
- 2) Implementation of data collection and tracking infrastructure that will enable MCS to measure progress and drive decision-making
- 3) Creation of a local teacher hiring alliance comprised of key decision makers that recommends and implements policy reforms which overcome barriers to timely and effective new teacher hiring
- 4) Increase in the number of "highly qualified" teachers hired in the pilot districts

###### Outcomes

- A rise in the quality of new teacher hires, as measured by GPA, verbal test scores on standardized tests, degrees in subject area, years of experience, and compliance with NCLB teacher quality provisions
- A rise in the number of actual new hires to ensure that the school year opens fully staffed, i.e., without the use of uncertified teachers or long-term subs
- A rise in the number of actual applicants, thereby increasing the pool to enable the District to become more selective in its hiring process
- Improved customer service and professional development of MCS HR staff
- An overhaul and restructuring of the Office of Human Resources to ensure staffing and skills are matched to the needs of new teacher hiring
- The implementation of new HR processes with defined accountability structures including:
  - A clear staffing calendar with recruitment targets set against timeline
  - Clear goals for improving quality of new hires
  - A new customized selection model
  - New systems and technological tracking devices that measure the efficiency of the recruitment, selection, placement and hiring of new teachers
- The implementation of systems to track HR processes that effect new teacher hiring timelines e.g. current teacher mobility, surplus/voluntary and involuntary transfers, bidding and placement
- New policy reforms that will produce a shift in the actual hiring timeline to enable MCS to compete with surrounding districts and ensure that the District selects and matriculates the best of its applicant pool
- Timely hiring to ensure that principals can staff schools effectively and earlier



## **EXHIBIT 2 (continued)**

### **QUARTERLY REPORT EXAMPLE (THE NEW TEACHER PROJECT)**

#### **Goals and outcomes for School Year '06-'07**

##### Goals

- a) Continue to work with the School District to develop key strategies for effective, teacher recruitment, selection, and hiring;
- b) Continue implementation of an aggressive recruitment campaign that succeeds in inspiring thousands of candidates to apply to the School District;
- c) Train and develop the capacity of school-based staff responsible for teacher hiring in twenty (20) hard-to-staff schools to maximize their interviewing and selection skills;
- d) Coordinate with the School District and the administrative staff of the twenty (20) hard-to-staff schools to determine teacher retirements and resignations earlier than usual;
- e) Develop and implement tracking systems to be utilized in evaluating the staffing of the twenty (20) hard-to-staff schools;

##### Outcomes

##### Applicant Pool Goals

<b>Indicator</b>	<b>Total Goal, FY07</b>	<b>Current Actual</b>	<b>Actual as % of Goal</b>
X# of applications	9281	3207	35%
X# of applications complete and eligible	5618	2260	40%
X% of Prescreened in applications are high need	55%	61%	111%
X% of New Teacher Pool (NTP) Pending applicants will complete their files with all required documentation	70%	56%	80%
X% of NTP has GPA>3.0	70%	69%	99%
X% of NTP has advanced degree (verified)	35%	35%	100%
X% of NTP is high need	55%	51%	93%

##### Satisfaction Goals

<b>Indicator</b>	<b>Goal</b>	<b>Actual</b>
<i>Teachers: On or about June 1, X% applicants (PSI—for 3 weeks or less—and above) net positive about customer service received from the Office of Recruitment</i>	85%	N/A
<i>Teachers: Post-hiring, X% of applicants net positive about customer service received from the Office of Recruitment</i>	80%	N/A
<i>Principals: On end of year survey, X% of principals report that they strongly agree, agree, or somewhat agree that they feel better equipped to select high quality teachers</i>	85%	N/A
<i>Principals: On end of year survey, X% of principals report that they are very satisfied, satisfied, or somewhat satisfied to the question "Please rate your overall satisfaction with the quality of the 2007 new teacher pool."</i>	90%	N/A
<i>Principals: On end of year survey, X% of principals report that they are very satisfied or satisfied with the customer service they have received from the Office of Recruitment</i>	80%	N/A
<i>HR Staff. X% increase in HR staff (team leaders, generalists, assistants) who report that they strongly agree, agree or somewhat agree that the technology provided through ATS have helped them do their job</i>	90%	N/A
<i>HR Staff: X% increase in HR staff (team leaders, generalists, assistants), report that they are very satisfied, satisfied or somewhat satisfied with their integration with the office of recruitment.</i>	75%	N/A

Note: All survey results are N/A because they are scheduled to be distributed later in the hiring season.

## **EXHIBIT 2 (continued)**

### **QUARTERLY REPORT (THE NEW TEACHER PROJECT)**

#### **Progress and Setbacks Relative to Goals**

- As of April 2, we had received 2116 complete applications. This is a 29% increase over this time last year and is nearly 6 times the number of complete applications that MCS had received at this time in 2004 when we began this work.
- By starting interview days earlier and identifying subsets of candidates who can be exempted from the interview process, we have increased the number of candidates who have been "selected in" by 140% over this time last year. This increase will allow a greater number of candidates to be available to principals when hiring begins.
- Candidates in the New Teacher Pool have a mean undergraduate GPA of 3.18 and 35% of them hold an advanced degree.
- Human Resources staff members are reporting better integration of TNTP's work with their own and pride in the overall caliber of recruitment operations for MCS.
- Our focused work with 20 of the hardest-to-staff schools was slow in getting started as a result of the Office of Human Resources' failure to identify target schools until a few weeks ago, despite repeated requests since the fall. TNTP has been asked to focus on providing capacity-building training around hiring to 12 hard-to-staff schools and the four Fresh Start schools, and we have been asked to provide actual staffing assistance to the four Fresh Start Schools. We recently began the training series with the principals and expect to complete the trainings in the coming months.

#### **Moving Forward**

- Because we have not been able to impact the policy decisions that guide the hiring timeline and practices (as outlined in previous reports to the Hyde Family Foundations), we are unsure of exactly when hiring will begin. However, we are readying the 16 schools that we are focused on helping to be able to take advantage of accessing candidates as soon as they are permitted, and encouraging them to maximize opportunities to meet with and interview candidates even before actual hires can be made.

#### **Significant Board and/or Staff Changes**

We have hired a new communications associate, Letitia Aarons, to help manage applicant communications.

#### **Divergence from Timeline/Reasons**

Besides the delay in our work with the lowest-performing schools, we are on track to meeting our goals.

#### **Attachments**

- Memphis UTHI Budget vs. actuals to date
- Current annual organizational operating budget
- IRS Form 990
- Current board list
- Most recent annual report—TNTP does not produce an annual report

Source: Foundation files.

## **EXHIBIT 3**

### **HYDE FAMILY FOUNDATIONS SCHOOL EVALUATION METRICS**

The foundations asks its school grantees to use this framework to prepare formal progress reports:

#### **SCHOOL CULTURE**

- ✓ Strong, visible leadership
- ✓ Clear, outcome focused mission that permeates every facet of the school
- ✓ Unrelenting belief that all students can learn and perform at high levels
- ✓ Highly structured learning environment
- ✓ Strong discipline code enforced by all in the school
- ✓ Clear communication with all stakeholders of the school (parents, teachers, staff students, district, state and the community)

#### **PROGRAM DESIGN**

- ✓ Research-based curriculum design- based on college preparatory instruction
- ✓ Curriculum aligned with Tennessee state standards
- ✓ Integration of technology into the curriculum
- ✓ Extended school day and school year
- ✓ Diversity and rigor in course offerings
- ✓ Presence of extracurricular activities
- ✓ Presence of community involvement programs

#### **GOVERNANCE**

- ✓ Board of Directors who possess the skill-set to help the school succeed:  
K-12 professional background, finance/accounting expertise, legal expertise, fundraising capacity, technology expertise, public relations/marketing experience, entrepreneurial/management background or experience

#### **EVALUATION**

- ✓ Clear benchmarks for student achievement [such as TCAP, national norm reference tests (i.e. Stanford 10), Center for Research in Education Policy (U. of Memphis)], evaluation reports, internal assessments
- ✓ Attendance rate
- ✓ Student retention rate
- ✓ Parent satisfaction rate
- ✓ Teacher satisfaction rate
- ✓ Graduation rates (high schools)
- ✓ College acceptance rate (high schools)

#### **OPERATIONS**

- ✓ Five-year operating budget - with a plan for financial sustainability
- ✓ Solid plan for financial management
- ✓ Facilities plan: Short-term and long-term
- ✓ Well thought-out hiring process
- ✓ Professional development plan for staff, administrators and teachers
- ✓ Presence of merit-based pay
- ✓ Plan for compliance (local, state, and federal law)

#### **LEADERSHIP TEAM**

- ✓ Experience in education arena (K-12, charter)
- ✓ Record of high achievement in past leadership roles
- ✓ Demands excellence of oneself and others
- ✓ Willing to learn and adapt
- ✓ Highly flexible
- ✓ Mature and professional

Source: Foundation files.

## EXHIBIT 4

### HYDE FAMILY FOUNDATIONS' KEY PRACTICES FOR SUPPORTING GRANTEES

GRANTEE	PRACTICE IN ACTION
<b>Ensuring strong leadership at grantee organizations</b>	
New Leaders for New Schools	Promoted thorough search process to ensure top candidate for local executive director role
	Joined the national organization's board of directors to advise and support organization
KIPP	Worked with district to address leadership challenges; participated in recruiting new candidates for principal role
	Holds two board of director seats at KIPP Diamond Academy
Charter schools	Provided a full year of coaching and training to principals via The Leadership Academy
	Brought the National Association for Charter School Authorize to Memphis to train school board members on how to evaluate charter school proposals and prospective leaders
<b>Brokering relationships between grantee organizations and donor/civic leaders</b>	
Teach For America	Chaired successful fundraiser event, mobilized donors and identified key funding streams
Jubilee Schools	Committed \$5M grant which requires matching funds from Catholic donor base
The New Teacher Project	Leveraged its existing relationship with city's superintendent to establish accountability and facilitate work between district and organization
Charter schools	Facilitated introductions to nonprofit organizations with similar goals that were willing to serve as sponsoring agencies for charter proposals (required by Tennessee law)
<b>Providing technical assistance</b>	
Teach For America	Provided in-kind office space during launch
Charter schools	Facilitated introductions to contractors and financial lending institutions
<b>Convening community stakeholders to support grantee organizations</b>	
Charter schools	Mobilized broad-based coalition in support for charter schools
New Leaders for New Schools	Created an alliance of civic partners and key stakeholders to win New Leaders' cities competition
The New Teacher Project	Brought various groups together in pursuit of The New Teacher Project
Teach For America	Negotiated support from district school system and other leaders
<b>Building linkages between funded organizations for learning</b>	
Charter schools & Jubilee Schools	Provided funding to Leadership Academy to initiate continuous development and learning network among principals in different systems
<b>Clearly defining goals and performance expectations for all grantees</b>	
All funded work had an explicit grant agreement outlining short- and long-term goals. In addition to regular conversations, all grantees submitted formal reports on a quarterly or semi-annual basis.	

Source: Casewriter summary.

# EXHIBIT 5 OVERVIEW OF HYDE FAMILY FOUNDATIONS K-12 EDUCATION INVESTMENTS

	Prior to						Total	
	2003	2003	2004	2005	2006	2007		2008
<b>Charter School Portfolio</b>								
Memphis Academy of Science & Engineering	\$150,000	\$160,000	\$30,000		\$68,469	\$27,250		\$245,719
Memphis Academy of Health Sciences	\$4,500		\$52,191			\$127,000		\$321,500
Chros of Success	\$10,000	\$87,942	\$100,000	\$42,000	\$40,000	\$28,962	\$36,000	\$255,095
STAR Academy			\$100,000	\$20,000	\$95,000	\$65,250	\$20,675	\$322,925
Soulsville Charter School			\$186,000	\$6,200	\$7,500	\$8,750	\$5,900	\$214,350
Promise Academy			\$25,000	\$100,000	\$20,000	\$30,250	\$30,000	\$205,250
Southern Avenue Charter School				\$75,000	\$25,000	\$250		\$100,250
KIPP DIAMOND Academy	\$35,569	\$2,000	\$34,478	\$79,500	\$21,000	\$514,250	\$800,000	\$1,486,797
LEAD Academy						\$50,000	\$50,000	\$100,000
Power Center							\$150,000	\$175,000
CREP	\$50,000	\$50,000	\$91,788	\$30,000	\$48,558	\$157,425	\$122,975	\$550,746
<b>Total</b>	<b>\$250,069</b>	<b>\$299,942</b>	<b>\$519,457</b>	<b>\$332,700</b>	<b>\$350,527</b>	<b>\$1,009,387</b>	<b>\$1,215,550</b>	<b>\$3,977,632</b>
<i>Avg. Investment per School</i>								
								\$342,689
<b>Incubation of New Charter Schools (Planning Grants)</b>								
Charter Facilities								\$0
Tennessee Charter Schools Association	\$358,790	\$50,000	\$75,000	\$125,000	\$75,000	\$75,000	\$150,000	\$908,790
<b>National Partnerships</b>								
New Leaders for New Schools (Principal Training Program)		\$41,667	\$340,333		\$168,000	\$500,000	\$250,000	\$1,300,000
Effective Practice Incentive Fund (Committed)						\$400,000		\$400,000
Effective Practice Incentive Fund (Backstop)								\$550,000
The New Teacher Project			\$100,000	\$100,000	\$100,000	\$200,000	\$200,000	\$715,000
Teach for America					\$250,000	\$172,200	\$250,000	\$422,200
Building Excellent Schools (Fellowship)			\$151,225	\$100,000	\$75,000	\$100,000	\$25,000	\$451,225
Stand for Children								\$25,000
<b>Total</b>	<b>\$0</b>	<b>\$41,667</b>	<b>\$591,558</b>	<b>\$200,000</b>	<b>\$593,000</b>	<b>\$1,137,200</b>	<b>\$1,275,000</b>	<b>\$3,838,425</b>
<b>Catholic Diocese</b>								
Jubilee Schools	\$500,000	\$125,000	\$129,950	\$130,200	\$27,000	\$500,000	\$500,000	\$1,500,000
Memphis Catholic	\$10,100	\$125,000	\$129,950	\$130,200	\$27,000	\$104,650	\$500,000	\$526,900
<b>Total</b>	<b>\$510,100</b>	<b>\$125,000</b>	<b>\$129,950</b>	<b>\$130,200</b>	<b>\$27,000</b>	<b>\$604,650</b>	<b>\$500,000</b>	<b>\$2,026,900</b>
Partners in Public Education	\$632,850	\$101,755	\$103,333	\$158,333	\$75,000	\$5,000	\$50,000	\$1,126,271
Teacher Quality Initiative							\$100,000	\$100,000
KIPP Expansion								
<b>Grand Total</b>	<b>\$1,751,809</b>	<b>\$618,364</b>	<b>\$1,419,298</b>	<b>\$946,233</b>	<b>\$1,120,527</b>	<b>\$2,831,237</b>	<b>\$3,290,550</b>	<b>\$11,978,019</b>

Source: Foundation files.

**EXHIBIT 6-A**  
**MEMPHIS CITY SCHOOLS**  
**Reading/Language Arts Student Achievement Results (2004-2006)**

**Memphis City Schools**  
**Tennessee Comprehensive Reading Assessment Program**  
 Percent of Student Testing Proficient or Above

	2004	2005	2006
<b>Grade 4 Reading/Language Arts</b>	66.3%	76.8%	76.5%
White	87.3%	93.7%	92.0%
African American	64.4%	75.0%	75.2%
Hispanic	65.8%	71.0%	72.5%
Asian/Pacific Islander	85.1%	94.5%	90.6%
Native American	80.0%	100.0%	100.0%
LEP	66.8%	62.6%	63.5%
FARM	62.3%	73.7%	73.6%
<b>Grade 6 Reading/Language Arts</b>	66.9%	78.0%	77.3%
White	89.5%	94.4%	93.7%
African American	64.9%	76.7%	76.0%
Hispanic	60.0%	76.2%	70.4%
Asian/Pacific Islander	81.3%	90.1%	93.6%
Native American	80.0%	66.7%	0.0%
LEP	52.0%	67.9%	57.9%
FARM	62.3%	75.2%	74.2%
<b>Grade 8 Reading/Language Arts</b>	66.1%	77.3%	82.0%
White	89.7%	94.5%	95.7%
African American	64.0%	76.2%	81.1%
Hispanic	56.3%	66.3%	72.0%
Asian/Pacific Islander	80.7%	85.9%	95.1%
Native American	40.0%	85.8%	0.0%
LEP	42.4%	43.1%	56.0%
FARM	60.9%	74.6%	79.8%
<b>Grade 10 Reading/Language Arts</b>	83.6%	91.9%	93.1%
White	97.0%	98.6%	98.0%
African American	83.0%	91.3%	92.9%
Hispanic	64.0%	82.6%	81.4%
Asian/Pacific Islander	89.3%	91.8%	95.9%
Native American	60.0%	88.9%	0.0%
LEP	38.3%	64.3%	52.5%
FARM	80.1%	90.3%	91.5%

“LEP” are students with limited-English proficiency, and “FARM” are students who qualify for federally funded free and reduced-price meals (a common indicator of student poverty).

Source: Tennessee Department of Education and casewriter analysis.

**EXHIBIT 6-B**  
**MEMPHIS CITY SCHOOLS**  
**Math Student Achievement Results (2004-2006)**

**Memphis City Schools**  
**Tennessee Comprehensive Math Assessment Program**  
 Percent of Student Testing Proficient or Above

	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Grade 4 Math</b>	63.3%	73.3%	75.1%
White	84.4%	90.6%	90.3%
African American	61.0%	71.5%	73.1%
Hispanic	68.1%	70.7%	78.6%
Asian/Pacific Islander	89.0%	92.1%	93.5%
Native American	80.0%	100.0%	100.0%
LEP	68.9%	64.1%	73.7%
FARM	59.0%	70.1%	72.2%
<b>Grade 6 Math</b>	63.3%	73.8%	79.7%
White	88.9%	92.6%	91.9%
African American	60.6%	72.2%	78.5%
Hispanic	63.3%	69.2%	78.2%
Asian/Pacific Islander	89.5%	91.7%	96.4%
Native American	80.0%	66.7%	0.0%
LEP	7.0%	6.0%	13.0%
FARM	58.8%	71.0%	77.6%
<b>Grade 8 Math</b>	67.7%	73.9%	73.1%
White	92.8%	94.5%	92.9%
African American	65.1%	72.0%	71.5%
Hispanic	67.0%	69.3%	62.8%
Asian/Pacific Islander	91.5%	93.2%	95.9%
Native American	40.0%	85.7%	0.0%
LEP	58.9%	57.1%	49.6%
FARM	63.1%	70.3%	69.6%
<b>Grade 10 Math</b>	42.8%	48.9%	45.5%
White	59.8%	76.7%	72.8%
African American	41.7%	47.2%	44.0%
Hispanic	57.5%	49.5%	50.4%
Asian/Pacific Islander	65.5%	68.9%	62.9%
Native American	50.0%	0.0%	0.0%
LEP	57.6%	43.2%	37.4%
FARM	42.1%	47.2%	43.9%

“LEP” are students with limited-English proficiency, and “FARM” are students who qualify for federally funded free and reduced-price meals (a common indicator of student poverty).

Source: Tennessee Department of Education and casewriter analysis.

**EXHIBIT 7**  
**KIPP DIAMOND ACADEMY PERFORMANCE DATA**

**2007-2008 Stanford 10 Assessment Results**

<b>Subject</b>	<b>Baseline: Fall 2007</b> National Percentile Rank	<b>Spring 2008</b> National Percentile Rank	<b>Percentile Growth</b> (over 8-month period)
5th Reading	18	42	<b>24</b>
5th Math	21	49	<b>28</b>
5th Language Arts	17	53	<b>36</b>
5th Science	17	44	<b>27</b>
5th Social Studies	19	51	<b>32</b>
6th Reading	40	55	<b>15</b>
6th Math	49	66	<b>17</b>
6th Language Arts	50	60	<b>10</b>
6th Science	41	51	<b>10</b>
6th Social Studies	49	43	<b>-6</b>
7th Reading	34	47	<b>13</b>
7th Math	75	71	<b>-4</b>
7th Language Arts	40	54	<b>14</b>
7th Science	48	50	<b>2</b>
7th Social Studies	33	52	<b>19</b>
8th Reading	34	52	<b>18</b>
8th Math	55	67	<b>12</b>
8th Language Arts	41	57	<b>16</b>
8th Science	35	55	<b>20</b>
8th Social Studies	37	67	<b>30</b>

NPR - National Percentile Ranking

<b>Average Growth</b> <b>(percentile points) =</b>	<b>16.7</b>
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Source: Foundation files



# SELF-STUDY QUESTIONS

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

1. What is the theory of change—the assumptions, activities and expected outcomes—for the Hyde Family Foundations’ grantmaking strategy for K12 education? What is the problem in Memphis that the foundations are trying to solve—and how well are the foundations’ strategies and activities aligned with its goals for addressing this problem? Do you think its theory of change is plausible: Are the fund’s strategies and grants reasonable ones for achieving the goals it set?
2. What sort of due diligence did the foundations’ leaders perform to assess the capabilities of potential grantees? What do we know about the organizational capacity of the foundations’ key grantees described in this case study, both before and after these organizations became grantees?
3. The case study describes a variety of activities and supports the foundations provided to grantees to help build their capacity and organizational effectiveness. Which of these tools do you think are especially important or effective? Are there other tools the foundations also should have considered using that could have helped even more?
4. How should grantmakers hold grantees accountable for spending funds effectively? What approach did the Hyde Family Foundations use, and what do you think are its advantages and disadvantages?
5. When should funders consider making general operating support grants? In which situations are project grants more appropriate? What percentage of grants by your own organization is devoted to general operating support to grantees (vs. restricted project support)—and what does this ratio suggest about your own grantmaking activities and assumptions?
6. Many leaders in philanthropy argue that general operating support grants are most effective when the goals of the funder and the grantee are tightly aligned and there are clear, agreed-upon outcomes. How well are the goals of the Hyde Family Foundations and its grantees aligned?
7. Evaluate the Hyde Family Foundations’ success. Do you see evidence of change in Memphis City Schools and student achievement as a result of their grantmaking—and, if so, is the change of such a magnitude that it indicates the foundations’ strategy is working? What evidence in the case study would you point to as support for your assessment? What other information would you like to have in judging their success?
8. What would you recommend that Hyde Family Foundations do next?
9. 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 September 2008, Teresa Sloyan reflected on the foundations' progress, what lessons had been learned and next steps for their grantmaking strategy:**

Across the U.S., philanthropy has become a dependable source for breakthrough thinking about the toughest urban issues facing U.S. cities. Increasingly, the public sector sees those of us in the philanthropic sector as partners in developing solutions for the problems facing our communities.

For the Hyde Family Foundations, there is no place more instructive or relevant than Memphis—not just because it is our hometown but also because its manageable size presents an opportunity to test strategies and bring them to scale, address problems more commonly found in much larger cities and export lessons from our city to others.

In the transformation that took the Hyde Family Foundations from being a foundation that allocates grants to good people in good organizations to being an active, assertive, entrepreneurial advocate for progress, we focused on urban education—a top priority for our city and an important factor determining which cities will succeed in today's knowledge economy.

In Memphis, more than the other 50 largest U.S. metropolitan areas, it is the students in our city schools' classrooms that will help set the course for the future of our city. We understand our path to education excellence will not be straight nor will it be linear. Instead, it will be multi-faceted and, at times, it may even seem indirect. But we believe one thing is certain: it will take our best efforts through social entrepreneurship to give every student options for the future.

While innovation has always been the hallmark of an entrepreneur in the private sector, it is also the principle force in conceiving and developing best practices within public education. That's why we work every day to combine the philanthropic passion of a social mission with business-like accountability, discipline and uninterrupted pursuit of opportunities.

To accomplish our ambitious goals, we have developed an operating philosophy of identifying national best practices and embedding them in our school district to create a convergence of energy and change that results in the whole being greater than the sum of its parts. However, we have found it is not enough to recruit and fund a national partner; success requires a continued commitment to help our grantees navigate local bureaucracies, overcome challenges and bring their work to scale.

Like entrepreneurs in the private sector, we have learned that cultural change is essential to our success; as a result, it is not adequate just to focus our efforts on the school superintendent or the district's top management. Rather, it requires equal attention to middle management, because it is only through buy-in at multiple levels that fundamental cultural change can take place and be sustained over time.

Through our work, we have learned valuable lessons which have led to our unshakeable guiding principles:

- There is no single solution to the problems we attack.
- Anything addressed in isolation is inadequate.
- There is no substitute for high expectations and raising the bar.

- Nothing is more important than having the courage, fearlessness and tenacity to challenge the status quo.

Because of these lessons, we are in a different place than we were four years ago, and there's little question that we will be in a vastly different place four years from now. Four years ago, we decided that we had to bring more intellectual capital, new talent and new perspectives to the problems of our urban school district. As a result, we recruited and worked with New Leaders for New Schools, The New Teacher Project and Teach for America to improve the leadership of principals, the credentials of teachers and talent in our classrooms. In addition, we sought out programs that could interlock and unleash a new momentum for change.

Looking forward to the next four years, our attention is on ways to impact the entrenched culture of an educational bureaucracy that has to change for school reform to occur. To this end, we are redoubling our work to create a pipeline for talent, and we will do it by insisting that our grantee partners are high-performing, ambitious and successful and by ensuring that they are all aligned for the highest possible impact.

In the end, everything we do is built on the unshakeable belief that every child should have access to a high quality education—it is a fundamental civil right. Given that opportunity, we are confident that all children can learn and succeed in life. We know that we don't have all the answers, and because no one can figure them out perfectly the first time, we continue to adjust, alter our course and exercise the flexibility that is needed.

Most of all, as we continue our work on our city's primary learning institution, we too know that we must ourselves be a learning organization. We have seen more entrepreneurial activity in educational reform in the past 10 years than in the previous 100. We are pleased at how far we have come in Memphis, we are humbled by how far we have to go and we are excited to be part of a trend in philanthropy that emphasizes entrepreneurship and results.

# 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.

Grantmakers for Education improves the knowledge, networks and effectiveness of education philanthropy. By connecting effective education strategies with effective grantmaking strategies, we help foundations and donors leverage their investments to improve achievement and opportunities for all students. Founded in 1995, we are a national association of over 250 philanthropies that connects grantmakers with knowledgeable leaders, promising programs, experienced colleagues and actionable research.

