Funding for Change: Factors Affecting Foundation Funding of Pre-Collegiate Education Policy
in the United States Following the Charlottesville Summit and No Child Left Behind

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ABSTRACT

Funding for Change: Factors Affecting Foundation Funding of Pre-Collegiate Education Policy in the United States Following the Charlottesville Summit and No Child Left Behind.

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This dissertation examines philanthropic foundation grant making for early childhood and K-12 education policy in the period 1988 to 2005, focusing on how grant making changed as a result of the Charlottesville Summit in 1989 and the passage of No Child Left Behind in 2001. Using a rational choice frame, I specifically ask if foundations responded to changes in the education policy environment that resulted from those 2 events by changing the levels of government that they target in their education policy grant making. Then, using an institutional frame, I ask if foundation capacity, as measured by their asset size and board size, increases the likelihood of being a foundation that focuses on policy grant making for education and increases the speed of response to changes in the field of foundations and the broader policy environment. Lastly, I employ the organizational ecology frame to ask if foundations have responded to changes in the organizational field of foundations, as the result of the entrance of new foundations that are influenced by broad changes in the business world, to focus their grant making increasingly on advocacy and other policy work. I find that there are a number of foundation characteristics that are associated with the odds of being a policy foundation and with the proportion of grants that policy foundations make for policy activities. I find that overall, following the Charlottesville Summit state targeted grantmaking decreased while nationally (affecting many if not all states) and federally targeted grantmaking rose. And, following the implementation of No Child Left Behind, locally targeted, state targeted and federally targeted grantmaking all increased as a

percentage of total policy grantmaking, while nationally targeted grantmaking declined. However, these overall trends obscure important differences between the largest and non-largest foundations. Lastly, I find that grant recipient types also varied by foundation asset size. I conclude that while there is evidence to suggest that foundations behave as rational actors, to some degree, they are less responsive to isomorphic pressures from within the field of foundations than I would have expected. Additionally, rather than seeing tremendous change among the older foundations, the entrance of new foundations into the field of education philanthropy seems to be responsible for the perception that the field has changed dramatically.

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Dedication

For Mike and Sophie, my loves

And, for Beth and Zvi, my first teachers and eternal cheerleaders

Chapter 1: Introduction

1.1: Introduction

Philanthropic Foundations (hereafter, foundations) have the power to use their resources and relationships to influence public policy, in the case of this dissertation, education policy. My research looks at the levels of government at which foundations target their grantmaking and the foundation characteristics that might influence where they target their grantmaking. Understanding these behaviors is important because in exercising this power, foundations may act as policy entrepreneurs and bring new educational ideas to the public policy agenda. Many critics have argued that in the process of doing so, foundations limit democratic participation and the voice of ordinary citizens.

Foundations are actively involved in trying to improve early childhood and K-12 education in the United States (Karl 1976; Knott and McCarthy 2009; Mintrom and Vergari 2009). I contend that foundations generally do so by providing supplementary, or program, funding to individual schools and districts. However, there are a number of foundations that believe that the best way to use their resources is to fund policy activities, including research, advocacy, lawsuits, demonstration projects, networking, changing public and elite opinion, providing technical assistance and agenda setting to change education policy at every level of governmentt (Arnove, 1980; Berman, 1983; Clemens & Lee, 2010; Ferris, 2009a, 2009b; Ferris & Mintrom, 2009; Ferris, Hentschke, & Joy, 2006; Greene, 2005, 2015; Reckhow, 2009, 2013). Although some authors have argued that foundations' funding of education barely makes a dent vis-à-

vis public spending on early childhood and K-12 education (see for example Greene, 2005), foundation funding of policy activities is important because it can be used to leverage policy change (Ferris, Hentschke, & Joy, 2006).

In fact, foundations seek to influence policy because they believe that doing so will (1) create a better environment for their programs to be successful, (2) enable them to use their limited resources to get more bang for their buck to solve public problems (Ferris & Mintrom, 2009), and (3) spur further investment, both from government and from other foundations in the areas in which the foundation is trying to change policy (Knott & McCarthy 2009). Lagemann (1989) described how the Carnegie Corporation's social science grants were intended "to have a multiplier effect, being deliberately organized to influence the subsequent actions of other foundations and government agencies" (Lagemann, 1989, p. 154). That is, the foundation sought to use its limited resources to influence other foundations and government to undertake its own policy goals, demonstrating how foundations use their grant funding to influence policy beyond the effect of the grant's immediate dollars.

Ferris and Mintrom (2009) and Ferris, Hentschke, and Joy (2006) argued that foundations that are successful at influencing policy must decide from the outset what jurisdictional level (local, regional, state, federal/national)[1] to target. In laying out their framework for understanding foundations and policymaking, Ferris and Mintrom (2009) suggested that foundations choose particular levels based on two factors: (1)

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[1] As will be discussed more in Chapter Three, I use a slightly different jurisdictional breakdown than these authors suggest. I look at local government, which includes grants targeted at individual schools, districts, local governments and regional governments, state, which includes grants targeted at one or more states, national, which includes grants targeted at all or most states, but not exclusive to federal government policy, and federal, which includes grants targeted at federal policy.

scope and purpose of the foundation and (2) the jurisdiction in which policies are most likely to be enacted. This latter point is critical to my understanding of rational behavior among foundations, and to my suspicion that foundation grantmaking behavior has become more rational over time.

In this dissertation, I look at the policy-influencing foundations and their grantmaking for education policy in the period 1988 to 2005 to understand if foundations have changed the governmental jurisdictions that they target in their policymaking in response to shifts in the level of government responsible for making education policy. I juxtapose rational choice theory and institutional theory to understand why foundations have changed their grantmaking behavior. Based on rational choice theory, which predicts that organizations and individuals behave in a way that maximizes their efficiency and output (Green & Shapiro, 1994), I predict that foundations will have responded to jurisdictional changes in education policymaking because they will seek to get the "biggest bang for their buck" and target the levels of government most able to deal with the policy issues that they want to change. In contrast, I predict that based on ideas of institutional theory (Scott, 2003, DiMaggio & Powell, 1983, Meyer & Rowan, 1977), foundations will have changed their grantmaking behavior due to their need to maintain legitimacy within the field of foundations. As a result of this need, they will alter their grantmaking behavior to be more like leaders within the field of foundations. I also employ the notion of entrance and exit from organizational ecology (Hannan & Freeman, 1984) to explain changes in the field of foundations.

I begin with 1988 because it serves as a baseline year. In 1989 the nation's

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governors met in Charlottesville, Virginia, and declared that they would make the improvement of education a state-level priority. This pronouncement hastened the movement of education policy, which had already been inching toward the state-level, from local decision-making (Henig 2013; McDermott, 2009; Manna, 2006; Vinovskis, 1999). In 2001, with the passage of the No Child Left Behind Act (NCLB), the federal government took a dramatic step in asserting its voice in K-12 education policy (McGuinn, 2006). 2005 serves as a convenient end point to the study because it is before the financial markets crashed, forcing many philanthropic foundations to change their grantmaking strategies, and because it was the last year for which there was complete grant data available when data collection began. Thus, during the time period of the study, education policymaking has moved, somewhat dramatically[2] from the local to state and national level to the federal level.

1.2: Existing Research

To date, the role that philanthropic foundations play in the creation of public policy, particularly education policy, has been under-studied. In his edited volume, Hess (2005) noted that "[a]side from a few careful histories of select foundations and the impact they have had…educational philanthropy has received limited scholarly attention. Even policy thinkers have paid surprisingly little notice to the topic…" (pp. 3-4), points that he reiterated in his May 26, 2011 blog entry. To the extent that research has been conducted, it has been primarily in the form of historical narratives or related sociological studies of power. The few exceptions that stand out typically

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[2] Although Henig (2009) argued that, in fact, local decision making and input is still critical to education policy. This point will be discussed at greater length in my discussion of findings.

looked at how individual foundations spend money (that is, how they allocate their funds).

In the last few years, a new set of research on foundations and education policy has begun to emerge. Recent work by Reckhow and Tompkins-Stange (2015), Snyder (2015), Reckhow (2009, 2103), Reckhow and Snyder (2014), Tompkins-Stange (2013), Carr (2012), Bromley and Tompkins-Stange (2012), Quinn, Tompkins-Stange and Meyerson (2013), Thümler and Heyder (2013), and Thümler (2011) have examined the way that foundations influence K-12 education through a variety of mechanisms. Much of this recent research on foundations and education has focused on the entrance of a few very large foundations into the field of educational philanthropy and has argued, in essence, that these foundations have driven education grantmaking toward policymaking (Hess, 2005; Ostrander, 2004; Reckhow, 2009, 2013; Scott, 2009; Carr, 2012; Tompkins-Stange, 2013). Common to most, if not all, of these analyses is a focus on the largest foundations. Reckhow (2013, 2009) and Reckhow and Snyder (2014) focused only on the 15 largest foundations in 2000 and 2005, and, in the 2014 article, 2010. For his statistical analysis, Carr (2012) built on Reckhow's (2009, 2010) data adding the 15 largest foundations in 2009 to the mix. Similarly, Bromley and Tompkins-Stange (2012) focused on only three of the top 20 grantmakers, and Tompkins-Stange (2012) examined four of the largest foundations in the nation, while Greene (2005) examined data on the 30 largest foundations in 2002. Most recently, in their analyses for a conference and upcoming book, Reckhow and Tompkins-Stange (2015) examined only two of the largest foundations, Snyder (2015) looked at 10 of the largest foundations, and Greene (2015) looked at 15. Additionally,

much of the criticism directed at the apparent growing role of foundations in K-12 education is in reference to the role of the largest foundations (Hess, 2005; Ravtich, 2010b).

I use a substantially larger data set to argue that, in fact, policy grantmaking for education was already quite prevalent prior to the entrance of these new foundations into the field. And, moreover, as a percentage of all education philanthropy, policy grantmaking arguably diminished between 1988 and 2005. I further argue that the presence of these very large foundations—and the attention given to their grant programs by the media, researchers and critics—has obscured the work of the majority of foundations involved in education grantmaking. I do not seek to discount the power of these very large foundations, and, in fact, will argue that the power of their grantmaking has changed not only the public's perception of education grantmaking, but also, through isomorphic forces, the normative behavior of many smaller foundations as they seek legitimacy in the philanthropic field. My data will show that while these foundations are very clearly important—in my data set the top 25 funders gave approximately 53% of all grant dollars and 57% of all policy grant dollars—there are other foundations (320 in my data set, though certainly many more) doing work in the realm of K-12 and early childhood education policy that should not be ignored. Moreover, it may be unfair to direct such harsh criticism at all foundations, and tax policy that results from such a limited view may negatively impact the "non-elite" foundations. Appendix A lists the 25 largest foundations in my policy foundation data set in order of asset size. Even a cursory look shows that most of the foundations with which most people are familiar are on this list. But, Table 1 (see end of chapter) shows

that even among the foundations that occupy the largest quartile of foundations—as measured by their asset size—these foundations do not account for all of the action. Throughout this dissertation, I will show how these "elite" foundations differ from the rest of the foundations in my data set. Additionally, I will attempt to demonstrate when their actions may be driving the grantmaking behavior across the field of foundations versus where their largesse simply masks the grantmaking strategies of other foundations.

1.3: Changes in Education Policy

As will be discussed in greater detail in the next chapter, my dissertation focuses on grantmaking around two events that are considered watershed moments in the changing landscape of education federalism, i.e. the levels of government responsible for making pre-collegiate education policy: the 1989 Governors' Summit at Charlottesville, Virginia and the 2001 passage of the No Child Left Behind Act (NCLB). While these two events are not equivalent in their results, and the Governors' Summit may be considered merely a marker for changes that had been ongoing since the late 1970s, they both represent very public assertions that the level of government responsible for education policy was changing. The public-ness of these changes is crucial to understanding how policy *grantmaking* might change as a result of them.

Over the course of almost 20 years represented by the years included in my data collection, education policymaking became an issue targeted by increasingly higher levels of government. In the late 1980s and early 1990s states were increasingly taking responsibility for education policy, pushing educational standards (Manna,

2006; McDermott, 2009; McGuinn, 2006; Mehta, 2013; Sunderman, 2009). At the same time, federal involvement in K-12 education policy was slowly becoming more accepted (Manna, 2006; McGuinn, 2006; Mehta, 2013) culminating in 2001 with the passage of No Child Left Behind. In this research, I seek to understand if philanthropic foundations altered their grantmaking strategies in response to changes in the jurisdictions responsible for education policymaking.

1.4: Changes in the Philanthropy Landscape

Over the period of study, philanthropy was also growing and changing. The number of foundations and the value of both their assets and contributions grew tremendously between in the last two decades of the twentieth century (Porter & Kramer, 1999). The economic boom of the mid-to-late 1990s led to a vast increase in wealth and a proliferation of philanthropic foundations and foundation giving. Among company-sponsored foundations, increased giving was the result of increased profits (American Association of Fund-Raising Council, 2006). Between 1987 and 2000, the number of independent foundations more than doubled, from 25,094 to 50,532 and the number of company-sponsored foundations grew from 1,295 to 2,018 (Lawrence & Ganguly, 2002, p. 76). Total giving by foundations grew from just over $3 billion in 1987 to just under $9 billion in 2001, in 1975 constant dollars, with much of the growth occurring after 1995 (*ibid*, p. 4).

The mid-to-late 1990s also saw the advent of strategic grantmaking. Porter and Kramer (1999) identified four ways in which foundations could be more strategic and create social value: "selecting [better] grantees, signaling others [foundations],

improving the performance of nonprofits, and creating and disseminating new ideas"
(p. 125). The concomitant rise of venture philanthropy, which employs the practices of
venture capital and seeks legitimacy from the field of finance, brought material
changes to the field of philanthropy. These new foundations required recipient
organizations to meet specific benchmarks and metrics and sought out—or created—
recipient organizations that were willing to meet their demands for a focus on
outcomes-based grantmaking (Delfin & Tang, 2008; Moody, 2008; Quinn, Tompkins-
Stange & Meyerson, 2013). By drawing their legitimacy from the field of finance, not
just the philanthropic field, venture philanthropies altered the expectations of what
philanthropy should look like (Moody, 2008).

The changes occurring across the field of philanthropy are evident among the
education funders in my study. The onset of the new philanthropists set the stage for
changes in the larger field of philanthropy—particularly education philanthropy due to
the emphasis of many venture capitalists on funding charter schools—to expect that it
would be possible to measure the outcomes of grantmaking and to make grants in a
more strategic and focused manner.

1.5: Goals of This Research and Hypotheses

This dissertation aims to help fill in the gap in the research. Generally, I test the
hypotheses that during the period from 1988 to 2005 (1) more foundations began to
make policy grants for education and that by 2005, although their policy goals were
varied, a larger swath of foundations had expanded their activities to influence policy
and set the pre-collegiate education agenda, and (2) that foundations began to fund

policy grants that are targeted at the level of government most appropriate for the policy of interest. As will be discussed in Chapter Five, I hypothesize that following the Governors' Summit, policy grantmaking would become *less* local and focused more nationally and at the state level of government. Lastly, I hypothesize that following the passage of NCLB, foundations would make more federally and nationally targeted policy grants. Additionally, I hypothesize that there are certain characteristics of foundations—namely their size, geographic focus, type, the source of their founders' money (i.e. in what industry he made his money), age, location, and membership in an affinity group—that will be tied to foundations that make policy grants.[3]

In order to clarify the relationship between foundations and policy creation, I look at what characteristics of foundations are related to policy giving, i.e., the relationships between the characteristics of foundations and the giving of policy grants, at which level of government foundations target their policy grants, and how and why they choose particular levels of government to target. I examine whether or not, and how, foundations are responsive to changes in the jurisdictional location of education policymaking within the federal system. That is, I ask if foundations responded to the change in level of government at which education policy was made. I take an historical view and examine whether or not foundations have giving strategies related to the location of decision-making or if their strategies are more related to other factors. Understanding foundation targeting of grantmaking is important because when

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[3] It is important to note that it is not possible to discern causal relationships, but rather I find associations between these characteristics and grantmaking strategies.

they do it well, they are able to set and/or change state, local and sometimes federal education policy agendas and conversations.

1.6: Definitions

It is important to present some definitions before continuing. Generally, philanthropic foundations are tax-exempt organizations that make grants to other not-for-profit organizations and to individuals. Legally, the Internal Revenue Service (IRS) governs foundations. The tax code identifies two types of charitable organizations that are colloquially known as "foundations:" private foundations and public charities. According to the Council on Foundations, a private foundation is

> a nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family or corporation) and program managed by its own trustees or directors, established to maintain or aid social, educational, religious or other charitable activities serving the common welfare, primarily through grantmaking. U.S. private foundations are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are classified by the IRS as a private foundation as defined in the code (Council on Foundations, Glossary).

Included in this category are family foundations, corporate foundations, independent foundations and operating foundations. The Council defines a public charity as

> A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that receives its financial support from a broad segment of the general public. Religious, educational and medical institutions are deemed to be public charities. Other organizations exempt under Section 501(c)(3) must pass a public support test…to be considered public charities, or must be formed to benefit an organization that is a public charity (Council on Foundations, Glossary).

Public foundations and community foundations are both considered public charities by the IRS.

While both private foundations and public charities are clearly important, my dissertation deals only with private foundations. Unlike public charities, private foundations, including family foundations and corporate foundations, generally have a broader mandate with fewer restrictions, making them better candidates than public charities for exploring why and how decisions are made. My research also excludes operating foundations, as they have very specific charters, typically to support a particular social welfare or research organization. Specifically, then, the data collected for this dissertation are for independent (including family foundations) foundations and corporate, or company-sponsored, foundations (excluding, however, corporate giving programs which are charitable programs that are funded from within the budget of corporations, typically pre-tax (Council on Foundations, Glossary), and are, therefore, not the same as private foundations. I distinguish between independent and corporate foundations because I test whether the difference may be one of the characteristics that influences foundation strategy around policy grantmaking.

Second, it is important to understand the idea of policy grantmaking, as the term will be used frequently throughout this dissertation. Mavity and Ylvisaker (1977) define public affairs (policy) grants as meeting one of four purposes: "1. improving the processes and competence of government; 2. helping define and clarify public issues; 3. helping ensure the rights and participation in government and society for all members of the public; 4. improving the responsiveness of the private sector to public needs" (p .801). Further, they recommend categorizing public affairs grants as follows:

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"Count only those grants which more permanently and/or fundamentally affect the processes of government, agenda of public action, and the allocation of public resources" (p. 801). Likewise, in her study of how foundations have direct and indirect influences over public policy (discussed in depth in the next section) Colwell (1993), suggests that,

> In addition to the approach recommended by Mavity and Ylvisaker…I included Grants in the special category that corresponded to the processes described by G. William Domhoff, in his explanation of how public policy is influenced by economic interests (Domhoff, 1974). These are the grants to policy-formation groups that bring together members of the elite and their experts in a setting 'in which difference [sic] on various issues can be thrashed out and the opinions of various experts can be heard' (Domhoff, 1974:8). These grants are also related to the dissemination of ideology process that supports the present distribution of wealth, income and power (Domhoff, 1974:14). Such grants fundamentally affect the processes of government, the agenda of public action, and the allocation of public resources often by opposing change or channeling reform efforts in such a way that prevailing power relationships are not revealed or altered (pp.115-116).

Greene (2005) gives a simpler, but nuanced definition of policy grantmaking. He defines policy grants, or high leverage grantmaking, as grantmaking that results in changing the direction of public spending for public education in a way that results in systemic change. Higher-leverage activities include the creation of small public schools, research and advocacy, charter schools, vouchers, public early college schools, other special public schools, national board certification, vocational and alternative public schools, and alternative professional association (Greene, 2005, pp. 66-7). Greene contrasts higher leverage grantmaking with lower-leverage grantmaking. Such grants have "little chance of redirecting future public spending" (Greene, 2005, p. 59). These grants fund public school professional development,

private schools, general and special purpose grants to public school, or have a curriculum, technology or disability focus (Greene, 2005, pp. 68-69). Grants made for these purposes are, therefore, not policy grants.

Finally, Hess (2005) considers policy grantmaking as grantmaking that seeks to "change the incentives that shape the way district officials, school leaders, and teachers behave" (p. 300). Grantmaking of this type includes grants to support changes to teacher compensation, accountability and working conditions (Hess, 2004). Hess identifies these as more radical policy solutions to the problems that K-12 education faces.

From these definitions, I define policy grantmaking as grantmaking that seeks to improve or change government, define/clarify public issues, ensure the rights of the public, or improve the private sector's responsiveness to public needs. It also includes those grants that are given to policy-formation groups for the purposes of organizing, researching or discussing policy. Moreover, policy grantmaking is used to change public expenditures. I discuss this definition and its use in my research further in the methodology chapter.

1.7: Chapter Overviews

The remainder of this chapter provides a brief overview of each chapter of this dissertation. Chapter Two, the literature review, describes my theoretical framework and provides an introduction to foundation involvement in public policy, focusing primarily on education policy. In doing so, this chapter addresses the strategies that

foundations use to influence policymaking and provides a framework for the analyses that follow.

Chapter Three describes the research methodology and my data and data collection. It also includes an in-depth discussion of each variable and an explanation of how I developed the coding for my variables.

Chapter Four examines the nature of policy grantmaking for early childhood and K-12 education policy between 1988 and 2005. I seek to understand how policy grantmaking changed over the course of the study period. I then look at the foundation characteristics that predict a foundation's odds of being a policy foundation. The chapter concludes with a discussion of why foundations change their grantmaking strategy.

Chapter Five looks at the changes in the jurisdictions that foundations target through their policy grantmaking. First, I look at the grants targeted at each level of government in each key reference year. I hypothesized that as education policy became first less locally focused, and more state focused following the 1989 governor's meeting at Charlottesville, and second more federally focused following the passage of No Child Left Behind in 2001, education policy grants would follow. Specifically, I predicted that after the Charlottesville Summit there would be a greater percentage of grants targeted at the state level of government, or nationally (a majority of the states) than there had been prior to the Summit, and that after the implementation of NCLB there would be more federally targeted grants (and/or nationally) than there had been in any of the previous key reference years. Second, I

look at the grant and foundation characteristics that predict local grantmaking. Lastly, I discuss what might account for these findings.

Chapter Six examines changes in the types of recipients that received policy foundation grants during the course of the study. Further, it examines how grantmaking to national policy organizations changed over the course of the study. Looking at the 15 largest education grantmakers, Reckhow (2009, 2013) found that grantmaking for national policy organizations diminished between 2001 and 2005. I seek to understand if using a larger data set, I get the same results. Lastly, I focus on one recipient type—charter schools/charter management organizations. First, I look at how the characteristics of foundations that make grants to these organizations changed from the pre-to the post-NCLB year. Then I again ask what, if any, foundation characteristics are predictive of making charter grants. I conclude by comparing the foundation characteristics of foundations that make any type of policy grant to those that make charter grants.

Finally, Chapter Seven summarizes my findings and discusses why we should care. I argue that policy focused foundations have the capacity to fundamentally change the nature of our education system, and that through isomorphic forces, large foundations—both the new, more venture-philanthropy focused foundations and the older, more traditional foundations—have significant sway over smaller foundations grantmaking strategies'. Because foundations do not have elected constituencies, we should be wary of their effect on policy and their ability to change public spending priorities. I conclude with suggestions for future research.

Table 1: Number of Percent of Grants and Grant Dollars, Total by Asset Size Quartile, and for the Twenty-Five Largest Foundations in Data Set.

Foundations by Size[a]	Number of Grants	Number of Policy Grants	Total Grant Dollars	Percent of Total Grant Dollars[b]	Total Dollars for Policy Grants	Percent of Total Grant Dollars for Policy Grants[c]
1st Quartile (N=80)	1425	652	$113 million	4.7	$60.3 million	4.0
2nd Quartile (N=81)	1858	912	$159 million	6.5	$97.9 million	6.5
3rd Quartile (N=80)	2799	1018	$239 million	9.8	$110 million	7.3
4th Quartile (N=81)	6332	3375	$1.92 billion	79.0	$1.21 billion	80.5
Top 25 (N=25)	3296	1887	$1.33 billion	53.4	$857 million	57.0

Note a: Size based on assets size in 2005; 1st Quartile =smallest foundations
Note b: Note that percentages are based on the total value of grants made by all 345 foundations, although the quartiles EXCLUDE foundations with missing asset size
Note c: Note that the percentages are based on the total value of policy grants made by all 345 foundations, although the quartiles EXCLUDE foundations with missing asset size.

Chapter 2: Literature Review

"Critics Target Growing Army of Broad Leaders"—Education Week, June 7, 2011

"It's Orwellian in the sense that through this vast funding they start to control even how we tacitly think about the problems facing education." Bruce Fuller in "Behind Grass-Roots School Advocacy, Bill Gates," New York Times, May 21, 2011

2.1: Introduction

These are just two examples of the growing criticism of philanthropy's growing role in the creation of K-12 education policy in the United States. Foundation influence on education policy is hardly new, however. As Rick Hess pointed out in his May 26, 2011 blog, private foundations have sought to influence education policy for some time (see also Buss, 1980; Lagemann, 1983, 1989; Weichsdale, 1980). However, previous foundation efforts to affect education policy have gone largely unnoticed (though certainly not completely) by the media and the public in general (Hess, 2005). Foundations' recent efforts to change education policy have begun to draw more attention, however, perhaps because of the vast sums of money being spent (Berman 1983; Ravitch 2010), because of the sexiness of a conspiracy theory professed by some critics (Domhoff, 1968, 1974; Saltman, 2010; Ravitch, 2010), or because "new education philanthropy" is substantively different from that of previous generations (Hess, 2005; Tompkins-Stange, 2013). This chapter will examine the literature on how foundations influence policy in order to set up the rationale for my coding system (discussed in chapter three) and the comparison of the largest to the non-largest foundations, which will be seen throughout my analysis.

In this chapter, I will examine the state of the literature on foundations and education policy and examine the literature on how foundations influence policy. I then discuss the changes in education policy around which I base my hypotheses. Finally, I present a discussion of rational actor theory and institutional theory and my conceptual framework. I conclude by arguing that there is a need in the literature to study the influence of foundations beyond the largest foundations.

2.2: How has philanthropy's influence on education been studied previously?

Much of the existing research on philanthropy and K-12 education begins with the premise that foundations are influential policymakers. Carr (2012) argued that "foundation influence not only exists, but it is disproportionately effective compared to the relatively small amount of money foundations spend on K-12 education. And, the influence of foundations has increased since 2000, when the Gates Foundation made domestic education a priority" (p. 4). Similarly, Colwell (1993) found that foundations not only influence policy, but do so as elites who seek to maintain elite control of the long-term policy making process.

In this section, I explore the state of the literature on foundations and policy grantmaking. I argue that until recently most of the literature on foundations and policy grantmaking was atheoretical and descriptive in nature. It relied primarily on case studies of individual foundations to demonstrate foundation influence. I will then look at more recent research on foundations and policymaking. I contend that this research stands out from the majority of earlier research on the influence of philanthropic foundations on public policy, and education policy in particular, because it is theoretically grounded, uses more complex research methodologies and is more comparative in nature. It seeks to understand how not just

individual foundations, but rather the field of foundations behaves. Lastly, I will discuss a

weakness in the existing research—its focus on large foundations—and argue that although

there is little research on smaller foundations, understanding their behavior is critical to

building the knowledge base about how foundations attempt to change policy, particularly at

the state and local levels of government.

   2.21: Early research. When I began to investigate the topic of the influence of private

philanthropy on K-12 education, the predominant types of research on the topic were

descriptive studies of philanthropy from the perspective of a particular topic or area of policy

and case studies of individual grant makers or particular grant programs. The case studies that

existed were predominantly historical and often relied upon interviews conducted long after

the events in question took place (Colwell, 1993). There was very little research on overall

grantmaking for policy activities and, as Tompkins-Stange (2013) further argued, until quite

recently "research….has been primarily historical, not theoretically grounded" (p. 10).[4]

Lagemann (1999) argued that the lack of theoretically grounded research was due to a lack of

"social theories …[to] direct scholarly attention to foundations" (p. ix), and to active

discouragement by foundations.

   In the field of education research, Lagemann's studies of the Carnegie Corporation

(1989) and Carnegie Foundation for the Advancement of Teaching (1983) stand out as

excellent examples of studies that provided rich histories of particular foundations, but were

not driven by a particular "social theory." In both cases, Lagemann conducted deep research

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[4] Tompkins-Stange (2013) notes exceptions: Ferris, Henstcke, and Joy, 2008; Reckhow, 2009; Scott, 2009; Carr, 2011; Bromley and Tompkins-Stange, 2012; Klopott, 2012; to that I McKersie, 1988, 1993 and to a lesser extent, add Colwell 1980, 1993.

on the history of the foundations and provided extensive description of how the foundations conducted their work and used their influence and grantmaking to influence policy. Similarly, Slaughter and Silva (1980) examined how early foundations were able to build ideologies. Their work, while seeking to answer a more limited question, is again an example of literature that used historical description to arrive at their conclusions.

2.22: Recent research. More recent research relies on strong quantitative and qualitative methods of analysis to understand the field of foundations rather than individual foundations' contributions. This literature has focused primarily on newer foundations and the mechanisms that they use to influence policy. This set of studies, led by Reckhow's (2009) dissertation, seeks to understand how grantmaking by new foundations differs from that of old foundations, how foundation and recipient characteristics are tied to their grantmaking strategies and how foundations work in concert to fund particular ideas, policies and programs. By building their research from existing social theories, the authors discussed in this sub-section are able to connect their study of foundations to the larger fields of sociology and political science and are able to make more precise claims about the nature of foundation influence.

In her 2009 dissertation, and subsequent 2013 book, Reckhow examined foundation giving for K-12 education among the 15 largest foundations in 2000 and in 2005. She has since updated the data to include 2010 (Reckhow and Snyder, 2014). Using grant data gleaned from the foundations' tax forms, Reckhow employed urban issue network theory to examine grants made to the 100 largest school districts to see if there was a relationship between district political characteristics and policy expertise and the provision of grants. She found

that in 2005 fewer districts received grants from the 15 largest foundations than had in 2000, and that grants were less likely to be given directly to the school districts and more likely to be given to nonprofits, charter schools/charter management organizations, private schools and intermediary organizations. In 2000, she found that almost 40% of grants went to public schools (defined as individual schools, school districts, state departments of education and the respective foundations of each entity), whereas in 2005, only 25% of grants did so. In contrast, the proportion of grants for charters and private schools rose from less than 10% in 2000 to nearly 25% in 2005. That is, "By 2005, the largest foundations invested nearly equal shares of their grant dollars in organizations that create alternatives to school districts and in the institutions that run the schools (Reckhow, 2013, p. 40). At the same time, she found that the percentage of grants going to national research and advocacy organizations also fell and funding to national elected and school official associations rose, suggesting increased "foundation involvement with policy makers and political leaders" (*ibid*). All of this led Reckhow to conclude that the new foundations, led by what she terms the Boardroom Progressives, take a new approach to foundation funding of K-12 education than did previous generations of philanthropists. She argued that these "Boardroom Progressives"— "officers in major national foundations, leaders of education nonprofits, charter school founders, and nontraditional urban superintendents" (p. 1)—are the new leaders of education reform. "[They] represent elite segments of society. They also share a suspicious role of politics and special interests in education policy, as well as a common sense of idealism" (p. 1). They are driven by a new set of expectations for schools, that all children can and will learn, and that all children can and will be expected to learn (pp. 1-2).

Additionally, she found that districts (defined as all the organizations within the district, as well as grants directly to the school district) with mayoral control and districts with greater nonprofit capacity[5] received more grant dollars than districts with elected school boards and lower nonprofit capacity. Quite interestingly, these district characteristics were better predictors than district need (i.e. poverty levels and graduation rates) of the value of grants that districts received. Reckhow then conducted case studies of New York and Los Angeles to understand both the political context for reform and which actors were involved in reform in each of the cities. She showed that the political context of each city drives the way in which the foundations in her study fund school reform efforts. In New York City, where mayoral control allowed for fewer decision makers in the district, foundations "adopted a top-down funding strategy focused on the bureaucracy and nonprofits" (Reckhow, 2009, p. 2), primarily supporting the district's Children First initiative. Importantly, she argued that reform became entrenched in New York City without the support of parents and advocacy groups, leading to questions of sustainability following the eventual mayoral change. The results of this marginalization are currently playing out. In contrast, in Los Angeles, where the mayor was never able to secure control of the district, foundations took a bottom-up approach, supporting alternatives to the public school structure and, consequently, developing a strong set of charter schools.

Lastly, Reckhow (2009) used social network analysis to examine the relationships between and among funders and grantees in each city. She used a survey of grant recipients to create a network of "policy information exchange" (p. 2). She concluded that elites and policy experts—including foundation personnel, the school district bureaucracy and education

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[5] She defined nonprofit capacity by both the density of advocacy nonprofits and by the percentage of the population with post-graduate degrees (2009, p. 27)

nonprofits—drove the Children's First Initiative in New York City. In Los Angeles, a broader group of actors, the foundations, charter management organizations, advocacy organizations and district leaders, drove decentralization.

Carr (2012) built on Reckhow's 2000 and 2005 data with similar data for 2009. He analyzed 2,021 grants made to districts and nonprofits in 49 school districts around the United States. Carr differentiated between direct and indirect foundation influence. Direct influence stems from money given directly to public bureaucracies, such as school districts, which allows foundation ideas to immediately make their way onto the public agenda. Indirect influence comes from foundation funding to nonprofits which support, advocate, etc. for the goal at hand, in this case, the education of children. "Such grants increase the capacity of these organizations which then improves the likelihood their voices will be louder and more influential in local education politics" (Carr, 2012, p. 95). As will be seen in agenda setting sub-section of this chapter, the ability to weave grants that have direct and indirect influence on policy together amplifies a foundation's voice, and is also a signal of rational grantmaking.

Like Reckhow, Carr (2012) used a multivariate analysis to assess the relationship between district characteristics and foundation funding. He found that the percent of the population with college degrees, the percent of poor students, as measured by the number of students who receive free/reduced price lunch, and district per-pupil expenditures were significantly predictive of how much funding a district—or better put a district plus the nonprofits within it—get per student. In contrast to Reckhow's (2009) findings, he found that district governance structure, nonprofit density, geographic proximity of foundation to recipients, superintendent affiliation with the Broad Foundation and urban scale were not statistically predictive of whether or not districts received foundation grant money. He also

found that in 2009, foundations gave grants in more school districts than in 2005, though still

to organizations working within the boundaries of the district, not necessarily to the district

itself. In all of the districts in his study, either the district or nonprofits within it received

funding. Twenty-two districts received direct funding. In 27 districts the funding was indirect.

Importantly, the number of districts receiving substantial amounts of funding increased as

well, with 27 districts receiving at least $1 million, and five districts receiving $15 million or

more. Carr also found that there was more funding for charter schools and for teacher

programs than there had been in 2005, and that funding for research and advocacy

organizations, state departments of education and private schools fell compared to 2000 and

2005.

In order to further explore foundations' influence on school districts, Carr (2012)

surveyed superintendents in districts with 25,000 or more students; he had a 29% response

rate. He found that, generally superintendents did not believe that national foundations have a

good understanding of what happens in their district (just 11% believed that to be true), and

just under half (45%) of the superintendents believed that foundations were beneficial to

public education nationally. Superintendents also reported that they believed foundations to

be the most influential actor in charter school reforms, and the third most important actor,

behind the National Governors Association and the federal executive branch, in promoting

common curriculum standards and value-added assessment. Superintendents seemed to

attribute a great deal of the national agenda, at least in part, to foundations, but did not believe

them to be particularly influential locally. A substantial caveat to his findings is that

superintendents from larger districts and those who had more frequent contact with national

foundations—and with members of Congress—were more likely to think that national

foundations had a good understanding of the issues in their district, while superintendents who had been at their jobs longer, who had more frequent interactions with local foundations and with state departments of education disagreed. Overall, he found that superintendents ranked national foundations in the third tier of political actors who influence education policy nationally. He argued that because foundations support so many different types of reforms, they are less influential than state or federal governments, which tend to have fewer initiatives. Thus, he suggested "on average, the agenda in the typical school district is driven mostly by factors other than foundation grant making" (p. 155). Interestingly, he did not find any difference in opinions between superintendents whose districts had or had not received grants from large national foundations.

Lastly, Carr (2012) sought to understand the actual influence of foundations at the federal level of government, not just the perception of their influence, because, he argued, foundations "have the most to gain at the federal level" (p. 183). In order to explore this influence, he reviewed Congressional hearings and Government Accountability Office (GAO) reports to identify the federal public education agenda during the 2000s and to see what foundation involvement in both looked like. He then conducted 28 semi-structured interviews with political actors involved in federal education policy making. Foundations were not well represented at Congressional hearings; they did not provide very much testimony, and the GAO reports did not provide much information about foundation influence. But, Carr noted, foundation policy agendas and Congressional education agendas were very similar in the 2000s, focusing on common reforms. His interviewees reported that in the policy areas in which there appeared to be foundation influence, it might stem from the hiring of former foundation personnel into the U.S. Department of Education. His interviews confirmed that

foundations were more powerful in the federal arena than they were 15 years earlier, but at the same time, they encountered more competition for their ideas.

Like Reckhow (2009, 2013), Carr (2012) used strong methods to conduct his research. His analysis, like Rechow's, serves as a point of comparison for my analysis, and an extension of my findings, since his data extend past 2005, which is the terminal date of my data collection. Carr's work has shaped my thinking about why there are so few grants directed federally and how foundations have been influential at the federal level.

Tompkins-Stange (2013) similarly looked at how foundations influence education policy. Tompkins-Stange built her analysis on a hybrid of grounded theory and case study research, which allowed her to develop theory while still comparing cases. Her study provides a strong understanding of the mechanisms by which foundations (at least the foundations in her study) use to influence policy change. Using interviews, document review and participant observation, she built case studies of four prominent foundations—the Bill and Melinda Gates Foundation (WA), the Eli and Edythe Broad Foundation (CA), the W.K. Kellogg Foundation (MI), and the Ford Foundation (NY)—and then conducted a cross-case analysis of them, iteratively finding themes and developing an understanding of relationships across the cases as she went. She selected her sample based on three criteria: size of endowments, founding date and geographic location, limiting her sample to the 20 largest foundations. She argued that this was an acceptable approach because Ostrander (2004) found that "large foundations are nearly four times as likely to be involved in policy than smaller foundations" (p. 45). She then narrowed foundations by age and location, and ultimately by her ability to access them. As in my research (see Chapter Three), foundation age and location were important variables because the existing research (Hess, 2005; Reckhow, 2009; Carr 2012; Scott, 2009), argues

that there has been "changing of the guard" (Ravitch, 2010) in foundations that are involved

in K-12 education, from old, East Coast foundations to new, West Coast foundations.

Tompkins-Stange (2013) framed her research around two approaches to foundation

involvement in policy—the economic approach and the political approach—asking, "to what

extent do foundations' internal norms reflect economic vs. political approaches? [And] how

do these norms determine their policy-related activities" (p. 7)? The economic approach views

foundations as efficient and effective problem solvers in the realm of public policy, and

considers their lack of accountability to be an asset. The political approach views foundations

as institutions that privilege elites over representative public institutions (p. 3). Under the

economic approach, foundations "prioritize attainment of outcomes" whereas under the

political approach they "prioritize democratic processes" (p. 8). She found that four

organizational norms determine whether a foundation aligns with the economic or political

approach: (1) the foundation's locus of control—does power and decision making lie with the

foundation or with the grantees; (2) problem orientation—does the foundation prefer to solve

technical or adaptive problems; (3) preferred policy actors—does the foundation prefer to

work with communities or with elites; and, (4) expectations about results—how do

foundations measure results. Further, and not at all surprisingly based on the previous

research, Tompkins-Stange found that the Gates and Broad foundations were similar, aligning

with the economic approach, and that Kellogg and Ford[6] were similar to one another, aligning

with the political approach.

Tompkins-Stange's (2013) in-depth analysis provides a good foil to my more general

work on the role of foundation age. She argued that foundation age plays a central role in

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[6] It is important to note that Tompkins-Stange only looked at Ford in its current form. Her research was conducted between 2010 and 2012.

foundations' grantmaking strategy because they are rooted in the cultural elements and normative practices of the time in which they were founded (Stinchcombe, 1965). Her findings around the differences between the economic approach taken by Gates and Broad and the political approach favored by Kellogg and Ford, provide significant evidence for these claims.

Quinn, Tompkins-Stange and Meyerson (2013) examined the role that foundations played in the development of charter management organizations (CMO) to conceptualize foundations as institutional entrepreneurs. They sought to understand the social mechanisms that foundations used to create institutional change in the field of education. Quinn et al. (2013) "conceptualize foundations as institutional entrepreneurs…to illuminate the social mechanisms by which foundations elevate new organizational forms" (p. 4). They used a variety of data on charter school openings, closings, and enrollment, as well as grant data, archival data, interviews and participant observation in foundation staff meetings. They limited their scope to California, as it was an early adopter of charter schools. They developed case studies of individual organizations and used a cross-case comparison to develop a picture of how foundations created the CMO form.

Quinn et al. (2013) identified three social mechanisms—"recombining cultural elements to establish the form, enforcing evaluative frameworks to assess the form, and sponsoring new professionals to populate the form with preferred expertise" (p. 1) that foundations used alongside grantmaking to create and elevate the charter management organization as the favored institution through which charter schools are developed and managed. First, the foundations in question recombined the notion of a stand-alone charter school and an educational management organization (EMO) to create CMOs. The foundations

did not believe that stand-alone charter schools had enough impact on the education system, but did not want to use EMOs because they were negatively associated with Edison Schools. The NewSchools Venture Fund coined the term "charter management organization" as a combination of the two. Second, the foundations sought to "[enforce] evaluative frameworks to assess, legitimize, and ultimately elevate the CMO form" (p. 8). They used three types of metrics and milestones—educational, managerial and entrepreneurial—to do so. Importantly, these metrics and milestones "induced grantees to direct their attention, resources, and staffing in particular ways to meet specified goals" (p. 10). Lastly, the foundations involved in the development of CMOs created a new class of entrepreneurial educators to lead their new schools and management organizations. They used three tools for creating these new leaders: "sponsoring exclusive convenings" (p. 12); "using language to reinforce boundaries" (*ibid*); and, "anointing exemplars" (p. 13). Taken together, foundations used these deliberate steps to create a new organizational field. Quinn et al. (2013) concluded that foundations are uniquely positioned among organizations because they are able to combine two roles, usually attributed to two different types of institutional actors, creative actors and standard-setting actors. "Furthermore [they argue], these mechanisms…can have an impact that extends beyond individual grantees to influence entire organizational fields" (p. 15).

Most recently, Reckhow and Tompkins-Stange (2015) have joined their research efforts to examine how influential the Gates and Broad foundations are, and how they became actors in the national education policy debate. To do so, they looked at grantmaking by the Gates and Broad foundations' advocacy grantmaking for teacher quality issues. They utilized grant data from each foundation from 2005 and 2010, analyzed testimony and witness lists from Congressional hearings on teacher quality, and conducted interviews with foundation

officials in order to better understand the relationship between the foundations and federal policymakers. They found that after 2008 Gates and Broad specifically targeted the federal level of government and shifted from local to national advocacy. Not only did the amount of funding shift, but the focus did as well. In 2005 there was very little overlap between the two foundations' advocacy agendas, but by 2010 both had solidified their national policy agendas around teacher quality and common standards. Moreover, they found that the two foundations shifted from funding "discrete project-based initiatives to systemic reform efforts" (p. 2), and that their grantees became more frequent witnesses at Congressional hearings over time. Between 2005 and 2010, the Gates Foundation in particular began to slowly shift its advocacy grantmaking to higher levels of government—venue shopping to find the level of government that would be most able to make the changes that the foundation wanted. One informant noted that the foundation had shifted to state level advocacy and bid its time waiting for an opening in the federal policy window in which the Foundations' ideas would be accepted (p. 11). Finally, they show that the foundations used two strategies for influencing federal policy through advocacy: (1) through relationships and (2) by funding education interest groups that provide information to policymakers. First, The relationships that they describe begin at the top with Secretary of Education Duncan, a Gates-grantee in his role as CEO of the Chicago Public Schools, and go down the line of political appointees in the USDOE who came out of the Gates Foundation or from one of their grantees (see also Layton, 2014). Second, they funded national advocacy organizations, both traditional education actors, such as the teachers' unions, and new voices such as the New Teacher Project, to advocate for teacher quality reforms. In turn, these actors testified at Congressional hearings on teacher quality. These actors also produced and utilized foundation-funded research on the topic. These

strategies "led to a dominant narrative emerging within policy debates regarding teacher quality, specifically the concept of "value-added" teacher evaluation" (p. 2). This research, while limited to two foundations clearly shows the ways in which foundations can be influential in policymaking. It also shows the importance of the personal relationships between funders, their grantees and government officials in wielding such influence.

Lastly, Snyder (2015) built on Reckhow's work (2009, 2013, 2014—with Snyder) to understand if there was (1) a difference between old and new philanthropy and (2) if new foundations have driven a change in older foundations. This is quite similar to the research that I will present in this dissertation on the size of foundations. However, I look at vastly more foundations and focus more on the size of foundations than on their age, although age is one of my independent variables and I do look at foundation behavior specifically by age group in a few places. Snyder differentiated between old and new philanthropy. Although he did not provide a precise definition of "new" versus old, he essentially contrasted venture philanthropists to old/traditional style foundations. He compared grantmaking by five old (Annenberg, Carnegie, Ford, Kellogg and Wallace) to that by five new (Gates, Broad, Dell, and Robertson) in 2000, 2005 and 2010. Generally, he found that old and new foundations have different funding priorities and strategies. In terms of priorities, old foundations funded the education establishment, including universities and state and national policy research and advocacy organizations. In contrast, new foundations made more grants to "disrupters" such as private schools and charter schools and venture philanthropy. They were also more likely to fund public school districts than were old foundations. One area of similar funding between the new and old foundations was non-traditional certification programs. Both sets also decreased their funding of local policy organizations. In terms of funding strategy, new

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foundations were more convergent in their grantmaking, although by 2010, the old foundations were also starting to exhibit more convergence, albeit around traditional organizations/topics, rather than those favored by new foundations.

2.23: Do Smaller Foundations Matter? Reckhow's dissertation (2009) and subsequent book (2013) represent somewhat of a watershed moment in the type and quality of research being conducted on the role of private foundations in K-12 education policy. Her research is well grounded in theory and utilizes strong quantitative analysis methods. Critically, however, her research only looks at the 15 largest foundations. Similarly, all of the research discussed in the above section relies upon the analysis of data stemming from the analysis of grantmaking by a few large and very large foundations. Surely, these foundations have an outsize effect on policy. They are more vocal than most previous foundations and have certainly captured the imagination of not only critics and the media, but policymakers and other funders as well. But, are they the only foundations whose practices need to be studied? I argue that they are not. While there are foundation-based and journalistic accounts of the effectiveness of smaller foundations in creating policy change (see for example Cohen, 2013; Jackson, 2013; Levenick, 2013; Studdiford & Stevens, 2011), the scholarly literature has, thus far, failed to look at smaller foundations in a systematic way. Looking at the non-largest foundations is critical, however, as they too explicitly fund policy change. Furthermore, in terms of understanding institutional behavior, the non-largest foundations may behave differently than their larger counterparts. Child and Grønbjerg (2007) found that larger nonprofits were more likely to be involved in advocacy work than smaller nonprofits (as measured by staff size). They argue that larger organizations have greater expertise and,

therefore, greater access to information that makes them likely to be more effective at advocacy work. This may be the case among foundations as well, although it is altogether conceivable that smaller, but not tiny, foundations are well-equipped to conduct local and state advocacy work because their staffs and trustees might have closer relationships with policymakers at these lower levels of government than do those at the largest foundations. This dissertation will begin to fill that gap by comparing the largest foundations that make education policy grants to the non-largest foundations.

2.3: How Foundations Influence Policy

The primary way, and the way in which most people think about foundations exerting their influence is through the grants that they make. While foundations make grants for myriad activities, projects and purposes, I am primarily interested in the grants that they make for policy grantmaking. Policy grantmaking is defined in a variety of ways. Mavity and Ylvisaker (1977) defined public affairs grants (their label for what I call policy grants) as meeting one of four purposes: "1. improving the processes and competence of government; 2. helping define and clarify public issues; 3. helping ensure the rights and participation in government and society for all members of the public; [and] 4. improving the responsiveness of the private sector to public needs" (p .801). They advised that policy grants must "…more permanently and/or fundamentally affect the processes of government, agenda of public action, and the allocation of public resources" (p. 801). To their list of activities, Colwell (1993), citing Domhoff (1974), included grants made to

> policy-formation groups that bring together members of the elite and their experts in a setting "in which difference on various issues can be thrashed out and the opinions of various experts can be heard"(Domhoff, 1974:8). These grants are also related to

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the dissemination of ideology process that supports the present distribution of wealth, income and power (Domhoff, 1974:14). Such grants fundamentally affect the processes of government, the agenda of public action, and the allocation of public resources often by opposing change or channeling reform efforts in such a way that prevailing power relationships are not revealed or altered (115-116).

Building on a similar idea, Greene (2005) defined policy grants by their potential to create systemic change. As such, grants can either be higher or lower leverage, where higher leverage grants are those that change public expenditures, while lower leverage grants do not produce broad, systemic change. Higher leverage grants generally take the form of creating a new structure (such as small schools or a new administrative structure) or of supporting research and advocacy. In contrast, lower leverage grants usually take the form of monies given to schools or school systems for materials, programs or ideas. In order to determine a grant's leverage potential, he examined the public filings (990-PF forms) for each of the 30 largest donors to elementary and secondary education, as identified by the Foundation Center. He then coded each grant by where the funds are targeted. Greene classified grants made for the creation of small schools, research and advocacy, charter schools, vouchers, public early college schools, other special public schools, national board certification, vocational and alternative public schools[7] or alternative professional association as higher leverage grants. Lower leverage grants are those that support public school professional development, private school grants, public school grants (general purpose), public school grants (special purpose), public school curriculum, disability focus, and technology in public schools.

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[7] Note that I did not include grants for all vocational and alternative public schools, as I felt that it was too difficult to discern the purpose of such schools, particularly if they no longer exist. However, I code two school reform models (High Schools That Work and the National Academy Foundation) that emphasize vocational/career education as policy/not policy because, as I discuss later, they have the potential to change local policy and spending.

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Rotherham (2005) categorized *foundations* by the strategies that they use to influence policy: help establish and catalyze policy networks; engage in issue advocacy by supporting academics, advocates and policymakers who are working to advance a particular policy solution; help set the agenda by calling attention to an issue and funding large-scale change; and invest in creating the capacity for research and future research. Although this is a categorization of foundations rather than grants, foundation activities are easily translated into their funding priorities.

Finally, using grants identified through the Foundation Center Database and GuideStar, Cohen (2007) examined grantmaking for school privatization. He identified five categories of grants that were made for that purpose—education-related grants, general operating support, public policy research and/or advocacy, special projects or programs, and unknown grants (p. 9).

As will be seen in the next chapter, these definitions of policy grantmaking served as a guide for my categorization of grants by policy activity and ultimately, in the analysis chapters, an understanding of how the nature of policy grantmaking changed over the course of the time period. In this section of the literature review, I group these grantmaking strategies into six sets (similar to the grant codes I present in Chapter Three)—building the knowledge base, process, specific programs, advocacy and organizing, legal, and general operating support—to examine the existing research on foundations strategies to influence policy. Within each section, I show how the strategies are directed at different stages of the policymaking process. It is important to note that grantmaking is not the only way in which foundations can influence policy. There are a variety of means by which they use their relationships and reputations to do so as well. I provide a brief background on these strategies

in Appendix B. However, since my work focuses on grants, I prioritize grantmaking strategies in this chapter. I conclude this section by discussing the research on foundation funding for agenda setting. I use the success of conservative foundations at spreading their message and changing the conversation about the nature of school reform as an example of agenda setting and argue that it is a good model for understanding rational behavior in grantmaking.

      Building the knowledge base. Historically, one of the primary ways in which foundations have sought to influence policy is by building the knowledge base through research, experimentation and the development of ideologies and experts (Gallagher & Bailey, 2000; Tompkins-Stange, 2013). These strategies target the initial phases of the policymaking process, seeking to identify the problems to be solved and the ideas with which to solve them. Seeking to influence policy in this way is a key distinction between "new" and "old" philanthropy. Tompkins-Stange (2013) noted that her informants differentiated between old and new philanthropy, in part, by old foundations' funding of research [and demonstration projects] rather than active advocacy (p. 151). Similarly, Gallagher and Bailey (2000) claimed that foundations in the early 20th century influenced policy by funding research and knowledge development by "shap[ing] the knowledge necessary for enactment of many public policies" (p. 22). Indeed, funding of research, brokering new ideas and ideology development have, until recently, been one of the most important tools used by foundations to influence policy (Colwell 1993, 1980; Ferris & Harmssen 2009; Ferris, Hentschke & Joy 2006; Ferris & Mintrom 2009; Gallageher & Bailey, 2000; Hammack 1999; Knott & McCarthy 2009; Tompkins-Stange 2013; Reckhow 2009, 2013; Slaughter and Silva 1980).). In the early years of foundations, they were able to exert significant influence on

policymakers because they filled a substantial funding gap. During the early years of the twentieth century, Congress would only fund research as it related to the Armed Forces, and then only in times of war. As such, presidents and government agencies turned to private sources for funding the necessary research to support the federal government's growing role in social welfare policy. Foundations proved to be excellent sources of such funding. Consequently, foundations had a large role in choosing the staff of major national organizations that dealt with research and in creating institutions focused on generating, conducting and communicating the results of research designed to sway policymakers (Karl and Katz, 1981).

This type of grantmaking includes funding "pure" research as well as policy and grant program evaluations. Ferris, Hentschke and Joy (2006) noted that "often the goal of funding research is to demonstrate which types of school reform activities lead to greater student achievement, thus defining the problem and setting an agenda for future policy or programmatic actions" (p. 18). In their study of foundations working on educational policy, they found that research was the second most common funding tactic (after demonstration projects), with 11 of the 20 foundations interviewed (58%) funding research. Similarly, Ferris and Harmssen (2009) found that 14 of the 19 foundations in their sample funded research, including grants to think tanks, nonprofit research organizations and universities.

Lagemann (1989) examined the ways in which the Carnegie Corporation of New York (the Corporation) worked to influence policy by building the knowledge base through ideology creation and research support. The Corporation believed that it could improve the American people through knowledge, ideas and by changing public policy. Lagemann's historical case study of the Corporation explored the ways in which it worked to build the

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"Politics of Knowledge." She argued that through its funding of knowledge development, the

Corporation was "a vehicle for influence," and shaped public policies (p. 5). Between 1919

and 1923 the Corporation made grants that were designed to influence public policy and

focused on education, broadly defined, to develop its ideology of improved governance. In

order to do so, the Corporation worked to create experts who could help guide Americans in

their actions. The Corporation proved willing to take stands on, and make grants and build

institutions for, answering important public questions about the organization of science, "the

study of the economy and economics and the formulation of the common law" (p. 31),

making it a strong force in the politics of knowledge. Through its support of the National

Bureau of Economic Research, as well as the Institute of Economics, for example, the

Corporation established its grantmaking as national in orientation and scientifically focused.

Importantly, the Corporation distanced itself from its grantees so that their findings could be

controversial without reflecting on the foundation. Thus, the Carnegie Corporation helped to

promote the development of the social sciences, particularly economics, above other

disciplines, primarily the humanities. According to Lagemann, the Carnegie Corporation (and

other foundations) solidified the transformation from distributive to regulatory policymaking

that occurred at the turn of the twentieth century. Having created an ideology around experts

and the use of social science to drive policymaking, the Corporation sought to embed the

ideology in popular culture so that the population would accept policy recommendations that

came from their experts and associated organizations. Thus, from 1923 to 1942 the

Corporation made numerous grants for libraries, adult education, for college and graduate

level scholarships, and arts programs.

Following World War II, the Corporation took a more strategic approach to grantmaking and influencing public policy, as changes in both the foundation and society[8] led it to be less relevant than it had been before the War. According to Lagemann (1989), these influences led the foundation to fund the development of the social sciences. It did so through grants to support cross-disciplinary research, further the development of survey research, and numerous grants to Harvard to support the development of the Department of Social Relations, as well as a variety of other social science-related grants. The Corporation also sought out new educational leaders, from outside of the educational establishment and to generate new ideas for improving K-12 education. The Corporation sponsored research and its dissemination, including James Conant's study on the American high school, *The American High School Today: A First Report to Interested Citizens* (1959), as well as other studies Conant conducted on American schooling under the tutelage of the Corporation. The Corporation also supported research that provided fodder for the enactment of the Elementary and Secondary Education Action (ESEA) in 1965.[9] As can be seen in this example, a foundation's sponsoring of research can lead directly to the creation of new public policies.

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[8] Lagemann identifies four changes: (1) a sense of "peril" due to nuclear threat and domestic unrest; (2) an increase in policymaking to address social issues; and (3) the emergence of new, public research organizations such as the National Science Foundation, as well as new and larger private foundations, such as the Ford Foundation; and (4) the growth of the Corporation and more collaborative planning within it.

[9] The Corporation invested in J. McVicker Hunt's research, which determined that intelligence is not predetermined at birth nor does it develop at any sort of predetermined rate. Benjamin Bloom later confirmed his findings, and the entire notion of the importance of early childhood education was born. While the Ford Foundation took an early lead in implementing these findings through the Comprehensive School Improvement Program, this research served as the tipping point that enabled the passage of ESEA. Lagemann (1989) argued that in establishing that children need good learning environments early in life, Hunt and Bloom's work helped to define what it meant for a child to be disadvantaged, which "helped to provide the political formula that…made it possible to secure federal legislation assisting the nation's public elementary and secondary schools…[thus, the Carnegie Corporation's] support to J. McVicker Hunt helped to establish the need for a *national* educational policy" (p. 212, emphasis in original).

Slaughter and Silva (1980) also used case studies of three foundations[10] to look specifically at how foundations formulated ideology in the progressive period. They argued that foundations contributed to the creation of new ideologies by putting large resources in the hands of certain groups of practitioners and researchers. They identified three specific steps the Russell Sage Foundation used to create a new movement and ideology—social work. First, the foundation provided social services to the poor and funded newly developing social work and social service organizations. Second, the foundation funded professional journals, schools of social work and social work libraries to further advance both the practice of social work and research in the field. And, third, the Foundation conducted social surveys designed to mobilize communities toward middle-class volunteerism. By putting its money behind the social work movement and using these specific steps, Slaughter and Silva (1980) noted that the charitable organization and social work movement became organized around a coherent ideology and set of practices. The development of ideology and linking it to practical solutions for specific problems became a primary goal of foundations. These ideologies took three forms. First, they developed ideologies of practice, which "arose out of the confrontation and amelioration of actual, concrete, social problems within industrializing capitalism" (p. 78). Second, they developed ideologies of technique "from the concentrated energies of intellectual workers on the rationalization of technical problems within existing social arrangements" (p. 78). Finally, "ideologies of structure emerged to describe and value a political economy, midway between the extremes of laissez-faire capitalism and socialism" (p. 78). The foundations Slaughter and Silva (1980) examined developed not only the ideas

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[10] In addition to the Russell Sage Foundation discussed here, the other two studies are on the Carnegie Institute of Washington and the Rockefeller Foundation's attempt to create an institute to counter critics of capitalism.

behind new ideologies that dealt with the problems that arose from industrialization, but also the practices and professions to support their solutions to said problems.

More recently, Hasset and Katzir (2005) described the ways in which the Broad Foundation has worked to change ideology in educational policy and practice. The Foundation believes that there are two key aspects of education policy and practice that need to be changed in order to improve public K-12 education. First, school systems must have strong leadership and human resources departments that are designed to meet the needs of the schools. In order to create better leaders the Foundation funds the development of leaders who do not come out of education. It also funds leadership development in districts that seek to redesign their central offices around improving human resources so that the best teachers can more easily be placed in the most needy schools. Second, schools need competition. As such, the foundation funds charter school networks. An additional way that The Foundation has sought to change ideology is by making investments rather than grants. Hassett and Katzir (2005) distinguish between investment grants and gift grants, arguing that, as of 2005, only 3% of the Foundation's grantmaking went to gift grants. Gift grants are what we think of as typical charitable donations, they are "given to an organization with few, if any strings attached" (Hassett and Katzir 2005, p. 235). In contrast, investment grants involve heavy involvement from the foundation staff. Ravtich (2010) argued that this strategy of investing, along with the Foundation's ideological goals are part of Eli Broad's "philosophy that schools should be redesigned to function like corporate enterprises" (Ravitch 2010 p. 217).

Finally, Foundations are able to fund experimentation in ways that government cannot (Reckhow, 2013; Carr 2011; Hess 2005; U.S. Treasury Department 1965; Simon 1973; Weissert and Knott 1995; Frumkin 2004; Tompkins-Stange 2013; Hammack & Helmut, 2010;

Oliver & Gerson, 2009). Foundations are more nimble than government because they have fewer constraints. Primarily, unlike government, foundations are not responsible to the electorate (Weissert & Knott, 1985; Oliver & Gerson, 2009). Foundations can act in ways that the state can't because the state is constrained by voters, whereas foundations can take bigger risks. Referring to a quote by an informant, Tompkins-Stange (2013) summarized this idea well:

> Recalling a core tenant of economic theories of the nonprofit sector, this informant argues that even in a well-functioning democracy, the state is constrained by the median voter (Steinberg, 2006). Thus, the state often fails to serve minority preferences that fall outside of majority interests. Foundations can theoretically remedy this failure by using their power to amplify minority voices, as well as to endorse riskier ventures that might otherwise fail to secure majoritarian support. Therefore, foundations can theoretically use their power to advocate for competing or unpopular versions of public priorities, acting as a check to a monolithic state (p. 177).

While this is often a significant criticism of foundations (Gallagher & Bailey, 2000; Ravitch, 2010; Saltman, 2010; Weischadle, 1980),[11] it is also considered a benefit in that they are able to respond quickly to crises and to policy issues that arise suddenly. Weissert and Knott (1995) describe how the Robert Woods Johnson and the Pew Foundations were well positioned in the 1980s to respond to the AIDS crisis. Further, in their survey of political actors in the field of health care policy, they found that just over 60% of respondents believed that foundations were more likely than other interest groups, advocacy groups and think tanks to invest in new ideas and just under half (48%) thought that foundations would be more likely than the above-listed groups to "fund politically unpopular causes" (paragraph 18). While this study did not use a representative sample of all policymakers, these findings do

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[11] This is discussed in greater depth in chapter seven.

suggest that there is at least a perception among political actors that foundations are able to gain influence by responding to needs as they arise and to politically unpopular causes/solutions.

Process. Like building a knowledge base, grantmaking for process, or the sharing of ideas among policymakers and experts, can target the agenda building phase of policymaking. It can also target the formulation stage of the policy process, in which policymakers and those who seek to influence them devise solutions to problems identified in the first stage. Foundations make grants, and themselves participate in activities, that serve two purposes in this area. First, they convene experts and create networks in which issue area experts and policymakers can meet to exchange ideas (Colwell 1980, 1993; Domhoff 1974, 1987, 1990 2010; Ferris & Mintrom 2009; Ferris, Hentschke & Joy 2006; Hammack 1999; Marris & Rein 1973; Reckhow and Tompkins-Stange 2015; Rotherham 2005; Weischadle, 1980). In addition, foundations convene policymaker panels, such as "blue-ribbon commissions" to create policy recommendations around specific questions and areas of public policy (Colwell 1993; Berman 1983). In their research, Ferris, Hentschke and Joy (2005) found that just under half, 9 out of 20 policy foundations, funded policy networks.

Domhoff (2010) described how foundations are involved in the policy planning process which, he contends begins in corporations, social clubs and informal discussions among elites who identify issues to be dealt with by new policies. The process ends in government where the policies are made (p. 87), but in the middle of the policy planning process "there is a complex network of people and institutions that play an important role in sharpening the issues and weighing the alternatives. This network has four main components—foundations, think tanks, university research institutes, and policy-discussion groups" (p. 88). The notion of

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the policy-planning network explains how ideas, experts and ultimately policy recommendations, that may come from seemingly disparate places, fit together. For example, Weischadle (1980) described how early in their existence foundations perfected the use of policymaking networks to enhance their effectiveness. He argued that the presence of key university presidents on the board of the Carnegie Corporation and the College Entrance Board, was crucial to the acceptance of the Carnegie Unit as a condition of participation in the Carnegie pension plan.

Second, foundations coordinate among other foundations, among researchers, universities, think tanks, nonprofits and policymakers to advocate particular ideas or ideologies, as well as to strengthen grant programs. According to Knott and McCarthy (2009), foundations serve as "a direct facilitator connecting research, advocacy, and policy (Laracy, 2001)" (p. 224) in their advocacy work. Further, they found that foundations that make grants for demonstration projects develop relationships with local policymakers, and through them, state and national policymakers.

Colwell (1980) found significant links among foundations and policy planning organizations, which enabled coordination of grantmaking and programs. From her social network analysis, Reckhow (2009, 2013), likewise, found that the foundations in her study funded the same policies, if not the same organizations. She argued that in 2005 there was a convergence of giving and agendas among grantmakers, enhancing their influence beyond the power of their individual grants:

> Yet the dollars alone do not account for the increasing foundation influence on education policy in each district [New York City and Los Angeles Unified]. As grant making has increased, funders have also converged on a shared set of grant recipients and shared funding strategies. Thus, funding originating from multiple foundations

tends to support a common policy direction, rather than promoting various pet projects. With these shared grant-making approaches, foundations have greater potential to influence policy (Reckhow, 2013, p. 60).

Further, in her case study of New York City, Reckhow (2009, 2013) found that foundations coordinated grants among themselves in organizations such as the Donor's Education Collaborative. By giving through the Collaborative, foundations were able to fund advocacy and grassroots organizations and support activities, such as community activism and organizing, that their own giving guidelines might have otherwise prohibited or discouraged. Similarly, Bromley & Tompkins-Stange (2012) described the way in which the "education" foundation, one of the three case study foundations in their sample, worked with other foundations to achieve their policy goals. The "education foundation" was committed to conducting policy work in spirit, but was cautious not to cross the line of impropriety. This foundation was most interested in policy work that could be done in conjunction with other foundations and that was clearly within the confines of the law. Conducting advocacy work in coalition with other foundations gave the foundation "cover": "[an] informant described that this risk aversion [to policy activities] led to instances wherein the foundation would sign onto policy-related initiatives that included a number of other funders as partners, so as not to be in the spotlight and incur undue attention" (p. 15).

Teles (2008) similarly described how the Ford Foundation worked "to provide coordination and advice" (p. 51) to support the development of public interest law. The Ford Foundation, in its capacity as coordinator, built a network of law firms and entrepreneurs "willing to fill the holes in the public interest law network. It put budding public interest lawyers in touch with the legal establishment, recommended lawyers for their boards and shaped their internal structure" (p. 51). He further described how the John M. Olin Foundation

also used "strategic patronage" (p. 182) to develop a conservative response to liberal public interest law. The Olin Foundation's support of law and economics programs at elite legal schools, along with the support it provided for networking and research by the programs' students and faculties, further promoted the growth of the field of law and economics.

Specific programs. In this category of strategies, I include grants for programs that are designed to demonstrate a policy and/or to support the implementation of a policy. A number of authors have identified demonstration programs as one of the key ways in which foundations have historically sought to change public policy (Ferris & Mintrom; 2009; Ferris, Hentschke & Joy, 2006; Hammack and Anheier, 2010; Knott & McCarthy, 2009; Rotherham, 2005; Smith, 2009). Demonstration programs serve as exemplars for what is possible in policy change (Rotherham, 2005). Ferris, Hentschke and Joy (2006) examined foundation strategies to influence education policy. They conducted interviews with education program officers at 20 foundations that were actively engaged in policy (paraphrased from p. 7). They identified the foundations to include by reviewing membership lists for Grantmakers for Education, and media and professional accounts of foundations being active in education policy. They supplemented their initial list with a snowball sampling technique to identify further participants. Importantly, their sample, though inclusive of many mainstream foundations seems to lack a number of the largest conservative foundations that are active in education policy work. They found that of the 20 policy foundations in their sample, nearly two-thirds (64%) used funding of new demonstration projects/models to influence policy. It was the most popular method of influencing policy in their study.

Knott and McCarthy (2009) examined the involvement of 12 national foundations in childcare policy. Four of the 12 foundations in their sample used demonstration projects to

influence public policy around childcare. They argued that foundations fund demonstration projects as an indirect means of influencing public policy: "The policy benefit comes indirectly through the use of these demonstration models for advocacy and communication to policymakers, including what kinds of public policies might need to be changed to make these new approaches succeed" (p. 222). Additionally, they found that demonstration projects helped foundations build relationships with policymakers and to build the foundations' reputations. One of Tompkins-Stange's (2013) informants argued that "old" philanthropy expected that they [foundations] could fund "demonstration projects… [and the programs] would automatically be picked up by government and that information alone would sort of drive policy discussions" (p. 151).

In its early years, the Ford Foundation was heavily involved in demonstration projects that were designed to influence policy. "The new approach was more concerned with direct social action than with detached academic research, and featured demonstration projects; applied expertise; [and] a search for "strategic" points of intervention…" (O'Connor, 1999, pp. 171-172). Under the auspices of its Fund for the Advancement of Education, Ford set out to aid in the desegregation of schools and communities and to create urban policies that would address issues of race and poverty and to "aid metropolitan areas undergoing stresses and strains associated with the in-migration of racial minorities" (Raynor, 1999, p. 202). The Ford Foundation was also interested in specifically working to improve schools. "In 1960, the foundation launched the Comprehensive School Improvement Program (CSIP), a series of grants to 10 cities to encourage a wide variety of innovations…in the classroom" (Manno and Barry, 2001). Eventually, the project included 25 sites and cost more than $30 million. CSIP is best known for the debacle it caused in New York City where Ford funded a three site

experiment in decentralization (the district sought to decentralize control of the schools to community boards), most infamously in Ocean Hill-Brownsville (OHB), Brooklyn. In OHB community boards and the United Federation of Teachers (UFT) battled over funding and teacher firings and reassignments. Ultimately, the teachers went on strike and the entire situation had to be resolved by the Board of Education, but there was significant damage done to the Foundation's reputation and, more importantly, to the community (Manno and Barry, 2001).

O'Connor (1999) described the way in which the Ford Foundation made in-roads into federal policy through the development of the Mobilization for Youth (MFY) demonstration project. The MFY was a demonstration project on Manhattan's Lower East Side coordinated by a coalition of settlement houses, social service agencies and the Columbia University School of Social Work to develop neighborhood based solutions to the problems that caused juvenile delinquency (p. 177). The Ford Foundation's support of MFY was "instrumental in persuading New York City and federal government officials to provide…[funding] to launch MFY as a full-scale demonstration project" (p. 177). The foundation's support further helped the program and its staff gain influence within the federal government. Indeed, the MFY research director was poached by the President's Committee on Juvenile Delinquency, and the program was adopted as a federal policy (Marris & Rein, 1973).

The Ford Foundation's Gray Areas Project is often cited as another example of how the foundation sought to use demonstration projects to influence federal policy. The Gray Areas Project sought to address social revitalization in the decaying areas between urban centers and the suburbs. The Gray Areas Project was designed explicitly to influence federal policy (Marris and Rein, 1973; Mossberger, 2010; O'Connor; 1999). Then-Ford President,

"Ylvisaker asked these and other program administrators to think of Gray Areas cities as 'pilot communities' for 'experiments of consistent and critical impact' where federal resources could be concentrated" (as cited by O'Connor, p. 178). The federal Community Action Program, part of the War on Poverty, was indeed modeled on the Gray Areas Project (Mossberger, 2010).

In a similar vein, it has been argued that foundations have been able to move K-12 education to a more market-based approach through the funding of the charter school movement, starting with the funding of individual charter schools and charter management organizations, with the goal of demonstrating how effective charter schools are at improving K-12 education (Carr, 2012; Hassel & Way, 2005; Ravitch, 2010; Rotherham, 2005).[12] Hassel and Way (2005) examined the extent of school choice related philanthropy, the types of school choice supported by philanthropy and the effectiveness of such grantmaking. They gathered grant data from the 50 largest K-12 grantmakers in 2002, as identified by the Foundation Center. They also surveyed each of the foundations to gain a better understanding of their "school choice-related activities" (p. 179). They found that the 50 largest foundations gave 23% of their grant dollars for school choice activities—charter schools, small schools, alternative schools, vouchers and research— in 2002. It should be noted that 87% of these grants came from just two foundations—Gates and Walton. They note that Gates alone accounted for 95% of the grants made to small schools. While this is certainly somewhat astounding, it is important to understand the context, that this is a snapshot more than an in-depth study, and that it was conducted in the middle of the Gates Foundation's Small Schools grant program. Thus, it is not surprising that the Gates Foundation accounted for so much of

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[12] Whether charter schools have been effective, and this funding has been well spent, is probably the topic of an entirely different dissertation.

that form of giving. Moreover, in 2002, the Gates Foundation made more than $308 million in grants for education, substantially more than almost every other foundation making education grants in that year.[13] A significant limitation of this study, therefore, is that it collected grant data for only one year. As such, the results should be taken with a grain of salt. They are nonetheless compelling in that they suggest (1) the overwhelming effect of just two foundations and (2) the need to use a larger data set to gain a better understanding of the role of philanthropy in K-12 education, and its relationship to school choice in particular.

Advocacy and organizing. Foundations seek to influence policy change by funding advocacy work (Bromley & Tompkins-Stange, 2012; Ferris & Harmssen 2009; Ferris, Hentschke & Joy 2006; Hammack 1999; Jenkins and Halcli 1999; Knott & McCarthy, 2009; Rotherham 2005; Weissert & Knott, 1995). Ostrander (1995) differentiated between organizing and advocacy. She defined advocacy as "people speaking and acting *in behalf of* marginalized others, [while she defines organizing as] "marginalized people speaking and acting *for themselves*" (emphasis in the original, p. 5). Here, I extend advocacy and organizing to include speaking and acting on behalf of ideas, and discuss the research on foundation funding of advocacy and community organizing.

Although foundations may not actively lobby the government themselves, they are able to provide funding to organizations that lobby as long as they make the grants for general operating support. In addition, they can fund projects that include a lobbying component, as long as the funding of the lobbying is "less than the total amount that the grantee will actually spend on lobbying" (Ferris & Mintrom, p. 17). Moreover, there is a fine line between

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[13] According to the Foundation Center's Aggregate Fiscal Data for Top 50 FC 1000 Foundations Awarding Grants for Education, 2002, the Lilly Endowment gave $304.4 million, the Annenberg Foundation gave $277.5 million and the next largest total education grantmaker was the Carnegie Corporation of New York, making just $92.8 million in education grants.

providing information for lawmakers to use or to help lawmakers understand a topic and

actually lobbying, or pushing for a particular policy. Ferris, Hentschke and Joy (2006) found

that 53% of the foundations that they studied funded advocacy work, making it the third most

common tactic used by their sample of policy foundations to influence education policy.

Three years later, Ferris and Harmssen (2009) found that all 19 policy foundations they

studied, funded advocacy and/or grassroots organizing, policy analysis or data analysis and 7

of the 19 directly targeted lawmakers/policymakers through education campaigns and

publications. Knott and McCarthy (2009) argued:

> The potential rewards are also greater in the short run if the foundation can get on the
> political agenda and gain attention of policymakers. This approach centers on the goal
> of facilitating the generation of policy knowledge and ideas, working to bring think
> tanks and researchers together to create a policy discussion, funding efforts to
> influence public opinion on the idea, and then funding policy advocacy groups based
> on these ideas and discussions (pp. 223-4).

Advocacy grants can target multiple stages of the policy making process. Although much of

the older literature and older foundation strategies focus on the less direct means of advocacy

described by Knott and McCarthy, more recent research has identified more active advocacy

strategies that newer foundations pursue, both through their grantmaking and through the

development of "sibling" 501c(4)s and 527s, which, unlike 501c(3)s, which most grantmakers

and grantees are, are allowed to conduct direct advocacy work, as well as to fund political

candidates. Chester Finn, Jr., President of the Thomas B. Fordham Foundation pointed out

that "'for years, when [education-reform] funders talked about advocacy, they were really

talking about communications'….'they tended to think that if you made a compelling

argument, the reforms would take care of themselves. It took them a while to engage the full

spectrum of advocacy efforts.'" (As quoted in Levenick 2013, paragraph 30, second sentence).

In their cross-case comparison, looking at three types of policy advocacy from three foundations, Bromley and Tompkins-Stange (2013) described how one of their case study foundations, the activist foundation, is "both aggressive and open with its involvement in policy [and has been] since its inception" (p. 10). The foundation actively seeks to change education policy, and the founder has gone so far as to fund a 501 c(4) in addition to the foundation, in order to conduct lobbying work. Some the foundation employees are also employees of the 501c(4). Levenick (2103) similarly showed how one funder, John Kirtley, a venture capitalist and philanthropist, used a combination of these more aggressive advocacy techniques to push for enhanced school choice options in Florida. Kirtley initially created a 501c(3) nonprofit to administer scholarships made possible by the Florida Corporate Tax Credit Scholarship program. Through his 501c(3), he encouraged scholarship families to use their political connections—i.e. their ministers who had connections to key state senators—to gain further support for the scholarship program. Concomitantly, Kirtley created a 501c(4) to conduct direct advocacy to legislators, and a 527 to promote candidates who supported his efforts to expand school choice in Florida. Reckhow (2013) also found that living donors fund organizations and individuals from their own pockets (not the foundation's) to support the foundation's goals: "After mayoral control was restored by the legislature in August 2009, the *New York Post* published an article revealing that Bill Gates and Eli Broad had personally funded Learn NY [the advocacy organization pushing for mayoral control to be continued]" (p. 100).

Tompkins-Stange (2013) juxtaposed the policy work of the Kellogg and Ford foundations, representing "old" foundations, with that of the Broad and Gates foundations, representing "new" foundations. Gates and Broad used "specific interventions" (Tompkins-Stange, 2013, p. 80) to engage policymakers. She noted that the Broad Foundation saw research as an insufficient means through which to influence policy, and that their direct tactics have been "so explicit that other foundations were uncomfortable [with them]" (Tompkins-Stange, 2013, p. 73). Although the Gates Foundation was initially uncomfortable with Broad's approach and more hesitant to undertake direct advocacy work, it ultimately dedicated a large portion of its overall education budget to funding advocacy organizations. In 2009, for example, the Gates Foundation spent four times as much on advocacy as it had in 2005, directing $78 million to advocacy organizations and activities (Dillon, 2011). Moreover, Dillon (2011) noted, when the Gates Foundation sought to influence an area of policy in which an advocacy organization (that shared its ideas) that did not already exist, the foundation simply created one. In contrast, Tompkins-Stange (2013) found that the Ford and Kellogg Foundations made grants to increase democratic participation and to engage communities in policymaking and advocacy. These foundations acted as conveners of people and facilitators of public debate to change public opinion and policy from the ground up: "Kellogg and Ford informants both tended to view their foundations' roles as "infrastructure developers, facilitators of debates and conveners of people," as one informant described, as opposed to Gates' and Broad's comfort with using direct institutional influence and political capital as levers in change processes" (Tompkins-Stange, 2013, p. 140). She further noted that Kellogg and Ford sought to influence policy through a "grassroots community organizing and cultivating political mobilization" strategy (*ibid,* p.100). Her Kellogg informants emphasized

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doing things with the community, not to the community and the need to maintain authenticity of grantee priorities (near quote p. 101). Kellogg's advocacy work was conducted through their grantees' grassroots advocacy. Similarly, while Ford used a mixed model of policy funding, that is they funded direct advocacy as well as more bottom-up (Rotherham, 2005) approaches. Their bottom-up strategies included funding grassroots organizations and efforts to "push-up" policy ideas, with a primary goal of facilitating democratic debate and generating community activism of the issues that they wanted addressed, as the communities were the ones in it for the "long haul" (p. 108).

Foundations can also fund advocacy by funding local nonprofits and intermediary organizations (Ferris, Hentschke & Joy, 2006; Reckhow, 2009, 2010, 2013; Smith 2010). Looking at the largest education funders in 2000 and 2005, Reckhow (2010) argued that through their funding of local nonprofits, foundations were able to exert influence and pressure on school district policy and were able to have a greater impact than by funding districts directly because they are more innovative, less bureaucratic, and able to move at a faster pace.

Foundations also fund the creation of new organizations to push for the foundations' policy goals or to address particular issues and/or problems (Colwell 1993, p. 55). Similarly, by developing new organizational fields, foundations are able to address particular problems and issues, but with a broader scope (Bernholz, Seale and Wang, 2009; Colwell 1993; Hammack, 1999; Quinn, et al. 2013; Tompkins-Stange, 2013). Benholz, Seale and Wang (2009) argued that "'field-building' is an increasingly popular practice in philanthropic work because it offers an opportunity to go beyond funding individual organizations or projects and to create a coherent strategy for change on a much larger scale" (p. 1). Likewise, Quinn, et al.

(2013) demonstrated how foundations created a new organizational form, the charter management organization (CMO) in order to promote charter schools and to overcome the failures of existing forms of school choice: the stigma associated with education management organizations as being profit-seeking organizations and the failure of stand-alone charter schools to create dramatic results. Through CMOs, foundations privileged not only an organizational form, but also a new breed of education entrepreneurs who themselves would be able to (1) demonstrate the value of charters/school choice through the success of their schools and networks, and (2) advocate for continued pro-choice policies, and organize parents to do so as well (Reckhow 2010, 2013).

Reckhow (2009, 2010, 2103) also showed how the major education foundations have helped to build the field of diverse providers and to legitimize the field (p. 278). Looking at grantmaking by the 15 largest foundations in 2000 and 2005—and in 2010 (Reckhow and Snyder (2014)— Reckhow explored the relationships between funders and recipients. She found that by 2005 foundations had started funding more diverse provider model organizations, i.e. private organizations "that offer some component of public education, usually under a contracting or charter arrangement with a public agency" (p. 278). She also found that multiple foundations fund many of the same organizations within this field. Like Quinn et al. (2013), she argued that large foundations have used two methods to build the field: (1) "they support the adoption of common goals and standards through their grant-making choices" (p. 290), which makes the organizations increasingly similar and (2) by funding similar organizations they have created a network of like-minded groups and individuals. These diverse provider organizations fall into two general categories: community-based, which work with school districts (e.g. New Visions for Public Schools), and market-

based, which work outside of the system to create new pipelines and market solutions (e.g. CMOs, TFA). She concluded that although there are two distinct sets of funders,[14] each funding one of the types, a nationally linked diverse provider field is emerging as a result of the convergence of grant making by a small group of foundations.

Jenkins and Halcli's (1999) study of the development of social movement philanthropy from 1953 to 1990, looking at funding trends over the four decades covered, showed how funding for advocacy organizations has led to the development of social movements. Social movement philanthropy focuses on funding projects that attempt to "organize or represent the interests of a previously unorganized or politically excluded group…whether these go to grassroots movement groups, to professional advocacy and service organizations, or to institutionalized organizations such as churches and universities that are sponsoring movement work" (p. 230). Jenkins and Halcli were concerned that philanthropy to support social movements would professionalize and institutionalize grassroots efforts, making them more professional, and less grassroots-y. To address this, they examined three aspects of grantmaking (1) the types of groups that received funding, (2) how funding was related to indigenous mobilization, and (3) if the funding led to successful social movements (p. 244) in three grassroots movements and two professionalized movements. The grassroots movements were the Civil Rights movement,[15] the peace/antiwar movement and the women's movements. The professionalized movements were environmentalism and the consumer protection/government accountability movements.

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[14] However, Gates fell into both groups of funders. The market-based group was funded primarily by Broad, Walton and Gates, while the community-based group was funded primarily by Carnegie, Annenberg and Gates.

[15] They call this the African American Movement.

They identified four types of social movement organizations that received funding: indigenous/grassroots, professional advocacy, technical support and institutionalized organizations.[16] Overall, they found that early in the study period, among the grassroots movements, institutionalized organizations received the vast majority of funding, but by 1960 the majority of funding went to professional organizations. Grants to advocacy and technical assistance organizations represented between half and three-quarters of the funding that went to social movement philanthropy from 1960 to 1990. Grants to indigenous organizations fluctuated with the social and political environment. From 1953 to 1960 grants to indigenous organizations represented about one-quarter the total social movement philanthropy. During the tumultuous 1960s, they only accounted for about a tenth of the grants made, but through the 1970s and 1980s the percentage rose to almost 26%, falling again to about 21% in 1990.

However, funding for professional (both advocacy and technical assistance) and indigenous organizations varied by issue. Jenkins and Halcli (1999) found that funding for the Civil Rights movement initially went to grassroots organizations, but then became split approximately evenly among grassroots, advocacy and technical support organizations. While support for professional organizations over grassroots organizations may have limited some of the grassroots work, they argued, it was critical to building the legal and political resources that made the movement as successful as it was (p. 249). In funding for the women's

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[16] Indigenous movement groups are those with chapter membership or that mobilize resources directly from the official beneficiaries of their major projects. The NAACP, the SNCC, the Sierra Club, and Friends of the Earth are prime examples of this type of classical grassroots-movement group (Jenkins and Halcli 1999, p. 244). Professional advocacy groups have "paid professional staff who "represent" or "act on behalf" of groups. Resources come largely from institutions and "conscience constituents" who do not have a direct stake in the issues being addressed" (p. 244). Examples include the Children's Defense Fund, the National Organization for Women, and the National Resource Defense Council. Technical support groups "that provide technical services to grassroots and professional advocacy projects" (p. 245). Examples of this form of organization include the Center for Community Change and the Youth Project. Finally, institutionalized organizations are organizations such as churches and universities that sponsor movement projects.

movement, foundations funded the development of new advocacy organizations and service centers to advocate on women's issues and to fight against sexual discrimination and anti-abortion measures. The heavy focus on funding professional organizations severely limited the development of a grassroots movement focused on women's issues, which, they contend, has reduced the movement's impact. Whereas funding for the Civil Rights and women's movements were proactive, foundation support of the peace/antiwar movement was largely reactive. It did not support grassroots movements; more than half of funding for the peace movement went to institutions such as churches and universities that sought to protect conscientious objectors. Foundations only began funding student organizations (grassroots organizations) in response to the demand to lower the voting and drinking age to eighteen. Further, they began to fund advocacy organizations only after it was revealed that the Federal government was infiltrating student protest groups. In contrast to the Civil Rights and women's movements, the lack of support for grassroots organizations did not stunt the growth of the antiwar movement, or limit the voices of the participants.

Among the professionalized movements, both the environmental and consumer-protest movements heavily benefited from foundation support of professional organizations. In fact, both exist largely because of the funding of advocacy and technical support organizations by foundations at the beginning of the movements. Where they differ, however, is in the timing of foundation funding. Like the grassroots movements, funding for the environmental movement followed the development of the movement. Funding for the consumer-protection movement, however, instigated the movement's development. Clearly, the funding of professional advocacy groups has been important to the development of social movements, although Jenkins and Halcli also point to the importance of bottom-up funding (i.e. funding

indigenous organizations) at the same time. Jenkins and Halcli's (1999) study is useful in that it demonstrates that through their funding, foundations are able to create real and dramatic change. Funding the advocacy organizations that supported these social movements enabled them to become actors in the American political landscape, rather than fringe voices that could be easily ignored.

Domhoff (2005) looked at the role of the Ford Foundation in urban redevelopment in the inner cities beginning in 1955. He examined the Foundation's involvement in the development of advocacy organizations and projects to improve living conditions in the inner city. He argued that the Ford Foundation, through its funding priorities and its alliance with the power elite, put its stamp on the inner-city network of Community Development Corporations (CDCs) and Community-Based Organizations (CBOs). Ford also heavily influenced the policy that supported such organizations and helped to revitalize inner-cities. He contended that through their support of CBOs and CDCs, family foundations convinced community and corporate foundations to provide further funding. These family foundations also provided additional funding to advocacy organizations that lobbied for the government that makes CBOs and CDCs work. Through his analysis of foundation funding to CBOs and CDCs, as well as to advocacy organizations, Domhoff showed that the Ford Foundation was critical for cooling the tensions of black-white residential integration and the expansion of downtowns. Quite importantly, Domhoff noted that the Foundation's allies, i.e. former grantees, lobbied for the Tax Reform Act of 1986 to include a tax break, the Low Income Housing Tax Credit, for individuals and corporations to support low income housing. By 2005, approximately 90% of low-income housing was financed by tax credits to corporations. Here it can be seen that foundation funding for advocacy organizations can have a lasting

influence on policy and on implementing foundation goals. The Ford Foundation, Domhoff

notes, no longer had to fund CDCs; government and other foundations took on the

responsibility, leaving Ford to focus its attention on a new set of advocacy organizations.

Lastly, foundations make grants to sway public opinion, awareness and engagement

(Ferris & Harmssen 2009; Smith 2009; Hammack 1999). There are a few specific strategies

that fit into this category. Ferris and Harmssen (2009) noted that of the 19 foundations they

studied, 12 used communications strategies, including media campaigns, publications and

internet-based strategies, as well as press releases and other general communication activities

to influence policy. Other foundations fund grantees that use community organizing as a tool

of public engagement, public education and to increase democratic participation (Ferris &

Harmssen, 2009; Jenkins & Halcli, 1999; Ostrander, 1995, 2004; Robelen, 2010). These

strategies can be used to influence elite opinion, such as the Ed in '08 campaign which was

designed by the Gates and Broad Foundations to influence the 2008 Presidential Election

(Russo, 2012), or to influence mass public opinion. For example, Archer (2003) and Krehley

et al. (2004) describe how the Center for Education Reform a D.C.-based school choice

organization supported by foundations such as the Walton Family Foundation, seeks to

influence mass opinion in support of the school choice movement:

> The Center for Education Reform's approach to reaching and educating the public has
> not been in the style of a typical Washington, D.C., think tank, which usually issues
> materials for the policy community's consumption. Instead, the center has targeted
> mainstream magazines such as *Good Housekeeping* and *Parents* and has built strong
> support for the school-choice movement at the grassroots level (p.24).

Legal. Covington (1997) described how conservative foundations used legal strategies

to finance litigation that supports the rights of individuals and other conservative ideals,

finance public education regarding conservative legal ideas and financing pro-market law

firms and law organizations that deal with conservative issues such as ending affirmative

action and eliminating environmental regulations. Similarly, Rosenbaum (2009) demonstrated

that foundations fund litigation and advocacy organizations that conduct litigation to change

environmental policy. Such grants often take the form of capacity building grants or are

couched in similar terms so that they do not appear to be crossing the line of what foundations

can legally fund.

General operating support. Lastly, general operating support grants enable

foundations to provide support for their grantees without concerning themselves with the end

purpose of the grant money. General operating support is important because it provides: (1)

flexibility for grantees to quickly respond to short-term opportunities, issues; (2) stability over

the long-term; and (3) allows grantees to focus on institutional objectives rather than

fundraising. According to a number of scholars, the making of general operating support

grants accounts for some of the success that conservative foundations have had in spreading

their ideology. (Covington 1997, 1998; Smith 2009; Henig 2008; Cohen 2007; and Krehely et

al., 2004; McDonald 2014). Krehely et al. (2004) further argued that unrestricted funds allow

organizations to "build strong institutions, do innovative work without having to worry about

attracting new donors, and respond in a timely manner to policy issues without having to wait

for a project-specific grant" (p. 16).

In Covington's (1997) study, general operating support grants made up 36% of all

grants among the foundations in her sample, as compared to 18% for all foundations in 1994,

as identified by the Foundation Center; when academic grants were excluded that percentage

rose to 48%. Similarly, Krehely et al. (2004) found that general operating support alone

accounted for about $94 million of conservative grantmaking in 2001, and another $69.7

million was unspecified, so it could actually be much more**.** Overall, at least 37% of

conservative grants in their study were for general operating support compared to 13.6% in

the field. For education, which did not include grants to universities, but did include grants to

academic change organizations, which target universities, 60% of grants were for general

operating support. As can be seen from these two examples, conservative foundations make

significant grants for general operating support.

Agenda setting—an example of how foundations use multiple strategies together.

When policy foundations behave most rationally they seek to change policy from

multiple angles. Agenda setting, brings together many of the other strategies described above

to get a policy idea onto the policymaking agenda. Foundations that are acting in this manner

follow their proposed agendas through to the implementation process and also fund

demonstration projects, evaluation of said projects and follow-up advocacy work.

Kingdon (1995) defines agenda-setting as the process that "narrows this set of

conceivable subjects to the set that actually becomes the focus of attention" (pp. 3-4).

Although foundations may seem like unlikely candidates to have the resources to actually get

an item on the public agenda, I will show in the example below, and others have shown with

regard to the influence of more recent philanthropic activity (Tompkins-Stange, 2013;

Reckhow, 2009, 2013; Reckhow and Tompkins-Stange 2015), that by working in concert with

one another, some foundations do have the resources and the know-how to have significant

effect on the public agenda. In studying the power of the Gates and Broad Foundations at the

federal level of government, Reckhow and Tompkins-Stange (2015) conclude:

..the strategic and purposeful alignment of foundation funding focused and accelerated the volume of grantees' advocacy work on key issues, which subsequently had the effect of saturating the market of policy-relevant ideas related to teacher quality and propelling the foundations' preferred models of reform onto a national stage. In effect, these actions legitimated and diffused some approaches to teacher quality over others, illustrating the power of foundations to anoint exemplars within a field of organizations (p. 28).

Weissert and Knott (1995) found that more than half (51.5%) of respondents, particularly interest-group respondents (73%), "felt that raising concerns onto the national agenda was an extremely important or very important role for foundations to play" (paragraph 23).

Although they are not the only foundations that do so, conservative foundations have been cited by previous researchers as being particularly good at agenda setting (Cohen 2007; Covington 1997; Krehely, House & Kernan, 2004; Scott 2009). In their efforts to do so, conservative foundations also serve as a model of rational behavior in grantmaking. I briefly discuss them here as an exemplar of how foundations bring together their grantmaking and their extra-monetary strategies to influence policy. Conservative philanthropy began in the early 1970s when conservatives began to urge philanthropy to match their giving to their political and policy interests, and called for strategic philanthropy that would drive a conservative vision. They did not want to subsidize "liberal academy" that was hostile to business (Teles, 2008). The existing research on conservative foundations shows how they use both their funding strategies as well as their relationships to get their desired results. According to Covington, (1997) conservative foundations are successful because they are focused and targeted in their grantmaking. "It is not simply the volume of money being invested that merits attention, but the way in which these investments have helped to build the power and influence of the conservative movement" (Covington 1997, p. 3). That is, conservative foundations' work is well coordinated.

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Covington (1997) examined the strategies that conservative foundations have used to push their ideology of an "unregulated market, limited government and traditional values" (p 31). Through her analysis of their funding, Covington demonstrates that conservative foundations combined their tactics to build strength for the conservative ideological agenda between 1992-1994. The foundations were identified because they are "widely recognized for their contribution to conservative policy organizations and/or established leadership in developing either an organizational infrastructure or intellectual rationale for conservative philanthropy" (p. 4). Data for this report were gathered at the grant level, as I do in my own research. Covington used foundation annual reports and/or 990PFs for each foundation for each year studied to gather detailed grant information. She used four methods for identifying relevant grants: 1. the grant description; 2. direct solicitation of data from grantee orgs; 3. reference to *The Right Guide,* 1995; and, 4. consultation with those knowledgeable about the field. If a grant was unclear, it was included or excluded with noted qualification (near quote, p. 4).

There are three basic principles of conservative grantmaking: develop ideas, translate ideas into policy and implement ideas. Covington identified seven factors that make them effective: funding an ideological agenda (focused vision); focus on building strong institutions (general operating support); recognize that national/federal policy and funding priorities are important and concentrate funding on a handful of organizations; focus on marketing conservative ideas; create public intellectuals and policy leaders; target a variety of institutions recognizing that reform needs to be targeted from multiple angles; and, have a continuous, long-term funding effort (pp. 5-6). In their follow-up to Covington's 1997 study, Krehely et al. (2004) added that conservative foundations are successful because they provide:

flexible funds, long-term funds (general operating support, discussed above), make focused grants, focus on the broad spectrum of policy organizations, and have good alignment between the funder goals and the grantee goals. They argued that conservative foundations use a "two-pronged approach to the funding of policy ideas at both the state and national levels [which] has allowed issues such as school choice and welfare reform to move from being considered radical ideas in a few states to mainstream, viable policy options debated and considered in Washington, D.C." (p. 11). Conservative foundations have identified the areas of public policy in which they want to exert influence and have developed strategies targeted at particular levels of government to insert their policy ideas into the mainstream policy agenda. This is a particularly important point to understand how conservative foundations have behaved rationally.

According to Covington (1997, 1998), the conservative foundations in her study have a strong appreciation for the role of the media in influencing political ideas and conversations. As such, they made significant grants to support the development of conservative media and to message conservative ideas in the mainstream media. The sample foundations provided nearly $32 million in unrestricted funding, i.e., funding without any strings attached, to think tanks to use as they wish, including marketing (and she argued that the these think tanks do so aggressively). They also provided an additional $16 million in funding to develop conservative-controlled media and influence public affairs and cultural programming of mainstream media. They further provided another $13 million in funding to convene policy conferences and strategy meetings, develop communications tools and initiate public education campaigns (Covington, 1997, p. 32). In addition to getting the conservative message out in and of itself, a strong conservative media campaign forces other (non-

conservative) organizations to react, thus keeping the conservative message in the spotlight.

In addition to general operating support and marketing support, conservative foundations obviously fund a variety of institutions to support the conservative message. Covington (1997) cited Heather Higgins of the Randolph Foundation as saying "…having a broad spectrum of voices pushing on an issue—is crucial. By defining the broad bands of debate, you can shift the perception of what constitutes the moderate, reasonable center" (p. 30). Thus, the grants that conservative foundations make are designed to define the issues on the public agenda and to define the "reasonable" stances on those issues. In order to do this, conservative foundations made seven types of grants.

First, they make grants to academic institutions in order to (1) build and strengthen intellectual scaffolding to support conservative views, and (2) develop a network of conservative faculty, student, trustees, etc. to oppose progressive curricula and policy on higher education campuses. Grants made to academic institutions take a variety of forms: establishing and expanding law and economics programs with a conservative spin; funding public policy analysis, government and economics training; funding academic change networks to counter the opening of higher education to non-traditional scholarship; and reversing the movement of the academy toward left. Smith (2009; see also Teles, 2008) provided a good example of this in his review of the John M. Olin Foundation's work. While it was in existence, the Olin Foundation worked to instill conservative values in higher education by funding an endowed chairmanship in economics at the University of Chicago, as well as at other universities, supporting university-based research centers, and supporting individual researchers who have a conservative bend. Smith (2009) also noted that the Olin

Foundation "backed a group of institutions whose goals are to investigate and criticize liberal organizations" (p. 71).

According to Krehely et al. (2004) education, including grants to organizations that target "academic change" (ending "liberal bias" on college campuses,) organizations that advocate for school reform in the form of increased school choice (charter schools and vouchers), higher education, youth development organizations, public education, student services organizations, and museums/libraries, made up about 10% of conservative grant making, although this figure does not include grants to general policy organizations that might deal with education, so it could be significantly larger. School reform is the second largest recipient of conservative foundations' education grants. According to "Gisele Huff, president of the Jaquelin Hume Foundation…the No. 1 issue for free-market conservative think tanks is school reform and that they [free-market think tanks] devote almost one-fifth of their resources to the issue" (as cited in Krehely et al., 2004 p. 24). Grants to support a variety of school choice organizations, including charter schools, parent support and advocacy organizations, and research and advocacy organizations are prototypical of these types of grants.

Second, conservative foundations focus their grantmaking on elite advocacy by funding national advocacy organizations and think tanks that focus on national budget and policy priorities. These organizations in turn aggressively market their ideas using grant money. Marketing strategies include targeting mass media, developing clearinghouses on topics, holding forums for policymakers and journalists on particular topics, and supporting conservative-controlled media and publications, including policy journals. Krehely et al.

(2004) found that policy organizations[17] received 46% of total funding. Likewise, they fund state level advocacy organizations and think tanks which not only advocate at the state level, but also provide technical assistance to state government (e.g. providing model legislation, holding conferences, etc) to support the conservative agenda of devolution of power to the states.

Third, they fund public engagement type advocacy to influence mainstream media and mass public opinion by making grants to media groups to develop right-wing media outlets, develop conservative public affairs programming on public television and radio, and developing right-wing media critics (Covington 1997 pp. 21-22). Fourth and similar to advocacy funding, conservative foundations have been quite good at using lawsuits to push their policy agenda, particularly around ending affirmative action and environmental regulation, although they have done so—with varying degrees of success—around school choice issues as well. While foundations across the political spectrum can clearly use these strategies, conservative foundations have been particularly adept at exploiting it.

Finally, conservative foundations have acted rationally by "covering all their bases" and targeting their message at the religious and philanthropic communities, which they envision as having anti-conservative values (Covington, 1997). These grants target mainstream Protestants and Roman Catholics to change the religious leaderships' opinion of the business community and its associated free market beliefs. Conservative foundations have also taken a strong position on philanthropic work. In Covington's study, trustees from all twelve sample foundations serve as leaders of philanthropy organizations and networks and take public stances about philanthropy "via media interviews, opinion editorials, articles,

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[17] Note that this figure includes national think tanks, state think tanks and general policy organizations. In Covington's categorization of funding strategies, however, funding to state think tanks and state policy organizations is separate from funding to national think tanks and national policy organizations.

conference presentations" (*ibid,* p. 27) to criticize "liberal grantmaking" at other foundations. As such, conservative foundations make grants to spread their policy agenda among philanthropic organizations, particularly conservative philanthropic networks and organizations to publish journals, newsletters, hold conferences, provide technical assistance, identify new funders and generate new ideas, and find new grantees. (Krehely et al., 2004 p. 29).

All of these strategies, when taken together, which conservative foundations do, comprise a targeted strategy to push a conservative ideology and get conservative policy solutions onto the public agenda. These grantmaking strategies exemplify Greene's (2005) notion of higher-leverage grantmaking. By focusing grants on activities whose ultimate goal is to change public expenditures, conservative foundations have been able to achieve significant policy change.

Conservative foundations have used all of the methods described throughout this chapter, as well as strategic choice of jurisdictions to change the national conversation on a variety of topics, in particular education. Conservative foundations exemplify rational grantmaking, as discussed below, in that they target their grants to the level of government(s) that they seek to change and they provide support from multiple angles. For example, the Walton Foundation is committed to improving K-12 education through school choice. In order to create the policy environment for that to happen, the foundation funds (1) individual charter schools which serve as demonstrations of how charters can be effective; (2) charter support organizations that provide support to individual schools and which advocate at the state level for better conditions for charter schools; and (3) national school choice organizations which advocate at both the state and federal level for better charter and choice

laws. Further the foundation makes high-leverage grants designed to change public opinion and public spending. Eighty-six percent of the Walton Foundation's grants in my data set are for policy activities. Conservative foundations have further been influential in the field of foundations generally, as many of their tactics, particularly their use of general operating support grants, have been adopted by non-conservative foundations. This is an example of how normative isomorphic forces have changed the field of foundations.

2.31: Additional means of Influence. There are two additional means of influence upon which the literature on foundations touches that are quite important to understanding the role of foundations in the creation of public policy. These two forms of funding are not as overt, but are critical to understanding the mechanisms of foundation influence. As will be seen in the below discussion, these are not topics or strategies that can be coded in an examination of grants, so they are not included in my analysis. I will return to them in the final chapter, but seek here to lay the groundwork for thinking about the potential negative impacts of foundation involvement in policy.

First, foundations influence policy through the conditions of their funding. They can influence policy through the requirements of the funding, evaluation, program participation, etc. This has been a core tenet of venture philanthropy[18] and is well documented in the venture philanthropy literature. Venture philanthropy requires that recipients adhere to strict timelines, meet stringent goals for outcomes and use particular metrics to measure success. In doing so, they are able to limit funding to projects that lend themselves to such funding and are able to "encourage" nonprofit leadership to adopt their goals (Hwang & Powell, 2009; Moody 2008; Quinn et al., 2013; Saltman 2010). Similarly, Hwang & Powell (2009) found

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[18] Also known as high engagement or strategic philanthropy.

that foundation funding of nonprofits led to significantly greater rationalization due to the metrics, measurements and strategic that modern foundations, led by venture philanthropists, require of their grantees. Reckhow (2010) further argued that by developing common standards for their grantees, venture philanthropists have built a field of diverse providers for education, and through them, influence educational policy, particularly local policy. However, venture philanthropists are not the first to use this tactic to influence policy.

Foundations have used the requirements of their funding to drive policy change since their inception. For example, in his history of the Carnegie Corporation, Weischadle (1980) discussed how the Corporation was able to get universities to sign onto the acceptance of the Carnegie Unit—the measure later institutionalized in state education codes, and still used today, to quantify course hours at the high school level—because it was a condition of participation in the Carnegie pension fund. Although the initial change occurred within private institutions, it was later codified in state education law.

Second, and somewhat more abstractly, foundations can be influential in what they choose *not* to fund (Bacharach & Baratz, 1962; Colwell, 1993; Domhoff, 2005; Jenkins & Halcli, 1999; Slaughter & Silva, 1980;). Slaughter and Silva (1980) and Domhoff (2005) argued that this has been a deliberate strategy by foundations to keep more radical approaches and policy solutions off the public policy agenda. Colwell (1993) contended that in choosing to fund one topic or solution over another, foundations help get particular topics of their choosing onto the public policy agenda rather than other topics. Lagemann (1989) argued that through their funding decisions foundations have played a critical role in establishing the privileged voice in selecting what knowledge and ideas would become prominent and which would not. She noted that in its decision to not fund social settlements in the early 1920s,

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the [Carnegie] Corporation contributed to the demise of these often radical, highly intellectual, and female-led centers of reform. The Carnegie Corporation favored scientifically focused social science research organizations, such as the National Bureau of Economic Research, exclusively over social settlements and in doing so eliminated a competitive model of social science research, making these types of organizations the de facto model of social science research in the United States. Over time, they evolved into social service distribution centers linked to professional and government bureaucracies" (Lagemann 1989, p. 68).

In this instance, not only did the Carnegie Corporation prevent the "radicalization" of service delivery to the poor, but also transformed the way in which organizations that worked with the poor were organized to match the goals and ideals of not only the foundation, but also of the trustees and their associates.

Similarly, Slaughter and Silva (1980) discussed how the Russell Sage Foundation did not fund "left-leaning," organizations as the idea underlying their work was that industrial capitalism was necessary for progress, and, therefore, any solutions to the growing problems of the poor, that many more left-leaning thinkers blamed on industrialization, could not challenge capitalist practices. By not funding these types of organizations, they precluded more left-leaning ideas from penetrating the newly developing social service field.

In their study of social movement philanthropy, discussed earlier in this chapter, Jenkins and Halcli (1999) found that over the forty years of the study, funding for social movements became more prevalent, but at the same time the movements foundations chose to fund became more "middle-class" and professional, thus avoiding protest groups and dissatisfied poor people. By funding projects that benefit those who already had a political voice, foundations limited funding that was available for those who did not and limited their ability to become more politically active.

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Quinn, et al. (2013) similarly argued that in funding CMOs and their accompanying leadership, foundations chose *not* to fund stand-alone charter schools, noting that between 1999 and 2005, foundation funding of CMOs grew dramatically, while that "for other charter school forms remained flat… and CMOs received more than 90% of foundation funding to California charter schools" (p. 6). In choosing this form of organization over single school charters, the foundations responsible—primarily high engagement foundations—chose to fund their values, not those of the original charter movement, which was arguably (1) less of a threat to traditional public schooling and (2) more democratic in that they were typically created by teachers and/or parents to meet specific community needs. Similarly, Reckhow (2010, 2013) and Reckhow and Snyder's (2014) finding that the largest foundations have converged on a few educational topics in a few districts that have a particular form of governance—i.e. mayoral control—suggests that the largest foundations have privileged certain forms of reform over others and that organizations, including traditional stakeholders such as teachers unions, school boards and schools of education, that advocate for other types of policies/approaches have been left out of the conversation (Reckhow 2010).

2.4: Changes in the education policy landscape

My dissertation focuses on grantmaking around two events that are considered watershed moments in the changing landscape of education federalism, i.e. the levels of government responsible for making pre-collegiate education policy: the 1989 Governors' Summit at Charlottesville, Virginia and the 2001 passage of the No Child Left Behind Act (NCLB). While these two events are not equivalent in their results, and the Governors' Summit may be considered merely a marker for changes that had been ongoing since the late

1970s (Manna, 2006; Vinovskis, 1999), they both represent very public assertions that the

level of government responsible for education policy was changing. The public-ness of these

changes is crucial to understanding how policy *grantmaking* might change as a result of them.

Education in the United States has historically been a local matter (Tyack and Cuban,

1995; Tyack, 1993). Even today, thirteen years after the passage of No Child Left Behind,

which critics denounced for challenging local control of education, (Sunderman, 2009) local

school districts and states hold the vast majority of control over schools.[19] In 2011-12 there

were 13,567 regular school districts[20] in United States (U.S. Department of Education, 2014),

and local and state governments were responsible for 87.5% of school revenues, with the

source of funding almost equally split between the two (Cornman, 2013). Nonetheless, over

the course of the twentieth century K-12 education increasingly became a topic dealt with by

state governments, the courts and the federal government (Howell, 2005; Kaestle and

Lodewick, 2007; McDermott, 2007; Tyack, 1993). While there are many reasons for this

centralization of decision-making, one part of the story has to do with an increased number of

actors and voices—including teachers' unions, other interest groups, and political actors at all

levels of government—participating in the conversation about education.

Beginning in the Progressive Era (roughly 1890-1920), states began legislating what

schools and school districts should look like (Tyack, 1993), including regulating seat time

(Carnegie Hours), curriculum, and management structure (Lenkowsky, 2005; Lenkowsky and

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[19] With the onset of the Common Core requirements, the role of the federal government and the states is again increasing. While NCLB required that states and districts implement accountability measures, the Race to the Top, which has enticed states to adopt the Common Core, is voluntary; both have raised the specter of federal involvement in education.

[20] Regular school districts are defined as follows: "Regular school districts include both independent districts and those that are a dependent segment of a local government. Also includes components of supervisory unions that operate schools, but share superintendent services with other districts" (http://nces.ed.gov/programs/digest/d13/tables/dt13_214.30.asp).

Spencer, 2001). Following World War II, the pace of centralization was accelerated by court involvement in desegregation and school finance cases. In addition, federal legislation requiring equal protection for disabled students and women, and additional funding for poor students resulted in increased oversight of schools' day-to-day activities by states and the federal government (Davies, 2007; Howell, 2005; Tyack, 1993). Federal involvement in education reached an early highlight with the introduction of the Elementary and Secondary Education Act (ESEA) of 1965. According to McGuinn (2006), ESEA had two significant effects on the federal role in K-12 education. First, it got the federal government involved in K-12 education. He noted, that although "the implementation of ESEA would present many challenges…many observers at the time, nonetheless, recognized the symbolic significance of ESEA for national education policy: an important threshold had been crossed and an important federal role in education policy cemented" (p. 33). Second, ESEA led to the "bureaucratization and centralization of education policymaking from the local level to the state and federal levels" (p. 37). As would be the case again with the 2001 re-authorization of ESEA (No Child Left Behind), the original Act had the effect of solidifying the role of state education agencies in implementing federal policy (Hill 2000; Manna, 2006; McGuinn 2006). Although the federal government had, thus, taken an active role in K-12 education, it was far from being a key player; local school districts, along with state education agencies still provided the vast majority of education funding and direction throughout the United States.

The 1983 publication of *A Nation at Risk*, which claimed that there was an intimate relationship between the United States' faltering economic productivity and vitality and the failure of its schools, marked a critical moment for education policy in the United States (Davies, 2007), particularly among the southern states, which had recently begun to recognize

the importance of improving their education systems (Manna, 2006; Timpane & McNeill, 1991; Vinovskis, 1999).[21] The report suggested that if the United States did not improve its educational system, it would be economically ruined in the face of international competition that was increasingly better and more highly educated. According to *A Nation at Risk*, economic productivity relied on the ability of the educational system to produce the "raw materials" of the new economy—"knowledge, learning, information and skilled intelligence" (National Commission on Excellence in Education, 1983, p.7). It argued that in order for graduates of the American educational system to be competitive with foreign workers, it would take stronger academic programs, especially in mathematics and science, be taught by better prepared teachers, and spend significantly more time in school. Following the report's publication, there were increased calls for state and federal action (Mehta, 2013).

Mehta (2013) claimed that the push for standards-based reform that began with the publication of *A Nation at Risk*, spurred states, and eventually the federal government, to action.[22] He suggested that *A Nation at Risk* created a new educational paradigm hinged on four strands—(1) linking education and economic growth; (2) changing the goal of school reform from disadvantaged students to having high expectations for all students; (3) shifting responsibility for schooling from a shared responsibility to the responsibility of educators; and (4) changing accountability for schooling from teachers and districts to tests and the state—

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[21] Manna noted that the 1970s marked a period in which governors and legislators, especially in the South, began to realize that their states' economic productivity was linked directly to their states' abilities to provide quality K-12 education. If they could not provide such education, employers and well-educated young people would leave their states (pp. 96-97).

[22] He used documentary and interview evidence to trace convergence of state policy by carefully examining three states—Michigan, Maryland and Utah—which were chosen because they are different on a variety of dimensions that influence policy decisions. From his case studies, he concludes that the paradigm shift in *A Nation at Risk* resulted in a change of goals, actors and of politics on the part of both major political parties at the state level, and that "[t]he consensus around standards-based reform at the state level paved the road for federal standards legislation…" (p. 310).

which enabled broad-based support for standards-based reform at the federal level. This new paradigm converged with a broader change in party politics in the 1990s and early 2000s—a shift first by Bill Clinton and then by George W. Bush to the center of their parties—allowing education reform to become a federal issue, and resulting in the passage of the No Child Left Behind Act. While states, particularly the southern states, responded to *A Nation at Risk* with legislation to increase standards, raise teachers' salaries and increase funding for K-12 education (Vinovskis, 1999), the federal government remained relatively uninvolved in K-12 education policy.

The tide began to change with the election of President George H.W. Bush in 1988 (McGuinn, 2006, Vinovskis, 1999). President Bush had billed himself as an "education president" during the election, and he was determined to find a way to keep that promise, in spite of not being able to get any education legislation passed during his first year in office (McGuinn, 2006). Thus, he upheld a campaign promise to convene the nations' governors to discuss education policy (Manna, 2006). The 1989 Charlottesville Education Summit was the fulfillment of that promise (Vinovskis, 1999). The meeting, which took place in September 1989, sought to set long-range goals for educational improvement and to "engage the nation's governors in a substantive discussion of the nature of the challenge we face, of alternative ways of improving our educational performance, and of those ideas for reform that seem to have the greatest promise" (Porter and Studdert, as cited by Vinovskis, 1999, p. 33). The summit resulted in an agreement that a process would "establish a process for setting national education goals; Seek greater flexibility and enhanced accountability in the use of Federal resources meet the goals, through both regulatory and legislative changes; Undertake a major

state-by-state effort to restructure our education system; and Report annually on progress in achieving our goals (Vinovskis, 1999, p. 39).

The goals were designed to keep the United States economically competitive and were to be related to a variety of topics, including: school readiness, student achievement on international tests, reducing the dropout rate of at-risk students, improving academic performance of at-risk students and increasing the supply of qualified teachers and technology (Vinovskis, 1999). The Charlottesville Summit "is widely agreed to be the first step at the federal level towards standards-based reform…For the governors, it reflected an effort to create national support for a state school reform movement which had been developing since *A Nation at Risk*…" (Mehta 2013, p. 310). The Summit resulted in an elevated place on the national agenda for school reform (Manna, 2006; McGuinn, 2006; Vinovskis, 1999), but it did not immediately result in federal legislation. It took until 1994 for federal goals legislation (Goals 2000) to be enacted.

I argue that although state-level involvement in K-12 education policy had begun years earlier in many states, particularly the southern states, (Henig 2013; McDermott, 2009; Manna, 2006; Vinovskis, 1999), the governors' meeting in Charlottesville represented a milestone for state education policy (as well as the federal bully pulpit), in which the public perception of education policy making shifted. At the Charlottesville Summit, the governors demonstrated that states had taken responsibility for school reform (Manna, 2006). Sunderman (2009) argued that the Summit "strengthened the state role in regulating education with states introducing laws and regulations designed to monitor local compliance with state requirements" (p. 188). Further, Vinvoskis (1999) noted that even in the concluding document of the Summit the authors pointed to the primacy of local and state control of education,

arguing "education has historically been, and should remain, a state responsibility and a local function" (p. 38). They further claimed that the goals presented were *national not federal* goals, distinguishing, as do I, between actions taken across the country (affecting all the state), i.e. national, versus those led by the federal government, i.e. federal: "The goals should be viewed as national rather than federal, and should encourage local governments and the private sector, in addition to the federal government and state governments" (p. 26). Additionally, he noted that White House Chief of Staff, John Sununu, had been in favor of the meeting specifically because it focused attention on the states rather than on Congress (i.e., the Federal Government).

Although the Governors' Summit did not result in *federal legislation*, it led to the development of national goals for education, which, through multiple legislative incarnations and public deliberations, ultimately became the basis for the No Child Left Behind Act. Following the Summit, the 1990s were characterized by a push for standards-based reform at the state level (Mehta, 2013; McGuinn, 2006; McDermott, 2009; Sunderman, 2009). Mehta (2013) noted that by 1994 forty-two of the fifty states had implemented some sort of standards-based reform. Moreover, on the eve of No Child Left Behind in 2001, forty-nine of the fifty states had done so.[23] Thus, it can be argued that although the Summit was called to initiate *federal* changes in education policy, the immediate result of the Governors' Summit was actually an increased role for *state* involvement in K-12 education, as well as a higher profile for the federal government's involvement in K-12 education. It should be noted, however, that the later Goals 2000 legislation did stem from the work done at the Summit

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[23] McDermott (2009) noted that in 1994, only 19 states had strong sanctions for schools and 14 for districts. Additionally, even in 2002, only 19 states had federally approved accountability systems for the purposes of the 1994 Improving America's Schools Act. Thus, while standards-based reform and accountability were under way in the states, it was really the implementation of NCLB that solidified accountability systems.

(Cohen, as quoted by Manna, 2006, p. 103).

Manna (2006) argued that the Summit was a watershed moment, not only because of its affect on federal policy, but also because it was an opportunity for the nation's governors to demonstrate leadership in the realm of K-12 education. It was the governors who drove the Summit's agenda, and it was the governors (and states) that were, consequently, able to immediately build upon the Summit to drive forward their education agendas. This "borrowing strength" enabled federal officials to claim education as a federal issue, and at the same time provided state policy entrepreneurs with the ammunition needed to drive their education agendas forward.

Like the Charlottesville Summit, No Child Left Behind was the result of years of work building support for an increased federal role in schools to improve student achievement. Unlike the Summit, NCLB had an immediate effect on the federalism of education. Although the literature disagrees about the mechanisms by which NCLB came to pass,[24] NCLB formally shifted authority over some of the aspects of schooling—"assessment, curriculum, teacher qualifications, and school intervention" (Sunderman, 2009)—to the federal government. Under NCLB, the federal government required that states take an active role in

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[24]Manna (2006) argued that NCLB came to be as state and federal lawmakers "borrow strength" from one another. This "occurs when policy entrepreneurs at one level of government attempt to push their agendas by leveraging the justifications and capabilities that other governments elsewhere in the federal system possess" (p. 5). That is, he argued that policy ideas need to be granted legitimacy by the states in order to be adopted onto the federal policy agenda, and vice-versa, and that this arrangement, along with President Bush's ability to draw on some "unique circumstances" (p. 120)—the federal government had accepted responsibility for pushing equity under the original ESEA, the federal role in education and that government should measure success by outcomes rather than inputs had become increasingly accepted, and education emerged from the 2000 Presidential campaign as a top national priority—enabled NCLB to pass. Mehta (2013) traced the roots of NCLB to *A Nation at Risk*, which created a new educational paradigm that enabled broad-based support for standards-based reform at the federal level, which when combined with broader changes in party politics, allowed education to become a federal issue, resulting in the passage of the No Child Left Behind Act. McGuinn (2006) used a policy regime framework to understand why liberals and conservatives came together to pass NCLB in the context of a decentralized education system in which the federal government had previously had very little formal role, and how such a large policy change was even possible given the many obstacles to such change identified in the political science literature. He argued that an accountability regime had grown over the course of the 1990s coinciding with changes in the Democratic and Republican parties, enabling the passage of NCLB.

monitoring student achievement, up to and including taking over individual schools and

districts that were continuously failing. Individual school districts were tasked with assisting

schools that were failing.[25] Additionally, NCLB shifted authority for schooling in a very

public way, with school reform and increasing accountability, having been a cornerstone of

President George W. Bush's presidential campaign (Manna, 2006; Mehta, 2013; McGuinn,

2006; Sunderman, 2009). Reckhow (2013, 2009) argued that NCLB undermined local

authority and legitimacy, by highlighting the failures of schools and districts. The result is that

NCLB opened up the marketplace of ideas for how to reform education, as well as the actors,

including private foundations, who could do so.

2.5: Rational choice or institutional theories: Explaining changes in foundation grantmaking behavior.

  2.51: Rational choice theory. This dissertation juxtaposes two possible explanations

for foundation behavior—rational choice theory and institutional theory. Rational choice

theorists argue that (1) "rational action involves utility maximization" (Green & Shapiro, p.

14); (2) choices must be rank-able; (3) individuals seek to maximize "the expected value of

his own payoff" (*ibid* p. 15); (4) the unit of action in rational choice is a single actor (*ibid*).

Rational choice, in sum, seeks to explain how individuals and organizations make decisions to

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[25] As can be seen, NCLB, while increasing the formal role of the federal government in K-12 education, also led to a lot more work for schools and districts. I will argue later, that one of the reasons that I do not see a dramatic rise in grants directed at the federal level of government, and do see an increase in state level grantmaking in the post-NCLB reference years is because it was left to states and local districts to *implement* NCLB and funders responded to those needs, rather than to the federal government itself. Citing Manna (2006) and Fuhrman and Elmore (1991), McDermott (2009) argued that "the relationship between federal and state policymaking is not zero-sum" and that increased state education policy may result in more, not less, local policymaking for education (p. 103). Thus, I will argue that NCLB actually caused an increase in both state and local policymaking as state and local education authorities sought to meet the requirements of the law. Consequently, it makes sense, though it was unanticipated, that I find that grantmaking directed at the state and local levels actually increases after NCLB.

get the optimum efficiency and output from their actions. It can be used to explain why organizations might change their behavior. Simply put, organizations seeking to maximize their efficiency and output will adapt to the needs of their environments and other external pressures. In the case of foundations, maximizing output and efficiency would mean matching organizational products (grants) to organizational goals. Thus, a foundation that seeks to provide financial support to organizations in its community and, therefore, provides funding to a local school to build a playground, would be acting rationally. In contrast, if the same foundation made grants to the National Governors' Association to support the adoption of content standards in core academic subjects, it would be acting less rationally. If the same grant were given by a foundation whose goal was to generate and support state and national policy change in education, the latter grant would become an example of rational behavior. Greene (2005, 2015) offers an influential formula for thinking about foundation grantmaking behavior, which I find particularly applicable to our understanding of rational organizations. According to Greene (2005), foundations are able to influence policy change by making "higher leverage" grants, which he defined as those grants with the potential to create changes in public expenditures for education. As such, he considered grants for creating new educational structures, such as charter schools or small schools, vouchers, or alternative training programs for teachers and school leaders, as well as for research and advocacy efforts to be higher leverage. He contrasts these grants to lower leverage grants, which are grants that support programs or materials. In the above examples, the grant given to build a playground is a lower leverage grant, while that given to the National Governors' Association is a higher leverage grant. Of course, not all foundations seek to influence policy, and for those foundations rational behavior would not include making higher leverage grants. However, my

concern is with the foundations that seek to influence policy. For such foundations, higher leverage grants represent rational behavior. It is these foundations with which I am most concerned, and upon which this dissertation focuses. I predict that foundations that seek to influence policy would target their grantmaking at the levels of government that are most likely to deal with the policy issue at hand. Moreover, I predict that as the time frame in which I am interested progressed, foundations targeted their grantmaking at higher levels of government to reflect jurisdictional changes in early childhood and K-12 education policy making, as discussed above.

Rationally behaving foundations match their grantmaking to their desired outcomes and are able to quickly respond to changes in their environments. As such, a foundation that was interested in promoting the use of a core curriculum might have previously targeted its grantmaking at the district or other local education agency level, perhaps advocating a school reform model such as Core Knowledge, but following the introduction of Race to the Top, would have adjusted its advocacy work to the state or federal level. As a point of contrast, a foundation that desires to change teacher preparation policy, but only funds the building of playgrounds, would not be acting rationally.

As stated, I contend that rational foundations must be able to adapt to environmental changes. One way that they might do so is through organizational learning. Levitt and March (1988) examine the research on organizational learning. They argued that there are four categories of organizational learning. First, organizations learn from direct experience in two ways, by trial and error and by searching for the best alternative routines. Second, organizations learn by interpreting experiences, often through evaluation of past activities. Third, organizations use and create organizational memory through organizational records.

Because records, and memory, cannot possibly hold the complete history of an organization, the processes by which organizational memory is created affects organizational learning. Finally, organizations learn from their interactions with others, typically through diffusion. Completely rational foundations will use their prior experiences, as well as the experiences of other foundations, to make appropriate changes to their grant making to reflect environmental shocks.

   2.52: Institutional theory. Institutional theory provides an alternative explanation for why organizations change. Rather than being tied to their need for efficiency as described by theorists such as Weber (see for example Weber, 1968), organizations are seen as adapting to their environments in an attempt to gain legitimacy within their institutional/organizational field (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). Meyer and Rowan (1977) describe how organizations derive legitimacy by adhering to institutional myths, and therefore adjust their formal structures and behavior to match those myths. DiMaggio and Powell (1983) expand upon how organizations do this. They argued that organizations, particularly those in the same field, change to become more like each other. That is, they undergo a process of homogenization, or institutional isomorphism, the process by which organizations come to resemble one another because they share the same environmental conditions. They identify three mechanisms by which institutional isomorphism occurs: coercive, mimetic and normative. Coercive isomorphism occurs when an organization responds to outside pressures from other organizations and to cultural expectations; mimetic isomorphism occurs when an organization mimics or copies another organization, typically in response to uncertainty in organizational technology, goals, or the environment; and normative isomorphism results

from the shared values, practices and norms that professionals bring into the workplace as result of their training, convening and shared learning.

Similarly, Hwang and Powell (2009) examined how professional practices and values influenced nonprofit rationalization. Rationalization is the creation of nonprofits as actors with clear identities because of the formalization of roles and rules. They conducted interviews with informants from a random sample of nonprofits in the bay area to determine what characteristics of nonprofit organizations led to greater rationalization. They argued that nonprofits would become more rationalized because of calls for greater efficiency and accountability in the nonprofit sector and because of the rise of venture philanthropy, which relies on specific metrics and measurements for nonprofit practices. They found that having a paid leader, having a leader with professional credentials and participation in outside training and professional associations led to significant increases in rationalization. They concluded that normative isomorphic forces that result from these characteristics are explained by "the imprint of specific carriers—managerial professionals and semi-professionals, as well as foundation officers" (p. 287). I suggest that these findings are applicable to foundations as well, particularly to the non-largest foundations, which often operate less professionally than do the largest foundations. Membership in affinity groups and professional associations, as well as formal and informal networks of funders, as will be discussed in the next section, and in Chapter Four, are influential on foundation grantmaking strategy.

2.53: Organizational ecology. A final possibility is that organizations themselves do not change, but rather the fields in which they function change and it, therefore, *appears*, that foundations have changed. Moreover, their relation to their institutional field determines organizations' success. In contrast to understanding how organizations change, Hannan and

Freeman (1984) explain why they stay the same. Organizational inertia refers to the

sluggishness with which organizations often change in comparison to their environments.

Hannan and Freeman (1984) note "that organizations respond relatively slowly to the

occurrence of threats and opportunities in their environments" (151). They (Hannan &

Freeman, 1977) also argued that while there are two common understandings of

organizational adaptation, only one, that which sees the organization as the unit of adaptation,

is useful for their understanding of organizational structure and change (or lack of change).[26]

They suggest that organizational inertia should be viewed in comparison to changes in the

environment: "In particular, structures of organizations have high inertia when the speed of

reorganization is much lower than the rate at which environmental conditions change. Thus

the concept of inertia…refers to a correspondence between the behavioral capabilities of a

class of organizations and the environments" (Hannan and Freeman, 1984, p.151).

In their understanding of organizational structure, inertia is the result of organizations

being successful. Organizations are successful when their performance is reliable. In order to

be reliable, organizations must have highly reproducible structures, which result from the

institutionalization of the organization and the standardization of its routines and practices.

Unfortunately for adaptability, an organization that is successful, and according to Hannan

and Freeman more likely to be lasting, by this definition, also tends to experience strong

inertia.

Hannan and Freeman (1984) further identify organizational entrance and exit as a

cause of variation in inertia. They note that newer organizations are more flexible and have

lower levels of reliability and accountability, and thus reproducibility and inertia. As

organizations age, organizational learning (discussed below) leads to increased reliability,

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[26] The second view they cite is that organizational structure is the result of the adaptive process.

accountability and reproducibility, and thus, also increased inertia. Older organizations are also less likely to "die" or be dissolved. When there is a large influx of new organizations into, or a high rate of organizational deaths in, an organizational field,[27] there may appear to be a great deal of change. However, the appearance of change should not necessarily be interpreted as radical change in existing organizations, but rather a change in the composition of the field.

2.6: Conceptual Framework

In this dissertation, I employ rational choice theory and institutional theory, as well as the ideas from organizational ecology to explore why foundations have changed their grantmaking behavior. The figure below shows the relationship between foundations and the larger philanthropic field, as well as the education policy environment. It depicts that each field influences foundations, and they in turn influence the respective fields back. Foundations also directly influence their recipients through their grantmaking, and their recipients in turn exert influence on the policy environment. As can be seen in the figure, I seek to understand how foundations are related to the education policy environment by employing rational choice theory, and how they are related to the philanthropic environment by employing institutional theory, as well as organizational ecology. These are discussed in the next two sub-sections.

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[27] "By organizational field, we mean those organizations that, in the aggregate, constitute a recognized area of institutional life…" (DiMaggio and Powell, 1983, p148).
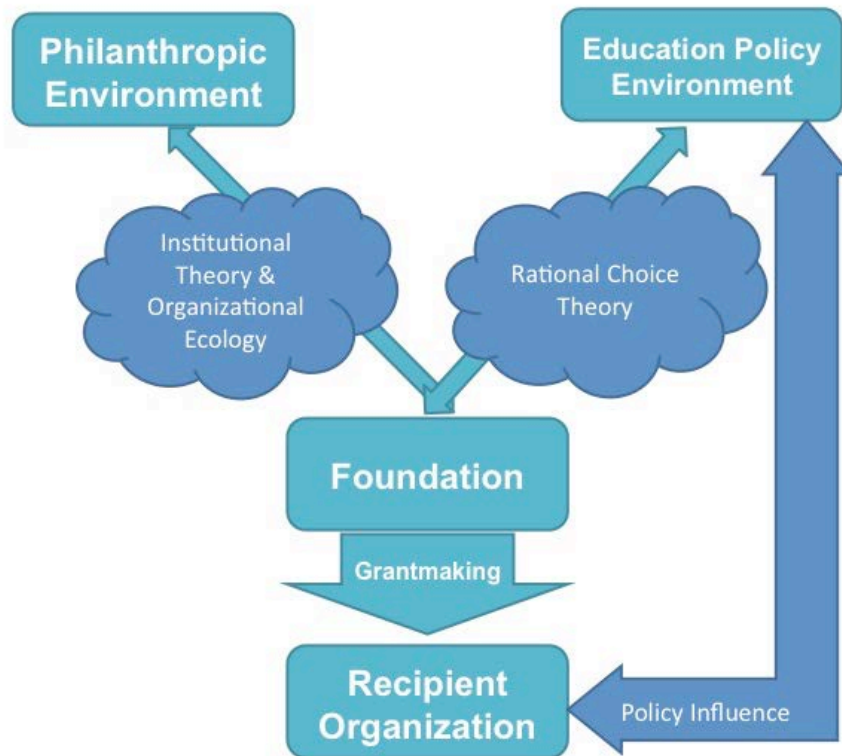
Figure 1: Conceptual Framework

In discussing the future of research on, and the behavior of, philanthropic foundations,

Bernholz (1999) similarly describes how all of these pieces come together. She suggests that

we can understand how philanthropic foundations make decisions by looking at three sets of

factors, one internal and two external. The internal factors include the number of family

members on the board, the experience of the foundation staff, the "age" of funded programs,

and the staff's focus on innovation. The first set of external factors is external to the

individual foundation but still in the foundation field. She argued that foundations make

decisions, and subsequently adopt new programs and policies, because of outside forces such

as existing programs in an area of work, informal gatherings of foundation staff/trustees, and

influences of large foundations in the field of work. She further suggests that a second set of external forces, those that are outside of the foundation field, also influence foundation behavior. Among these forces she includes: the local, state and national political climate, the contemporary demographics, anticipated population shifts, the fiscal health of local service providers, and fiscal tax code regulations. Finally, Bernholz argued that foundations may change in response to their grantees. That is, as grantees change their behavior due to environmental changes, foundations change their grantmaking strategies to match.

     2.61: Rational behavior and foundations: Jurisdictional choice. Rationally behaving policy foundations must, therefore, decide which level of government (local, state, federal) they are going to target in their grantmaking if their attempts to influence policy are going to be successful. In their study of how foundations shaped health policy, Oliver and Gerson (2009) looked at which levels of government foundations targeted for their grantmaking. They found that none of the national foundations in their study worked at only one level of government. Instead, they tried to match policy issues with the "policymaking environment" to choose the level of government at which they can be most effective (Colby, cited p. 140). This is an example of how foundations seek to be efficient and are influenced by the policy environment in their attempt to be so. However, they also found that local foundations tended to work locally or at the state level.

     Similarly, Ferris, Hentschke and Joy (2006) examined the policy stages, venues and levels of government that foundations target with their grantmaking to understand what the best strategies are for leveraging foundation assets. They found that the majority of foundations in their sample—discussed in greater detail in the next chapter—sought to change

policy at the district (79%) or state (68%) level, with an additional 16% of foundations

targeting individual schools. Only 21% of the foundations (n=4) in their sample attempted to

work at the federal level. Fifty-eight percent (58%) of the foundations worked to influence

policy at both the district or individual school and state levels. They then examined the policy

topics dealt with at each level of government and concluded that professional development

and school management/governance issues "are the primary policy areas of engagement at

both the state and district levels" (p. 17).

In a very recently published study of how nonprofits engage in advocacy work,

Buffardi, Pekkanen, and Smith (2014) found that nonprofit organizations specialize in the

level of government that they target. Just over a half of nonprofits in their survey conducted

advocacy at one level of government, and an additional 37% made them at two levels of

government. Nonprofits that conducted advocacy locally were more likely to only do so at

one level of government, and overlap was most common at the state level (p. 12). Nonprofits

that advocated locally were also less likely to advocate at the federal level. They argued that

this suggests, "that nonprofits concentrate efforts geographically…and tend to specialize in

one level of government" (p. 15). Clearly, nonprofits have distinct strategies for advocacy and

they choose the level of government at which they think they can be most effective.

Foundations are, then, clearly aware that if they are to affect change, they need to

target grantmaking—and other policy influencing activities—accordingly. It is noteworthy to

add that foundations must have enough information to make rational decisions. It is quite

conceivable that foundations may believe that they are making rational decisions, but that

they lack knowledge of the political process to effectively influence it.

Employing rational choice theory, I hypothesize that as foundations seek to maximize their output and efficiency, i.e. to make grants that achieve their goals, they will change their grantmaking strategies to reflect changes in the education policy environment. Specifically, following the Charlottesville Summit, foundations will have targeted their grantmaking at the state level of government. And, following the implantation of NCLB, foundations will have targeted their grantmaking at the federal level of government.

2.62: Foundations seeking legitimacy and success: Employing institutional theory and organizational ecology. As can be seen on the left side of the figure, foundations draw their legitimacy and ultimate success from the field of foundations. Additionally, some foundations draw legitimacy from the fields in which their founders earned their money, as well as the arena of partisan politics. The latter is true primarily, though not only, the case for conservative foundations. In this conception, foundations respond to the ambiguity of grantmaking by mimicking the foundations in the field that they perceive to be most successful (DiMaggio & Powell, 1983). Foundations gather information about how to be successful—both real and symbolic (Meyer & Rowan, 1977)—from their participation in professional organizations (DiMaggio & Powell, 1983; Hwang & Powell, 2009). Additionally, the entrance of new organizations into the field of foundations can influence the appearance of the field as well as the behavior of organizations already in it (Hannan & Freeman, 1984).

In the time period covered by my study, the field of philanthropy experienced tremendous growth and change, as discussed in Section 1.4. In the case of education philanthropy, there has been an influx of new foundations since the late twentieth century that

are characterized by their relationship to their "parent" environment, i.e. the industries in which their founders made their money. These foundations come out of the world of venture capital and hedge funds and high tech, which is often itself funded by venture capital. These new foundations bring with them the belief that to be successful, they need to use strict metrics to measure output. They have applied this to their grantmaking strategies (McGray, 2007; Moody, 2008; Hwang & Powell, 2009; Quinn et al., 2013). In turn, these foundations have arguably had an influence on the larger field of foundations, which, therefore affects the behavior of each individual foundation.

Employing institutional theory, I therefore hypothesize foundation environments and characteristics will influence grantmaking behavior. Four specific hypotheses apply: (1) Because of the ambiguity of grantmaking, foundations will seek to be more like the most influential foundations in the field. This will manifest itself in altering their grantmaking to look more like that of the largest foundations. (2) Foundations that belong to professional associations will be more likely than foundations that do not belong to such organizations to alter their grantmaking behavior to match that of the field. The result of this is that foundations will be more likely to be policy foundations and to make more policy grants if they belong to a membership or affinity group. (3) Foundations that come out of the financial and technology industries, as well as new foundations will be more likely to be policy foundations and to make more policy grants than are foundations that come out of other industries. (4) Foundations that come out of the financial and technology industries, as well as new foundations will be more likely to make charter school grants than are foundations that come out of other industries. Lastly, employing organizational ecology, I hypothesize that the entrance of new foundations into the field led to the appearance that education foundation

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were becoming more policy oriented. Specifically, new foundations would be more likely to be policy foundations, would make more policy grants, and would have greater odds of making charter school grants than would old foundations.

2.7: Conclusion

The literature on foundations and public policy suggests that some policy-focused foundations may take a number of deliberate steps to sway policymakers to change public spending patterns and to get their issues onto the public agenda. This chapter has looked at the strategies that foundations use to do so as described in the literature on foundations and policy change, and has described the ways in which rational grantmaking is tied to making grants that are aligned with a foundation's desired outcomes.

I argue that there is a significant limitation of the research described in this chapter. It looks primarily at a small sample of the largest foundations, and historically often only examines one or two particularly influential foundations. I argue that this exclusive focus on the largest foundations is a mistake as smaller foundations may fundamentally differ from the largest foundations both in terms of how they choose to influence policy and in terms of the level of government that they target. In the current literature, there is an assumption that smaller foundations do not influence policy to a great degree, and to the extent that they do, that they are mimicking (DiMaggio & Powell, 1983) larger foundations. This may not be the case. By focusing on the largest foundations, the existing research may overstate the influence of all foundations. The focus on the largest foundations in the literature on institutional change fails to account for how smaller foundations might influence one another and how they learn from, or try not to learn from, the largest foundations.

Furthermore, by treating foundations with one-size-fits-all regulations, legislators may be missing points in the policy process where smaller foundations have greater access to the policy change process. Smaller foundations may be able to more easily leverage their personal relationships (see Appendix B for a discussion of non-monetary ways in which foundations influence policy) and have greater flexibility to meet unanticipated and unplanned policy problems (Exponent Philanthropy, 2014). These advantages of smaller organizations may also make them more difficult to regulate. Alternatively, the current one-size-fits-all regulations might limit the influence of smaller foundations disproportionately to that of larger foundations, giving undue influence to a small number of very wealthy funders and, particularly in the case of foundations with living founders, individuals. Child and Grønbjerg, (2007) argued that one-size-fits-all policies relating to nonprofit advocacy are "inappropriate because they do not account for the variety of forms that advocacy may take" (pp. 277-8) in a variety of organizational types and sizes. Further research on how smaller foundations conduct policy grantmaking is, therefore, necessary to understanding how best to regulate all, not just the largest, foundations.

My research adds to the literature on foundations by examining how a much larger array of foundations uses those strategies. My study also seeks to highlight the differences between the largest and non-largest foundations, and to provide some insight into why they have behaved differently. Further, I provide multiple frameworks for thinking about why foundations might change their grantmaking behavior, testing the value of rational choice theory, institutional theory and organizational ecology. I also extend the research on foundation influence to understand the characteristics of foundations and their grants that influence the level of government at which they choose to advocate for policy change.

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Chapter 3: Methodology

3.1: Introduction

In order to assess which if any foundation characteristics affect policy grantmaking and how foundations may or may not have changed their grantmaking strategies to reflect changes in the location of education policy making during the period 1988-2005, I collected data on grants and worked backwards to identify foundations making grants for education policy. This chapter describes how I identified these grants and the foundations that made them.

3.2: Population of Grants

Prior to beginning the data collection, I needed to decide what population of grants to include and for what reasons. I tried to leave the criteria as open as possible in order to catch the greatest number of different grants and foundations. First, I was looking for grants that were made for U.S. early childhood and public K-12 education. As such, grants made for higher education were excluded, unless they were coupled with early childhood or K-12 projects or policy, in which case they were coded as being for both (i.e. early childhood, higher education or K-12, higher education). Higher education grants were also included if they fell into the category of P-16 projects/research/alignment, as P-16 alignment addresses the entire educational pipeline and is significantly a form of early childhood and K-12 education reform. Second, I included only grants made to organizations within the 50 states and the District of Columbia. I excluded grants made to U.S. territories, as well as grants made to United States-based organizations that supported institutions in other countries. For example, there were a number of organizations called "American Friends of…", often a

yeshiva in Israel, which I did not include in grant collection. Third, while both private

foundations and public charities, including community foundations, are clearly important, my

research deals with private foundations.[28] Unlike public charities,[29] private foundations,

including independent foundations[30] and corporate foundations,[31] generally have a broader

mandate with fewer restrictions, making them better candidates than public charities for

exploring why and how decisions are made.

Fourth, I had to address which educational topics would be included in the data

collection. In order to focus my data collection, I only included grants that could tell me

something about how foundations fund the schooling aspects of early childhood and K-12

education. As such, I excluded grants for out of school time, youth development and

mentoring, unless the grants were made to a public school or public school district to deal

with such topics. Thus, for example, grants made to freestanding after school programs were

excluded, but after school programs run by an individual school or through a school district

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[28] My research excludes also operating foundations as they have very specific charters, typically to support a particular social welfare or research organization.

[29] A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that receives its financial support from a broad segment of the general public. Religious, educational and medical institutions are deemed to be public charities. Other organizations exempt under Section 501(c)(3) must pass a public support test…to be considered public charities, or must be formed to benefit an organization that is a public charity (Council on Foundations, Glossary). Public foundations and community foundations are considered public charities by the IRS.

[30] A grantmaking organization usually classified by the IRS as a private foundation. Independent foundations may also be known as family foundations, general purpose foundations, special purpose foundations, or private non-operating foundations. The Foundation Center defines independent foundations and company-sponsored foundations separately; however, federal law normally classifies both as private, non-operating foundations subject to the same rules and requirements (Foundation Directory Online, Glossary).

[31] A [corporate foundation is a] private foundation whose grant funds are derived primarily from the contributions of a for-profit business organization. The company-sponsored foundation might maintain close ties with the donor company, but it is an independent organization with its own endowment and is subject to the same rules and regulations as other private foundations (Foundation Directory Online, Glossary).

were included. In addition, grants made to private special education schools and special education preschools were excluded, as were grants for individual special education advocacy (i.e. for individual students).[32] In order to include an early childhood grant, "early childhood education" had to be listed as keyword; as such I excluded most grants to daycare centers because they focus on childcare rather than education per se.

Grants for teacher education were more complicated. Keeping in mind that the goal of grant selection was to identify the ways in which foundations fund early childhood and K-12 education, I included grants for all teacher professional development, but only included pre-service teacher education grants if they were specifically for reforming teacher education programs or for professional development schools, in which teachers are trained in conjunction with a school district. I excluded other grants for pre-service as they should be considered part of higher education. The rationale for this was to limit the grants to those that might tell us something about how grantmaking to educational institutions changed over the time for the purpose of supporting educational change/school change.

Like grants for teachers, grants for scholarship organizations were complicated. I only included grants for minority/poor students to attend private schools if the grant was given to a third party organization that systematically provided scholarships, i.e. private vouchers. My rationale for this was that I could not determine the policy goals of private schools that received grants for such purposes. Moreover, it seemed unlikely that private schools' ultimate goal in taking such grants would be to change public policy. I included grants to organizations

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[32] I also excluded the following types of grants: grants for mentoring or tutoring, unless they were made to a specific school or district or with a particular school or district identified in the grant description; grants for child services (i.e. child abuse prevention), unless the grant specified that it was made as curriculum grant. I also excluded most grants to Donorschoose.org, as it was almost always impossible to determine what the ultimate purpose of the grant was for; only 2 grants for donorschoose were included because their purposes were very clear.

that provide school vouchers or scholarships to students, but excluded organizations that help students prepare and/or apply for private schools, unless they also included a voucher (i.e., not help in applying for a voucher or financial aid). I also included grants to organizations that provided scholarships to parochial schools *if* the organization's website specifically listed school choice as a goal of the scholarship. Appendix C provides a list of organizations that were included and excluded based on these criteria. Consequently, I was most interested in grants made to the following types of organizations: early childhood education providers; schools; school districts; state education agencies; other state and local government bodies, as well as quasi-governmental organizations; the federal government; service providers, including technical assistance organizations and reform models; charter schools and charter management organizations; education management organizations; colleges and universities; research organizations; advocacy organizations; think tanks;[33] policy shops; community organizations, including civic engagement organizations; community and private foundations; local education funds; membership organizations, including national organizations such as the National Governor's Association and the National Association of Secondary School Principals; media; parent organizations; and, other nonprofits that work with schools.

Lastly, I restricted the grants by size. I only collected data on grants over $10,000, as the database and print publications, *Grants for Elementary and Secondary Education* did not consistently list grants for under $10,000 (*Foundation Giving Trends*, 2005). An unfortunate consequence of this choice was that I lost some data. During data collection, I noticed that a handful of organizations received a significant number of grants for $10,000. Most notably,

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[33] Although the literature on Conservative think tanks and school choice argues for including grants made to think tanks for "general operating support" because such support can be used for any sort of program and is hard to differentiate (Cohen, 2007), I excluded such grants because I was unable to obtain the data for all years of my data collection.

by not including grants $10,000 and under, I lost some, though certainly not all, data on grants made to Teach for America. This was particularly true in 1998 and 1999. Similarly, a few foundations made a lot of $10,000 grants. For example, in 1998, the Fry Foundation (IL), made 16 grants that could have been included based on other criteria, however, eight of those grants were for $10,000 and so were excluded (Foundation Center, 2000, pp. 58-59).

3.3: Data Collection—Grants

3.31: Data Sources. In order to collect grant data, it was necessary to identify a primary data source that could provide me with access to grant details and foundation tax forms from a wide variety of foundations for all of the years of the study. I identified three potential sources: the Foundation Center's *Foundation Directory* and accompanying books, *Grants for Elementary and Secondary Education;* the National Center for Charitable Statistics' (NCCS) *Data Web;*[34] and GuideStar. Ultimately, I chose to use the Foundation Center's *Foundation Directory* and accompanying books as my primary source of data, using GuideStar to fill in missing details on foundation data. This section will discuss the benefits and drawbacks to each database and will lay out my reasoning for choosing the *Foundation Directory* as the primary source.

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[34] The National Center for Charitable Statistics "is a program of the Center on Nonprofits and Philanthropy (CNP) at the Urban Institute" (NCCS, Home Page). [It] is the national repository of data on the nonprofit sector in the United States. "Its mission is to develop and disseminate high quality data on nonprofit organizations and their activities for use in research on the relationships between the nonprofit sector, government, the commercial sector, and the broader civil society" (NCCS, About NCCS).

Foundation Directory. The Foundation Center categorizes grants using a two-tiered structure, where the first tier identifies the recipient organization and the second tier contains information pertinent to the specific grant. The first tier contains information including the recipient organization's name and location, the type of organization, as defined by the National Taxonomy of Exempt Entities (NTEE) established by the National Center for Charitable Statistics,[35] the recipient's affiliation (religious, governmental or private nonsectarian) and the primary population(s) served by the organization. The second tier information identifies the recipient unit (e.g. a department within the recipient organization), if one exists, the amount and duration of the grant, the fiscal year in which the grant was authorized, the source of the data, the text or description of the grant, the focus area of the grant, the population served by the grant, the type of support (general, capital, etc), any matching support, and, if the money is to be used in a foreign country, the location of activities (Foundation Center, Grants Classification).

The *Foundation Directory* has five primary drawbacks. First, the search terms, fields of interest and subject categories are not precise (Greene, 2005) and do not match perfectly to

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[35] The National Center for Charitable Statistics developed the NTEE with a number of other not-for-profit organizations in order to create "a definitive classification system for nonprofit organizations recognized as tax exempt under the Internal Revenue Code." The NTEE has "The NTEE-CC [NTEE- Core Codes] classification system divides the universe of nonprofit organizations into 26 major groups under 10 broad categories…Within the major groups, organizations are broken down according to logical divisions (decile level codes) and subdivisions (centile level codes). Organizations that exist across all or most of the 26 major groups are treated separately and are given what is known as "common codes"… The major groups represent broad subsectors, such as health, education, and youth development, of the charitable organization universe…Decile codes subdivide organizations in the major groups by specific activity areas, such as Higher Education within the Education major group…Centile codes subdivide organizations in the decile codes into specific types of organizations…[and] Common codes represent activities of organizations, such as research, fundraising, and technical assistance, which are common to all major groups. The seven common codes used are: 01-Alliance/Advocacy Organizations, 02- Management and Technical Assistance, 03- Professional Societies/Associations, 05- Research Institutes and/or Public Policy Analysis, 11-Monetary Support- Single Organization, 12-Monetary Support- Multiple Organizations, 19-Nonmonetary Support Not Elsewhere Classified (N.E.C.) (National Center for Charitable Statistics, Introduction).

the index terms in the annual publications. Moreover, from year to year, the index terms in the annual publications are not the same. Second, the *Foundation Directory* catalogs grants by the fiscal year, not by the calendar year, so it is sometimes difficult to match grants to an exact calendar year. That is, "the year listed is the fiscal year (or FYE – Fiscal Year Ending) not the calendar year… if a grant is reported on a 2011 tax return that covers the period from 7/1/10-6/30/11, all the grants are given a year authorized of 2011" (G. Ford, personal communication April 16, 2013). Third, the online database has minimal grant information prior to 2002, and none prior to 2001. As a result it is necessary to use the annual publications. The annual publications, however, do not include grants under $10,000. Fourth, it seemed to me, and other researchers have supported the finding (Cohen, 2007; Greene, 2005), that not every grant, even above $10,000, always made it from the foundations' tax forms to the database. Lastly, if a foundation closes, the *Foundation Directory* removes it from the online database. As a result, there were foundations that made grants in the earlier years of my data set for which I had trouble obtaining foundation data. Additionally, if a foundation went out of business during the time in which I was collecting data, I could not go back and find additional information on it or its grants if I needed during the data editing process. Typically, I was able to find at least some of the missing information from GuideStar or other secondary sources.

In spite of its potential failings, the *Foundation Directory* was appealing for three reasons. First, it can be searched by grant topic; the resulting list of grants is linked back to the foundation making the grant. Second, for each foundation, the *Directory* provides a profile that includes basic information such as foundation type, year of founding, founder—and sometimes information about the founder—geographic and other giving limitations, names of

board members and trustees, membership in affinity groups and giving priorities. Using the foundation profiles, therefore, I was able to compile a great deal of the data for the foundation variables that I included in my research. Lastly, and perhaps most importantly, because the Foundation Center publishes the grant data in an annual book, I was able to gather the same grant data, using similar index terms, for the years that were available digitally as well as those that needed to be examined in print.

Data Web. The Data Web also provides information about foundation giving. The Data Web databases record information from IRS forms 1023 and 1024, which organizations use to apply for tax exempt status, and from the 990-PFs. It has data for most tax exempt organizations going back to 1989 and is searchable by NTEE code. While this seems like an ideal search function, the Data Web does not have complete grant information for each foundation. Moreover, it does not list all of the activity codes for each foundation, making it difficult to search specifically for education policy foundations. As a result, the Data Web ultimately was not a good choice for searching for foundation grants.

GuideStar. Lastly, GuideStar, a website that compiles data on nonprofit organizations, including foundations, was a possible source of grant and foundation data. GuideStar allows the user to search nonprofits by broad topics such as education, elementary and secondary, or by NTEE codes. Potentially, this could have been useful. However, the results include foundations and nonprofit recipient organizations, and do not include separate lists of grants. In order to identify the grants, a researcher would have to go through the individual tax forms. Moreover, it is difficult to search for foundations that make grants in particular areas. GuideStar was quite useful when I already had the name of a foundation or recipient organization. Even using the unpaid subscription service, I was able to download available

990-PFs[36] and to access financial information as well as other basic foundation information, such as the names of board members and the year of founding. As a result, GuideStar proved to be a valuable secondary source of information.

3.32: Using the Foundation Database. In spite of the difficulties associated with it, the *Foundation Directory* proved to have the most useful grant search function. When data were missing, I used the foundation tax forms (990PFs), foundation websites and GuideStar to find them. As has been discussed, the *Directory* takes two forms—an electronic (online) database, which was used for data for 2005, and a book published by subject area and year, used for all earlier years of the data collection and also to recheck the 2005 data. I collected data for 2005 first, then, using the foundations identified in 2005 as a baseline, I worked my way from the beginning of the timeline back to 2005. Before discussing how the data were coded I will describe the data collection process for the online database and the data books.

For the online database, I began by experimenting with the grant and grantmaker search functions to see which gave me a more comprehensive list of foundations making grants for education policy related activities. I started with the grantmaker search. I first searched for grantmakers whose field of interest included education, children and youth, and other similar terms that should have yielded grants of interest.[37] I was able to further narrow the grantmaker search by limiting the search to company-sponsored OR independent, the

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[36] I used the 2005 990-PF (2005 printed in the upper right corner by the Internal Revenue Service) for all foundations except for when the data were explicitly for a different calendar year. For example, the Brook J. Lenfest Foundation's 2005 990-PF listed allocations for 2006, so I used the 2004 990-PF which listed its 2005 grants.

[37] Grantmaker search fields of interest: Education, early childhood; Education, equal rights; Education, government agencies; Education, public policy; Education, reform; Education, research; Education, single organization support; Elementary/Secondary School Reform; Charter Schools.

geographic focus to *not international* and the keyword search *to policy, not "program policy statement."* This yielded a list of grantmakers that were interested in the field of interest specified. From that list, I chose each foundation individually and searched for grants in the year of interest and for more specific subjects. However, when using the "grantmaker" search function, it was not possible to search by year in which the foundation made grants in the area of interest. As a result, it was necessary to conduct both grantmaker and grant searches. Unfortunately, the field of interest and subject searches, in the grantmaker and grant search forms, respectively did not yield the same information. Typically, the grant search yielded more foundations than did the grantmaker search.

Ultimately, I decided that using the Directory's "grant search" function allowed me to create a better list of foundations making relevant grants. While it involved a backwards mapping of grants to grantmaker, the subject searches in the grant search were more specific, resulting in a tighter list of grants, and hence, foundations. By using the grant search function, I had to weed through fewer foundations whose grantmaking was not of interest. Unlike the grantmaker search, the grant search function allows the user to search by subject and the year in which the grant was made, which made it much easier to find grants made in a particular year. Moreover, when I used the grantmaker search function I was not able to limit the subjects of the grants enough. Using the "grant search" was also useful because in the years for which I had to use the books, the grants, not the grantmakers were indexed by subject/topic area. For 2005, I conducted two types of "grant searches;" "recipient type" and "subject" searches. I conducted four "recipient type" grant searches: education, research; education, reform; education, public policy; and, education, government agencies. I then conducted eleven "subject" grant searches: (1) education, alliance/advocacy; (2) education,

research; (3) education, reform; (4) education, public policy; (5) education, government agencies; (6) education, public education; (7) education, equal rights; (8) education, early childhood; (9) education, elementary/secondary school reform; (10) education, single organization support; and (11) charter schools. Lastly I conducted keyword searches for "school vouchers" and for "school choice." After identifying each foundation involved, I reviewed their list of grants in their 990PFs or the annual reports for the years of interest and added any grants that were not captured by the above searches.

Next I used the annual publications from the Foundation Center (*Grants for Elementary and Secondary Education*) from 1989, 1990/1991, 1991/1992, 1992/1993, 1993/1994, 2000/2001, 2006/2007, and 2008 to identify policy grants made, typically in the year or two prior to the publication of the book. As the books did not have the exact same index terms for each year, I had to do the best I could to approximate the same topics. Fortunately, they were relatively similar. See Appendix D for a list of index terms used in each year. Having already identified 2005 grants from the online database, I only used the 2006/2007 and 2008 books to double check the 2005 grants, as well as to look for foundations that might have gone out business between the time that the book was published and the time at which I was collecting the data.

It is worth noting that there were a number of index/search terms that did not yield very many useable grants. The online subject search "education, single organization support" yielded grants for among other things, higher education research foundations, private school foundations, individual public school and school district foundations, library foundations, American Friends of…grants, and presidential libraries. Even when limiting this search with a keyword search "not higher education," it was not very useful. Likewise, in the indices of the

print publications, terms such as elementary/secondary education, economically disadvantaged or elementary/secondary education, minorities, showed lists of grants that ranged from charter schools to after school programs to mentoring programs. Likewise, I had hoped that the index term scholarships or scholarships, independent schools, would help me identify grants for vouchers, but mostly they only listed grants for private schools to provide scholarships. I found that these broad index terms were less useful than the ones listed in Appendix D.

After conducting the above searches, I then compared the list of foundations that I had identified to foundations identified as a member of an education affinity group—Grantmakers for Education, Grantmakers for Youth, Children and Families, and members of the AERA Education and Philanthropy Special Interest Group—or in the existing literature on foundations and education policy and on conservative foundations,[38] and if I was missing a foundation, conducted a grantmaker search for it and reviewed all of the grants for the relevant years, using the *Foundation Directory* and the foundations' 990-PFs.[39] Lastly, after compiling and coding the grants for each year, I created a list of "policy foundations," defined at this point in my process as a foundation that had made at least one policy grant in any year of the study. I compared this list across years to make sure that all of the policy foundations were included for all years of the data collection.

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[38] Scott (2009); Cohen (2007); Krehely, et al (2004); Covington (1997). One additional Foundation is included as a conservative foundation, the Fred C. and Mary R. Koch Foundation, Inc, while not listed in any of the above publications is included because Fred C. Koch is the brother of Charles and David Koch, both of whose foundations are considered Conservative foundations, and because they both sit on the Fred C. and Mary R. Koch Foundation's board.

[39] Using this last method, I identified approximately 10 additional foundations, primarily from Grantmakers for Education and the list of conservative foundations.

Finally, I used two methods to check that I had captured all of the relevant grants. First, I chose two recipient organizations that grew dramatically during the period of the study, Teach for America and the National Board of Professional Teaching Standards, and spot-checked their grants in both the searchable online database and in the printed books to make sure that all of the foundations that made grants to them were included in my data set. Second, I used the list of school choice recipients from Cohen's report on school choice and Conservative foundations (2007) and conducted a grant search for each of the recipients for 2005 to make sure that I had included all of the grants and foundations that made them. The only recipient organization that was missing many grants was the Children's Scholarship Fund, so those grants and foundations were added and then I used that list of foundations to check the grants made in the earlier years. There were also some think tanks whose grants were missing from my data set, but they were for general operating support or were missing any detail, and so, since I did not include grants made for general operating support to think tanks, I excluded them from the data set. Although there was some overlap between the searches, this strategy seems to have created an exhaustive list of grants given to address education policy and their accompanying foundations. This strategy also enabled me to collect grants that were made by the now defined policy foundations for non-policy purposes, which I used to judge the percentage of grants made for policy by each foundation and by the population of policy foundations.

For each grant, I collected a variety of data about the grant itself and the foundation. When data were not available from the *Foundation Directory,* I used GuideStar to locate the most recent 990-PF and took the available data from that. In addition to the data available from the *Foundation Directory* and GuideStar, I also used a number of primary and secondary

sources from and about each foundation, including foundation and company websites, annual

reports, and other foundation publications. I also used news accounts and business websites,[40]

as well as previous research on the individual foundations, when it was both necessary and

available. Obituaries, wedding announcements, local news and other media accounts of

foundation and founders' activities, political contributions websites, and trade papers also

proved to be valuable resources for identifying data on foundation founders and the industries

in which they made their money. Lastly, I occasionally used mediamatters.org[41] to identify

grants made by foundations that are no longer in existence and for which I could not

otherwise find a 990-PF on GuideStar.

I collected the following grant data: grantmaker name and state; grant recipient[42] and

recipient's city and state; the year in which the grant was made; the dollar amount of the

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[40] Business websites used include: individual company websites; EDGAR, the Securities and Exchange
Commissions searchable database for company filings: http://www.sec.gov/edgar.shtml; Matna.com;
Hoovers.com; Forbes.com; and LinkedIn.com.

[41]Media Matters identifies itself as a "progressive research and information center"
(http://mediamatters.org/about). While I tried not to use partisan data sources, Media Matters lists grants made
by Conservative grantmakers going back as many years as they can find. When all other sources failed, it was a
good source of grant information.

[42] When recipient organizations had multiple locations nearby one another, I combined them into one recipient.
However, if a recipient organization had multiple locations in different states or regions of a state, I left them as
separate recipients. So an organization that had two grants, one to an office in Los Angeles and one to an office
in Sacramento, were considered two separate organizations. Additionally, if an organization changed its name
but remained the same organization, or moved, from year to year, I combined the two names into one
organization. An exception was made if the separate locations clearly indicated separate organizations or
chapters. For example, ASPIRA NY and ASPRIA Bronx, represent two different chapters of ASPIRA, the
former in Manhattan and the latter in the Bronx. An additional exception to this is when an organization changed
its fundamental nature. For example, in 1994, Montclair State College (NJ) became Montclair State University. I
considered these two different organizations as colleges differ from universities. Similarly a series of Junior-
Senior High Schools in Rhode Island split into separate middle and high schools partway through the data
collection and are left as separate organizations (Junior-Senior High Schools and High Schools and/or Middle
Schools). Lastly, if a recipient organization received grants to a particular section of the organizations, those
were left as separate organizations for (1) the ease of future researchers seeking to replicate the data and (2)
because I assumed that the funds from those grants would be isolated in those programs. For example, the
NAACP received numerous grants, and the NAACP Special Contributions Fund received two grants. The two

grant; and the grant description. As has been stated, I worked backward from the grants to identify the foundations of interest. Thus, concurrent to collecting the grant data, I collected data about each foundation: foundation type; foundation asset size[43] in 2005; year the foundation was established;[44] the size of the foundation's board (officers, trustees and members);[45] the source of the founder's wealth;[46] the foundation's geographic focus;[47]

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grants to the Special Contributions Fund were counted as one recipient organization while the NAACP grants were counted as a separate organization.

[43] The foundation asset size was taken from the foundation's 2005 990PF. It should be noted that I used the 2005 IRS form, regardless of the foundation's fiscal year. So, for some of the foundations, the 2005 form was submitted in 2006. For foundations in which a 990-PF could not be located, asset size was taken from the Foundation Directory foundation profile on the date that the data were collected; if that did not exist, I looked on GuideStar for the most recent 990-PF available and used the asset size in that 990-PF. For example the most recent 990-PF I could find for the May Department Store Foundation was the 1990 990-PF, which was on GuideStar. If all else failed, asset size was coded as missing.

[44] A small number of foundations were created first as a trust and then later as a foundation; since they would not have been included in the data set when they were only a trust, I used the year that they were given foundation status as the year of founding. Similarly, a few foundations were founded as public charities or operating foundations and then became private foundations; the year in which they became private foundations is the year recorded for founding because they would have otherwise not been included in the data set. Blue Shield of California Foundation falls into this category. During the coding process, the year of founding was transformed to foundation age in 2005, the last year of data collection.

[45] If the profile either did not list these people, or did not exist and a 990-PF could not be located, I looked at the foundation website or most recent foundation annual report. If none of those sources could be located, this was coded as missing.

[46] This data was collected either directly from the *Directory's* foundation profile, or when it was not listed, by conducting an online search for the original donor's profession, biography, etc. I always began with the foundation website and then moved to a more general web search. When a thorough search had been conducted and no listing of the donor could be found, this was coded as missing. When a founder earned his money from multiple industries, I attempted to discern which was the original large source of funding (for example if a founder had a shop and used that money to invest in railroads which made him a fortune, I would list railroads as the source; if instead he had a shop that grew into a national chain and then he used that money to invest in railroads, I listed retail as the source). When there were multiple families involved or the original source was not discernable, I listed multiple industry sources.

[47] The foundation's geographic focus was listed on the *Directory's* foundation profile or foundation website. On the rare occasion it was not, it was coded as missing. I used the following codes to create a uniform geography code: national (foundation gives nationally or in more than 2 regions of the country); regional (foundation gives in one or two regions of the United States); X number of states (foundation gives in 1, 2, 3, etc states, or, in 3 or more states with only one state with a sub-area); multi-state with sub areas (foundation gives in more than one

whether or not there are family members (of the original donor) on the board;[48] and whether

or not the foundation belongs to/participates in an education or education-related affinity

group: Grantmakers for Education, Grantmakers for Youth, Children and Families, or

members of the AERA Education and Philanthropy Special Interest Group.[49] I also included

membership in the Council on Foundations or the Philanthropy Roundtable, both of which

have education sub-groups, as being a member of an education affinity group. In this

category, I also identified foundations that are listed in the foundation literature as

conservative foundations. Lastly, I included a variable that identified foundations that did not

belong to one of the above affinity groups, but did belong to a different affinity or

membership group, such as Grantmakers for the Environment. The rationale for doing this

was that if foundations learn from one another through affinity group membership—as is

suggested by Bernholz (1999), Hwang and Powell (2009) and Greenwood, et al. (2002)—

then perhaps it does not matter if they belong to a specific type of affinity group, but rather

that they belong to any affinity group. Additionally, I recorded the date on which the data

were collected, the search term that had identified the grant and whether or not the

Foundation Directory had a 2005 990-PF for the foundation.

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state with one or more sub areas OR in 2+ states with one sub area in 1 state, OR in multi state metro areas such as DC or the greater New York City area); sub-state multi (foundation gives in multiple areas of one state; if a foundation gave in more than 50% of a state's counties or cities, it was considered a single state); and, lastly, sub-state 1 (foundation gave in one area in one state). For easier analysis, I later consolidated the geography codes into sub-state, one state and two or more states.

[48] This data was somewhat rudimentary. Foundations were identified as having family members on the board if (1) at least 1 board member had the same last name as the original donor or (2) multiple board members had the same last name as one another and an online search of those board members indicated that they were related.

[49] In the course of data collection, the foundation profiles occasionally listed a membership group such as the Texas Education Grantmakers Advocacy Consortium or the Florida Philanthropy Network Education Affinity Group. If a foundation was listed as a member of one of these groups, it was also considered to be a member of an education affinity group.

3.4: Variables

    3.41: Grant or level-one variables. In Chapter 2, I discussed how previous authors have defined policy grantmaking. Building upon the work of Mavity and Ylvisaker (1977), Colwell (1993), Domhoff (1974), Greene (2005) Rotherham (2005), and Cohen (2007) I define policy grantmaking as grantmaking that seeks to improve or change government, define/clarify public issues, ensure the rights of the public, or improve the private sector's responsiveness to public needs. It also includes those grants that are given to policy-formation groups for the purposes of organizing, researching or discussing policy. Moreover, policy grantmaking is used to change public expenditures (Domhoff, 1974; Mavity and Ylvisaker, 1977; Colwell, 1993; Greene, 2005) and to create self-sustaining constituencies for advocacy for particular reforms and policies (Greene 2015). In contrast, non-policy, or program, grants are those grants given to support educational programs (Greene 2015). Building on these definitions, I created a two-tiered policy code for each grant: policy activity and policy status [variables: policyactivity and policystatus].

    Policy activity. The policy activity variable is a categorical variable that allows me to look at the specific activities that foundations fund in order to influence policy [policyactivity: 0= advocacy; [50] 1= research; [51] 2 = organizing; [52] 3 = process; [53] 4= technical assistance; [54] 5 =

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[50] A grant is coded as "advocacy" if the grant was given to promote a particular policy, policy goal, program or practice. Furthermore, a grant should be coded as advocacy if its purpose is identified as such in the *Foundation Directory* description. Grants coded for advocacy should be tied to a particular policy goal or an explicit policy or program. This code includes grants given to improve public awareness of a topic.

[51] Taken from Mavity and Ylvisaker's (1977) notion of "helping define and clarify issues" a grant is coded as "research" if it is given for the purpose of conducting and/or publishing research or evaluation.

[52] Taken from Mavity and Ylvisaker's (1977) notion of "improving the responsiveness of the private sector to public needs," a grant is coded as "organizing" if it is given for the purpose of organizing individuals and/or

legal; [55] 6= implementation; [56] 7=multiple policy activities; 8= specific program; [57] 9=general

operating support; [58] and 10 = missing/unspecified]. Grants for specific programs, general

operating support and technical assistance were only considered policy activities when they

dealt with policy topics or were given to policy organizations. For the HLM analysis, I created

dummy variables for the policy activities. In doing so, I combined the multiple activity

variable with the advocacy variable because there were only four grants coded multiple

activity and three of the four grants included advocacy as one of the "multiple" codes. For

each variable, the variable =1 if it was for the designated activity and 0 if it was for anything

else. For example, acdum2 =1 if the grant is for research and 0 if it is for any other activity. In

both sets of policy activity variables, if there was not enough detail provided about a specific

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communities in order to empower them to seek change in their communities, states and from government or industry generally. This code includes grants made for public engagement.

[53]Taken from Mavity and Ylvisaker's (1977) notion of "improving the processes and competence of government" and from Colwell's (1993) inclusion of grants made to policy-formation groups, a grant is coded as "process" if it is made to fund activities that provide information to policymakers through conferences specifically for policymakers/government agency officials, publications, grants for experimental programs/polices, and other similar activities.

[54] A grant is coded as "technical assistance" if it is given to an organization to provide technical assistance or other services to a third party or parties.

[55] Taken from Mavity and Ylvisaker 's (1977) notion of "helping ensure the rights and participation in government and society for all members of the public," a grant is coded as "legal" if it is given to conduct lawsuits and to support other legal-related activities.

[56] A grant is coded as "implementation" if it is given for the purpose of implementing a government policy.

[57] A grant is coded as "specific program" if "the grant description identified a specific project or program for which the grants were intended" (Cohen, 2007, p. 9).

[58] A grant is coded as "general operating support" if it is "described as such (or described as "to promote the charitable work of the organization")" in the Foundation Center Online descriptions or the funders 990PFs" (Cohen, 2007, p. 9).

grant to determine its activity, it was coded as missing. 1,880 or 14.2% of the policy

foundation grants did not have enough information associated with them to code the policy

activity.

     Policy status. Policy status determines if a grant is designed to influence fundamental

change or not. Policy status [variable: 0= not policy; policystatus 1= policy; 2=unclear]

determines if a grant is designed to influence fundamental change or not. For the HLM

analysis, the variable is recoded as a dummy variable (1 = policy and 0= not policy or

unclear). 385, or 2.9% of the policy foundation grants did not have enough information to

determine their policy status. Policy status is the key variable in creating the policy foundation

variable that identifies foundations that make a substantial portion of their education grants to

influence policy. It is also crucial to understanding how policy grantmaking has changed over

time. As part of determining policy status, I first identified and coded the activity funded by

each grant, as just described. Having established the activity funded by each grant, I then

coded each grant for its policy purpose: policy, not policy, unclear or missing. Grants coded

for advocacy, policy implementation, legal, organizing, process and research were always

coded as policy grants. Additionally, there were particular recipient organizations and

recipient types, such as policy shops, local education funds,[59] think tanks and charter schools,

whose grants were always coded as policy. For the other codes, I considered each grant's

recipient, recipient type and exact description. As suggested by Mavity and Ylvisaker (1977),

Colwell (1993), Greene (2005) and Rotherham (2005), I identified policy grants by their

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[59] It is important to distinguish between local education funds (LEFs) as defined by the Public Education Network and local education foundations. According to the Public Education Network, "LEFs are community-based advocacy organizations that engage local citizens in public education reform" (http://www.publiceducation.org/lefs.asp,). Local education foundations are charitable foundations that fundraise/receive and distribute supplementary funds for school districts. As advocacy organizations, LEFs are always coded as policy; local education foundations simply provide funding and, unless a grant is specifically for a policy activity, are coded as not policy.

potential to create fundamental change in the education system; otherwise they were coded as not policy, unclear or missing. I thought that a handful of recipients— Teach for America, and other alternative certification programs (for teachers, principals, and superintendents); The National Academy Foundation, and other career academies; school reform models identified in the Comprehensive School Reform program and similar models; and community schools— could arguably be considered both policy and not policy; I, thus, created a second policy status variable just for the observations that included those organizations; in the first policy status variable they are all coded policy, in the second they are coded not policy, unless it is absolutely clear in the grant description that the grant was made for a policy purpose. The second policy status [variable: policystatus2 1= policy; 0= not policy] variable is left blank (null) if the grant is not for one of the above organizations/organization types.

I identified Teach for America, other alternative certification programs (for teachers, principals and superintendents), teacher induction programs and reform models as being made for both policy and non-policy purposes because the organizations/programs have multiple goals. Teach for America, while providing teachers for under-resourced schools, not a policy activity, has also been involved in changing state laws about teacher certification, and, more recently, has taken specific aim at education policy by encouraging former members to run for office and to work in the education policy field. This second group of activities seeks to fundamentally change public expenditures and policy for K-12 education and should, therefore, be identified as "policy." Most of the Teach for America grants, however, are vague as to their exact purpose and are, therefore, coded as both. Likewise, teacher induction programs' primary goal is to provide support for new teachers, but sometimes have a secondary goal of changing teacher certification policy.

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Finally, I included grants made for the purpose of implementing a number of whole school (or school wide) reform models as policy/not policy (see Appendix E for full list of models included). I included these models because they seek to change hyper-local policy, i.e. policy at the school level/everything about the school—instruction, leadership, parent and community relations, and evaluation. Additionally, although these grants nearly always targeted individual schools or districts, they were often part of a larger policy implementation and were designed to create fundamental change at the local level, though whether that happened or not is unclear. Moreover, if the models were not implemented correctly/well, many of them would have had little or no impact on the school policy; since we have no way of knowing how each school funded by one such grant implemented the model, I coded them in a way that allows me to consider them both ways. In this set of recipients, I included, all of the school reform models that were identified for use in the federal Comprehensive School Reform program (Cross, 2004; Buechler, 2001, 2002), which began in 1998, and predecessor whole school models, including those developed through the New American Schools Development Corporation and as part of the effective schools movement. Lastly, I included grants made to two additional models that, similar to the whole school models, have potential to fundamentally change local education policy and spending: the AVID school wide program and the National Academy Foundation. The AVID school wide program focuses on whole school change, including governance changes and an emphasis on data. Although it existed prior to 2003, AVID began emphasizing the school wide program in 2003 (see AVID website, history page), and thus, I include 2005 grants to AVID as reform model grants that are coded policy/not policy. As was discussed earlier, I also include grants to the National Academy Foundation as policy/not policy. The National Academy Foundation works with school

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districts to create career academies that are integrated into their communities, providing students with hands-on career and technical training. Moreover, the career academies are connected with the business community through governance councils, which also include individuals from higher education as well as parents. Like the whole school reform models, the National Academy Foundation academies have the potential to change the way secondary (and post-secondary) education is approached in communities, and thus, the way tax dollars are allocated/policy made.

       Key reference year. The next grant variable is the year in which the grant was made. It is a categorical variable with nine categories. I then grouped the years in which grants were made according to my hypotheses about when there would be change in policy grantmaking and to make them more useful for analytical purposes. Because foundations' fiscal years do not necessarily match the calendar year and fiscal years are not the same across the foundations, I combined the fiscal years to capture a better picture of grantmaking in the calendar years. Thus, the key reference year variable is categorical and is defined by the years in which grants were made on either side of the hypothesis years (1989 and 2001). It has four categories defined as follows. The pre-Summit year includes grants from 1987 through 1989. 1989 is included in the first key reference year as the governor's meeting occurred in that year, as it seems unlikely that any response would be immediate. The post-Summit year includes grants made from 1990 through 1992. The pre-NCLB year includes grants from 1998 and 1999, and the post-NLCB year includes the grants made in 2005. Dividing the grants this way allowed me to better examine changes on either side of the events in question. For the HLM analysis, each reference year was treated as a dummy variable (1= grants made in the reference year in question; 0 = grants made in all other years).

Level of government. As my research questions ask about the level of government targeted by foundation grantmaking, the next variable identified the level of government at which each grant was directed [variable: fednumeric]. Fednumeric is a categorical variable with fourteen values. The values of the fednumeric variable are: (1) local; (2) state; (3) federal; (4) national; (5) local, state; (6) local, federal; (7) local, national; (8) state, national; (9) state, federal; (10) local, state, national; (11) local, state, federal; (12) national, federal; (13) state, national and federal; and (14) missing or unspecified. To simplify the analysis, I recoded the variable so that all of the multiple level grants were combined into one variable [fedjan15 0=local; 1=state; 2=federal, 3=national, 4=multiple levels; 5=missing/unspecified], as I hypothesize that giving to multiple levels of government at once is a distinct grantmaking strategy (this is supported by recent work by Reckhow and Tompkins-Stange, 2015, and Buffardi, et al., 2014). For the purpose of conducting the HLM analysis, I also turned each primary value of government (local, state, federal, national, multiple levels, and missing or unspecified) into dummy variables, where 1 =level specified and 0 =all other levels of government (so for example for local 1=local and 0=all other levels of government targeted).

A grant is coded as local if it was given to local government(s), school district or other sub-state governing body, or to another organization for conducting programs, influencing policy, or conducting advocacy or research in such a body. Grants made to multiple such government bodies, or targeted at multiple such bodies, are also identified as being local. Unless otherwise specified, grants made to or through a third party in support of teachers (for example for professional development), parent groups and organizations, community organizations districts, individual schools, and individual charter schools[60] are coded as local.

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[60] Charter Management Organizations (CMOs) were coded based on where they have schools and the purpose of each grant. Thus, grants to CMOs that work in only one city were coded as local, unless they were made for

For individual district schools, charter schools or local charter management organizations, a grant could be coded as local even if the grant description was missing. Grants described as being for "urban districts" are coded as local. Grants targeted at individual students or individual groups of students (e.g. Goldman Sachs Foundation grant to the Educational Testing Service given for the development of talented youth), are also coded as local.

A grant is coded as state if it was given to a state government body or a state agency, or to another type of organization to conduct a program, influence policy, or conduct advocacy or research in a particular state or a number of states. Grants given to more than five states were coded as state, national. Grants given for these purposes in a particular region of the country are also coded as state. Grants given to Native American tribal authorities are coded as state. It should be noted that if a grant was given to a state department of education, but given for a local program, the grant was coded as local, state to indicate that it was for the purpose of a local activity as well as being given to a state government body.

A grant was coded as federal if it was given to a federal government body or agency or is given for the purpose of influencing policy or conducting advocacy or research targeted at or on a federal government-sponsored program or a federal policy. Grants given to support the implementation of a federal policy or program or to study the effectiveness, implementation, etc of a federal policy or program are also included in this category.

Kaestle and Lodewick (2007) note that it is important to distinguish between "national education movements" (p. 2) and federal education reform initiatives. National movements

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something at the state, federal or national level; grants to CMOs that work in multiple cities in one or two states were coded as local if the grant was to an individual school or multiple individual schools, or for an activity that took place in school(s) and local, state if it was for general operating support or there was no description. Similarly, grants made for CMOs that operate in more than two states were coded as local if the grant was to an individual or multiple schools, or for an activity that took place in school(s) and local, national if it was for general operating support or there was no grant description. Charter Management Organization Foundations (e.g. KIPP Foundation) were treated the same way.

are those initiatives or ideas that are directed at policy-making bodies and/or individuals across the country, but are not initiated by the United States Department of Education or another branch of the federal government. In contrast, the federal government leads federal initiatives. The small schools movement is an example of a national education movement (Kaestle and Lodewick, p. 2), while No Child Left Behind is a federal reform initiative. Kaestle and Lodewick argue that because the United States has a history of local control, national initiatives are often more salient than federal initiatives. Thus, I distinguish between grants specifically targeted at the federal government and those made to influence policy across the nation, but not through the federal government.

A grant was coded as national if it was given to conduct a program or influence policy, or conduct research or advocacy in all or most states. Grants were also given the code national if the grant description said something along the lines of "across the United States" or "across the country" or "in American Society." For example, an Annie E. Casey grant to the University of Michigan in 2005: "To explore and document impact of public policies in six non-health areas pertinent to health outcomes and disparities in American society … education; and employment" (Foundation Database, 2013, accessed December 23, 2013). Unless otherwise specified as targeting a specific level of government, grants given to organizations that provide information, technical assistance and information for state and local governing bodies and policy makers are also included in this category because they were assumed to have the goal of influencing policy in all, or some percentage of, the states. Examples of such organizations are the National Governors Association, the Education Commission of the States, and the National Conference of State Legislatures.[61] Grants made

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[61] Other organizations fitting this description: Council of Chief State School Officers, National Association of State Boards of Education

to such organizations were given a secondary code of local or state, depending on which level of government they targeted. Additionally, grants given to national advocacy organizations for general operating support were coded as national, unless specified otherwise.

Similarly, grant descriptions that use any variant on the terms "across the country" or "nationally" are coded as national and local or state. For example, a 1989 Abell Foundation Grant to the National Committee for Citizenship in Education "for [a] study of different decentralization models implemented in urban public school systems across the country" was coded as, "local, national" (Foundation Center, 1991 p. 38). Likewise a grant would be coded as "local, national" if the topic of the grant dealt with districts and the recipient organization was a national policy organization, or if a single foundation gave a grant for the same purposes to multiple institutions across the country. For example, in 1989, the Ford Foundation made a grant "for [the] second stage of [a] pilot program, designed to strengthen mathematics teaching in inner-city schools" to San Diego State University and to the University of Memphis. Grants were given both the state and national coding if they were given to influence policy at the state level in five or more states or they were given for an ambiguous number of states. For example, in 1989 the Carnegie Corporation made a grant to the Education Commission of the states for a "project to assist states with policy and administrative issues in educational reform" (Foundation Center, 1990, p. 58). Since no states are listed, I assumed that it was to provide resources to any state interested, and the grant was thus coded state, national.

The coding of the federalism variable posed a special problem for research grants as it was often unclear what level of government, if any, was explicitly targeted by the research. Consequently, and because the goal of the coding was to be as inclusive as possible, many of

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the research grants were given multiple federalism codes. However, some were impossible to discern and were designated as unspecified. A good example of such a grant is a Spencer Foundation grant given to the University of Illinois at Urbana-Champaign in 2005 for the project "The Popularity of Elementary School Bullies in Gender and Racial Context" (Grants For Elementary and Secondary Education, 2006/2007, p.88). It should be noted that most grant descriptions did not specifically state that research was targeted at any particular level of government. Instead, I had to discern which level or levels of government deal with a particular topic and then assign that level of government to the research grant. Research grants were coded as state and national if they were designed to influence the state level of government. Since there was rarely, if ever, a research grant targeted at a specific state (and they were usually conducted by think tanks or universities), it was assumed that if a research study was looking at state policy, it was designed to influence state policy in all the states. Likewise, if a research grant was made to influence a non-specific local policy (i.e. there was not a specific locality listed), it was assumed that the research was designed to influence any/all localities and was therefore coded as local, national. Grants made to study classroom practice or teaching, for example, fell into this category. Lastly, process and research grants that were policy, but not locality specific, were coded as national, under the assumption that the research was designed to influence policy across the country. For example, a 2005 Spencer Foundation Grant to Harvard University for a conference "Harvard Seminar on the Race Achievement Gap" (*Grants for Elementary and Secondary Education 2006/2007* p. 87) was coded "national."

Finally, when there was not enough information provided about a grant to determine the level of government targeted, the grant was coded unspecified for the federalism variable.

Grants for which I could not determine the level of government targeted accounted for approximately 9% of the policy foundation grants.

Grade level, recipient type and grant topic. I used three additional variables for each grant. First, each grant was coded for the level of education with which it dealt: early childhood, K-12, higher education (these were dropped), K-16/P-16, or some combination of education levels [gradelevel 0=K-12; 1=early childhood, 2=K-16/P-16; 3=K-12 and higher education; 4=early childhood and K-12; 5=missing/unspecified]. K-16 and P-16 refer to the continuum of education from kindergarten or pre-kindergarten through a bachelor's degree. This variable was necessary to determine inclusion in the data set and it enabled me to differentiate between K-12 and early childhood grants. For the HLM analysis, I combined the K-16/P-16 and the K-12 and higher education categories. I then created dummy variables for each of the categories in which the variable =1 for the designated grade level and 0 if the grade level was anything else. So, variable gl1 =1 if the grant is for K-12 education and 0 if it is for anything else. Approximately 1.8% of policy foundations grants were coded missing/unspecified for grade level.

Second, each grant was coded for the type of recipient that received the grant [variable: recipienttype]. Recipient type is a categorical variable with thirty-three codes. Appendix F shows the definitions for each recipient type and the distribution of recipient types for the full set of policy foundations. For the HLM analysis, I condensed the recipient types into 12 categories. These are also listed in Appendix F.[62] Additionally, there were a number of organizations for which more than one recipient code could have been used. In these cases, I did my best to code the organization based on its primary stated purpose. For

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[62] There were a few grants made to more than 1 organization. When this occurred, I used the recipient type of the first organization listed, unless it was missing, in which case I used the second organization's type.

example, the Texas Business and Education Coalition, which represents business interests, and could be considered a business organization, could also be considered an advocacy organization because its primary goal is to advocate for improved education policy. In this case, I coded the organization as advocacy organization because that is its stated purpose. Like policy activity, some recipient types were always coded as policy. Grants to charter schools, charter support organizations, charter management organizations, nonprofits that provide school vouchers, magnet schools and other district choice schools, school choice organizations, local education funds, small school support organizations, advocacy organizations, think tanks, policy shops, and national membership organizations such as the Education Commission of the States, the National Governor's Association, the Council of Great City Schools, etc, were all always coded as policy.

I created a second recipient type variable, national policy organization [variable: nationalpolicyorg], which identified recipient organizations as a national policy organization. National policy organization is a dichotomous variable [0 = any other organization; 1=national policy organization]. I created this variable to help me track changes in national grantmaking over time. Reckhow and Snyder (2013) argue that between 2000 and 2010, national advocacy organizations took a larger role in, and received an increasing amount of philanthropic support, to shape the national and federal education policy agenda. I look to see if this trend began during my data collection years. The organizations that are coded as national policy organizations are listed in Appendix G.

Lastly, I coded each grant for its primary and secondary topic [variable: gt1, gt2], i.e., the areas of education, such as school choice, teachers, unions, curriculum, and out-of-school time, which were being funded. Grant topic is also a categorical variable. It has 154 codes

(see Appendix H for full list). Coding for grant topic helped me to determine a grant's policy status and allowed me to delve further into understanding foundations' giving strategies. As with the previous variables, a number of grant topics were always coded as policy. For example, if a grant dealt with school choice or charter schools, it would be coded as "policy." Building on Greene's (2005) list of policy topics listed earlier, I added funding the convening of policymakers, legal related activities, including the funding of equity lawsuits, community organizing, technical assistance for such activities (from Mavity and Ylvisaker, 1977), and general operating support for organizations that conduct these activities (from Cohen, 2007; Covington, 1997; Henig, 2008; McDonald, 2014; Smith, 2009). Some grant topics were always coded as policy under certain scenarios. Curriculum grants were always coded as policy if they were related to standards-based-education, or for national curriculum recommendations, or for the implementation of either. Likewise, parent involvement grants were coded as policy if they specifically stated that their goal was to give parents a role in school or district governance and/or policymaking or for organizations in which parents played such a role. Examples of this include grants for Chicago's local school councils and for Abbott-district school councils.

3.42: Foundation or level two variables. In addition to coding the grants, I coded each foundation by its policy status and characteristics.

Policy foundation. First, I identified policy foundations using a dichotomous variable (1= policy foundation; 0= not policy foundation). I initially defined policy foundations as foundations that made at least five education grants and made more than 25% of their grants for policy activities. However, I received feedback on a conference paper (ARNOVA 2012)

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that readers were surprised that some foundations were missing from the list of policy foundations, particularly the W.K. Kellogg Foundation. I, therefore, redefined policy foundations as those that made at least five education grants and made 20% or more of their education grants for policy activities. While this may exclude some of the very small foundations, I contend that this definition captured foundations whose intention it is to have an effect on policy, rather than foundations that happened to have made a grant to a local charter school or other type of policy organization.

Each foundation was also coded by the following characteristics: foundation age, geographic focus, board size, source of founder's fortune, family on board, foundation type, asset size, and membership in an affinity group. For all of the foundation characteristics, the missing cases were missing because I could not find the information needed to code the variable. In most cases, this occurred because the foundations were no longer in existence and/or because they were small and did not have a large web presence.

Foundation age. Foundation age is a continuous variable that measures how old a foundation was in 2005, the final year of data collection. For the full data set, it ranges from 0 to 104, with 43 foundations whose founding year I could not determine, and therefore, had a missing age. Among the policy foundations, it ranges from 0 to 96, with 11 foundations missing their age. For the policy foundations, the average age is 39.7 years and the median age is forty-two years old. In order to more completely understand the influence of foundation age on foundation grantmaking behavior, I grouped the foundations into "new" and "old" categories. I defined new foundations as those created during the period of data collection. Age group is a dichotomous variable, (0 = "old" i.e., created before 1987; 1 = "new" i.e., foundation was created between 1987 and 2005). Using this definition, there were 73 new

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policy foundations and 272 old policy foundations[63]. I also created a second age grouping

variable, agegr2, which is coded the same way, except that the dividing line is 1980. This

variable is based on Hammack and Anheier's (2010) assertion that half of today's funders (as

of 2010) were created from fortunes made in the last 20 years of the twentieth century (pp.

22-23). Using this second formulation, there were 235 old foundations[64] (pre-1980) and 110

new foundations. As will be seen, the analysis did not differ substantially when I used the

second, rather than the first, definition of age group. I also used a third definition of new,

based on the idea that venture philanthropy began in the late mid to late 1990s (Moody,

2008). In this definition, foundations created between 1995 and 2005 were considered "new"

and all others were considered "old". Using this definition, there were only 35 new

foundations. Ultimately, however, the original definition proved to be the most useful.

   Geographic focus. Geographic focus describes the number of locations in which a

foundation makes its grants. I recorded the areas in which each foundation prioritized their

giving, as identified in their Foundation Center profile, or on their own website, and recoded

them into a categorical variable with sixteen possible values, identifying the number of states

or areas within states that a foundation focused its grantmaking. This variable proved to be

too unwieldy, and so I shrunk it to a new variable, GEOG, that had three categories (0=sub-

state focus; 1= 1 state focus; 2= 2+ state focus). There were 15 foundations with missing

geographic foci. For the purpose of analysis, I turned each category into a dummy variable

where the variable is equal to 1 when it was for the geographic focus defined and 0 for any

other focus.

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[63] Old or age missing.

[64] *ibid*.

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Board size. Using data taken from the Foundation Center's foundation profiles, the foundations' own 990PFs and their websites, I tallied each foundation's total number of officers and trustees, i.e. board members. I could not find these data for 63 foundations. Board size is a discrete variable. It ranged from no board members, in which case a bank was listed as its trustee, to 67 board members. For the full set of foundations, the mean board size was seven members and the median was six. Among the policy foundations, the mean board size was 9.6 board members; the median board size was nine members. On average, the policy foundations were larger—as measured by board size—than the full set of foundations.

In order to more easily assess the influence of board size on foundation grantmaking behavior, I created a categorical board size variable in which foundations were grouped by the size of their boards (0= 0-5; 1= 6-12; 2= 13-19; 3= 20+). According to the Association of Small Foundations, "smaller-staffed foundation (defined as three persons or fewer) boards had a median of five board members. (Association of Small Foundations, 2008, as cited by the Council on Foundations, 2010, p. 3) I thus defined a small board as having from 0 to 5 members. The Council on Foundations report found that the median board size among all foundations was 12 members (Council, 2010). Using that as a guidepost I made the first mid-sized category 6-12 board members and the second mid-sized category 13-19 board members. The largest category is for those foundations with 20 or more board members.

Source of funding. I hypothesized that the field in which the foundation founder made his or her fortune would influence policy grantmaking behavior among foundations. Source of funding is a categorical variable with fourteen categories. These are described more fully in Appendix I. In particular, I hypothesized that foundations whose money came from the financial and technology industries would be more likely to engage in policy grantmaking

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than other foundations. In order to look at those areas, I created three dummy variables, one for each category and the one for the combined categories. First, I created a variable, FIRE, which identified foundations that came out of money made in the financial industries (finance, insurance, and real estate, aka, FIRE). Foundations were coded 1 if they came out of a FIRE industry and 0 if they came from any other industry. Second, I created a variable, TECH, which identified foundations that came out of high tech money. This is primarily foundations whose funders made their money in information technology. Foundations were coded 1 if they came out of a TECH industry and 0 if they came from any other industry. Lastly, I created a combined variable, FIRETECH, which identified foundations as having come from either FIRE or TECH industries. These foundations are coded 1 if they were coded for FIRE or TECH and 0 if they were not. The "not" code includes seven foundations for which I could not find any information about the industry code.

Family on board. I hypothesized that having a family member of the founder (or the founder himself) on the board would lead to a decreased likelihood that the foundation would make policy grants. The rationale was that foundations with family members tend to be smaller and less professional than those without family members (Berhnolz 1999). Family is a categorical variable (1=yes; 0=no; 3=company foundation/not applicable). Of the 1,363 foundations in the full data set, I could not find data for 36 foundations[65] and an additional 247 foundations were company-sponsored and so for the most part did not have family members on the board.[66] Of the remaining foundations, 762 (57.12% of all foundations) had a

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[65] Seven of these were non-family owned company-sponsored foundations and were, therefore, coded as NA for family on board.

[66] 17 family companies had family members on their foundation boards and they are counted in the "yes" category for family on board; together they made 66 grants.

family member on the board and 342 (25.64%) did not. Among the policy foundations, 45.8% of foundations had a family member of the founder on the board, 26.7% did not, and 26.1% were company foundations. An additional 1.5% were missing enough information to determine.

Foundation type. The foundation type variable, ftype, is binary and identifies foundations as either being independent or corporate (0 = corporate; 1 = independent).

Asset size. Asset size is a continuous variable that is the foundation asset size in 2005, or the most recent year prior to 2005 in which I could identify the asset size. For the full set of foundations, there were 56 foundations for which I could not identify the asset size; for the policy foundations there were 23 such foundations. Because there was a dramatic range of asset size, from $10,757 to $30 billion, I transformed asset size by taking the log. Additionally, I divided the foundations by asset size. First, I identified the 25 largest policy foundations by asset size [variable top25 = 0 if they are not in the 25 largest foundations; = 1 if they are one of the 25 largest foundations]. Second, I divide the policy foundations into asset size quartiles. These quartiles are used in a number of the comparisons of proportions (discussed below). They are identified as the largest, large, medium and small quartiles. In comparison of policy foundations and non-policy foundations that make policy grants in Chapter Four the asset size quartiles were created using the full data set.

Membership in an affinity group. I hypothesized that membership in education philanthropy affinity groups, general philanthropy membership organizations, and being identified as a conservative foundation[67] might affect foundations policy status and tendency

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[67] The organizations included were: Grantmakers for Education, Grantmakers for Youth, Children and Families, participation in the AERA Education and Philanthropy SIG, the Council on Foundations, Philanthropy Roundtable, and foundations identified as conservative Foundations in the literature (Scott, 2009; Cohen, 2007, Krehely, House, and Kernan, 2004).

to make policy grants. Membership is a binary variable (0 = not a member of an affinity group; 1 = member of an affinity group). However, during the course of my research, I decided that if participation in an education affinity group or a national membership organization led to changed foundation behavior vis-à-vis policy grantmaking, it was quite possible that membership in any affinity or membership group would have the same affect. Thus, I created a second variable, membership2, tracking foundation membership in any membership or affinity group. Again, the variable is categorical (0 = no membership; 1= membership in any affinity group).

Region. The region variable identifies the region in which a foundation is located. I included this variable because the literature on new foundations suggests that most of the new, education policy foundations are located in the western United States. I wanted to see if this was true for a larger set of foundations than is usually discussed. I used the U.S. Census regions (south, west, midwest and northeast) as the basis for this variable. It is a categorical variable with four categories, but in order to use it in the regression, I created four dummy variables which equal one if they are in the region in question and zero if they are in any other region (Northeast = comparison group).

Total grant size. The total grant size variable is a continuous variable that is the sum of all of a foundation's grants (in 2005 dollars) over the course of the study. It is meant to be a proxy for foundation size, and, indeed, asset size and total grant size are highly correlated (r = 0.75). In the HLM analysis, total grant size is divided by 10,000.

Percent policy. The percent policy variable is a continuous variable that shows the percentage of grants made for policy activities as a part of all grants made by a policy foundation.

3.5 Analysis Models

In order to test my hypotheses, I used four analytical tools. First, I used a two-sample (or group) test of proportions to compare the levels of government targeted across the key reference years as well as to compare groups of foundations to one another. This test uses the *prtest or prtesti* commands in Stata and enables the user to create a confidence interval and test the statistical significance between two samples that are presented as proportions (Stata Manual, prtest) in order to test a hypothesis. In the tables in the chapters that follow, I present the proportions as percents for ease of reading.

Second, using Stata 12.1 I employ logistic regression (command: logit) to determine the odds of a foundation being a policy foundation, according to my definition, while controlling for the foundation characteristics (Chapter Four). I additionally used logistic regression to test the odds of being a foundation whose federalism code was "missing/unspecified" (Chapter Five) and to predict the odds of being a foundation that makes charter school grants (Chapter Six). In the Chapter Five analysis, missing/unspecified is a dummy variable that equals 1 if a grant is coded missing/unspecified on the level of government targeted variable and 0 if it is not. In the Chapter Six analysis, the dependent variable is coded 1 if a foundation makes at least one grant to charter schools/CMOs and 0 if it does not. In all three cases, the variables used were similar. Logistic regression models are used for dichotomous outcome variables (Aldrich & Nelson, 1984). The dependent variable of my logistic regression is policy foundation (policy foundation =1, non-policy foundation =0). I built the model iteratively, testing each independent variable individually and then grouped until I found the model that had the best pseudo-R-squared, the highest log-likelihood and the

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most significant predictor variables. The best model tested membership in an affinity group

(1= yes; 0=no), the log total grant size—as a proxy for foundation size—foundation age

(1=new, 0=old), board size (dummy variables for each group as described above),

FIRETECH (1=FIRETECH, 0=all other industry sources), foundation type (1= independent

foundation, 0= corporate foundation), geographic focus, and region dummy variables (dummy

variables for each group as described above) as predictors of a foundation being a policy

foundation. Additionally, I use an interaction between age and region to predict both being a

policy foundation (Chapter Four) and making charter school grants (Chapter Six). Of the

1,363 possible foundations, the model included 1,251. One hundred twelve foundations were

missing data along at least one of the variables and could not be included.

Third, I look within the policy foundations only to see if the characteristics that predict

the proportion of grants made for policy activities are different from the those that predicted

being a policy foundation. In order to test this, I used a generalized linear model with a logit

link function and a binomial distribution. Baum (2008) notes that this is the preferred model

for modeling dependent variables that are proportions.

Fourth, I use Hierarchical Linear Modeling (HLM) with a Bernoulli/binomial

distribution to determine the likelihood of foundations targeting their grants locally, as

opposed to targeted at any other level of government, accounting for both grant level (level-1)

and foundation level (level-2) characteristics. HLM is used when there are predictor variables

at different hierarchical levels. The most common example is that of students nested in

classrooms, nested schools and nested in districts (Gelman & Hill, 2006; Raudenbush & Bryk,

2002; Woltman, Feldstain, MacKay, & Rocchi, 2012). In my data, grants are nested in

foundations. The dependent variable, local is equal to one if a grant is targeted locally and

zero if it is targeted at any other level of government. First, I constructed a null model in which I tested the dependent variable without any predictor variables. The chi-squared test was significant. I then constructed a level-1 only model, in which I estimated the relationship between local and the grant level characteristics. In level-1, the grant size variable is centered around the grand mean. All of the other predictor variables are dummy variables. Finally, I estimated the effect of the level-1 and level-2 predictors on being a locally targeted grant. Again, grant size (level-1) is grand mean centered. In level-2, total grant size is also grand mean centered. The remaining level-2 predictor variables are binomial, or in the case of board size, are dummied out. The analyses described are presented in Chapters Four through Six.

Chapter 4: Policy Foundations and Policy Grantmaking

4.1: Introduction

In the first part of this chapter I examine policy grantmaking across the key transition years defined in the methodology chapter. As a reminder, the key transition years represent the grant years on either side of the key events. They are not continuous throughout the time period. I seek to understand how policy grantmaking changed over the course of the study period. I then look at the foundation characteristics that predict a foundation's odds of being a policy foundation. The chapter concludes with a discussion of why foundations change their grantmaking strategy. Employing both institutional theory and organizational ecology, I hypothesize that foundation environments and characteristics will influence grantmaking behavior. I test three specific hypotheses in this chapter: (1) Because of the ambiguity of grantmaking, foundations will to seek to be more like the most influential foundations in the field. This will manifest itself in smaller foundations altering their grantmaking to look more like that of the largest foundations; (2) Foundations that belong to professional associations will be more likely than foundations that do not belong to such organizations to alter their grantmaking behavior to match that of the field because they will be influenced by the other foundations that are members of the organization. The result of this is that foundations will be more likely to be policy foundations and to make more policy grants if they belong to a membership or affinity group; (3) Foundations that come out of the financial and technology industries, as well as new foundations, will be more likely to be policy foundations and to make more policy grants than are foundations that come out of other industries because of

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their focus on outcomes and the need to adapt the policy environment in order to be effective which is derived from their seeking legitimacy from their "parent" fields rather than the philanthropic field.

4.2: Policy Grantmaking

As was described in the methodology chapter, policy grantmaking entails making grants that are designed to alter public spending for public education. I define policy grantmaking as grantmaking that seeks to improve or change government, define/clarify public issues, ensure the rights of the public, or improve the private sector's responsiveness to public needs. It also includes those grants that are given to policy-formation groups for the purposes of organizing, researching or discussing policy. Moreover, policy grantmaking is used to change public expenditures (Colwell, 1993; Domhoff, 1974; Greene, 2005; Mavity and Ylvisaker, 1977). In contrast, non-policy, or program, grants are those grants given to support educational programs (Greene, 2015). I coded each grant as being for policy, not policy or unclear, and then coded each grant by the specific policy activity that it was intended to support. Additionally, I coded each grant for the recipient type and the educational topics that the grant addressed. I identified thirty-five total recipient types and 153 total educational topics overall; for the policy grants there were 35 different recipient types and 143 total educational topics addressed. Table 2 shows the number and percentage of policy grants by key transition years for the policy foundations.

Table 2: Number and Percentage of Policy Grants by Key Reference Year, Policy Foundations Only

Key Reference Years	Number of Grants	Percent of All Grants in Key Reference Year
Pre-Summit (1987-1989)	939	40.27
Post-Summit (1990-1992)	1,466	41.20
Pre-NCLB (1998-1999)	1,216	45.89*
Post-NCLB (2005)	2,647	56.19**

*Percent in pre-NCLB year is significantly larger than in any of the previous key reference years ($p < .05$);
**Percent in post-NCLB year is significantly larger than in any of the previous key reference years ($p < .01$).

As I expected, policy grantmaking increased, both in terms of raw numbers and in terms of dollars spent, over the time period 1988 to 2005. Although the rise in the percentage of policy grants from before the Summit until the years immediately following it was not statistically significant, the growth between every other year combination, and most notably from before the Summit to after the implementation of NCLB was. The increase in policy grantmaking as measured by the dollar amount granted also indicates significant change over the same time period. Table 3 shows the dramatic increase in the amount of funding given to policy activities over the course of the study, both in terms of the raw dollar amount and the percentage of all grant dollars. As can be seen in Table 3, policy foundations gave less than half of their grant money to policy activities in the pre-Summit reference year, but by the post-NCLB reference year the amount was close to three-quarters of their grant money.

Table 3: Total and Percentage of Grant Dollars for Policy Grantmaking by Key Reference
Year (in 2005 Dollars), Policy Foundations

Key Reference Year	Total Grant Dollars for Policy Activities	Percent of All Grant Dollars in Key Reference Year
Pre-Summit (1987-1989)	$178 million	45.91
post-Summit (1990-1992)	$303 million	47.60**
Pre-NCLB (1998-1999)	$282 million	66.51**
post-NCLB (2005)	$739 million	70.94**

** Difference in percentage of grant dollars different from previous reference year ($p < .01$)

Additionally, mean grant size for policy grantmaking grew dramatically in each key transition

year. As can be seen in Table 4, the mean size of policy grants grew in each key transition

year, while there is a trend toward smaller not policy grants over the course of the study:

mean dollar value of the not policy grants dropped over the course of the study, although there

is growth between from before NCLB to after, due to the dramatic drop in mean grant size

from the post-Summit years to the pre-NCLB years. Table 5 shows the median grant size in

each key reference year by policy status. With the exception of the pre-NCLB year, the

median policy grant value remained relatively unchanged over time, even as the mean grant

size rose substantially. Interestingly, the median value of all of the grants is more than half the

size of the mean values, suggesting that even though there were very large grants among all

the grant types (policy, not policy and unclear), the majority were on the smaller side. This is

crucial to thinking about policy grantmaking aside from the very large grants that usually

garner media, and academic, attention.

Table 4: Mean Grant Amounts by Policy Status and Key Reference Year, Policy Foundations Only (in 2005 dollars)

Key Reference Years	Policy Status		
	Policy	Not Policy	Unclear
pre-Summit	189,934	151,7823	128,794
post-Summit	206,512	158,153	173,062
pre-NCLB	232,020	96,450	159,074
post-NCLB	279,331	142,238	241,334

Table 5: Median Grant Size by Key Reference Year and Policy Status, Policy Foundations Only (2005 dollars)

Key Reference Years	Policy Status		
	Policy	Not Policy	Unclear
pre-Summit	78,750	63,000	78,750
post-Summit	73,737	52,299	64,526
pre-NCLB	64,701	41,909	58,613
post-NCLB	75,000	40,000	70,500

What accounts for this growth? Certainly, as others (Ravitch, 2010; Reckhow, 2013; Scott, 2009) have claimed, the growth of the "venture philanthropists" is responsible for some of the growth. I examined my policy foundation data again, this time without the five venture foundations identified by Scott (2009): the Eli and Edythe Broad Foundation, Bill and Melinda Gates Foundation, Walton Family Foundation, Michael and Susan Dell Foundation,

Lynde and Harry Bradley Foundation.[68] Table 6 shows the number and percent of policy grants made by policy foundations in each key transition year with the venture funds included and excluded. The difference is hardly noticeable in two reference years on either side of the Charlottesville Summit, which makes sense because most of the venture funds were not yet in existence—and those that were (the Bradley Foundation and the Dell Foundation) were not yet behaving as such. However, in the key reference year prior to NCLB the number of policy grants diminishes by about 100 and following NCLB it drops by almost 400 $(p <. 05)$.

Table 6: Number and Percent of Policy Foundations by Key Reference Year with and without Venture Philanthropy Funds, Policy Foundations Only

Key Reference Years	All Policy Foundations		Policy Foundations *Without* Venture Funds	
	Number of Policy Grants	Percent of All Grants in Key Reference Year	Number of Policy Grants	Percent of All Grants in Key Reference Year
pre-Summit	939	40.3	937	40.3
post-Summit	1,466	41.2	1,463	41.3
pre-NCLB	1,216	45.9	1,152	44.8
post-NCLB	2,647	56.2	2,260	53.2*

* $p < .05$ (as compared to all policy foundations)

I also examined the change in policy grantmaking without the twelve largest K-12 education foundations Reckhow (2013) identified for 2005. Throughout this dissertation, I will refer to these as the 12 largest foundations in 2005.[69] When I do so, the percentage of

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[68] She also discusses the NewSchools Venture Fund, the Donald and Doris Fisher Fund, Venture Philanthropy Partners, and the Charter School Growth Fund as venture philanthropists, but they are not in my data set as they are not independent or company-sponsored foundations.

[69] Reckhow (2009, 2013) identified 15 foundations (see page 157-8, Reckhow 2013 for full list). However, three of the foundations are not in my data set: The Oberkotter Foundation only made grants to private schools, and

grants made for policy activities again diminishes, albeit, by a small percentage in each key

transition year. Table 7 shows the number and percent of policy grants made by policy

foundations in each key transition year with the largest foundations included and excluded.

The difference in the proportion of policy grants between all policy foundations and the

policy foundations with the twelve largest foundations in 2005 excluded is only statistically

significant ($p < .05$) in the post-NCLB test year.

While these findings offer compelling evidence that the largest foundations, and

perhaps the venture foundations in particular, are responsible for at least some of the growth

in education grantmaking between 1988 and 2005, it is important to recognize that during that

period there was a substantial increase in the number of foundations making education grants,

as well as an increase in the number of foundations making policy grants for education. I will

discuss this further in the next section.

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was, therefore not included in my data set. The H.N. and Frances C. Berger Foundation did not make any policy
grants and is, therefore, not included in the policy foundation data. Lastly, the Community Foundation Silicon
Valley is a community foundation; I do not include community foundations in my data.

Table 7: Number and Percent of Policy Grants by Key Reference Year, With and Without 12 Largest Foundations in 2005 and Without 25 Largest Foundations

Key Reference Years	All Policy Foundations		Policy Foundations *Without* 12 Largest Foundations in 2005		Policy Foundations *Without* 25 Largest Foundations Overall	
	Number of Policy Grants	Percent of All Grants in Key Reference Year	Number of Policy Grants	Percent of All Grants in Key Reference Year	Number of Policy Grants	Percent of All Grants in Key Reference Year
pre-Summit	936	40.3	787	38.6	648	38.6
post-Summit	1,466	41.2	1,262	39.41	960	36.7
Pre-NCLB	1,219	45.9	1,081	44.4	888	43.7
Post-NCLB	2,647	56.2	2,022	52.7*	1,885	52.0*

*Proportion significantly different from full set of policy foundations ($p < .05$).

Throughout the period of study the top 25 funders in my data set gave approximately half of the grant dollars. While this supports the notion that the largest foundations are disproportionately impactful (Reckhow, 2009; 2013; Reckhow & Tompkins-Stange, 2015; Tompkins-Stange, 2013), it also points to the fact that the non-largest foundations account for a substantial portion of grant dollars. In the key reference year prior to the Summit, for example, the 148 foundations that exclude the top 25 funders in the data set made $196 million in grants, accounting for a full 50% of the grantmaking. When instead of looking at the top 25, I compared the 12 largest foundations in 2005 and the remaining 333 foundations, I find that the 12 largest foundations in 2005 accounted for 37% of grant dollars made by the policy foundations. While that is certainly an outsize effect, since they only accounted for 3.5% of the data set, it means that if I excluded the remaining 96.5% of the foundations, I would have missed 63% of the grant dollars made by policy foundations. Similarly, if I examined only policy grants, the 12 largest foundations in 2005 accounted for $655 million or

43.6% of policy grant dollars. Again, while that is certainly an outsize effect, the other 333 foundations still made grants worth $1.5 billion, accounting for 56.4% of policy grant dollars given by policy foundations.

Looking at the 320 foundations not in the top 25 funders by asset size, there are 25 additional large foundations by asset size that make at least the mean proportion of policy grants for the data set (.48). Of those, the thirteen most frequent policy grantmakers (i.e. they have the largest proportion of policy grants, between .6 and .93), made grants totaling $235 million overall, or about 9% of total grantmaking. In the post-NCLB reference years, they accounted for about 10% of grantmaking. These foundations are: the J.A. and Kathryn Albertson Foundation, ID; the Lynde and Harry Bradley Foundation, WI; the Eli & Edythe Broad Foundation, CA; the James Graham Brown Foundation, KY; the Marguerite Casey Foundation, WA; the Michael and Susan Dell Foundation, TX; the Joyce Foundation, IL; the William R. Kenan Jr. Charitable Trust, NC; the James S. McDonnell Foundation, MO; the Smith Richardson Foundation, CT; the Robertson Foundation, NY; the Spencer Foundation, IL,[70] and the John Templeton Foundation, PA. Certainly without much thought, many of these foundations are familiar to the reader and are considered quite influential in education policy circles. There are 18 foundations[71] in the smallest asset size group that also make at least the

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[70] Mavity and Ylvisaker (1977) argued that public affairs grants should include those that "help to define and clarify public issues" and Greene (2005) included research in his definition of a higher-leverage grant. I include all research grants because while some research may be very specifically policy oriented, all, or at least most, education research potentially has use in policy. Given the inclusion of research as a policy topic, Spencer is considered a policy foundation, even if though they don't do advocacy work.

[71] These 18 foundations are: The American Express Foundation, NY; The William Bingham Foundation, OH; The Bristol-Meyer Squibb Foundation, NY; The Cortopassi Institute, CA; The Dick & Betsy DeVos Foundation, MI; The Fleck Foundation, WI; The Gilder Foundation, NY; the Edward W. Hazen Foundation, NY; the Jaquelin Hume Foundation, CA; the J.M. Foundation, NY; The Mayer and Morris Kaplan Family Foundation, IL; the Louis R. Lurie Foundation, CA; the A.L. Mailman Family Foundation, NY; the George H. & Jane A. Mifflin Memorial Fund, MA; the Northern Trust Company Charitable Trust, IL; the John M. Olin Foundation,

mean proportion of policy grants. While these only account for about 1% of grantmaking

overall, they are significant actors in education and in the more general field of policy

grantmaking. Five of the 18 are identified as conservative foundations and have been

identified in the philanthropy literature (Cohen, 2007; Covington, 1997; Krehley et al., 2004)

as themselves having a disproportionate influence because of the ways in which they make

their grants. Thus, looking at the fuller set of foundations enables researchers to draw

conclusions about a substantially larger set of grants and grant monies.

Table 8: Percent of Grant Dollars Made by Non-Largest Foundations by Key Reference
Year, Policy Foundations Only

Key Reference Years	Total Grantmaking	Percent *Without* 12 Largest 2005 Foundations	Percent *Without* 25 Largest Foundations
Pre-Summit	$388 million	73.45	50.52
post-Summit	$636 million	79.87	46.23
Pre-NCLB	$425 million	68.94	51.76
post-NCLB	$1.04 billion	46.44	43.46
Overall	$2.49 billion	63.05	46.59

4.3: Policy Foundations

As I discussed in my methods chapter, I divided the foundations in my data set into

policy foundations and non-policy foundations. This section will examine the foundation

characteristics that influence whether or not a foundation is a "policy foundation." As a

reminder, I define a policy foundation as those that made at least five education grants and

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NY (note that it had once been a larger foundation, but that by the time of it's inclusion in my data set, it was
shutting down); the Pumpkin Foundation, NY; and, The Woods Charitable Fund, IL/NE.

made 20% or more of their education grants for policy activities. Over the period of my study, the number of foundations that qualified as policy foundations using my definition of policy foundation grew. Table 9 shows the raw numbers by key reference year. Before discussing the characteristics that influence the odds of a foundation being a policy foundation, it is worth mentioning a few other things about the data.

Table 9: Number of Policy Foundations by Key Reference Year

Key Reference Year	Number of Policy Foundations
pre-Summit	166
Post-Summit	200
pre-NCLB	219
Post-NCLB	289

Non-Policy Foundations. Although policy grantmaking grew across the time period under study, and I saw an increase in policy foundations in my data over the same period, it is important to note that overall, foundations that make education grants did not become more policy oriented. In 2005, there were vastly more foundations making education grants than in 1988 or 1989 (my pre-Summit years). According to the Foundation Center's publications, *Grant$ for Elementary and Secondary Education* (2006, 1990), in the 2005 grant year 982 foundations made education grants. In contrast, in 1988 and 1989 only 379 foundations made education grants. Thus, the proportion of foundations making education policy grants (as a proportion of all foundations making education grants) actually declined over the period of study (from approximately 43% to approximately 29%). The majority of foundations that make education grants do not make any for policy activities, and many made only one or two

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for policy activities. I briefly compare some these foundations to the policy foundations. In order to get the greatest comparison between the policy foundations and the not policy foundations, I compare the foundation characteristics of the foundations that only made one policy grant to those of the policy foundations. It would be interesting to compare the characteristics of all non-policy education foundations to those of policy foundations as well. However, the non-policy foundations that made no policy grants ended up in my data set because their descriptions had a key word or index term that matched one that I was using, but they do not represent an exhaustive set of non-policy foundations.

In my data, 303 non-policy foundations[72] made only one policy grant apiece to public K-12 or early childhood education in the post-NCLB reference year.[73] Of the 303 grants made by those foundations, 110 were made to charter schools/charter management organizations, 48 were made to policy shops, think tanks, research and advocacy organizations, 26 were made to nonprofits and 26 were made to local education funds. Two hundred fifteen (215) were directed at the local level of government, with an additional 12 directed at local and state or local and national; overall, then, nearly 75% were directed at the local level. Table 10 compares the characteristics of the non-policy foundations that made only one policy grant in the post-NCLB year with the characteristics of the policy foundations that made policy grants in the same key reference year. As can be seen, the non-policy foundations that make one policy grant are dramatically smaller than the policy foundations, and they are much more likely than the policy foundations to focus their grantmaking in a single state.

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[72] An additional 47 policy foundations made only one policy grant in the post-NCLB reference year.
[73] This is a marked increase from the previous reference years: in the pre-Summit reference year, 19 non-policy foundations made only 1 policy grants; in the post-Summit reference year, 32 non-foundations made only 1 policy grant; and in the pre-NCLB reference year, 45 non-foundations made only 1 policy grant.

Table 10: Foundation Characteristics of Non-Policy Foundations Making 1 Policy Grant in Post-NCLB Year as Compared to Policy Foundations Making Policy Grants in the Post-NCLB Year

Foundation Characteristic	Non-Policy Foundations that Made 1 grant in 2005 (N=303)	Policy Foundations in 2005 (N=289)
Percent New Foundations	53.1***	24.2
Percent Independent Foundations	90.4***	77.2
Percent Family on Board	69.0***	48.4
Geographic Focus		
Percent Sub-State Focus	31.7	35.3
Percent Single State Focus	31.0***	13.2
Percent 2+ State Focus	35.6	48.8***
Percent Missing	1.65	2.8
Asset Size Group		
Percent First Quartile (smallest)	65.4***	5.5
Percent Second Quartile	19.8*	13.5
Percent Third Quartile	9.6	29.8***
Percent Fourth Quartile (largest)	4.3	50.5***
Percent Missing	0.1	0.7

* $p < .05$; *** $p < .001$

Overall, the foundations that made only one policy grant in 2005 were smaller, newer and were more often independent and had family members on their boards of trustees. The presence of family members on so many of their boards suggests that the relationship between family on board and policy grantmaking is complicated. Bernholz (1999) argued that the number of family members on a board of trustees may influence grantmaking decisions, but

my data show that there is not a linear relationship between the two. I find that family on board is significantly predictive of policy foundation status.[74] There is also, however, a strong relationship between non-policy foundations making one policy grant in the post-NCLB reference year and having family members on board. How can both be true? In the overall data set, 57.2% of the foundations have a family member on board (versus 46.5% of policy foundations). It is my supposition that there are two types of foundations that have family members on board: small family foundations, of which many of the non-policy foundations I collected qualify, and large foundations with living founders (such as Gates, Broad, and Walton). The founders of these foundations have been highly involved in setting the vision for their organizations, and they seek to remain active in their foundations' activities (Moody, 2008; Morino and Shore, 2004; Scott, 2009; Tompkins-Stange, 2013).

Foundations that made only one policy grant did so less out of a strong policy strategy and more as the result of a policy organization being in their geographic giving area. Additionally, even when they had a policy focus in their giving it was likely very local. A significant question that should be addressed in future research is *why* these foundations make policy grants. Is it simply that there is a charter school, or something similar, in their "catchment" zone, or are they making a deliberate choice to influence policy? If influencing policy is their aim, what has influenced their choice to do so? Is it the result of isomorphic

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[74] Although I did not use family in the final logistic regression model because it was highly correlated with foundation type and foundation type had a larger coefficient and was more significant (99% vs., 95%), when I conduct a logistic regression on policy foundation with family as the only predictor, the odds of being a policy foundation is about 27% greater for foundations with family members on board than for foundations without family members on board (p <.05). At the same time, having a family member on the board decreases the proportion of policy grants a foundation makes by about 21% holding all of the other variables constant (*p* < .001). For the charter school analysis in Chapter Six, there is not a statistical difference between foundations with and without family on their boards of trustees. Thus, there is a significant positive relationship between having a family member on the board and being a policy foundation, but once a foundation is in the policy foundation category, having a family member on the board seems to diminish the policy grantmaking.

forces? Time and space limit me from answering these questions here, but I suggest that this might be a good arena for future research.

      4.32: Foundation Characteristics and Policy Foundation Status. I used Stata 12.1 to conduct a logistic regression to determine the odds of a foundation being a policy foundation. That is, it enabled me to predict membership in the policy foundation group based on foundation characteristics. After dropping any observations with missing data, 1251 foundations were included in the overall model. Table 11 shows the full model. I also conducted the same analysis using the 1239 foundations that exclude the "Reckhow" foundations; there is very little difference in the results between the two models and, so, I only show the full model. Membership in an affinity group, the log of the total size of each foundations' grants in the data set, the age group to which the foundation belongs (pre-1987 =0 1989-2005 =1), the size of the foundation's board (measured in groups), the foundation size as measured by geographic focus, the foundation type, whether the foundation's funding came from a financial, insurance, real estate, or high tech industry (FIRETECH) or not, the geographic region in which each foundation is located, and the interaction between age and region (model 2) are the predictor variables. I excluded the family on board, asset size, and source of funding (SIC) variables, as they were highly correlated with other variables in the model and they provided less predictive function than the variables with which they were correlated. Although an imperfect measure, the pseudo-R-squared suggests that this model accounts for approximately 41% of the variability in the outcome.

Table 11: Logistic Regression for Policy Foundation Status, Odds Ratios Shown (n= 1251)

	Model 1	Model 2
Membership in any affinity group	2.44***	2.51***
Log Total Grant Size	2.37***	2.38***
New Foundation	0.61*	0.29*
Board Size		
6-12 Board Members	0.82	0.79
13-19 Board Members	1.02	1.00
20+ Board Members	0.58	0.59
FIRETECH	1.28	1.29
Independent Foundation	0.57*	0.56*
Geographic Focus		
Single State	0.46**	0.47**
2+ State	1.07	1.10
Foundation Region		
West	0.64+	0.51
South	0.50**	0.37**
Midwest	0.44**	0.32***
Age*Region		
New*West		2.42
New*South		3.02*
New*Midwest		3.74*
Constant	0.00***	0.00***
Pseudo-R^2	0.41	0.41

$^+p < .1$; $*p < .05$; $** p <.01$; $***p < .001$

In models 1 (i.e. the model without the interaction term) the odds of a foundation that is a member of an affinity group being a policy foundation is 2.44 times greater than that of a foundation that is not a member of an affinity group ($p < .001$). I originally hypothesized that belonging to an affinity group would lead to increased policy grantmaking, and thus, being a policy foundation. Although the causal direction of the relationship is not completely clear, there are multiple reasons to believe that membership in an affinity group may be causally related to increased similarity among organizations due to normative isomorphic pressures. DiMaggio and Powell (1977) hypothesized that organizations that participated in professional organizations would become similar to one another. Hwang and Powell (2009) found that among the nonprofits that they studied, participation in professional organizations was

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significantly related to greater rationalization of the organization, where rationalization refers to the formalization of "roles and rules" (p. 272) within nonprofits, and to increased advocacy work by nonprofits. Their interviews confirmed this finding as well. An alternative hypothesis, which has the same results, is that foundations that belong to professional organizations have access to better information about the policy environment and are, therefore, more likely to behave rationally, increasing their grantmaking behavior. So, while it is quite possible that foundations seek out membership in such groups because they are already making policy grants, or are interested in doing so, there is good reason to believe that membership in an affinity group may lead to an increased likelihood of being a policy foundation.

The relationship between foundation age and policy foundation status is interesting and unexpected. The literature on foundations and education policy grantmaking suggests that new foundations are more likely to be involved in policy grantmaking than are old ones (Carr, 2012; Ravtich, 2010; Reckhow 2013, 2009; Scott, 2009; Tompkins-Stange, 2013). However, when looking at a large set of foundations, I find the opposite. In the model without the interaction term, the odds of being a policy foundation fall by just over a third if a foundation was created between 1987 and 2005 as compared to foundations created prior to 1987 (odds ratio = .61; $p < .01$). When the interaction terms are introduced I find that the decreased odds of being a policy foundation associated with foundations in the South and Midwest are somewhat more comparable to the odds of Northeastern foundations when the southern and Midwestern foundations are new. There is no age by region interaction effect for western foundations, which is also noteworthy, given that the literature emphasizes that new, western

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foundations behave differently than other, older foundations, particularly those from the Northeast.

While the literature on venture philanthropy, and the concern about the outsize effects of foundations such as Gates, Walton and Broad, have caused the research and media communities to focus on newer foundations, this finding suggests that it would be wise to examine older foundations that continue to influence K-12 and early childhood education policy. For example, in the post-NCLB year, 48 "old" foundations made more than 20 grants each; 23 of them also made 20 or more policy grants. Among those 23, 13 are from the largest asset size group: the Bradley Foundation, WI, the Albertson Foundation, ID, the Clark Foundation, NY, the Joyce Foundation, IL, the Penn Foundation, PA, and the Spencer Foundation, IL, the Carnegie Corporation, NY, the Annie E. Casey Foundation, MD, the Ford Foundation, NY, the William and Flora Hewlett Foundation, CA, the James Irvine Foundation, CA, the Charles Stewart Mott Foundation, MI, and the David and Lucile Packard Foundation, CA. The complete list of "old" foundations making 20 or more policy grants in the post-NCLB year is found in footnote 75.[75] Taken together, these foundations are influential in their states and communities (e.g. Albertson, Graustein, Joyce, Dodge) and in their focus areas (Spencer—research, Bradley—school choice).

The region in which a foundation is located significantly predicts a foundation being a policy foundation, however, not entirely in the direction predicted by the literature. The recent literature on foundations suggests that new foundations from the West are more often

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[75] The Lynde and Harry Bradley Foundation, WI; The Albertson Foundation, ID; The Clark Foundation, NY; The Joyce Foundation, IL; The William Penn Foundation; The Spencer Foundation, IL; The GE Foundation, CT; Bank of America Charitable Foundation, NC; William Casper Graustein Memorial Fund, CT; The Prudential Foundation, NJ; Wachovia Foundation, NC; Geraldine R. Dodge Foundation, NJ; Lloyd A. Fry Foundation, IL; Walter and Elsie Haas Fund, CA; JPMorgan Chase Foundation, NY; Koret Foundation, CA; The Carnegie Corporation, NY; The Annie E. Casey Foundation, MD; The Ford Foundation, NY; The William and Flora Hewlett Foundation, CA; The James Irvine Foundation, CA; The Charles Stewart Mott Foundation, MI; The David and Lucile Packard Foundation, CA.

involved in education policy grantmaking than are older, northeastern foundations. Model 1

shows that in comparison to being located in the Northeast, foundations in the West (OR= .64,

$p < .1$), South (odds ratio = .50, $p < .01$) and Midwest (odds ratio = .44, $p < .01$) are

significantly *less* likely to be policy foundations. As stated above, model 2 shows that there is

no interaction between age and western foundations and that the odds of a foundation being a

policy foundation if it is from the South or the Midwest are lower than those that are from the

Northeast, although "newness" mediates the relationship somewhat. So, while region has

some effect in the predicted direction, the effect is not as strong as might be surmised from

the existing literature.

As I expected, larger foundations are more likely to be policy foundations. An increase

in foundation total grant size is predictive of policy foundation status. A 10% increase in log

total grant size is associated with approximately a 14% increase in the odds of a foundation

being a policy foundation, holding everything else constant, regardless of which model is used

($p < .001$). When I look at the 1239 foundations that do not include the 12 largest foundations

in 2005, there is an approximately 13% increase in the odds of a foundation being a policy

foundation. Although the loss of the twelve foundations identified as top grantmakers

significantly changes the nature of the grant data, they do not change the results of the

analysis of what predicts being a policy foundation.

In all three models, being an independent foundation, rather than a company-

sponsored foundation decreases the odds of being a policy foundation by slightly more than

one-third (odds ratio =.57, $p < .05$). A greater proportion of the company-sponsored

foundations are policy foundations than are the independent foundations, which accounts for

this finding.

The literature suggests that foundations whose original funding source is a FIRETECH industry are more likely to be policy foundations (Blodget, 2006; Ferris, 2000; Frumkin 2003; Moody 2008; Scott, 2009). In my initial modeling of the variables, I found that FIRETECH foundations had marginally increased odds (of about 40%, odds ratio =1.38, $p < .1$) of being a policy foundation, as compared to foundations created from money made in any other industry, and that removing the 12 largest foundations in 2005 from the analysis did not change the effect.[76] However, when I added the regions to the model, FIRETECH was not significant (nor were any interaction terms that predict policy foundation with FIRETECH and region or age interacting). When considering the full field of foundations, then, it may be that the influence of industry source is not as predictive of behavior as would be expected based on the literature on venture philanthropy (Moody, 2008), in particular.

Finally, a foundation that focuses its grantmaking within a single state has just about half the odds (odds ratio = .46, $p < .01$) of being a policy foundation than one that focuses its grants locally.[77] Interestingly, the odds of a foundation that focuses its grantmaking in more than one state, including nationally, being a policy foundation, as compared to one that focuses its grantmaking locally, is statistically insignificant. This is quite the opposite of what the literature suggests should be the case.

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[76] This makes sense, as only 3 of the 12 foundations removed are "FIRETECH" foundations—The Gates Foundation, The Hewlett Foundation and the Starr Foundation.

[77] I note that in analyzing the effect of geography, I accounted for company-sponsored in 2 different ways. First, I created a set of dummy variables that included as many company-sponsored foundations into actual geographic locations. Only 21 foundations were excluded from the accounting, as I was not able to ascertain the areas in which they focused their grantmaking; it was only identified as "areas of company operations". In the second accounting, I created a set of dummy variables that included all of the company-sponsored foundations that listed their area of geographic focus as "areas of company operations," even if I was able to ascertain a specific area as well, as missing a geographic focus. In this set, 149 foundations were excluded from the accounting. In both sets, there were 28 foundations that were missing any geographic focus data. Although the second set of dummy variables produced a slightly better overall model (pseudo-R2 = .4242 and log likelihood = -356.58, I chose to use the first set of dummies, as they allowed me to retain more data.

Foundations with a sub-state focus. Just about one-third (n=117) of the policy

foundations focus their grantmaking at the sub-state level. Only one of the foundations—the

McKnight Foundation (MN)—that focuses its grantmaking locally is among my top 25

grantmakers. This is not to say that foundations that target their grantmaking locally are

limited by size or capacity. Half the foundations in the group come from the two largest

groups of foundations,[78] as measured by asset size and are in that respect representative of the

full sample of policy foundations.[79] The foundations that focus grantmaking on the sub-state

level are also more likely than the full policy foundation data set to be independent (as

opposed to company-sponsored).[80] Interestingly, among foundations that target grants at the

sub-state level, the majority (81.5%) of foundations are "old," and they are more heavily

located in the Midwest (26.3% vs. 20.3%) and South (24.6% vs. 19.7%) than are the

foundations in the sample as a whole. The Polk Bros. Foundation in Chicago, IL is a good

example of a foundation like this. With a 2005 asset size of approximately $408 million, the

Polk Bros. Foundation falls into the largest quartile of grantmakers by asset size, yet they

focus their grantmaking only on the city of Chicago. The foundation grew out of its founders'

commitment to serve the "people and neighborhoods where their stores were located"

(polkbrosfdn.org/wherewevebeen.html) and to improve life for the people in the home we all

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[78] 17.80% of foundations that target their grantmaking locally fall into the top quartile of grantmakers by asset size, and 32.20% fall into the third quartile.

[79] The remaining 50% of foundations are closely matched to the full data set vis-à-vis asset size quartile: 20.34% of foundations that focus grantmaking at the sub-state level come from the smallest asset size group, and 24.58% come from the second smallest asset size group. Six foundations are missing an asset size (5%).

[80] On the other foundation characteristics: they are slightly more likely to be a member of an affinity group than the overall data set, and they are both more likely to have a family member on board and to not have a family member on board than the overall data set (the variable has 3 codes, NA=company-sponsored; no and yes). Lastly, they are more likely than the overall data set to have boards between 6 and 12 and between 13 and 19 members.

share—Chicago" (Polk Bros. Foundation 2007). Similarly, The Charles Hayden Foundation of New York, NY, with an asset size of $340 million, focuses its giving on the metropolitan New York City area and the city of Boston because Charles Hadyen's wish was to "help the children in New York City and the city of Boston. [And the foundation is] trying…to ensure that his wishes are fulfilled" (http://www.charleshaydenfoundation.org).

Thus, foundation size should not be equated with geographic focus. Large foundations may have mandates to work in their home areas, preventing them from having a state or national focus. These foundations are often forgotten about when researchers talk about the nation's largest foundations, yet these foundations have an impact as well. For the years in my data set, the Hayden Foundation made 42% of its grants for policy activities, with nearly 20% of their grants going to charter schools or CMOs and an additional 10.8% of grants going to support small schools, community schools or other reform models that "shrink" the size of schools. The Hayden Foundation's grants thus support a policy-view that seeks to change policy from the "bottom-up" (Rotherham, 2005) and that favors small schools, and charter schools in particular, as a means by which to improve education for low-income children. The Polk Bros. Foundation grants also present a particular strategy for influencing policy: 55% of the Foundation's policy grants in my data set go to advocacy, policy, organizing, or research organizations, with an additional 2% of grants going to a local education fund, which also does advocacy work (altogether, these grants represented 21.43% of the Polk Bros. grants in my data set). In contrast to the Hayden Foundation, the Polk Bros. Foundation's strategy favors a top-down strategy (Rotherham, 2005).

Foundations with a single state focus. Who are the policy foundations that focus grantmaking in a single state? Only 13% of the policy foundations fall into this category

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(n=43), but they look like the rest of the overall data set with regard to age groups—

approximately 22% are new and 78% are old. They are more likely to be from the Northeast

and the West than are foundations in the full policy data set (47.6% vs. 39.7% and 29.2% vs.

19.7%, respectively). Interestingly, they are considerably less likely than foundations in the

full data set to be from the Midwest (7.1% vs. 20.3%). Many of the Midwestern foundations

seem to focus their grantmaking on all, or some of, the Midwestern states. Foundations with a

single state focus to their grantmaking are not evenly split among the asset size quartiles: 35%

are from the 3rd largest quartile, while 32.5% are from the smallest quartile. The remaining are

pretty evenly split between the second smallest and the largest (17.5% and 15.0%,

respectively).[81] Only three—the Lilly Endowment, IN, the Richard King Mellon, PA, and the

James Irvine Foundation, CA—are from the top 25 foundations by asset size in my data set,

and two—the Lilly Endowment, IN and the Albertson Foundation, ID—are among the 12

largest foundations in 2005. Overall, these foundations are generally smaller than the group of

foundations that target their grantmaking at two or more states; their average asset size is half

that of the foundations that target their grantmaking at two or more states ($434 million versus

$869 million).

Although my analysis suggests that these foundations have lower odds of being policy

foundations than do sub-state focused foundations, there are important things happening in

these foundations, particularly at the state level of government. The Graustein Memorial

Fund, for example, targets only one state (Connecticut) and is in the medium asset size group.

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[81] Along the other foundation characteristics, these foundations differ from the overall set of policy foundations in a few ways: they are more likely to be independent (80.95% vs. 73.04%); they are more likely to have a family member on the board (54.76% vs. 45.80%); they are less likely to be a member of an affinity group. Lastly, their board size differs fairly dramatically: there are no very large (20+) boards among this group; foundations with the smallest board size (0-5 members) comprise nearly 31% of this group (vs. 22.32% in the policy foundation data set) and they are more likely to have 13-19 members than are the overall data set (23.81% vs. 18.26%). Interestingly, they are less likely to have 6-12 members than the overall data set (40.48 vs. 45.80).

The Fund has worked diligently over more than a decade to change Connecticut state early childhood education policy. Beginning in 1994 with its Children First Initiative as well as with its policy and advocacy grantmaking program, and continuing with its Discovery Initiative (2000-present), The Graustein Fund has sought to create the conditions, policy environment and opportunities for early childhood education in low-income communities across Connecticut. As part of this, they have funded research and advocacy organizations to push the state government to develop a statewide early childhood education system (Graustein website/Discover website). Although not a large foundation, Graustein has had significant influence over the early childhood education system in Connecticut. Similarly, the Z. Smith Reynolds Foundation, founded in 1936 by the tobacco-giant Reynolds family, works solely in North Carolina. The foundation was founded for the purpose of doing "charitable works in the State of North Carolina" (http://zsr.org/history/htm), and is one of the few foundations with a "legal mandate to make grants within a single state" (2005 Annual Report, p.3). With 2005 assets of only $18,877,765, the foundation's 2005 Annual Report notes that it was "particularly interested in projects that accomplish systemic reform and have statewide impact" (p. 39), including in the area of precollegiate education. In 2005, the Reynolds Foundation made 9 policy grants, totaling $667,500 (78% of their education grants that year) to improve equity, teacher training and teaching throughout the state.

Carr (2012) argued that foundations have moved away from funding state-level grants (p.5) and he, consequently, chose not to study them. I argue, however, that this is not the case, especially if one examines less well-known, smaller foundations. These foundations are influential at the state level and throughout their states, and, given the experiences of foundations such as the Graustein Fund and the Reynolds Foundation, not only should more

foundations consider focusing on states in order to be influential, but more researchers should look at what foundations are doing at the state level.

Foundations with a 2-plus state focus. Lastly, I look at the policy foundations that focus their grantmaking on two or more states. This is most representative of the overall data set, as it comprises half of the data set (51.5%, n=170). This group also contains 20 of the 25 largest foundations and 9 of the 12 largest foundations in 2005. The foundations in this group are generally somewhat larger than the overall data set: they are more likely than the overall data set to have boards in the two largest board groups, and less likely to have boards in the two smallest board groups.[82] They are also overrepresented in the largest asset size group (33.3% vs. 25%). However, the difference comes primarily from the second largest quartile, which is significantly underrepresented as compared to the full data set (about 17% vs. 25%). More of these foundations are company-sponsored than are in the full set of policy foundations (34.7% vs. 27%) and fewer of these foundations do not have any family members on their boards than do the foundations in the full policy foundation data set (21.2% vs. 26.7%). Along the other foundation characteristics, the foundations that direct their grantmaking at two or more states are virtually identical to the full data set.

A particularly interesting subset of this group is the group of foundations that direct their grantmaking regionally or nationally and are in the smallest asset size quartile. There are 19 such foundations. Of these 19, 11 are company-sponsored.[83] The remaining eight

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[82] Boardgroups: 0-5 (18.82% vs. 22.32%); 6-12 (41.18% vs. 45.80); 13-19 (22.94 vs. 18.26); 20+ (10.59 vs. 5.80).

[83] Aetna Foundation, CT; American Express Foundation; NY; GE Foundation, CT; Georgia-Pacific Foundation, GA; State Farm Companies Foundation, IL; State Street Foundation, MA; Tenet Healthcare Foundation, TX; Textron Charitable Trust, RI; Toshiba America Foundation, NY; UPS Foundation, GA/CT; Xerox Foundation; CT.

independent foundations[84] are small or medium as defined by their board size: all have either

0-5 or 6-12 board members (4 in each group). They are primarily in the Northeast and West,

with only one each in the Midwest and South, and they all belong to a membership group.

And, three-quarters of them have a family member on board. Two-thirds of the grants made

by these foundations are for policy activities, and just under two-thirds (.61) of their grant

dollars are for policy activities, totaling, $5,212,447 over all the years of the study. Surely that

is a small amount of money compared to the large foundations, but they are still influential

foundations, both in the communities that they serve and across the country. For example,

both the J.M. Foundation and the Jaquelin Hume Foundation are identified in the literature

(Cohen, 2007; Covington, 1998; Krehley, et al., 2004) as conservative foundations, having a

significant influence on, among other things, school choice policies.

       4.33: Predicting policy foundation status by key reference years. I also ran the

model for each key reference year to see if there were any dramatic changes between the key

reference years (see Table 15 at end of chapter). There were not many. It is worth noting that

foundation type and age groups only became significant predictors in the post-NCLB

reference year, while FIRETTECH was only significant in the pre-NCLB reference year. That

there was a significant jump in the number of company-sponsored foundations in the post-

NCLB reference year, doubling from the two previous key reference years and nearly tripling

from before the Summit, is somewhat surprising.

       In all of the reference years, total grant size was positively associated with being a

policy foundation. In the pre-Summit year a 10% increase in the log total grant size was

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[84] Paul G. Allen Family Foundation, WA; William Bingham Foundation, OH; O.P. and W.E. Edwards
Foundation, MT; Edward W. Hazen Foundation, NY; Hitachi Foundation, DC; Jaquelin Hume Foundation, CA;
J.M. Foundation, NY; and A.L. Mailman Family Foundation, NY.

associated with a 6.5% increase in the odds that a foundation would be a policy foundation (p < .001). In the post-Summit and pre-NCLB reference years, a 10% increase in the log total grant size was associated with about a 5.8%-5.5% increase in the odds that a foundation is a member of the policy foundation group (p < .001). And, in the post-NCLB year, a 10% increase in the log total grant size was associated with a 13% increase in the odds of a foundation being in the policy foundation group (p < .001). Both the overall finding, and the increase in the post-NCLB year are expected, as I predicted that larger foundations would be more likely to be policy foundations. Much of the current literature on foundations and education grantmaking (Carr, 2012; Moody, 2008; Ravitch, 2010; Reckhow, 2009, 2013; Scott, 2009; Tompkins-Stange, 2012) has suggested that the entrance of these few foundations is driving the move toward policy grantmaking among education funders. While my findings suggest that the larger foundations had greater odds of being a policy foundation in the post-NCLB year than they had in the earlier reference years, it is clear that larger foundations have always (at least in the years covered here) been more likely to be policy foundations.

Not unexpectedly, foundation age is not statistically significant in the pre-and post-Summit and pre-NCLB reference years (model 1 for the pre-NCLB year), as the "new foundation" age group only begins in the same year as the data collection. In the pre-and post-Summit, and in the pre-NCLB year, the power is lower as there are fewer observations being tested. Then, based on Hammack and Anheier's (2010) assertion that half of today's funders (as of 2010) were created from fortunes made in the last 20 years of the twentieth century (pp. 22-23), I also tested the age groups with the "new foundation" age group beginning in 1980. When I consider foundations created between 1980 and 2005 as the "new foundations," as opposed to those created between 1987 and 2005, as I had previously, there

is a more even split: there are 659 old foundations (pre-1980) and 704 new foundations (as opposed to 793 old and 527 new in the earlier conceptualization, where 1987 is the dividing line). Using Hammack and Anheier's definition, the odds of a foundation being a policy foundation is slightly greater if the foundation is a "new foundation" in the first three key reference years; however, none of the odds ratios are significant. As in the original model, when I change the new/old dividing line for foundation age to 1980, age group is statistically significant in the post-NCLB year: the odds of a foundation being a policy foundation is .63 times less (or about one-third) if the foundation was founded between 1980 and 2005, inclusive, than if it was founded prior to 1980. In both models, the odds ratio is significant ($p < .05$). This is essentially the same as in the original definition of age group (1987-2005= new), where the odds ratio is .61. Lastly, based on the literature on venture philanthropy (Morino & Shore, 2004; McGray, 2007; Moody, 2008; Levenick, 2013), I also tested the model with "new" defined as a foundation that was 10 years old or less in 2005. When I did so, age group was again significant ($p < .05$) but the odds of a foundation being a policy foundation was about .54 times less (or just under one-half) if the foundation was founded between 1995 and 2005, than if it had been created prior to 1995. Ultimately, no matter how I defined "new," being a new foundation was associated with lower odds of being a policy foundation than was being an old foundation.

In the breakdown by key reference year, I find that in the pre-and post-Summit reference years, foundations from the Northeast are more than three times as likely to be policy foundations as are foundations from the West ($p < .05$ and $p < .01$, respectively). This was the case in the pre-NCLB year as well ($p < .05$). The growth in western foundations, however, is hypothesized to occur in the late 1990s. Looking at the post-NCLB year, I find

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that there is not a significant relationship between foundations in the Northeast (as compared

to the West) and being a policy foundation (model not shown). However, there is also not a

significant relationship between being a policy foundation a being from the West as compared

to the Northeast, and the interaction between age and West is also not significant. As in the

full model, foundations from the South or the Midwest have decreased odds of being a policy

foundation when compared to foundations from the Northeast, but when they are new

foundations the odds are somewhat more comparable to those in the Northeast than when they

are old foundations.

Lastly, a foundation's funding source is influential in determining the odds of it being

a policy foundation. In the pre-NCLB reference year, a foundation whose funding came from

a finance, insurance, real estate or high tech company had about a 2.0 higher odds than a

foundation whose funding came from a non-finance, insurance, real estate or high tech

industry to be a member of the policy foundation group ($p < .05$). Given that the recent

literature on foundations has focused on foundations that stem from these industries (Moody,

2008; Quinn et al., 2012; Reckhow, 2009, 2010, 2013; Reckhow & Snyder, 2014; Reckhow

& Tompkins-Stange, 2015; Scott, 2009; Snyder, 2015) this finding is surprising, I would have

expected that in the post-NLCB reference year being a FIRETECH foundation would have

increased the likelihood of being a policy foundation. Moreover, in my data, there are a

greater percentage of foundations that came from FIRETECH industries following NCLB

than preceding it (31.3% vs. 26.4%), a difference that is statistically significant ($p < .05$).

The literature on venture philanthropy (Blodget, 2006; Ferris, 2000; Frumkin 2003;

Moody 2008; Scott, 2009) predicts that foundations that come from the finance and

technology industries should be more likely to be policy foundations. Table 12 shows the

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percentage of "new" versus "old" foundations that come out of those industries for the pre-

and post-NCLB years, for all foundations and for policy foundations only. As can be seen,

among all of the foundations there was a significantly greater percentage of new FIRETECH

foundations in the post-NCLB year than in the pre-NCLB year ($p < .001$). The difference in

percentages, however, obscures the more interesting fact that in the reference year prior to

NCLB, there were 95 total FIRETECH foundations; by the post-NCLB reference year, there

were 369 FIRETECH foundations. This confirms the literature's assertion that foundations

from these industry types grew dramatically at the turn of the twenty-first century. What is

less certain is that they were more likely to be policy foundations. As can be seen in Table 12,

there was not significant growth among the policy foundations. Further, while the number of

FIRETECH foundations nearly quadrupled among the full data set from the pre-to the post-

NCLB reference year, among the policy foundations, it did not even double.

Table 12: Percent of Old and New FIRETECH Foundations by Key Reference Year and Policy Foundation Status

	Old Foundations	New Foundations
All Foundations		
pre-NCLB	79.0**	21.0
post-NCLB	50.4	49.6***
Policy Foundations Only		
pre-NCLB	78.3	21.7
post-NCLB	68.0	32.0

**$p < .01$; $p < .001$

While the growth among policy foundations was not as large as I think that the

literature on large national foundations suggests, I did see that total grant size among the

FIRETECH foundations grew dramatically, particularly among the new foundations (see Table 13). Among all new foundations, the percent of giving that came from FIRETECH foundations rose from 2.8% in the pre-Summit reference year to 29.5% in the post-NCLB year, and among the policy only sub-stem from 2.7% in the pre-NLCB reference year to 33.3% in the post-NCLB reference year.[85] Looking only at the 25 largest new foundations, the percentage of grants from FIRETECH foundations rose from less than 1% (.07%) in the pre-NCLB reference year to 19.5% of grants after NCLB, while the percentage of grants from the old foundations in the top 25 dropped form 8.4% in the pre-NCLB reference year to 6.5% in the post-NCLB reference year. Among the new, non-top-25 FIRETECH foundations, grants rose from 2.6% of grantmaking to 13.8% over the same time period, and from 7.5% to nearly 8% among the old foundations (the growth of both are significant at 99%). Clearly, the entrance of new foundations into the field, among both the largest and the non-largest foundations accounts for growth in grantmaking from foundations stemming from FIRETECH industries. This confirms previous findings that a small percentage of foundations accounted for much of the change in the nature of grantmaking by 2005. Even as the percentage of new foundations (as a percentage of all education foundations) dropped, they accounted for an increasingly large percentage of grant dollars. Further confirming this, in both key reference years, FIRETECH foundations were dramatically more likely to have been founded prior to 1987 than between 1987 and 2005. In the pre-NCLB reference year, 78.3% of FIRETECH policy foundations were old; in the post-NCLB reference year 68.8% were old. It is evident that the "entrance" of new foundations into the field (Hannan and Freeman, 1984) is responsible for the apparent change in the field.

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[85] Calculated as (grant total from new, FIRETECH, policy foundations, key reference year)/(grant total from policy foundations, key reference year).

Table 13: Percent of Grant Dollars by FIRETECH Foundation Subset, Pre- and Post-NCLB
Reference Years

	Pre-NCLB	Post-NCLB
All New Foundations (full data set)	2.8	29.5
New Policy Foundations	2.7	33.3
Old Policy Foundations	15.9	14.5
New 25 Largest Foundations	0.1	19.5
Old 25 Largest Foundations	8.4	6.5
New Non-Largest Foundations	2.6	13.8
Old Non-Largest Foundations	7.5	8.0

In spite of the finding that their grantmaking diminished, is useful to look at the old

FIRETECH foundations because influential foundations, such Packard, and Graustein, come

out of this category. So, who are the old FIRETECH foundations that made these grants in the

post-NCLB reference year? There are 66 foundations that fall into this category. Together,

they made 1,163 grants, 629 of which were for policy activities. The 629 policy grants totaled

$108 million, or about 15% of policy grantmaking in the post-NCLB year. They are

predominantly from the Northeast (48.48%). Nearly 23% are from the West and 18.18% from

the Midwest. The remaining 10.61% are from the South. In comparison, in the post-NCLB

year overall, only 37.02% of the foundations came from the Northeast, but 21.45% came from

the South (21.11% from the Midwest and 20.42% from the West). Nine of the 66 (13.64%)

are from the largest 25 foundations, but the remaining 57 (86.36%) are pretty evenly split

across the other asset size quartiles. Eleven of the old FIRETECH foundations made

education grants for the first time (in my data set) in the post-NCLB reference year.[86] While

these 11 foundations only account for about 1% of policy grantmaking in the post-NCLB

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[86] These are: Girard Foundation, CA; William Casper Graustein Memorial Fund, CT; Kovner Foundation, NJ;
Louise R. Lurie Foundation, CA; The Pumpkin Foundation, NY; William E. Simon Foundation, Inc., NY;
Steans Family Foundation, IL; W. Clement & Jessie V. Stone Foundation, CA; U.S. Bancorp Foundation, Inc.,
MN; The Norman and Rosita Winston Foundation, Inc., NY (The Winston Foundation, Inc); and Wood-
Claeyssens Foundation, CA.

year, as I demonstrated with the Graustein Fund, the foundations in this sub-set are influential. It is necessary to look beyond how much money foundations pour into grantmaking and examine *how* they use their grants to achieve their goals. Moreover, when foundations seek local or state level change, smaller dollar amounts can achieve big goals.

4.34: Foundation Characteristics and the Proportion of Grants Made for Policy.

Having established which foundation characteristics predict the odds of being a policy foundation, I look within the policy foundations only to see if the characteristics that predict the proportion of grants made for policy activities are different from the those that predicted being a policy foundation. In the penultimate section of this chapter I, therefore, examine which of the foundation characteristics predict the proportion of grants made for policy activities, among the policy foundations only. In order to test this, I used linear regression, with the log of the proportion of policy grants made by each foundation as the dependent variable. Taking the log of the proportion of policy grants transformed the variable to be more normally distributed and, therefore, a better candidate for linear regression. Table 14 shows the results of this analysis. Although not shown, I also ran a series of models that included the interaction between region and age. However, none were significant, so I excluded them from the final model.

Table 14: Linear Regression of (Log) Proportion Policy

	Model 1
Membership in any affinity group	0.10
Log Total Grant Size	0.00
New Foundation	0.14*
Board Size	
6-12 Board Members	0.06
13-19 Board Members	-0.07
20+ Board Members	-0.17
FIRETECH	0.12*
Independent Foundation	0.33***
Geographic Focus	
Single State	-0.01
2+ State	0.13*
Foundation Region	
West	-0.18*
South	-0.12[+]
Midwest	-0.06
Constant	-2.23***
R^2	0.13

[+] $p < .1$; *$p < .05$; ** $p < .01$; ***$p < .001$

Recalling that the dependent variable is given in log form, the dependent variable can be understood in terms of percent change by multiplying the coefficients by 100. Thus, holding all else constant, the proportion of policy grants increases by 13.5% ($p < .05$) for new foundations, as compared to old foundations. Similarly, the proportion of policy grants increases by 12.0% for FIRETECH foundations ($p < .05$), as compared to foundations from any other industry source. Although neither age nor FIRETECH predicted being a policy foundation in the way in which I had predicted, given that a foundation has made the decision to be a policy foundation, it appears that new foundations and foundations from FIRETECH industries make more policy grants than do old foundations or non-FIRETECH industry foundations.

Based on the literature's assumptions that western foundations are more skewed toward policy grantmaking, it is then somewhat unexpected (though not so much based on my

previous findings) that as compared to foundations located in the Northeast, the proportion of policy grants falls by 18% for foundations in western states ($p < .05$) and 12% for foundations in southern states ($p < .1$).

Being an independent foundation is associated with a 33% increase in the proportion of grants made for policy, as compared to company-sponsored foundations ($p < .001$). In contrast to the findings in the earlier section that showed that being an independent foundation was associated with decreased odds of being a policy foundation, it appears that once foundations have chosen to be involved in policy grantmaking, independent foundations are associated with increased policy grantmaking. The independent foundations in the policy foundation sample tend to be larger than their corporate foundation counterparts. Whereas nearly 60% of independent foundations fall into the two largest asset size quartiles, only about 20% of corporate foundations do so. As was discussed in the literature review, I expected that larger foundations would have a greater capacity to make policy grants; this seems to be evident here. Being a foundation with a 2+ state focus is associated with a 13.4% increase in the proportion of grants made for policy ($p < .05$). It is also, then, not surprising that policy foundations with a larger geographic focus would make a larger proportion of their grants for policy activities. Foundations with a 2+ state geographic focus are by and large larger than foundations that target their grantmaking locally within one state. In fact, 20 of the 25 largest foundations in the data set have a 2+ state geographic focus. Foundations with a larger geographic focus are, therefore, also more able to make such grants.

4.4: Discussion

In this chapter I have shown how foundation characteristics related to the odds of a foundation being identified as a policy foundation and to the proportion of policy grants a policy foundation made. Foundation type—i.e. being an independent foundation rather than a company-sponsored foundation— and region significantly predict the odds of being a policy foundation/proportion of policy grants made. Additionally, membership in an affinity/membership group, foundation size (as measured by log total grant size), age, the interaction of age and region, and having a single-state focus were significantly associated with the odds of being a policy foundation. Having a two-plus state focus, being a new foundation, being a FIRETECH foundation and the region in which the foundation was located were significantly related to the proportion of policy grants made by a policy foundation. Among the findings, a few stand out.

First, age is inversely related to the odds of being a policy foundation. The existing literature suggests that "new" foundations are more likely to be policy foundations. However, as is evident here, this fails to account for the large number of old foundations that have long been involved in policy grantmaking. In the post-NCLB year old foundations accounted for 47% of all policy foundation grant dollars, and 40% of all policy grants made by policy foundations. As I discussed in chapter two, and will demonstrate in chapter six, older foundations made different *types* of policy grants than did new foundations, but they aimed to alter education policy nonetheless. While these foundations tended to support less-direct means of advocacy, such as research, convening of experts, and demonstration projects, it is not the case that old foundations never funded direct advocacy or advocacy organizations. And, the vice-versa is true as well: new foundations fund less-direct advocacy, particularly as

it relates to demonstrating the value of school choice by funding charter schools and CMOs and voucher programs.

In both these instances, the foundations seem to learn from one another (Levitt & March, 1988). Organizational learning occurs, in part, when organizations understand what similar organizations do as a result of their interactions with one another. My finding that membership in an affinity/membership group significantly increases the odds that a foundation will be a policy foundation supports this idea. This finding additionally supports the notion that ideas move among organizations through isomorphic forces (DiMaggio & Powell, 1983). Through their participation in affinity groups, foundations hear what other foundations do vis-à-vis policy and alter their own work as a result (mimetic isomorphism). Further, through their work together in such organizations and on the boards of recipient organizations (Colwell, 1980), larger, more powerful policy foundations may persuade smaller foundations (or foundations with less of a policy focus) to join a project and, in the process, increase the smaller foundation's involvement in policy grantmaking (normative isomorphism). I have good reason to be believe that affinity/membership group membership works in this direction, not only because Hwang and Powell's (2009) findings suggest it, but also because over the period of study (and beyond, a period in which Reckhow (2009, 2013), Carr (2012), and Tompkins-Stange (2013) have shown that policy grantmaking for K-12 education policy has continued to grow), membership and affinity groups such as Grantmakers for Education and the Philanthropy Roundtable have issued publications and held conferences pushing foundations to increase their policy activities. These normative/coercive forces from within the field have changed what qualifies as normative behavior. Tompkins-Stange (2013) noted that even at the Kellogg Foundation, which has

always shied away from explicit policy work, there has been an increasing focus on advocacy, for example.

A second finding that is particularly interesting is the role of geographic focus. I predicted that foundations with a larger geographic focus would be more likely to be policy foundations and to make more policy grants. While the latter does hold true in my data, the former does not. There does not seem to be a correlation between asset size and geographic focus, as I have defined it. Moreover, foundations with a single state focus have decreased odds—as compared to foundation with a sub-state focus—of being policy foundations And, there was not a significant relationship between having a two-plus state geographic focus and the odds of being a policy foundation (as compared to having a sub-state focus). This supports the need for research to examine a broader array of foundations. Research that has only looked at 15 or 20 foundations fails to take into consideration the majority of foundations that work locally or at the state level.

Lastly, it is evident that foundations that come out of the FIRETECH industries are associated with making a greater proportion of policy grants. Moreover, although the percentage of *new* foundations that come from FIRETECH industries fell in the post-NCLB reference year, the new FIRETECH foundations accounted for almost 20% of grant dollars made by policy foundations in that year. This is consistent with the literature, particularly on venture philanthropy, which it has been argued (Blodget, 2006; Frumkin, 2003; Moody, 2008; Morino & Shore, 2004; Scott, 2009; Snyder, 2015), account for significant growth in the foundations coming out of this industry type in the 2000s. The entrance of these new foundations (Hannan & Freeman, 1984) into the field of foundations seems to have created the conditions for other foundations to take a more active advocacy stance in their

grantmaking. Thus, I argue that although policy foundations have been actively involved in policy grantmaking at least since the beginning of my period of study (and the literature argues really since their inception), the nature of that policy grantmaking changed during the latter portion of my study period due to the entrance of a few large foundations and, consequently, due to organizational learning and isomorphic forces, older and smaller foundations have begun to also change their grantmaking strategies.

Additionally, and as importantly, I also found that, although policy grantmaking grew over the course of the study, as a percentage of all education foundations, the percentage of policy foundations actually fell from tax year 1988 to 2005. During this time, there was a large growth in foundations making programmatic grants to education—many of them funding curriculum projects, health care and other health related activities in schools, out of school time and many, many other topics—to fill gaps in public funding, and to support private education.[87] While not the focus of this dissertation, the programmatic gaps that fill gaps in public funding are significant because they speak to the need for such private support of public life. Foundations making such grants are well worth studying in a different venue.

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[87] Private and parochial schools also receive a significant proportion of their grants.

Table 15: Cross Year Comparison of Policy Foundation Logit

	Pre-Summit[a] (n=230)	Post-Summit (n=286)	Pre-NCLB[b] (n=333)		Post-NCLB (n=1146)	
	Model 1	Model 1	Model 1	Model 2	Model 1	Model 2
Membership in any affinity group	2.26[+]	2.28*	1.82	1.96[+]	2.55***	2.61***
Log Total Grant Size	1.65***	1.58***	1.55***	1.54***	2.31***	2.32***
New Foundation	2.54	0.68	0.78	0.26*	0.63*	0.30**
Board Size						
6-12 Board Members	0.97	1.12	0.82	0.79	0.82	0.81
13-19 Board Members	1.17	1.62	1.36	1.42	1.02	1.01
20+ Board Members	1.01	0.81	0.74	0.78	0.53	0.55
FIRETECH	1.78	1.59	1.94*	2.02*	1.35	1.36
Independent Foundation	1.23	0.70	0.87	0.83	0.62[+]	0.60*
Geographic Focus						
Single State	0.40[+]	0.50[+]	0.51[+]	0.52[+]	0.50*	0.52*
2+ State	1.86[+]	1.20	1.21	1.20	1.04	1.07
Foundation Region[c]						
South	1.06	1.06	0.45*	0.36**	0.54*	0.40**
Midwest	0.66	0.67	0.38**	0.31**	0.47**	0.32***
Northeast	3.16	3.36**				
West			0.50[+]	0.38**	0.69	0.55[+]
Age*Region						
New*South				4.22		2.85[+]
New*Midwest				3.92		3.68*
New*West				4.94[+]		2.28
Constant	0.00***	0.00***	0.00***	0.00***	0.00***	0.00***
Pseudo- R^2	0.23	0.20	0.16	0.17	0.40	0.41

p < .1; **p* < .05; ** *p* <.01; ****p* < .001

Note a: In the pre- and post-Summit years model 2 is not shown because none of the interactions are significant. In both the pre-and post-Summit years, the model uses "west" as the comparison group for region.

Note b: In the pre-and post-NCLB years, model 1 includes the regions but no interaction terms. In both years "northeast" is the comparison for region and new, northeast is the comparison for the interaction term.

Note c: I also modeled the regions with northeast as the reference year. Those tables are not shown, but in all of key reference years, the all of the regions are statistically and negatively associated with being a policy foundation, except in the post-NCLB year, when being a foundation in a western state is not statistically significant, in comparison to foundations from the Northeast.

Chapter 5: Changes in Level of Government Targeted by Policy Foundations

5.1: Introduction

In this chapter I explore the changes in which level of government are targeted by policy foundations over the key reference years of my study. First, I look at the grants targeted at each level of government in each key reference year. Second, I look at the grant and foundation characteristics that predict local grantmaking. Lastly, I discuss what might account for these findings. Employing rational choice theory, I hypothesize that as foundations seek to maximize their output and efficiency, i.e. to make grants that achieve their goals, they will change their grantmaking strategies to reflect changes in the education policy environment. Specifically, following the Charlottesville Summit, foundations will have targeted their grantmaking at the state level of government. And, following the implantation of NCLB, foundations will have targeted their grantmaking at the federal level of government.

5.2 Levels of Government Targeted by Policy Foundations

In order to examine the level of government targeted by grantmaking, I coded each grant for the level of government at which it was directed: local, state, federal or national, where national grants are those made to affect policy across the United States, but not directed at the federal level of government. Many grants, however, were targeted at multiple levels of government. For example, a grant given to the National Governor's Association "toward assistance to states and localities in implementing recommendations of Carnegie Task Force on Teaching as a Profession" (Foundation Center, 1989, p. 56) was coded as local, state because it

targeted both the local and state level of government. Similarly, I coded grants given for the implementation of state policies within local school districts or individual schools as local, state. The result was that the variable had fourteen categories, which were difficult to analyze and not as meaningful as they could be (see Table 16 for frequency of categories for policy foundations). Therefore, I created a new federalism code that combined all of the grants directed at multiple levels of government to explore whether this targeting was important in and of itself.

Table 17 shows the number and percentage of grants made by policy foundations for all years, broken down into their government-level-targeted variables. As can be seen in the table, removing both the foundations identified as the largest K-12 education funders in 2005 by Reckhow (2009, 2013) and the largest 25 foundations by asset size in my data set (this includes all years), increases the overall percentage of locally targeted grants, as well as the percentage of grants whose government-targeting could not be determined. In contrast, their removal decreased the overall percentage of grants targeted at the state, federal and national levels. That is, the largest foundations account for a greater proportion of the non-locally targeted grants than did the other foundations. This makes sense as larger foundations by and large have greater capacity to make grants targeting higher levels of government and greater geographic spans. Indeed, 66.25% of the foundations in the largest asset size group focus their grantmaking on two or more states, the largest geographic focus category.

Table 16: Frequency and Percentage of Federalism Categories for Policy Foundations, All Key Reference Years

Level of Government	Frequency of Grants	Percentage of Grants
Local	9,705	73.2
State	826	6.2
Federal	38	0.3
National	500	3.8
Local, State	331	2.5
Local, Federal	3	0.02
Local, National	539	4.1
Local, State, Federal	5	0.04
Local, State, National	30	0.2
State, Federal	7	0.05
State, National	95	0.7
State, Federal, National	1	0.01
National, Federal	2	0.02
Missing or Unspecified	1,169	8.8

Table 17: Number and Percentage of Grants Targeted at Each Level of Government, for Policy Foundation Subgroups (Percent in Parentheses)

Level of Government Targeted	All Policy Foundations	Policy Foundations *Without* 12 Largest Foundations in 2005	Policy Foundations without Top 25
Local	9,705 (73.2)	8,687 (75.5)	7,623 (76.6)
State	826 (6.2)	616 (5.4)	492 (4.9)
Federal	38 (0.3)	27 (0.2)	15 (0.2)
National	500 (3.8)	382 (3.3)	276 (2.8)
Multiple Levels of Government	1,013 (7.6)	798 (6.9)	639 (6.4)
Missing	1,169 (8.8)	1,002 (8.7)	910 (9.1)

I include the count of grants for which I could not determine the level of government targeted out of concern that certain types of foundations may be more likely to not include this information in their grant descriptions. Cohen (2007) suggested, for example, that conservative foundations make general-purpose grants to policy organizations in an effort to provide those organizations with the flexibility to respond to new issues that arise, as well as "to tackle longer run systemic issues" (Cohen p. 1). Additionally, Henig (2008) described the process by which conservative foundations used research grants—which I found often were not targeted at a particular level of government—to drive the conservative agenda with regard to school reform and school choice. I will return to a brief examination of these "missing" grants in section 5.25. First, however, I examine the grants directed at each level of government. I measure changes in grantmaking both in terms of the percent of grants made and in terms of the total dollar value

targeted at each level of government. For each level of government, I will (1) lay out some basic

characteristics of the grants targeted at that level; (2) describe the overall grantmaking changes

among all grants; (3) describe changes in policy grantmaking (i.e. among policy grants only);

and, (4), discuss the changes in policy grantmaking.

5.21: Locally Targeted Grants. Overall, there were14,364 (77.3% of the full data set)

grants that were targeted locally. These grants had a total value of $1.97 billion and have a mean

size of $137,213. Among the policy foundations only, I collected 9,705 (73.2% of the policy

foundation data set) grants targeted locally. These grants had a total value of $1.55 billion and a

mean size of $159,452. Thus, while policy foundations gave less money locally than did the full

data set, their average grant size was larger. This is to be expected. First, the policy foundations

are on average larger than the non-policy foundations (mean asset size of policy foundations is

$576.2 million versus $98.9 million non-policy foundations), and can therefore be expected to

make larger individual grants. Second, I have hypothesized that the policy foundations make

more deliberate and strategically targeted grants, thus they could be expected to spend more per

grant rather than spreading their grants among more recipients.

Table 22 (see end of chapter) summarizes the findings described here. Among all policy

foundation grants, I found that the percentage of grants targeted locally fell from a high of 74.2%

in the set of years following the Summit to a low of about 72.7% in the reference year after the

enactment of NCLB. There is not a significant difference between the years on either side of the

key events or between the two sets of years. Looking at policy grants only, however, there was a

significant increase following NCLB ($p < .001$) and substantial growth in locally targeted grant

dollars in the reference year following NCLB. The percentage of policy grants targeted locally

was just over 50% on either side of the Summit, but it rose to almost 55% prior to the

implementation of NCLB and almost 63% in the post-NCLB year.

As Table 22 shows, the percentage of grant dollars directed locally by the full set of

policy foundations declined from the pre-Summit year to the post-Summit year (from 65.2% of

grant dollars to 61.9% of grant dollars, $p < .001$). It then changed slightly in the pre-NCLB year

(to 62.8%), only to fall again to 60.9%. Both changes were significant ($p < .001$).

Looking only at the policy grants, the percentage of grant dollars targeted locally fell

from 45.1% prior to the Summit to 38.6% after it ($p < .001$). The Summit signaled the need for

changing education policy to the state and federal levels, rather than the local level. Moreover,

the emphasis of the Summit was on changing education policy across the country (i.e.

nationally). Thus, I expected that local grantmaking would diminish in the years following it.

Locally targeted grantmaking changed substantially between the post-Summit years and the pre-

NCLB years (from 38.6% to 54.3%) and again, slightly but significantly, following the

enactment of NCLB (54.7%). Although I expected that the proportion of grants targeted locally

would fall after NCLB—because it was a federally initiated and state implemented law—the

slight rise in grant dollars is reflective of Henig's (2007, 2009) assertion that although on the

surface NCLB seemed to be a continuation of policies that made localism in education policy

decline, the period was more accurately characterized by a shifting of local responsibilities.

Additionally, the post-NCLB period saw dramatic growth in charter school implementation, and

those grants were, by and large, coded as local since they were given to individual charter

schools.

When I compared locally targeted policy grants made by new versus old foundations, I

found that in 2005 new foundations gave nearly double (1.85 times) the percentage of locally

targeted grant dollars. While I did the comparison for the other years as well, it is less relevant as the number of new foundations was very small in the two reference years used to look at the Summit. In the pre-NCLB reference years, the percentage of grant dollars given locally by new foundations was smaller than that of the old foundations, but not all of the new foundations examined in 2005 were in existence yet. This suggests that the entrance of new foundations into the field of foundations was largely responsible for the growth (Hannan & Freeman, 1984).

Among the 25 largest foundations, the percentage of grant dollars targeted locally rose from 19.3% of policy grant dollars prior to the Summit to 21.8% of grant dollars after it ($p <$ .001).[88] Unlike the full set of policy foundations, the largest foundations, therefore, increased the proportion of their grantmaking targeted locally after the Summit. This was not true of the non-largest foundations; they mirrored the full policy foundation set, targeting a dramatically lower percentage of grant dollars locally following the Summit than before it (25.7% of policy grant dollars directed locally prior to the Summit; 16.8% after it).

The pattern reversed on either side of NCLB. Among the 25 largest foundations, the percentage of locally directed grant dollars changed from 30.4 % to 31.3%, while among the non-largest, it fell from 24.0% to 23.4%. While neither percent change is very large, they are both statistically significant ($p < .001$). Among the non-largest foundations, the peak of locally targeted grant making was in the reference years prior to the Summit; in contrast, and like the full set of policy foundations, the low point was in the reference years following NCLB. This seems to drive the overall trend of the full policy foundation data set. Although it is contrary to what I expected at the outset of the study, it is reflective of the growing belief that local education policy is not dying, rather its appearance is shifting and even growing in the face of

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[88] I also tested this by removing only the 12 largest foundations in 2005. Among these foundations, the findings mirrored the full set of policy foundations. Locally targeted grant dollars fell from 10% of all policy grant dollars before the Summit to 4.9% after it, and rose from 23.6% prior to NCLB to 29.2% after it.

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increased federal and state mandates (Henig, 2007, 2009; Crowson & Goldring, 2009; Manna, 2007).

5.22: State Targeted Grants. Overall, I collected 986 grants targeted at the state level of government (5.3% of the full data set). This includes grants that were targeted at the state level. These grants had a total value of $200 million and have a mean size of $203,284. Among the policy foundations only, I collected 826 (6.2% of the policy foundation data set) grants targeted at the state level or the state level and some other level of government. These grants had a total value of $179 million and a mean size of $216,421. As with the locally targeted grants, the policy foundations directed less money in larger average grants.

Table 23 (see end of chapter) shows the number and percentage of grants and grant dollars targeted at the state level. Looking at all of the grants made by policy foundations, there is not a significant change in the percentage of grants targeted at the state level from before to after the Summit. There was significant change, however between the post-Summit reference years and the pre-NCLB reference years ($p < .001$) and again to the post-NCLB reference years ($p <. 001$). Among the policy grants only, a similar trend was evident from the pre-NCLB year to the post-NCLB year ($p < .05$). Looking only at the 25 largest foundations, the differences from the pre-Summit reference year to the post-Summit reference years and to the pre-NCLB reference years were not statistically significant. There was dramatic change in state targeted giving by the 25 largest foundations (from 11.5% of policy grants to 23.5% of policy grants) following the implementation of NCLB ($p < .001$).

I hypothesized that there would be an increase in state directed grantmaking from the pre-Summit reference years to the post-Summit reference years, as foundations responded to the

increased state intervention in education policy that was highlighted by the governors' meeting with President Bush at the Charlottesville Summit. In fact, as a percentage of all policy grantmaking in the respective reference years, there was a decrease in the percentage of policy grant dollars targeted at the state level between the two key reference years ($p < .001$). This was true for both the full set of policy foundation grants and just the policy grants. In both the full data set and the policy grant sub-set, there was then a significant change ($p < .001$) in state targeted grantmaking in the pre-NCLB year and again following the implementation of NCLB. The same pattern held true among both the 25 largest foundation and the non-largest foundation sub-sets. Thus, unexpectedly, I found that change in state targeted grantmaking began in the pre-NCLB year, and was most substantial following the implementation of NCLB, not the Charlottesville Summit.

The finding that a greater percentage of grants were targeted at the state level only occurred in the pre-NCLB reference year is important for two reasons. First, as I will argue in the discussion section, throughout the period of study, states were increasingly taking control of education policy as part of the standards movement (McDermott, 2009). Concomitantly, during this period states were developing charter school policies (Hassel, 1999; Hassel & Way, 2005; Henig, 2008), which it has been argued, were particularly popular among market-based reformers, represented in the philanthropic world by conservative foundations (Clemens & Lee, 2010; Cohen, 2007; Hassel & Way, 2005; Krehley et al., 2004; Mintrom & Vergari, 2009). As such, a continuous rise in the percentage of grant dollars directed at the state level by all foundations makes sense if, as I've suggested, foundations respond to changes in the policy environment to maximize the value of their grantmaking. Carr (2012) argued that in 2005, "national foundations appear to have moved away from state-level grant support" (p. 5). This

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does not appear to be the case when I examined a larger set of foundations. While state targeted grants remained a small portion of foundation funding (as compared to locally targeted grants), their increased prevalence began prior to the implementation of NCLB suggesting that foundations saw state level interests as more than just administrators of NCLB.

Before concluding this section, I will briefly look at the state targeted policy grants made in the post-NCLB reference years to better understand why there was such an increase in that year. In the post-NCLB reference years, fully half of the state targeted policy grants were given to policy shops or advocacy groups. By grant dollars, the largest recipient type was state governments themselves (32% of state targeted grant dollars went to state governments). Together, policy shops, advocacy organizations, research organizations, and think tanks received an additional 45.6% of grant dollars. In comparison, in the pre-NCLB reference years, 44.0% of state targeted grantmaking dollars went to research organizations, policy shops, and advocacy organizations. Think tanks received 3.2% of state directed grants and state governments received a mere 2.0% of state directed grants.

The dramatic increase in giving to state governments between the pre and post-NCLB reference years is due to a large number of grants given by the Albertson Foundation, ID, and the Wallace Foundation, NY. Together, their grants accounted for about 72.2% of the state government grants. Without them, the state government grants accounted for 8.9% of state targeted grants in the post-NCLB reference years. The Albertson grants were the terminal grants of the Idaho Student Information Management System grant program, begun in 2001 in partnership with the Idaho State Department of Education (Office of Performance Evaluations, 2006). The program was designed to create a uniform data collection system across the state, a necessity of NCLB requirements (Dillon, 2006). The predominance of the Wallace funding

directed at the state level in that year was to improve state leadership for improving student

achievement. The 2005 Annual Report states:

> Our site work consists of two closely coordinated strands of activity: support for a select
> number of states to help them determine the kinds of legislative and regulatory changes
> needed to ensure that districts can develop, prepare and retain leaders capable of
> improving student performance; and support for high-need districts within those states to
> test a variety of strategies aimed at improving the training of leaders and at creating
> working conditions that allow them to succeed (p. 36). [Further funding is to] support
> designated Wallace states to develop and share national data on specific topics that
> inform the states' work on improving the conditions and training of education leaders (p.
> 38).

The Wallace Foundation provides an excellent example of how a foundation responded to the

need of states to help districts improve student achievement in the wake of NCLB, not simply to

help state governments administer NCLB requirements. They provided funding to help create

necessary legislative changes, as well as to districts to improve leadership training and working

conditions. On top of that, they also provided funding to national membership organizations to

provide research, training and convening (process grants, in my coding) to states to improve

educational leadership across the levels of government. Finally, they provided grants to

universities to create new executive leadership programs to train school and state education

leaders to lead educational change.

Lastly, to further examine the funders making state-targeted grants, I looked at the top

five funders of state targeted grants in each key reference year. Table 18 shows the top funders of

state targeted grants as calculated by the percentage of total dollars directed at the state level for

policy grants only, for each key reference year. Over the course of my study, there were 17

unique foundations among the five largest grantmakers of state directed policy grants in each key

reference year. All but two of the grantmakers (Exxon Education Fund and the UPS Foundation)

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were from the largest asset size group, and, strikingly, all but two were created prior to the first year of data collection, i.e., they were old (Bill and Melinda Gates Foundation, WA; Wallace Foundation, NY).[89] The foundations that made state-directed grants seemed to come from the older tradition of grantmaking. As has been noted in the literature on changes in the location of foundations making education grants, and policy grants in particular, in the early twenty-first century, West Coast foundations became increasingly prominent. (Hess, 2005; Levenick, 2010). Indeed, in the post-NCLB year, four of the five top funders of state directed grants were located in the western part of the United States (although only one of them—Gates—was a new foundation). Prior to that the majority of the top five funders were from the Northeast (42%) and the Midwest (33%). In the first three key reference years, none of the top grantmakers of state directed grants were in the West.

Table 18: Top Funders of State Targeted Grants by Percentage of Grant Dollars Made, with Asset Size Group and Foundation Age, by Key Reference Year

Foundation and State	Percentage of State Directed Grant Dollars (Number of Grants)	Asset Size Group	Foundation Age (pre/post 1987)
Pre-Summit			
Carnegie Corporation of New York, NY	21.9 (10)	Largest	Old
Ford Foundation, NY	20.9 (10)	Largest	Old
Exxon Education Foundation, TX	7.5 (6)	Medium	
Edna McConnell Clark Foundation, NY	6.3 (4)	Largest	Old
Lilly Endowment, IN	6.1 (3)	Largest	Old

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[89] The Wallace Foundation was created in 2003 from the merger of The DeWitt Wallace-Reader's Digest Fund and The Lila Wallace-Reader's Digest Fund.

Post-Summit			
Carnegie Corporation of New York, NY	48.5 (48)	Largest	Old
Joyce Foundation, IL	8.7 (12)	Largest	Old
Andrew Mellon Foundation, NY	6.8 (4)	Largest	Old
Lilly Endowment, IN	6.4 (6)	Largest	Old
Claude Worth Benedum Foundation, PA	4.9 (3)	Largest	Old
Pre-NCLB			
Kansas Health Foundation, KS	11.6 (2)	Largest	Old
UPS Foundation, GA (CT)	7.6 (4)	Smallest	Old
Annie E. Casey Foundation, MD	7.1 (9)	Largest	Old
Ford Foundation, NY	6.9 (4)	Largest	Old
Charles Stewart Mott Foundation, MI	6.4 (6)	Largest	Old
Post-NCLB			
Bill & Melinda Gates Foundation, WA	18.2 (24)	Largest	New
J.A. & Kathryn Albertson Foundation, ID	17.0 (16)	Largest	Old
Wallace Foundation, NY	10.4 (26)	Largest	New
William and Flora Hewlett Foundation, CA	7.6 (18)	Largest	Old
David and Lucille Packard Foundation, CA	4.7 (21)	Largest	Old

Although state targeted grantmaking represented a small proportion of grantmaking in my data set, I find that funders actually made more state targeted education grants in the post-NCLB reference year than they had previously, both in terms of the percentage of grants and percentage of grant dollars made. Although I did not find an overall increase in state targeted grantmaking as a result of the Charlottesville Summit, as hypothesized, I did find that the largest foundations behaved as predicted in terms of the percentage of grants made. As with the locally targeted grants, my findings about state targeted grants are complicated and somewhat unexpected. And, unexpectedly, I found a substantial increase in state targeted grantmaking following NCLB.

5.23: Federally Targeted Grants. Overall, I only collected 42 (0.23% of the full data set) grants that were targeted federally. These grants had a total value of $10.7 million and have a mean size of $254,793. Among the policy foundations there were only 38 (0.29% of the policy foundation data set) grants targeted federally or federally and some other level of government. These grants had a total value of $10.4 million and a mean size of $273,076. It is interesting that although the federally targeted grants make up a minuscule percentage of the data set, they are on average, fairly large. Foundations seeking to influence the federal government recognize that in order to be influential at the highest level of government, or with regard to a policy emanating from it, they must spend more money. Likewise, I will show in the next sub-section that the average grant size of grants directed nationally are larger than those directed at any other level as foundations seeking to have influence across the United States surely recognize that such an undertaking is expensive.

Table 24 (see end of chapter) shows the percentage of grants and grant dollars targeted at the federal level. As can be seen in the table, there are very few grants in the data set: less than

1%, of grants in the data set are targeted at the federal level of government. Although his work focused more on advocacy than grantmaking per se, Carr (2012) also found that while interviewees perceived foundation influence at the federal level to be greater than it had been 15 years earlier, it was still not overwhelming and foundations had to compete with other interests. He concluded that "although foundations have increased their federal policy involvement over the past decade [i.e. since about 2000], foundation influence is more limited than during foundations' peak before the rise of the modern welfare state" (p. 238).

I hypothesized that the percentage of grants directed at the federal level of government would rise from before NCLB was enacted to after it specifically, but also from the Summit reference years to the post-NCLB year, due to the passage of the No Child Left Behind Act of 2001. Overall, there is a statistically significant increase in the percentage of grant dollars directed at the federal level from the pre-NCLB reference year to the post-NCLB reference year (for all grants, from 0.5% to 0.7%, $p < .001$; for policy grants, from 0.7% to 1.0%, $p < .001$).[90] However, the percentage of grant dollars directed at the federal level changed significantly between each reference year, not just the last two. This finding is unexpected, but as Manna (2006), McDermott (2009) and Mehta (2013) argue, the passage of NCLB represented more of a culmination of slow growth in federal involvement in education policy, rather than a punctuated equilibrium (Baumgartner & Jones, 1993). Thus, the passage of NCLB represented more of a culmination of slow growth in federal involvement in education in K-12 education throughout the period of study.

Table 19 shows the number and percentage of all policy grants made by the 25 largest and the 320 other foundations targeted at the federal level in each key reference year. In all of the

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[90] The percentage of grants directed at the federal level also rose from the pre-to the post-NCLB reference year. For all the grants the change was significant (p < .01), but among the policy grants the difference was not statistically significant.

reference years, except for the pre-NCLB reference year, in which the non-largest foundations made significantly more of the federally targeted grants than did the largest foundations ($p <$ .05), the 25 largest foundations made a greater percentage of the federally targeted grants than did the other 320 foundations. In the pre-Summit reference year the difference was not statistically significant. In the post-Summit reference year and the post-NCLB reference year, the difference was significant ($p < .05$).

Table 19: Number and Percentage of Federally Targeted Policy Grants, 25 Largest Foundations vs. All Other Foundations

Key Reference Year	Top 25	Non-top-25
Pre-Summit	3 (.60)	2 (.40)
Post-Summit	4* (.80)	1 (.20)
Pre-Summit	2 (.25)	6* (.75)
Post-Summit	12* (.67)	6 (.33)

*$p < .05$

As might be expected, the largest foundations make the majority of federally targeted grants and the majority (or close) of federally targeted grant dollars in most of key transition years. I was, therefore, interested in which non-largest foundations made federally targeted grants. There are eight unique foundations among the non-largest foundations that made grants targeted at the federal level. Together they made 15 grants. Twelve of the 15 grants were for research on federally initiated programs and/or legislation. Two of the grants were for process[91]

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[91] Process grants are those given to provide information to policymakers through conferences specifically for policymakers/government agency officials, publications, grants for experimental programs/polices, and other similar activities. (From Mavity and Ylvisaker (1977) "improving the processes and competence of government" and Colwell (1993)/Domhoff (1974)).

and the last was for technical assistance (to help Native American Tribes implement federal

education legislation). Five[92] of the eight foundations, while not in the 25 largest foundations, are

still in the largest asset size quartile, while one (the Koret Foundation, CA) is in the large

quartile[93] and the remaining two (Bodman Foundation, NY and the Fund for Child Development,

NY) are in the medium quartile. All of the foundations were founded prior to 1987 and all were a

member of an affinity/membership group or were a conservative foundation. Half of the

foundations were from the Midwest and three more were from the Northeast. Only the Koret

Foundation is located on the West Coast. Again, the relationship between foundation age and

location is consistent with the literature on new foundations.

Generally, foundations made very few grants targeted at the federal government per se. I

suggest that the lack of grantmaking at the federal level is because most foundation influence at

the federal level comes not from direct grantmaking, but rather from relationships, funding of

research and advocacy at other levels of government,[94] and of other agenda setting activities.

5.24: Nationally Targeted Grants. The last individual level of government that I

examined is the national level. As was described earlier, national grants are directed at

municipalities, states, policymakers, etc. across the country, rather than directed at the federal

government or for implementing federal programs or policies. I distinguish between nationally

targeted grants and federally targeted grants. National grants are those that are given to affect

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[92] These are: the Spencer Foundation, IL; the Smith Richardson Foundation, CT; the Joyce Foundation, IL; the W.K. Kellogg Foundation, MI; and the George Gund Foundation, OH.

[93] The asset size quartiles are: small, medium, large and largest.

[94] Carr (2012) found that national foundations do not like to conduct advocacy work specifically at the federal level because they are concerned about the anti-advocacy regulations for philanthropic organizations.

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change across the country, but are not related to federal education policy itself. For example, I consider a grant given to the Center for Applied Linguistics in 1988 "for [a] national project to improve mathematics and science education through language instruction" (Foundation Center, 1989, p. 55) to be a national grant. An example of a federal grant is one given by the John D. and Catherine T. MacArthur Foundation to the Council of Chief State School Officers in 1990 "to study and make recommendations for [the] reauthorization and conduct of [the] federal Chapter One program" (Foundation Center, 1992, p. 34). Kaestle and Lodewick (2007) argued because the United States has a history of local control in education, as opposed to directives emanating from the federal government, it is important to consider education movements that target the entirety of the country, but which do not stem from the federal government (i.e., my nationally targeted grants). Further, Davies (2007) argued that Reagan White House officials believed that *A Nation at Risk* was an indictment of local and state education policy's affect on the national economy, but was not a federal problem. That is, the problem with education arose across the country (i.e. nationally) and affected the national well being, but it was not an issue that White House officials thought should be the purview of the federal government. The differentiation between the two is subtle, but important.

Overall, I found 541 grants (2.9% of the full data set) directed nationally. Together they total $195 million and had a mean asset size of $360,654. Among the policy foundations there were 500 (3.8% of policy foundation grants) grants directed nationally. They had a total value of $187 million and a mean grant size of $373,941.

When I set out to study this topic, I hypothesized that national grantmaking would grow throughout the time period as (1) national foundations gained influence in the education policy realm, and (2) as education came to be more state and federally regulated (causing foundations to

seek influence at larger government entities). However, this is not at all what I found. Table 25 (see end of chapter) shows the percentage of grants and grant dollars targeted nationally for each key reference year. As can be seen, nationally targeted grantmaking reached its peak in the reference years following the Summit, and its lowest point in the post-NCLB reference years. As a percentage of policy grantmaking dollars, the peak of national giving grantmaking dollars was in the post-Summit reference year, when 19.1% of grant dollars were targeted nationally (in the pre-Summit reference year, 14.9% of policy grants were targeted nationally). By the post-NCLB year, the percentage of grant dollars targeted nationally dropped to just over 5%. The decline was primarily after the pre-NCLB reference years. From the post-Summit reference year to the pre-NCLB reference years the percentage of grant dollars only fell by 1.5 percentage points, but it fell 12.3 percentage points after the implementation of NCLB. All of the differences are significant ($p < .001$).

The decline in national grantmaking occurred in both asset size groups, but was particularly evident among the 25 largest foundations, which seemed to drive the decline. Among the 25 largest foundations, national grantmaking peaked at 15.6% of all policy grantmaking in the reference years following the Summit (up from 12.4% in the reference year prior to it). However, from there, it fell to 11.3% of policy grantmaking in the reference years prior to NCLB and 2.7% in the reference years following the implementation of NCLB. Among the 320 remaining foundations the percentage of policy grant dollars directed nationally changed from 2.5% in the reference years prior to the Summit to 3.5% in the reference years following it ($p < .001$). Unlike in the full set of policy foundation grants or those made by the largest foundations, the percentage of grant dollars directed nationally then changed again to 6.3% of policy grant dollars in the pre-NCLB years ($p < .001$). Finally, as with the rest of the

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foundations, the percentage of grant dollars targeted nationally by the 320 non-largest foundations fell to 2.6% of policy grants following NLCB ($p < .001$). I did not expect to find such a decline in national grantmaking, however, it is in line with other researchers' findings (Reckhow 2009, 2013; Carr, 2012).

While overall the percentage of grants targeted nationally dropped over time, the percentage of nationally targeted grants made by the non-largest foundations rose from a low in the post-Summit reference year of 46.1% to a high in the post-NCLB reference year of 60.5% of national policy grants made by the non-largest foundations. In the pre-NCLB reference year, the non-largest foundations made 58.4% of nationally targeted grants. So, while nationally targeted grantmaking drops overall throughout the time period, the non-largest foundations become increasingly important in making the national grants, furthering the importance of studying them.

Who exactly are these foundations? There are 88 foundations that are in the non-top-25 of foundations that made nationally targeted policy grants. 21.6% of these foundations come from the smallest asset size group, 45.5% come from the middle two asset size groups, and 25.0% come from the largest asset size quartile, roughly approximating the full policy data set.[95] In terms of the percentage of family members on the board (45.5%), the percentage that are old (78.4%) and the percentage that are independent (72.7%), these foundations are quite similar to the overall policy data set. Lastly, 70.5% of the foundations in this sub-set focus their grantmaking on two or more states.

The smallest foundations that still make national grants are particularly interesting. I examined them along two variables: asset size group and geographic focus. The nineteen foundations in the smallest asset size group that make nationally targeted grants are nearly evenly split (47.4% company-sponsored; 52.6% independent) between independent and

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[95] There were also seven foundations (about 8%) that were missing their asset size.

company-sponsored foundations, which is unusual as compared to the full data set. The company-sponsored foundations in my data set are substantially smaller, overall, than the independent foundations. The company-sponsored foundations also happen to give a smaller percentage of their grants nationally, however (15.4% vs. 84.6%). This is due to the fact that many company-sponsored foundations give in the area(s) in which their company operates. The sub-set of foundations that has a sub-state geographic focus, but still makes national grants has almost no overlap with the smallest foundations by asset size that do so (only 1 foundation is in both categories, the Dick & Betsy DeVos Foundation, MI). Among these foundations, they are generally true to their mission; although they each may make a few nationally targeted grants, as a percentage of their overall grantmaking, none tops 17% of their overall grantmaking and most hover between 1% and 5%[96] of their overall grantmaking. Overall, the foundations in these two sub-sets do not make many grants directed at the national level, and in many cases, they only make one or two. The Danforth Foundation, MO, was the biggest exception; it made 11 (though that is only 6% of their overall grantmaking in my data set) nationally targeted grants, 55% of which were in the post-Summit year. These grants were primarily for research, process—in this case the convening of policy makers through national networks and organizations—and technical assistance for national policy organizations. Similarly, although it made six grants targeted nationally, the John M. Olin Foundation directed 27% of its grants nationally. These grants were primarily for research and advocacy.

For the full set of policy grants made by policy foundations, nationally targeted policy grantmaking was at its height following the Charlottesville Summit, suggesting that the Summit might have had an influence on foundation grantmaking at the national level. As has been

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[96] Seven of the 12 foundations directed between 1% and 5% of their grants nationally, while the other five directed between 5% and 17% nationally.

discussed, the national standards movement picked up steam as a result of the Charlottesville Summit, which might explain the peak of nationally targeted grantmaking immediately following the Summit. In the key reference year prior to the Summit, nationally targeted grants for topics relevant to the Summit[97] totaled $8.6 million (34.2% of national policy spending), while in the reference year following the Summit, they totaled $57.8 million (39.5% of national spending). The difference in proportions of total national spending in each key reference year is significant ($p < .01$). In addition, while in the post-Summit reference years there were a number of grants for school readiness, standards, pedagogy and college readiness (about 16% of national policy grants), these topics were not covered in the pre-Summit reference years. Grant dollars for school reform and specific school reform models also grew after the Summit, from about $888,269 to $16.4 million, or from 3.3% of national policy spending to 28.4% of national policy spending. The percentage of grant dollars going to research increased from 15.2% of national policy grants prior to the Summit to 20.2% of them after it.[98] While state-targeted policy grantmaking did not grow as a direct result of the governors' meeting, it is quite possible that the rise in grantmaking nationally following the Summit is due to foundations responding whole-scale to the governors' call for increased standards and accountability. Certainly, the Summit gave education a higher place on the public agenda, calling greater attention to the need for school reform. Foundations would most certainly have, at a minimum, responded to this.[99]

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[97] Grant topics used: Assessment, curriculum, college readiness, dropout/graduation rates, instruction, school readiness, early childhood, standards and student achievement.

[98] While the previous discussion in this paragraph refers to grant topic codes, the percentages of research grants come from the policy activity code.

[99] A counter argument is that the standards movement continued to grow following the post-Summit reference year, but the proportion of grants targeted nationally decreased. I think this has to do with the introduction of new

5.25: Grants to Multiple Levels of Government. There was a fifth category of government levels targeted: grants that were directed at multiple levels of government. I considered these grants separately as it is quite conceivable that targeting multiple levels of government at once is a deliberate strategy on the part of foundations to influence policy change from multiple vantage points. In the full data set, there were 1,118 (6.0% of full data set) grants that were directed at multiple levels of government. These grants had a total value of $343 million and a mean value of $306,565. Looking only at the policy foundations, there were 1,013 grants (7.6% of the policy foundation data set). They had a total value of $320 million and a mean value of $315, 896. Table 26 shows the percentage of policy grants and policy grant dollars directed at multiple levels of government for the full set of policy foundations, for only policy grants and for policy grants made by the 25 largest foundations in each of the key reference years.

Looking at all of the grants directed at multiple levels of government by the policy foundations, the height of such giving is in the reference years following the Summit (15.6%). However, the percentage of policy grant dollars directed at multiple level of government was most prominent in the first key reference year, that prior to the Summit (24.8%). This was true of the grants made by the 25 largest foundations as well. The subsequent fall in such grants reflects the decline in grants given to institutions of higher education for research, which is discussed in more detail in the next chapter. Suffice it to say, many of the research grants were targeted at multiple levels of government, and, therefore, as funding for such activity was diminished, so did the percentage of grants targeted at multiple levels of government. Interestingly, even as the percentage of grants and grant dollars targeting multiple levels fell overall over time, they did

foundations that were more focused locally. The percentage of national giving among the non-largest foundations did continue to rise.

rebound considerably following NCLB, though not to earlier heights. Among the policy grants

they rose from 10% to 16% of policy grant dollars ($p <. 001$) and among the 25 largest

foundations, they rose from 4.7% of policy grant dollars prior to NCLB to 9.1% after its

implementation ($p < .001$). The resurgence of multi-level targeting is due, at least in part, to the

Gates Foundation's policy activities, which at that time were targeting high school reform and

redesign at the local, state and national levels. Many of the grants were targeted at state

policymakers as well as either local districts or a national policy organization. Further, the

continued emergence of grants for school choice and charter schools attributed to the growth as

foundations sought to influence individual schools and state wide or state level policy.

5.26: Missing/Unspecified Federalism Grants and their Foundations. As was

mentioned earlier, I briefly discuss the grants for which I could not determine the level of

government that they targeted. During a conference presentation, it was suggested to me that the

foundations making these grants might be systematically different from the other foundations. I

hypothesized that smaller foundations, with less capacity for "good" reporting, and conservative

foundations, with their emphasis on general operating support, would be more likely to make

grants without enough information to determine the level of government targeted by a particular

grant. To explore this, I examined the foundation characteristics of the foundations making these

grants. Importantly, I coded a grant missing/unspecified for the federalism variable if I was

unable to determine the level of government at which the grant was targeted, not just if the data

were simply missing. For example, in 1991 Harvard received a grant from the Carnegie

Corporation of New York "for articles on [the] education of young adolescents" (Foundation

Center, 1992, p. 73). Other examples are general operating support grants to organizations that

have myriad purposes at multiple levels of government.[100] There were a significant number of foundations, however, that also do not publicly list the purposes of their grants. This has been a particular criticism of conservative foundations.

To start with, there are 245 (out of 345, or 71%) policy foundations that have at least one grant with a missing government level. Of those, 33 foundations (9.6% of policy foundations) had 10 or more grants with missing or unspecified levels of government targeted. However, of those only three are identified in the literature as conservative foundations (Covington, 1997; Krehley, et al., 2004; Cohen, 2007): the John M. Olin Foundation, the Lynde and Harry Bradley Foundation, and the Walton Foundation. Together, they had fifty-eight grants with missing or unspecified levels of government (5% of the missing unspecified federalism grants), totaling $39.8 million. Of those, 77.6% (n=45) were policy grants, totaling $38.1 million, or 96% of the value of the missing/unspecified grants from these three foundations. What types of grants are given without enough detail to determine the level of government targeted? The Walton Foundation's grants, for example, go to a smattering of charter school support organizations—without any detail about the grant it is impossible to say if the grants are directed at the state level where the organizations might advocate for charter school policies or at the local level where the organizations might support individual schools, or might advocate for charter policies among school districts; more general school choice advocacy organizations; voucher organizations; alternative teacher and principal certification programs—again without any grant detail it is impossible to know what level of government they are intending to reach through the grantmaking; as well as a few grants for school reform models and other reform organizations

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[100] An additional 86 grants (0.64% of grants) were made to national policy organizations for "general operating support" and were coded as being "national" for federalism, as discussed in the methodology chapter. It could be argued that these grants belonged in the missing/unspecified category; but as I was aiming to include as many grants in the full analysis, I used my best judgment that national organizations are likely to be aiming to influence policy makers across the country, not just in individual localities or states.

and research organizations. Table 20 shows the breakdown of policy grants by recipient type for these three foundations. It should be noted that these are for the full data set; only 25 of the grants were made in the post-NCLB year, while 14 were from the pre-NCLB year and the remaining six were from the post-Summit year.

Table 20: Number and Percentage of Grants with Unspecified Federalism Code by Recipient Type for Walton, Bradley and John M. Olin Foundations, Policy Grants Only, All Years

Recipient Type	Number of Grants	Percent of Grants (Total N=45)
Advocacy Organization	8	17.78
Business Organization	1	2.22
Community Organization (Organizing)	1	2.22
Charter School/CMO	1	2.22
Higher Education	3	6.67
Membership Organization	5	11.11
Nonprofit	5	11.11
Policy Shop	11	24.44
Public Charity	1	2.22
Research Organization	1	2.22
Service Provider	5	11.11
Think Tank	1	2.22
Other	1	2.22
Missing or Unspecified	1	2.22

In comparison to the full data set, grants coded as missing/unspecified are nearly identical along the breakdowns of age group, membership, family on board and foundation type. Although

these foundations are fairly well distributed among the asset size quartiles, they are slightly over-represented in the largest quartile (Q1-23.21%; Q2-21.43%; Q3-23.66%; Q4-31.70%). In their geographic focus, they are slightly more likely to focus on two or more states, and in return, slightly less likely than the full data set to have a sub-state or single state focus (in the overall data set 51.52% focus grantmaking on two or more states and in this sub-set 58.52% do so). Lastly, they are slightly over-represented in the two smallest categories of board group as compared to the full data set.

A logistic regression of the foundation characteristics on missing/unspecified federalism shows that four foundation characteristics—being a conservative foundation, being an independent foundation, size—as measured by asset size—and geographic area targeted—are significantly related to having grants coded as missing/unspecified in the federalism variable. The odds of making grants coded missing/unspecified on the federalism variable was more than four times greater (odds ratio = 4.45, $p < .05$) if a foundation was conservative than if it was not. Additionally, being an independent foundation was marginally associated with lower odds of making missing/unspecified grants with regard to the level of government targeted (odds ratio = 0.53, $p < .1$). The odds of making grants coded missing/unspecified on the federalism variable was nearly four times greater (odds ratio=3.89, $p < .01$) for the largest foundations, as compared to the smallest foundations by asset size. Additionally, foundations that focus their grantmaking on two or more states had odds nearly two times greater than foundations that focus their grantmaking locally (sub-state) of making grants coded missing/unspecified on the federalism variable (odds ratio=1.87, $p < .05$). This does suggest that the larger foundations are unexpectedly more likely to not report enough information about grants to determine the level of government they are trying to target. As suspected, conservative foundations are significantly

more likely than non-conservative foundations to make grants that are not easily identifiable as being directed at any particular level of government. Additionally, being a larger foundation and having a family member on board are related to making missing/unspecified grants along the federalism variable, suggesting that being a small foundation is not related to whether or not a foundation provides detailed information about its grantmaking on its tax forms.

5.27: Grant Topics on Either Side of the Key Events. As I suggested in the nationally targeted grantmaking section, the educational topics of grants changed over the course of the study. In this section, I will examine how grants for the topics most closely related to each event changed on either side of the associated event.

The Charlottesville Summit focused on improving student achievement particularly by focusing on curriculum, pedagogy, reducing dropout rates, school readiness, and teacher quality (Vinovskis, 1999). As such I examined grants that were given for assessment, curriculum, instruction/pedagogy, dropout prevention, school and college readiness, student achievement, and teachers. I also looked at grants for research and for school reform topics (Appendix J shows the full list of topic codes I used for this analysis). I found that in the key reference years prior to the Summit, the Summit related topics accounted for about 51% of all policy grant dollars. Research topic grants accounted for another 4.6% of policy grant dollars and school reform topics accounted for about 13.7% of policy grantmaking dollars. After the Summit, the percentage of grant dollars directed at the Summit related topics actually *fell* to about 40% of policy grant dollars, with research adding an additional 4.4%. However, the percentage of grant dollars directed to school reform topics rose to almost 30%. Similarly, total giving for alternative certification of teachers, more than doubled from before to after the Summit, growing from just

under $700,000 to more than $1.6 million. While not all of the precise topics that the governors were interested in addressing were not addressed at higher levels following the Summit, the notion that schools and teacher preparation needed to be changed clearly were. School reform and teacher preparation may be less nebulous, and, therefore easier to fund than some of the other Summit topics.

No Child Left Behind was similarly characterized by particular education topics: achievement gap, accountability, high stakes testing, data, teacher quality, and school choice. Appendix J shows the full list of topic codes used in this analysis. I found that in the key reference years prior to NCLB, grants for the NCLB topics accounted for nearly 27% of policy grant dollars. This included 14% for choice activities. In the key reference year that followed NCLB, the percentage of policy grant dollars going to NCLB topics had grown to 42.7%, including 27% that were for choice activities. Following NCLB there was clearly a relationship between the rhetoric of the law and topics foundations sought to address.

It is noteworthy that in both NCLB reference years the non-largest foundations accounted for more than half of the policy dollars that were directed at NCLB-related topics, including about half of the grant dollars that were for school choice topics. This contrasts to the role of the non-largest foundations in making Summit-related policy grants. In the pre-Summit reference years, the non-largest foundations only accounted for 13.7% of the Summit topic policy grant dollars and 8.7% of the school reform topic grant dollars; in the post-Summit years they accounted for 9.5% of the Summit topic policy grant dollars and 12.2% of the school reform topic grant dollars. In both cases, they gave less than half the policy grant dollars directed to Summit topics. Thus, following NCLB, the non-largest foundations made grants that were more similar, at least by topic, to the 25 largest foundations. I suggest that this is not simply a matter of

the largest foundations leading the way and smaller foundations copying them, although that may certainly be a factor, but rather the result of a greater change in the education policy environment that resulted from NCLB as opposed to the Summit.

5.3: Predicting locally targeted grantmaking

Lastly, I used hierarchical linear modeling (HLM) to establish the likelihood of foundations targeting their grants locally, given their grant (level-1) and foundation (level-2) characteristics. In order to do so I used a 2-level Bernoulli distribution model in HLM 7.01. Two-thousand, three-hundred, sixty-nine (2,369) grants (18% of all grants made by policy foundations) and 83 foundations (24% of all policy foundations) had missing information for at least one variable, and were, therefore, dropped from the analysis. The foundations that were dropped were overwhelmingly old, as these foundations were the most likely to be missing data. The outcome variable is local, which is a dichotomous variable, coded 1 if a grant is directed at the local level of government and 0 if it is directed elsewhere or is unspecified. The level-1 predictors were: grant size, the reference year in which the grant was made, grant policy status, grade level, grant policy activity, and recipient type. Grant size is measured in tens of thousands of dollars. Grant policy status is a dichotomous variable, it equals 1 if a grant was made for policy and 0 if it was is not for policy. Key reference year, the grade level, recipient type and policy activity variables are dummy variables—key reference year has four dummies; grade level has five dummies; recipient type has twelve dummies and policy activity has ten. The level-2 predictors are foundation total grant size, foundation age group, foundation type, foundation funding source, board size, and region. Foundation total grant size is a continuous variable; like grant size, total grant size is expressed in tens of thousands of dollars. Age group, foundation

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type and funding source are dichotomous. Age group is coded 1 if it is a new foundation (created 1987-2005) and 0 if it is old (created prior to 1987). Foundation type is coded 1 if the foundation is independent and 0 if it is company-sponsored. And, funding source is coded 1 if the foundations' original funding source was from FIRETECH and 0 if it was from any other industry. Lastly, board size and region are dummy variables with four dummies each. None of the region dummies were significant, and the variance accounted for by the two levels was lower when the region dummies were included. Therefore, I used the model that did not include the regions. Table 21 shows the results of the HLM analysis.

Using the null model, the chi-squared test is statistically significant ($\chi 2= 1958.4$; $p < .01$), indicating that there is variance in "local" across foundations, and that a two-level model is justified (Woltman, Feldstain, MacKay, & Rocchi, 2012). Comparing the null model to a model that only includes the level-1 predictors indicated that the grant level predictors account for 17.6% of the variance in the outcome variable. Adding the level 2 variables accounted for an additional 7.9% of the variance (Steenbergen 2012; Woltman, et al. 2012).

Using the unit-specific model with robust standard errors, I found that among the level one predictors, policy, being a grant made for early childhood education or having an unclear grade level, and being a grant made in the pre-NCLB reference years are statistically significant, holding all of the other predictors constant. There are a number of recipient type and policy activity variables that are also significant; however, due to the number of categories of each of those variables (and, hence, dummy variables), I am using them as a control and am not interpreting them. Policy is significant (odds ratio = .41, $p < .001$). That is, being a policy grant gives a grant about 60% lower odds of being a locally targeted grant than if a grant is not a policy grant. The dummy variable for early childhood is significant ($p < .05$) with an odds ratio

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of .64. That is, a grant that is made for early childhood education has just under 40% lower odds of being locally targeted than does a K-12 grant. This is likely an artifact of data collection; I did not include grants made to daycare centers, which would have been most likely coded as local grants (whereas I did include grants made to K-12 schools/school systems). Grants made for early childhood and K-12 education are marginally significant (odds ratio = .61, $p < .1$). Interestingly, grants without a specific education level indicated are also significantly less likely to target the local level (odds ratio =.18; $p <. 001$). This suggests that general education grants are more likely to be targeted at higher levels of government. Grants made in the pre-NCLB year are significantly less likely to be locally targeted than are grants made in the post-NCLB year (odds ratio=.80, $p < .05$), suggesting that following NCLB locally targeted grantmaking was even more prevalent than it had been prior to it. Lastly, grant size was also significant (odds ratio =.99 $p < .05$).

I found that among the level-2 predictors, four—total grant size, FIRETECH, foundation type and foundation age— were statistically significant, holding all other predictors constant. Total grant size was significant and negatively associated with making local grants (odds ratio = .99, $p < .05$). Said differently, larger foundations were less likely to be associated with locally targeted grantmaking. The source of a foundation's funding was significant (odds ratio = 1.5, $p < .01$). FIRETECH foundations had 50% greater odds of making locally targeted grants than do non-FIRETECH foundations. Foundation type was significant, (odds ratio = 1.6, $p < .05$). Independent foundations had about 60% higher odds of targeting their grants locally than do company-sponsored foundations. Age is only marginally significant (odds ratio = .70, $p < .1$). The odds ratio (.70) suggests that grants made by new foundations have 30% lower odds of being locally targeted than do those made by old foundations. It is worth noting that membership

in an affinity group was not significantly related to the making of locally directed grants. In Chapter Four, I suggested that an alternative hypothesis to why there is a relationship between professional associations membership and being a policy foundation is due to the increased access to information that would allow foundations to make more rational decisions about where to direct their grantmaking. At least in terms of this analysis, that hypothesis does not hold up. While a few of the foundation characteristics have some influence on grants being targeted locally, generally speaking they are not particularly impactful on foundation grantmaking strategy. This is an area in which further study is needed, and it will most likely have to be qualitative in nature.

Table 21: HLM Analysis of Local, Final Estimate of fixed effects (Unit-Specific model with robust standard errors) (n=10,882 grants, 262 foundations)

	Coefficient	Odds Ratio
Total Grant Size (in 10,000 dollars)	-0.0005*	0.99996*
New Foundation,	-0.33083[+]	0.71833[+]
Member of any affinity group	0.06414	1.06624
FIRETECH Foundation	0.43496**	1.54489**
Independent Foundation	0.48124*	1.54889*
Board Size[a]		
6-12 Board Members	-0.10491	0.90041
13-19 Board Members	-0.28302	0.75351
20+ Board Members	-0.37421	0.68783
Level One Variables		
Grant Size (in 10,000 dollars)	-0.0149*	0.99861*
Policy Grant	-0.8870***	0.4116***
Key Reference Year in Which Grant Made[b]		
Pre-Summit Year	0.09670	1.10152
Post-Summit Year	-0.06913	0.93320
Pre-NCLB Year	-0.22624*	0.79752*
Policy Activity[c]		
Advocacy or Multiple Policy Activities	-1.35299***	0.25847***
Research	-0.82150***	0.43979***
Organizing	0.30284	1.35369
Process	-1.47014***	0.22989***
Technical Assistance	-0.29275	0.74621
Legal	-1.56515***	0.20906***
Implementation	-1.48950[+]	0.22549[+]
General Operating Support	-1.01908***	0.36093***
Missing	-1.11465***	0.32803***
Grade Level Targeted by Grant[d]		
Early Childhood	-0.44003*	0.64402*
Early Childhood and K-12	-0.48745[+]	0.61419[+]
P-16/K-16	-0.38447	0.68081
Unspecified	-1.72653***	0.17790***
Recipient Type[e]		
Engagement Organization	1.12282***	3.07350***
Local Education Foundation	1.96767***	7.15396***
Community Interest	1.70277***	5.48915***
Charter School/CMO	3.85633***	47.29267***
Early Childhood Provider	3.77193***	43.46404***
Government or Quasi-Governmental Organization	-0.75098*	0.47190*
Higher Education	0.36671**	1.44297**
Membership Organization	-0.68864***	0.50226***
School District	5.43061***	228.28743***
Nonprofits and Service Providers	1.01371***	2.75580***
Missing	1.02707***	2.79286***

[+] $p < .1$; * $p < .05$; ** $p < .01$; *** $p < .001$
Note a: Reference Category = 0-5 board members*; Note b*: Reference Category = Post-NCLB reference year*;*
Note c: Reference Category = Specific program; *Note d*: Reference Category = K-12*; Note e*: Reference Category = Policy Organization

5.4: Discussion

In this chapter, I have shown that between 1988 and 2005 the level of government targeted by policy grantmaking for early childhood and K-12 education has changed—dramatically in some areas, and less so in others. From the pre-Summit reference years to the post-Summit reference years there was a significant decrease in the total dollar value of education policy grants targeted locally. Further, although there was not an overall increase in state-directed grantmaking following the Charlottesville Summit, there was considerable growth in nationally targeted policy grantmaking following the Charlottesville Summit. The changing policy climate for education seems to have influenced foundation grantmaking strategies. The increase in nationally targeted grants is reflective of the national focus of the Summit (Vinovskis, 1999). The lack of an increase in state targeted funding may also be due to the national focus of the summit, as well as the pre-existing focus by many governors on education reform (Henig, 2013; Mehta, 2013; Sunderman, 1999; Vinvoskis, 1999).

I predicted that grants directed at the federal level would grow as a result of NCLB. I found that while this was the case, the proportion of grant dollars targeted at the federal level of government changed between each key reference year as well. Even after the implementation of NCLB, federally targeted grantmaking represented an incredibly small proportion of overall policy grantmaking. Further, even as federally targeted grantmaking changed slightly, nationally targeted grantmaking diminished quite substantially.

I contend that given the local focus of grantmaking, foundations re-trenched and sought to influence policy locally and at the state level where there were greater opportunities to be effective after NCLB was enacted. State targeted policy grants unexpectedly reached their peak following NCLB, as did locally targeted policy grants dollars. McGuinn (2006) argued that the

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"day to day administration of US public schools reamin[s] decentralized" (p. 1) and Henig (2009) has argued that in spite of the appearance that localism in education has diminished, it is in fact, alive and well. Similarly, McDermott (2009), Manna (2006) and Fuhrman and Elmore (2004), suggest because of the requirements of NCLB, state and local policymaking for K-12 education increased after 2001. Given this, it makes sense that locally and state targeted grantmaking would rise after NCLB.

McKersie (1998) found that following the passage of the 1988 School Reform Act in Chicago, local foundations increased their grantmaking for implementation. I similarly find that foundations are at least somewhat active in funding the implementation of NCLB. In the post-NCLB reference years, foundations funded NCLB related topics significantly more than they did in the pre-NCLB reference years. Furthermore, in the post-NCLB reference years foundations gave significantly and dramatically more for school choice than they had prior to it. I found that after NCLB policy grantmaking was, at least to some extent, responsive to the demands of NCLB as well as to the concomitant growth in the school choice movement.

Table 22: Locally Targeted Grants by Key Reference Year, Policy Foundations Only

Key Reference Year	Percentage of All Grants Targeted Locally	Percentage of *Policy* Grants Targeted Locally	Percentage of *Policy* Grants Targeted Locally made by the Top 25 Foundations	Percentage of All Grant Dollars Targeted Locally	Percentage of *Policy* Grant Dollars Targeted Locally	Percent of total *policy* grantmaking Targeted Locally by Top 25 policy foundations
Pre-Summit	73.4	53.6	40.3	65.2	45.1	19.3
Post-Summit	74.2	52.3	43.9	61.9***	38.6***	21.8***
Pre-NCLB	72.9	54.9	46.2	62.8	54.3***	30.4***
Post-NCLB	72.7	62.6***	50.1	60.9***	54.7***	31.3**

*** proportion is significantly different than the previous reference year, $p < .001$.

Table 23: State Targeted Grants by Key Reference Year, Policy Foundations Only

Key Reference Year	Percentage of All Grants State Targeted	Percentage of *Policy* Grants State Targeted	Percentage of *Policy* Grants State Targeted made by the Top 25 Foundations	Percentage of All Grant Dollars State Targeted	Percentage of *Policy* Grant Dollars State Targeted	Percent of total *policy* grantmaking State Targeted by Top 25 policy foundations
Pre-Summit	4.9	9.7	10.4	4.1	6.5	3.5
Post-Summit	4.4	8.5	12.9	2.9***	5.0***	3.2***
Pre-NCLB	6.0***	11.2***	11.5	5.1***	7.0***	2.4***
Post-NCLB	8.4***	13.6*	23.5***	11.7***	13.7***	8.2***

* proportion is significantly different than the previous reference year, $p < .05$; ** proportion significantly different than the previous reference year, $p < .01$

Table 24: Federally Targeted Grants by Key Reference Year, Policy Foundations Only

Key Reference Year	Percentage of All Grants Targeted Federally	Percentage of *Policy* Grants Targeted Federally	Percentage of *Policy* Grants Targeted Federally made by the Top 25 Foundations	Percentage of All Grant Dollars Targeted Federally	Percentage of *Policy* Grant Dollars Targeted Federally	Percent of total *policy* grantmaking Targeted Federally by Top 25 policy foundations
Pre-Summit	0.2	0.5	1.0	0.1	0.1	0.1
Post-Summit	0.1	0.3	0.8	0.1	0.2***	0.2
Pre-NCLB	0.3	0.7[+]	0.6	0.5	0.7***	0.2
Post-NCLB	0.4	0.7	1.6[+]	0.7***	1.0***	0.9***

[+] proportion significantly different than the previous reference year, $p < .1$; *** proportion significantly different than the previous reference year, $p < .001$

Table 25: Nationally Targeted Grants by Key Reference Year, Policy Foundations Only

Key Reference Year	Percentage of All Grants Targeted Nationally	Percentage of *Policy* Grants Targeted Nationally	Percentage of *Policy* Grants Targeted Nationally made by the Top 25 Foundations	Percentage of All Grant Dollars Targeted Nationally	Percentage of *Policy* Grant Dollars Targeted Nationally	Percent of total *policy* grantmaking Targeted Nationally by Top 25 policy foundations
Pre-Summit	3.8	9.2	13.5	7.0	14.9	12.4
Post-Summit	3.6	8.4	12.7	9.7	19.1***	15.6***
Pre-NCLB	5.8***	11.9**	17.9*	12.3	17.6***	11.3***
Post-NCLB	2.7***	4.7***	6.4***	4.4	5.3***	2.7***

* proportion significantly different than the previous reference year, $p < .05$;** proportion significantly different than the previous reference year, $p < .01$;
*** proportion significantly different than the previous reference year, $p < .001$

Table 26: Grants Targeted at Multiple levels of Government, by Key Reference Year, Policy Foundations Only

Key Reference Year	Percentage of All Grants Targeted to Multiple Levels of Government	Percentage of *Policy* Grants Targeted to Multiple Levels of Government	Percentage of *Policy* Grants Targeted to Multiple Levels of Government made by the Top 25 Foundations	Percentage of All Grant Dollars Targeted to Multiple Levels of Government	Percentage of *Policy* Grant Dollars Targeted to Multiple Levels of Government	Percent of total *policy* grantmaking Targeted to Multiple Levels of Government by Top 25 policy foundations
Pre-Summit	8.9	18.5	27.8	13.9	24.8	15.6
Post-Summit	9.3	18.9	21.9*	15.6***	24.7***	15.3***
Pre-NCLB	5.8***	10.9***	13.0***	7.8***	10.0***	4.7***
Post-NCLB	6.8*	10.8	13.1	12.9***	16.0***	9.1***

*proportion significantly different than the previous reference year, $p < .05$; *** proportion significantly different than the previous reference year, $p < .001$

6.1: Introduction

In this chapter I will discuss the types of recipient organizations that received grants in each key reference year and how they changed over time. I compare my findings to Reckhow's (2009)[101] to see if and how the addition of many more foundations to the mix affects which types of organizations are funded. Doing so enables us to have a greater understanding of what forces drive policy change for K-12 and early childhood education. I then look at giving to charter schools/charter management organizations (CMOs) which in the post-NCLB reference year received close to 20% of all policy grants, and which exemplify new giving strategies favored by venture philanthropy and other similar funders (Levenick, 2013; Quinn et al., 2013; Reckhow, 2009, 2013; Ravitch, 2010; Scott, 2009). Employing both institutional theory and organizational ecology, I hypothesize that foundation environments and characteristics will influence grantmaking behavior. In this chapter, I test the hypotheses that: (1) Conservative foundations will be more likely than non-conservative foundations to alter their grantmaking behavior to match that of the field. The result of this is that foundations that belong to such organizations will have a greater odds of making charter school grants than do foundations that do not; (2) Foundations that come out of the financial and technology industries, as well as new foundations will be more likely to make charter school grants than are foundations that come out of other industries.

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[101] Carr (2012) also used these categories and Reckhow's 2009 data as a base for his analysis of 2009 grant data.

I will argue that foundations became more apt to fund policy change locally than they were at the start of the time period, and that they did so as a means to drive national policy change. That is, *local giving drives national policy objectives.* In the early part of my time frame, foundations were more likely to influence policy change by funding research and national policy organizations to drive change in a top-down manner, but by 2005 they had altered their giving strategy to influence policy through bottom-up funding (Rotherham, 2005). As such, they funded not just demonstration projects, but also small(er)-scale reform with the goal of influencing state and federal education policy, as well as influencing local and state policy across the country (i.e. national policy). Funding demonstration projects can also shift public attitudes and political support for previously unpopular, or at least questionable reforms, supporting a challenging coalition (Mehta & Teles, 2011; Rotherham, 2005). This practice may stem from the success of the charter school/school choice movement.

6.2: Recipient Types

The recipient type variable identifies the type of organization to which a grant was given. Across both the full data set and the sub-set of policy foundations, there were 35 unique recipient types. As in the previous chapter, I limit my discussion to the sub-set of policy foundations. Appendix F shows the full list of recipient types. Prior to the Summit, there were 30 recipient types; after the Summit, there were 32; in the pre-NCLB reference year, there were 33 and, in the post-NCLB reference year, there were 35 recipient types. Table 38 shows the 10 largest recipient types, measured by the total grant dollars received, for each key reference year for the full policy foundation data set and Table 39 shows the same thing for just the policy grants.

As can be seen in Table 38, there are 15 different recipient types that fall into the 10 largest recipient types across all of the reference years. Higher education, policy shops, school districts and service providers are the most frequent recipient types in the first three key reference years. After NCLB, grants to charter schools/CMOs replaced grants to higher education in the top four recipient types. Before the Summit, the four most frequent recipient types accounted for 58.7% of all grants made by policy foundations. In the post-Summit and the pre-NCLB reference the proportion of grants attributed to the largest recipient types fell significantly (as compared to the previous year and to the pre-Summit year). However, following the implementation of NCLB, the percentage of grants given to the top four recipient types rose to 49.2%, which is larger than the proportion in the pre-NCLB reference year ($p < .05$).

Table 39 shows the ten largest recipient types by key reference year for policy grants. When I restrict the analysis to policy grants, there are again 15 different recipient types that fall into the top 10 recipient types across the four key reference years. However, they are slightly different types—in the full data set, both "other" and "missing/unclear" recipient types fall into the 10 largest recipient types, but among the 10 largest recipient types of policy grants, media organizations and think tanks replace them. The table shows that when I limit the set of grants to only policy grants, higher education, policy shops, and service providers remain the three largest recipient types in the first three key reference years. School districts are replaced with membership organizations in the reference years on either side of the Summit and community organizations in the pre-NCLB year.[102]

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[102] In the pre-Summit year, school districts are the eleventh most funded recipient type and received 2.1% of policy grants. In the post-Summit year, school districts were the ninth most funded recipient type and received 3.4% of policy grants. In the pre-NCLB year, they are the fourteenth most funded recipient type and received 1.1% of policy grants.

As in the full set of grants made by policy foundations, after NCLB service providers, school districts, charter schools/CMOs, and policy shops round out the top four recipient types, accounting for 51.9% of post-NCLB policy grants. In comparison, prior to the Summit, the four largest recipient types received 59.7% of policy grants; after the Summit they received 56.7% of policy grants; and, in the pre-NCLB reference year the four largest recipient types received 53.1% of policy grants. The proportion of grants received by the four largest recipient types diminished significantly in each subsequent set of years ($p < .001$) That is, more different types of recipient organizations received policy grants in each set of years as time went on. Indeed, this is the case when I examine the top 10 recipient types as well. Over the course of the study, grants made to the 10 largest recipient types account for a smaller percentage of grants in each set of years. The percentage change is not enormous, but it is statistically significant between each key reference year: in the pre-Summit year nearly 88% of grants went to the 10 largest recipient types; by the post-NCLB year that had fallen to about 84% ($p < .001$), reflecting the growth in the number of recipient types over the same time.

Looking across the time frame of the study, it is evident that foundations have changed their giving strategy to favor local policy as a means of driving change, rather than funding large, national attempts at policy change. First, and most obvious, is the addition of charter schools/CMOs in the pre-NCLB reference year. Grants to charter schools will be examined separately in section 6.5. Second, grant dollars to school districts rose, as a percentage of policy grantmaking, over the course of the study. In the pre-Summit reference years, grants to individual public schools, school districts and/or their associated foundations,[103] represented 2.5% of policy grants. By 2005 they represented 8.2% of policy grants.

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[103] I differentiated between district foundations and local education funds (LEFs), which are policy organizations affiliated with the now-defunct Public Education Network (PEN). PEN defined local education funds as "nonprofit

A third notable change is the growth of service providers. I defined service providers as organizations or companies that provide educational services such as tutoring, professional development, curricula, etc, but do not manage an entire school(s). Service providers include reform models, organizations that provide technical assistance to schools, districts, charters, or other education organizations, and non-university, school-based health center providers.[104] Service providers received only 5% of grants before the Summit, but they grew steadily, reaching a pinnacle after NCLB of almost 11.5%. Numerous forms of reform that grew dramatically during the study period stem from, or are conduced by organizations that fall into this category. I consider school reform models, as well as intermediary organizations, such as New Visions for Public Schools in New York City, which supported the small schools movement, in this category. Although she identified them differently, Reckhow (2009, 2013) similarly found a growth in grants made to this type of organization between 2001 and 2005. The growth of service providers as a means for influencing change in education policy exemplifies the notion that foundations fund locally to drive national policy change.

A fourth way in which my data demonstrate the prevalence of this strategy is the loss of grants to national membership organizations. These are organizations that represent a particular group of people or organizations such as the National Association of School Boards, the National Governors Association or the Education Commission of the States. They also include

organizations that work with, but are independent of, their local school systems. LEFs advocate for involvement in public education by all segments of the public. LEFs also generate resources for public education by facilitating investment from local governments, businesses, and philanthropic foundations" (http://www.publiceducation.org/whatisanLEF.asp). In contrast, district foundations, in my definition, refers to a private foundation, public charity, or other fund for the purpose of supporting a specific school district or individual public school (not including charter schools).

[104] I differentiated service providers from nonprofits. I defined nonprofits as any 501c3s that run educational programs but does not fit into the other codes. Examples: Chess in Schools (provide an instructor for a program), Poets in Schools (same reason), Chicago Metro History Fair (runs history fair), City Kids (provides tutors at school sites); HIPPY (provides early childhood training for parents). Also organizations that provide school supplies (resource area for teachers; teachers treasures).

professional associations and unions. Across the time frame, I identified a significant loss in the percentage of grant dollars going to national membership organizations. Across all of the grants made by policy foundations, grants to such organizations fell from a high of 6.1% in the pre-Summit reference year to a low of 3.6% in the post-NCLB year ($p < .001$). Looking only at policy grants, the same trend is evident: nearly 10% of policy grants went to membership organizations prior to the Summit, but fell to 4.7% after NCLB ($p < .001$). There was, however, a statistically significant increase in the percentage of grant dollars going to membership organizations from before to after NCLB, although the percentage remains quite small (3.3% of policy grants to 4.7% of policy grants, $p < .001$). Even with an increase in the percentage of grant dollars going to membership organizations in the post-NCLB year, there was a dramatic decline in the proportion of those grants that were directed nationally. In the pre-NCLB reference year 21.6% of policy grants to membership organizations were directed locally, while 52.7% were directed nationally. In the post-NCLB reference year 54.9% were directed locally, while only 36.3% were targeted nationally.[105] Thus, even with the slight growth in membership organization grants, the trend toward local giving continued.

Lastly, the fall in the status of higher education as a grant recipient for pre-collegiate grants, generally, and for policy, specifically, demonstrates the loss of emphasis on funding national policy change. Before the Summit, institutions of higher education received 21.6% of all grants and 20.9% of policy grants from the policy foundations in my sample. In each subsequent reference year, that percentage fell. Particularly dramatic is the fall from before NCLB to after its implementation, in which grants to higher education fell from 14.4% of all grant dollars before NCLB to 7.0% after it, and from 15.7% of policy grant dollars before NCLB to 6.1% after it.

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[105] As in the previous chapter, it should be noted that the levels of government targeted are not mutually exclusive, so the percentages total more than 100.

Clearly, grants to higher education have fallen out of favor. Over the full data set, grants to higher education were predominantly for research: nearly 34% of grant dollars to higher education were for research activities. However, when considering only policy grants, across all years of my data collection, 68.5% of grants to higher education grants were for research. Table 40 (see end of chapter) shows the policy activity breakdown of higher education grants for each key reference year for the full set of policy grants and the policy grants made only by the non-largest foundations (I will come back to those in the next section). Quite importantly, prior to the Summit 70.1% of higher education grant dollars were for research and 20.5% were for specific activities. By the pre-NCLB reference year, only 46.1% of policy grant dollars to higher education were for research and 44% were for a specific policy activity. Similarly after NCLB, only 43% of policy grant dollars to higher education were for research, and 43% were for specific policy activities.[106] As Reckhow (2009, 2013) Reckhow and Snyder (2014), Tompkins-Stange (2013), Scott (2009), Quinn et al. (2013) and Snyder (2015) have noted, new funders are much less enamored with funding research than were earlier funders. Consequently, it makes sense that grants to higher education, and particularly research grants to higher education, would diminish. Further, as foundations sought to rely more on funding local policy activities to drive policy change across the country, they were, perhaps unwisely, less reliant on large scale research.

Looking across the recipient types that received the largest share of policy grants over the course of the study, there is evidence that foundations altered their giving strategy to become less nationally driven and more locally and state driven, as was evidenced in the previous chapter. In looking at the types of organizations that received grants in the post-NCLB reference year as

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[106] Examples of such activities are implementing pilot/demonstration programs and reform models, providing support for or creating teacher induction or career ladder programs, and providing support to districts and states in implementing new policy initiatives.

compared to the pervious key reference years, it is evident that as a group, policy foundations made more grants for organizational types that work locally than they did to those that work nationally or federally (I have limited evidence of grants to organizational types that work at the state level). In the next section of this chapter, I look at how recipient types changed over time if I exclude the largest foundations.

6.3: Recipient Types without the Largest Foundations

As in the previous chapters, it is useful to look at what happens to recipient types when I exclude the largest foundations to understand if the largest foundations seem to drive the change in the types of recipients that received the largest proportions of education policy grant dollars over time, and to understand the ways in which the field of education foundations has or has not changed its giving priorities over time.

Excluding the 25 largest foundations from the data set does not cause dramatic change in the types of organizations that received the majority of policy foundation grants, although it does, obviously, alter the proportion of grants going to each recipient type. As in the full set of policy foundation policy grants, when the 25 largest foundations are excluded, higher education and policy shops are consistently among the five largest recipient types. Service providers are also among the five largest recipient types in three of the four sets of reference years and charter schools/CMOs are in the top five recipient types in the latter two key reference years. Grants to charter schools/CMOs will be addressed in section 6.5 of this chapter. As I discussed in Chapter Two, the nature of education grantmaking has changed dramatically in the 21st century. My analysis of a much larger data set suggests that the types of organizations receiving education

policy grants are more stable than the literature suggests. Table 41 (see end of chapter) summarizes these findings. Nonetheless, there are changes that are noteworthy.

First, grants to school districts are dramatically less prevalent in the post-NCLB reference year if the 25 largest foundations are excluded. While the non-largest foundations made large proportions of their grants to service providers (14.5%),[107] to charter schools/CMOs (14.3%), and to policy shops (10.6%), only 1.8% of non-largest foundation policy grants were given to school districts. The grants to service providers and policy shops were overwhelmingly directed locally (65.9% of the time for this subset of foundations and 63.9% of the time for all policy grants). In my data set almost all grants to charters/CMOs are directed locally as well. So, while the trend toward recipient types that work at the local level seems to continue even when the largest foundations are excluded, the *types* of organizations doing that work was different.

Second, when the largest foundations are excluded, grants to state governments became quite important in the post-NCLB reference year. Only five foundations made these grants, and they came overwhelmingly (80% of grants) from one foundation, the J.A. & Kathryn Albertson Foundation of Idaho.[108] As was discussed in Chapter Four, the Albertson Foundation had provided a grant to improve data collection and use across the state of Idaho in the early 2000s. In 2005, the foundation was terminating the grant, but provided funding to the state to end the program.

Third, looking across all of the grant years, local education funds (LEFs) and advocacy organizations were better represented (in the rank ordering of recipient types) among the top ten

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[107] Denominator is total policy grant dollars by non-largest foundations (i.e. all foundations except the 25 largest).

[108] The other four foundations made one grant each. They are the Eli and Edythe Broad Foundation, CA; the Northern Trust Company Charitable Trust, IL; the Winthrop Rockefeller Foundation, AR; and, the Raymond John Wean Foundation, OH.

recipient type organizations than they are when the largest foundations are included. As compared to the full set of policy foundations, grants to LEFs actually account for a smaller proportion of grants when the 25 largest foundations are included, but their movement "up" in rank order suggests that the non-largest foundations had begun to emphasize local, rather than national, giving to change education policy by 2005.

Fourth, as with the full set of policy foundations, there is dramatically less funding directed to higher education. Prior to the Summit the non-largest foundations made 11.6% of policy grant dollars to institutions of higher education. After the implementation of NCLB that percentage had fallen to 2.2% of policy grant dollars. Again, as with the full set of grants and with the full set of policy grants, grants to higher education have fallen out of favor. Policy grants to higher education made by the non-largest foundations were again predominantly for research (67.5%). However, if I examine the change in activities funded the story is much more complex. Table 40 again shows the breakdown of policy activities for higher education grants by key reference year. Unlike with the full set of policy grants, the percentage of grants made to higher education for research did *not* fall off dramatically from before to after NCLB. Where policy grants to higher education in the post-NCLB year were as likely to be for research as for a specific policy activity when the largest foundations are included, when they are excluded, they were nearly 6.5 times as likely to be for research as for a specific policy activity in the pre-NCLB reference year and four times as likely in the post-NCLB reference year. Clearly, then the largest foundations drove the decrease in research grants to higher education.

Thus, while excluding the largest foundations from the analysis does not lead to a dramatic change in recipient types overall, there are a few key differences between the sub-set that does not include the 25 largest foundations and the full policy foundation data set. First, the

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largest foundations were responsible for school district grants and for the decrease in funding for higher education research grants. Second, the non-largest foundations seemed to fund a broader array of recipient types after NCLB, but still demonstrated a move away from national funding in favor of funding more local (local and state) oriented recipient types.

6.31: Comparison to the 12 largest foundations in 2005. Reckhow (2009) found that the five largest recipient types in 2005 were public schools, charter schools/private schools, research and advocacy organizations, higher education and elected/school official associations (see table p. 44). Table 42 shows the comparison of the top five recipient types of Reckhow's (2009) findings to mine, including the proportion of grants made to recipient types without the 25 largest foundations from my data set. For the 12 largest foundations in 2005 that are in my data set, the five largest recipient types (all grants) in 2005 were school districts, service providers, charter schools/CMOs, policy shops and state governments. If I look at my data set without the Reckhow (2009) foundations, service providers, charter schools/CMOs, policy shops, nonprofits and higher education round out the five largest recipient types. Most noticeably, school districts and state government are no longer among the largest recipient types.[109] The largest foundations in 2005 were quite active in making grants to school districts, even as the percentage of grant dollars from the largest foundations going to them declined from 2000. As I argued in the previous section, the non-largest foundations while still focusing on more local recipient types than they had in the past, targeted a somewhat different set of recipient types than did the largest foundations.

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[109] It initially struck me as odd that state governments are so well represented when the 25 largest foundations are removed, but not when the 12 largest foundations in 2005 are removed. A closer look revealed that the Albertson Foundation, ID, while one of the largest funders in 2005, was not consistently among the largest funders in my data set and, therefore, not included in the 25 largest funders subset.

6.4 National Policy Organizations

Reckhow and Snyder (2014) found that from 2000 to 2005, foundation funding of national advocacy and research grew from $56.3 million to $69.9 million, in 2010 inflation-adjusted dollars (p. 189).[110] I examined my data set to see if a larger sample of foundations yields the same results, and if so, if the trend began earlier than their data sets allow (2001). I defined national policy organizations as national organizations that do policy and/or advocacy work, including research and process. This included national think tanks. Of the 1,363 foundations in my full data set, 1,069 did not make any grants to national policy organizations, including 162 policy foundations. Of the remaining 294 foundations, 183 policy foundations and 111 non-policy foundations made at least one grant to a national policy organization. Among the non-policy foundations, all of the foundations made six or fewer grants to national policy organizations. Among the policy foundations, while 135 foundations made five or fewer grants to national policy organizations, the remaining 48 foundations made between 6 and 78 grants to national policy organizations across all the years of the data collection. As the vast majority of grants to national policy organizations (89.2%) came from policy foundations, I limit my discussion to the policy foundation data set.

Table 27 shows the frequency, percentage, total, mean, minimum and maximum value of grants made to national policy organizations by key reference year for the policy foundations. As can be seen (column 2), the percentage of grant dollars directed to national policy organizations grew ($p < .001$) from the pre-Summit reference year to the post-NCLB reference year, as would be expected based on Reckhow and Snyder's (2014) findings.

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[110] It is notable that although the amount that the 15 largest foundations gave to national advocacy and research organizations grew over the time period, as a percentage of their giving (based on the dollar figures reported in the article), funding of national advocacy and research organizations diminished from 11.5% to 9.5%, a statistically significant difference.

Table 27: Frequency, Percentage, Total, Mean, Minimum and Maximum Value of Grants Made to National Policy Organizations, by Key Reference Year, Policy Foundations Only

Key Reference Year	Frequency (Percentage of All Grants)	Total (Percentage of Grant Dollars)	Mean	Minimum Grant Value	Maximum Grant Value
Pre-Summit	238 (10.21)	57,700,000 (14.9)	242,964	16,2223	4,725,000
Post-Summit	345 (9.70)	110,000,000 (17.3)	317,849	15,733	8,495,980
Pre-NCLB	231 (8.72)	49,800,000 (11.7)	215,1670	12,371	4,792,638
Post-NCLB	382 (8.11)	163,000,000 (15.7)***	426,534	12,500	19,800,000

***Proportion of grant dollars made in post-NCLB significantly larger (p < .001) than in pre-Summit year. The other differences in proportions are also significant (p < .001).

Disaggregating the foundations by size (top 25 versus the rest) shows that the increase in the percent of grants made for national policy organization giving from the pre-Summit year to the post-NCLB year came from the non-largest foundations (see Table 28).[111] Looking at the non-largest foundations (column 4), there is much less variation in the giving strategy of the non-largest foundations. It is quite conceivable that the largest foundations respond more to isomorphic pressure within their small world of large foundations than do the smaller foundations, which have more limited resources to do so.

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[111] I include the 12 largest foundations in 2005 in Table 28 as well for a comparison in 2005. However, the percentages for the pre- and post-Summit reference years are somewhat deceptive. Five of the 12 largest foundations in 2005 that are also in my data set did not exist in the either the pre-or post-Summit reference years. In the post-NCLB reference year, the 12 largest 2005 foundations account for most of the giving by the 25 largest foundations.

Table 28: Percent of Policy Grant Giving to National Policy Organizations Disaggregated by Foundation Subset

Key Reference Year	Total Grant Dollars for National Policy Organizations (2005 dollars)	All Policy Foundations	Non-12 Largest Policy Foundations in 2005	25 Largest Policy Foundations	Non-12 Largest Policy Foundations in 2005	12 Largest Policy Foundations in 2005
Pre-Summit	$57.7 million	14.9	5.3	9.6	8.5	6.4
Post-Summit	$110 million	17.3	4.1	13.2	11.6	5.7
Pre-NCLB	$49.8 million	11.7	4.8	6.9	7.4	4.3
Post-NCLB	$163 million	15.7	6.3	9.4	5.7	9.9

In Chapter Five, I discussed the growth of national giving after the Summit and hypothesized that this was the result of the national emphasis of the Charlottesville Summit and the reform proposals that stemmed from it. This is evident here as well, both overall and by the 25 largest foundations. As can be seen in Table 28, the total dollar amount given to national policy organizations nearly doubled from before to after the Summit (in 2005 inflation-adjusted dollars). The growth from this peak to the peak following the implementation of NCLB, is large, but not as large as it would be if I only considered the most immediately preceding reference year, or even Reckhow's 2000 total, which adjusted to 2005 dollars is approximately $50.4 million.[112]

Over the course of the study, even as the proportion of grant dollars to national policy organizations rose (from the pre-Summit to the post-NCLB year), the percentage of those dollars directed nationally fell from 8.5% in the pre-Summit reference year (high of 10.6% in the post-Summit reference year) to 7.9% in the post-NCLB reference year ($p < .01$). At the same time, the percentage of national policy organization grant dollars directed at the state level rose from 2.7% in the pre-Summit reference year to 5.7% in the post-NCLB reference year ($p < .01$). While the

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[112] To obtain this adjustment, I divided 195.3 (the 2005 inflation level) by 218.056 (the 2010 inflation level) and multiplied by $56.3 million. Source: Historical Consumer Price Index Data www.inflationdata.com.

percentage of grant dollars to these organizations that were targeted locally fell, the change in state targeted grants, even to national organizations, suggests that foundations were beginning to look less broadly to influence policy, perhaps recognizing that funding widespread policy change is more difficult and complex than funding it in smaller geographic areas.

One example of influencing education policy on a smaller scale and in a more finite geographic area is the funding of school choice and charter schools. It is to this area of funding that I now turn.

6.5: Grants to Charter Schools and Charter Management Organizations

Over the course of this study charter schools were created and became an increasingly common form of school reform (d'Entremont, 2012). The first charter school opened in Minnesota in 1992. By the 1998-1999 school year (the pre-NCLB reference year is the 1998/1999 tax year), there were 1,122 charter schools in the United Sates. Just five years later in the 2005-2006 school year there were 3,780 (U.S. Department of Education, 2000). Over the same time period grants to charter schools/CMOs also rose dramatically. This section asks what, if any, characteristic of the charter school/CMO grantmakers differentiated them from the rest of the field of policy grantmakers. Although popular across the United States, particularly in urban areas, charter school effectiveness remains a matter of contention. It is, therefore, important to know what types of foundations (and other funders, though that is not the purview of this dissertation) are behind this reform.

I compared the tax year 2005 charter school/CMO grants to those made in tax year 1998/1999 along each of the independent variables to get a sense of the field of charter school/CMOs grantmakers and how the field changed from the late 1990s to 2005. I then

conduct a logistic regression to more fully understand if and how the foundation characteristics predict the odds of being a foundation that makes charter school/CMO grants. Finally, I compare the 2005 charter school/CMO grants to the full 2005 policy grant data set along the same independent variables to see if and how the characteristics of the foundations making grants to charter schools/CMOs vary from the field of policy grantmakers.

The first year in this data collection in which grants to charter schools and CMOs are listed in the index of the Foundation Center's *Grants for Elementary and Secondary Education* is the 2000/2001 book (1998/1999 grants).[113] In that year only 122 of the 1,219 policy grants, or 9.7%, were made to charter schools/CMOs. Certainly, it would be interesting to examine the growth of grantmaking specifically for charter schools over each year of the time period, but that will need to be the topic of a later study. In the next and final year of data collection, 2005, a significant proportion of the policy grants were made to charter schools/CMOs. In 2005 525 of the 2,647 policy foundation policy grants, or 19.8%, were given to charter schools/CMOs.

6.51: The Independent Variables. As was discussed in Chapters Three and Four, I hypothesized that a number of factors—foundation age, foundation board size, presence of a family member on the board, membership in an affinity group, the source of founder's funding, geographic focus, foundation asset size, and region—might influence a foundation's decision to make policy grants. Here I will look at how those factors apply specifically to the grants for charter schools/CMOs.

For the full data set, I hypothesized that "new" foundations would make more policy grants than "old" foundations, and there is no reason to expect that this would be different for

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[113] It is necessary to recall that these data do not include grants for every year, so it is certainly probable that the search term appeared sometime between the publication of the 1992/1993 book and the 2000/2001 book.

charter school/CMOs grants alone. According to Scott (2009), Hoffman and Schwartz, (2007), and Colvin (2005), there has been an increasing trend in educational grantmaking to target education policy. The notion of organizational inertia suggests that foundations are rooted in the time period in which they were founded, thus I expect that newer foundations to "be on board" with this trend. Moreover, school choice and charter schools have become a popular means by which to reform schools. Indeed, NCLB codified the strategy of using charters to reform education by offering charter conversion as an option to persistently failing (i.e. not making adequate yearly progress for five consecutive years) schools (Learning Point Associates, 2005).

In 1998/1999 81% of the foundations making charter school grants were old and 19% were new. In that year, 64% of charter grants came from old foundations and 36% came from new foundations. In 2005, 72% of foundations making charter grants were old and 28% were new. In that year 57% of charter grants came from old foundations and 43% came from new foundations. However, that does not tell the complete story, as in both years there were dramatically more old foundations than new foundations. Table 29 shows that in 2005, 57% of new foundations made charter/CMO grants versus 47% of old foundations ($p < .1$). Thus, foundation age was only marginally associated with making grants for charter schools/CMOs. Furthermore, as a proportion of all old foundation grants by policy foundations in 2005, charter grants only represented 8% of grants, while they represented 17% of grants made by new foundations. This was even more pronounced in 1998/1999, when there were fewer new foundations making charter and CMO grants. In that year 13% of new foundation grants were for charters/CMOs, while only 3% of old foundation grants were for charters/CMOs. While the proportion of old foundations making charter/CMO grants is only marginally smaller than the

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proportion of new foundations doing so in both years, the percentage of new foundation grants

for charters and CMOs is dramatically larger than that of old foundations.

Table 29: Number and proportion of charter school/CMO grants and foundations making charter school/CMOs grants made by each age group, pre-and post-NCLB reference years

Foundation Age	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion[a])	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
New Foundations	42 (.13)***	12 (.40)[+]	228 (.17) **	40 (.57)[+]
Old Foundations	76 (.03)	52 (.28)	297 (.08)	104 (.47)

Note a: This is the proportion of old or new foundations that made grants for charter schools.
[+] $p < .1$; **$p < .01$; *** $p < .001$

Table 30 shows the number of charter school/CMO grants and the number of foundations

making them by the size of the board (number of officers and trustees). As in Chapter Four, the

board size groups are small (0-5); medium (6-12); large (13-19); and very large (20+). I

hypothesized that foundations with larger boards will be more professional (Bernholz 1999), and,

therefore, more responsive to isomorphic pressures such as the policy environment and the

behavior and activities of other foundations. The greatest proportion of grants to charter

schools/CMOs came from foundations with medium size boards. There were significantly more

foundations with medium boards than with either small boards or large boards making charter

school grants, for both key reference years. Foundations with medium boards also made a

significantly larger proportion of grants to charter schools/CMOs than did foundations with

either small or large boards in both key reference years.

Table 30: Number and proportion of grants and foundations making charter school/CMOs grants by board size, pre- and post-NCLB reference years

Board Size	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
Small	16	14	90	37
	(.14)	(.22)	(.17)	(.26)
Medium	78	35	353	72
	(.66) ***	(.55)***	(.67) ***	(.50)***
Large	13	8	52	24
	(.11)	(.13)	(.10)	(.17)
Very Large	3	3	21	8
	(.03)	(.05)	(.04)	(.06)
Missing	8	4	9	3
	(.07)	(.06)	(.02)	(.02)

***Proportion greater than foundations with other board sizes ($p < .001$)

Table 31 shows the number and proportion of charter school/CMO grants and the number and proportion of foundations making them for each key reference year by the presence (or not) of a founder or founder's family member on the board. A proportion comparison test showed that in both reference years the proportion of charter school/CMO grantmaking foundations with family on board was significantly larger than those without family on board. Additionally those foundations made significantly more grants to charter schools/CMOs than did their non-family on board counterparts. In Chapter Four, I discussed the finding that having a founder or his family member on a foundation's board is both predictive of being a policy foundation and of being a non-policy foundation that made one policy grant. I argued that this was the result of both the smallest foundations having family members on their boards and the large, venture philanthropies with living founders also having family members on board. It is evident here that both these types of foundations are likely to make grants to charter schools/CMOs, which is not surprising given venture philanthropy's preference for school choice reforms (Quinn et al., 2013).

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For the full data set, I predicted that foundation membership in an affinity or membership group related to education, a national membership group that had an education-funder subgroup, or being identified in the literature as a conservative foundation would increase the likelihood of the foundation making policy grants. In both key reference years, the proportion of foundations that made charter school/CMOs grants and belong to such a group is larger than those that do not belong to such an organization (see Table 32).

Table 31: Number and proportion of grants and foundations making charter school/CMOs grants by family on board, pre-and post-NCLB reference years

| Family on Board | 1998/1999 | | 2005 | |
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
No	30	20	158	41
	(.25)	(.31)	(.30)	(.28)
Yes	69	30	303	70
	(.58)*	(.47)*	(.58)**	(.49)**
NA (Company-Sponsored Foundations)	17	12	64	33
	(.14)	(.19)	(.12)	(.23)
Missing	2	2	0	0
	(.02)	(.03)	(.00)	(.00)

*Significantly larger at 95% confidence level; **Significantly larger at 99% confidence level

Table 32: Number and proportion of grants and foundations making charter school/CMOs grants by membership in an affinity group, pre-and post-NCBL reference years

Affinity Group and Organizational Membership	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
Yes	100 (.85)***	53 (.83)***	117 (.81)***	451 (.86)***
No	18 (.15)	11 (.17)	27 (.19)	74 (.14)

***Significantly larger ($p < .001$)

As was described in the methodology and the policy grantmaking chapters, I hypothesized that foundation founders who earned their fortunes in financial and technology related industries (FIRETECH) would be more likely to make policy grants than those who did so in other industry types. Thus, I grouped the industry sources to create two categories, whose proportions are compared in Table 33. Significantly more non-FIRETECH foundations made charter school/CMO grants in both reference years. Additionally, a significantly larger proportion of the foundations making charter school/CMO grants came from non-FIRETECH industries.

Table 33: Number and proportion of grants and foundations making charter school/CMOs grants by industry source, pre-and post-NCLB reference years

Industry Source of Funding	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
FIRETECH Industries	41 (.35)	27 (.42)	176 (.34)	55 (.38)
Other Industries	77 (.65)**	37 (.58)*	349 (.66)**	89 (.62)**

*Significantly larger at 95% confidence level; **Significantly larger at 99% confidence level

Table 34 shows the number and proportion of grants to, and foundations making, charter school grants in both year the pre- and post-NCLB reference years by the foundations' geographic focus. As can be seen in the table, in both reference years the proportion of foundations with a sub-state or a two-plus state focus making charter school/CMO grants were approximately equal, and statistically insignificant. In both reference years, the proportion of foundations with a single state focus, however, was significantly smaller ($p < .01$) than either of the other two geographic foci. In both reference years, the proportion of charter/CMOs grants made by foundations with a two-plus state focus was significantly larger than either of the other geographic foci as well.

I predicted that foundations with a sub-state focus would be more likely to make charter grants than either of the other geographic foci, as they would be more aligned with their geographic interests. This is somewhat evident here. The proportion of foundations with a sub-state focus is statistically different than those with a two-plus state focus and is significantly larger than those with a single state focus.

Table 34: Number and proportion of grants and foundations making charter school/CMOs grants by geographic focus, pre- and post-NCLB reference years

Geographic Focus	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
Sub-State	47 (.40)	28 (.44)[b]	178 (.34)	59 (.41)[b]
One State	7 (.06)	7 (.11)	72 (.14)	17 (.12)
Two+ States	62 (.53)[a]	27 (.42)[b]	263 (.50)[c]	63 (.44)[b]
Missing	2 (.02)	2 (.03)	12 (.02)	5 (.03)

Note a. The proportion of grants is significantly larger than that one state ($p < .001$) and sub-state ($p < .05$).
Note b. The proportion of foundations making charter/CMO grants is significantly larger than for foundations with a one-state focus ($p < .001$)
Note c. Significantly larger than either the proportion of grants made by foundations with sub-state or one state foci ($p < .001$)

Finally, I examined how foundation asset size is related to making charter school/CMO grants. Table 35 shows the breakdown by asset size quartile as well as for the 25 largest foundations versus the rest of the foundations. The table also shows the totals and proportions for the 12 largest foundations in 2005 A few observations are notable. First, while the foundations in the largest quartile account for the greatest proportion of grants, the foundations in the other three asset size quartiles are not insignificant. In both key reference years, the foundations in the middle and large quartiles total account for more than one-third of the charter school/CMO grants made. This is also reflected in the 25 largest versus other foundations analysis at the bottom of the table. As can be seen, the 25 largest foundations account for just under one-third of the grants made to charter schools/CMOs in both key reference years. While larger foundations are certainly over-represented, as a sheer proportion of grantmaking, in their funding of charter schools/CMOs, they are by no means the only foundations making such grants. Moreover,

foundation asset size was not related to the making of charter/CMO grants in the post-NCLB reference year. The proportion of foundations that made grants to charter schools/CMOs was approximately the same in each asset size group of the post-NCLB reference year. In contrast, in the pre-NCLB reference year asset size was somewhat related to the making of charter/CMO grants. There were fewer smaller foundations that made charter/CMO grants than there were larger foundations: the proportion of foundations making charter/CMO grants from the two smallest asset size quartiles (small and medium) was significantly smaller than those from the two largest quartiles (large and largest) ($p < .001$). Further, the foundations represented by previous analyses of the largest foundations (e.g. the 12 largest foundations in 2005) do not account for the majority of grants made to charter schools/CMOs in 2005. These findings suggest that grantmaking for charter school reform is not strictly the purview of large foundations. The substantial growth in the percentage of all policy foundation policy grants given to charter schools/CMOs is likely not just due to the passage of time, but also the increased popularity of this method of school reform.

Table 35: Number and proportion of grants and foundations making charter school/CMOs grants by asset size, pre-and post-NCLB reference years

Asset Size Group	1998/1999		2005	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)
1st Quartile (Small)	10 (.08)	8 (.13)**	63 (.12)	32 (.22)
2nd Quartile (Medium)	15 (.13)	11 (.17)*	83 (.16)	29 (.29)
3rd Quartile (Large)	30 (.25)	21 (.33)	109 (.21)	38 (.26)
4th Quartile (Largest)	58 (.49)	21 (.33)	26 (.51)	44 (.31)
Asset Size Missing	5 (.04)	3 (.05)	2 (.004)	1 (.01)
25 Largest	36 (.31)	9 (.14)	148 (.28)	12 (.08)
Non-Largest Foundations	82 (.69)	55 (.86)	377 (.72)	122 (.92)
12 Largest Foundations in 2005	30 (.25)	4 (.06)	169 (.32)	8 (.06)

*Significantly smaller than either the large or largest quartiles ($p < .05$); ** Significantly smaller than either the large or largest quartiles ($p < .001$)

In order to examine the predictive power of the foundation characteristics, I created a variable, anycharter, to identify policy foundations that gave at least one grant to charter schools in the pre-and post-NCLB reference years. I used a model similar to the one used in Chapter Four to assess the odds of being a policy foundation. However, I replaced membership with conservative, a dummy variable that is coded 1 if it is a conservative foundation and 0 if it is not.[114] Additionally, I used the log of the asset size rather than the log of the total grant size. As in the previous analysis, I also used additional model that included the interaction of age and

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[114] I also tested the model with the membership variable that I used in Chapter Four, but there was no discernable difference in the outcome. As I was more interested in the potential effect of Conservative Foundations specifically, I included that variable rather than the general membership variable.

region. Model 1 includes just the regions and model 2 includes the interaction between age and

region (see Table 36). The chi-squared test shows that the models with the interactions explain

significantly more variance than the model without the interaction ($X^2 < .05$). Notably, the

pseudo-R-squared is only .07 in model 1 and .08 in model 2. Even as an imprecise measure of fit,

this indicates that the foundation characteristics are not great predictors of making charter school

and CMO grants, as I suggested above. So the same foundation characteristics that I identified as

having some influence on being a policy foundation and making policy grants, had nearly no

influence on making charter grants. Charter school grants are more ubiquitous than other policy

grants and seem to attract a broader array of foundations.

Table 36: Logistic Regression: Characteristics of policy foundations that make grants to charter schools (shown in odds ratios) (n=306)

	Model 1	Model 2
Conservative	0.62	0.61
Log Asset Size	1.22**	1.23**
New Foundation	1.51	3.64*
Board Size		
6-12 Board Members	0.72	0.76
13-19 Board Members	0.39*	0.39*
20+ Board Members	0.52	0.53
FIRETECH	2.10**	2.13**
Independent Foundation	0.81	0.80
Geographic Focus		
Single State	0.79	0.78
2+ State	0.62+	0.58+
Foundation Region		
West	1.17	1.29
South	1.06	1.62
Midwest	1.20	1.29
Age*Region		
New*West		0.43
New*South		0.13*
New*Midwest		0.52
Constant	0.08+	0.07+
Pseudo R^2	0.07	0.08

+ $p < .1$; *$p < .05$; ***$p < .01$

In model 1, four independent variables were significant. First, FIRETECH foundations had twice the odds (odds ratio= 2.1, $p < .01$) of being foundations that made charter school/CMO grants as compared to non-FIRETECH foundations. The literature on venture philanthropy discussed in Chapter Two suggests that foundations that came out of the financial and technology industries are more likely than other foundations to be heavily invested in school choice reforms.

Second, the log asset size was significant (odds ratio=1.22; $p < .05$). Larger foundations had greater odds of being a foundation that made charter school grants, although the effect is small. A 10% increase in log asset size was associated with a 2.2% increase in the odds of a foundation being a foundation that made charter/CMO grants.

Third, foundations with a large board (13 to 19 members) have decreased odds (odds ratio =.39; $p < .05$) of being a foundation that makes charter school grants, as compared to the smallest board size, which is zero to five members. Lastly, foundations with a geographic focus of two or more states have a decreased odds of being a foundation that makes charter grants by slightly more than one-third, as compared to foundations that have a sub-state focus, (odds ratio =.60; $p < .1$). That is, having a two-plus state geographic focus made a foundation less likely to be a foundation that made charter school/CMO, i.e. local policy, grants. As was discussed above, this is what I predicted.

In model 2, which includes the age by region interaction terms, the same independent variables were significant as in model 1, as was age and the interaction between age and south. Although new foundations are more likely to give charter grants, the effect is weaker among new foundations in the south.

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Lastly, I used a third model that changed the definition of "new" foundation to 10 years old or less in 2005. This provides a way to look at the newest foundations that are the subject of so much of the recent literature on foundations and policy grantmaking. Examining the data this way shows that new foundations have odds of 2.3 times that of old foundations of making charter grants, but the odds are only marginally significant (odds ratio = 2.26, $p < .1$). In this model, as in the previous model, only the age by south interaction is significant (odds ratio =0.29, $p < .1$). While foundation age is somewhat related to the making of charter school grants, it is not at all deterministic.

I also examined both models without the 25 largest foundations. For the analysis that excludes the largest 25 foundations, FIRETECH is less significant ($p < .05$) in both models 1 and 2, and the effect of age is slightly larger (odds ratio = 4.04, $p < .05$) in model 2.[115] Thus, the largest foundations do not drive the outcomes of this analysis. Charter school and CMO grants are made by the largest and non-largest foundations alike and being a new foundation as well as a FIRETECH foundation are particularly influential.

6.52: Comparing 2005 Charter Grants to All 2005 Policy Grants. The policy foundations that made charter school grants in 2005 are quite similar to the policy foundations that made other policy grants in 2005. Table 37 shows the comparison of foundations (columns 2 and 4) and of the grants that they made. Across all of the independent variables, there were not any statistical differences in the proportion of foundations that made charter/CMO grants as compared to the full set of policy foundations in the post-NCLB reference year. Consistent with

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[115] Model 1: Log asset size (OR=1.20, $p < .05$); board size 13-19 members (OR=.37, $p < .05$); FIRETECH (OR=1.95, $p < .05$). Pseudo-R^2=.07. Model 2: Log asset size (OR=1.21, $p < .05$); New foundation (OR =4.04, $p < .05$); board size 13-19 members (OR=.37, $p < .05$); FIRETECH (OR=1.98, $p < .05$); geographic focus, 2+ states (OR=.59, $p < .1$); NewSouth (OR =.11, $p < .05$). Pseudo-R^2=.08.

the popularity of charter schools as a reform method, foundations that make grants for charter

schools and CMOs have essentially the same characteristics as the larger set of policy

foundations. Perhaps what is more surprising is that *only* about 50% of policy foundations made

charter school grants in 2005.

Table 37: Number and proportion of grants and foundations making charter school/CMOs grants
by each independent variable in 2005 as compared to all 2005 policy grants

Independent Variables	Charter Schools/Charter Management Organizations 2005 Grants and Foundations		All 2005 Policy Grants and Foundations	
	Number of Grants (Proportion)	Number of Unique Foundations (Proportion)	Number of Policy Grants (Proportion)	Number of Unique Policy Foundations (Proportion)
Age				
Old	297	104	1,811	219
	(.57)	(.72)	(.68)	(.75)
New	228	40	836	70
	(.43)	(.28)	(.32)	(.25)
Board Size				
Small	90	37	323	70
	(.17)	(.26)	(.12)	(.24)
Medium	353	72	1,281	141
	(.67)	(.50)	(.48)	(.49)
Large	52	24	645	55
	(.10)	(.17)	(.24)	(.19)
Very Large	21	8	367	19
	(.04)	(.06)	(.14)	(.07)
Family on Board				
Yes	303	70	1,318	140
	(.58)	(.49)	(.49)	(.48)
No	158	41	901	85
	(.30)	(.28)	(.34)	(.29)
NA[a]	64	33	428	64
	(.12)	(.23)	(.16)	(.22)
Membership				
Yes	117	451	2,419	246
	(.81)	(.86)	(.91)	(.85)
No	27	74	228	43
	(.19)	(.14)	(.09)	(.15)

	Col1	Col2	Col3	Col4
Industry Source				
FIRETECH	176 (.34)	55 (.38)	1,011 (.38)	97 (.34)
Other Industries	349 (.66)	89 (.62)	1,636 (.62)	192 (.66)
Asset Size Group				
25 Largest	148 (.28)	12 (.08)	762 (.29)	24 (.08)
All Other	377 (.72)	122 (.92)	1,885 (.71)	265 (.92)
Geographic Focus				
Sub-State	178 (.34)	59 (.41)	642 (.24)	102 (.35)
Single State	72 (.14)	17 (.12)	304 (.11)	38 (.13)
2+ States	263 (.50)	63 (.44)	1,660 (.63)	141 (.49)

Note a. Not applicable because foundation they are corporate foundations

6.6: Discussion

In this chapter I have shown that over the course of the time period of study, 1988 to 2005, foundations began giving fewer grant dollars to national recipient types and when they did give to national organizations, those grants were often for state and local policy activities. I suggest that foundations have not become provincial in their policy outlooks. Certainly many foundations have a multi-state or national focus to their giving. Nearly a quarter of the policy foundations had a national or regional geographic focus and another 15% focus their giving on two or more states. Moreover, the types of education policies that foundations supported, particularly in the post-Summit reference year (when the largest percentage of grants were directed nationally, see Chapter Five) and the post-NCLB reference year, were designed to change the way in which public schooling operates in the United States, not just single localities. Thus, it is my contention that foundations shifted their giving strategies to reflect the idea that it

is easier to work from the bottom-up, rather than the top-down to change education policy and practice.

Looking at all of the grants made by the policy foundations in my data set, the most dramatic changes in recipient type are higher education's loss of stature and the growth of service provider and charter schools/CMOs as the most prevalent recipient types. Grants to higher education that remained were much less likely to be for research and were more locally targeted. Equally notable in the full set of policy foundation grants is that even as school districts rose in their rank order of recipient types, they received a decreasing share of grant dollars over the course of the study. Lastly, I found that in the post-NCLB reference year, state governments made an appearance among the ten most funded recipient types. Together, service providers, school districts and charter schools/CMOs, all local recipient types, received just under 40% of grant dollars after NCLB, while they had received only 29% in the pre-Summit reference year.

A similar pattern is evident among the policy grants only. Grant dollars to higher education fell dramatically as grants to service providers and charter schools/CMOs rose. In contrast to the full set of grants, however, school districts received a growing share of policy grants over time. Nonetheless, as with the full data set, service providers, districts and charter schools/CMOs received a dramatically larger proportion of funding in the post-NCLB reference year (28% of all grants and 39% of policy grants) than in the pre-Summit reference year (5% of all grants, and 11% of policy grants). The growth in the proportion of grants going to school district grants is attributed to the largest foundations in my data set, as excluding either the 12 largest foundations in 2005 or the 25 largest foundations overall resulted in school districts falling out of the five largest recipient types (when excluding the 25 largest foundations overall,

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school districts fell to the 7th position if I included grants to district foundations, or the 10th spot

if I included only grants to school districts and individual public (non-charter) schools).

Removing the largest foundations from the analysis also made state governments, local

education funds and advocacy organizations more prevalent recipient types in the post-NCLB

reference year. The grants given to these organizations, particularly LEFs and state government,

demonstrate the move toward less national giving. Looking only at the same three recipient types

as above—school districts, service providers and charter schools/CMOs—grant dollars to local

recipient types grew from 2.6% of non-top25 grants (2.9% of all policy grants) in the pre-

Summit reference year to 31.7% of non-top25 grants (18.6% of all policy grants) in the post-

NCLB reference year. While funding local organizations was a strategy used not only by the

largest foundations, there is strong evidence that the non-largest foundations were following suit.

At the same time, giving to national policy organizations actually rose over the course of

the study. However, an examination of the level of government targeted by those grants showed

that the proportion of grant dollars targeted nationally fell, while those targeted at the state level

rose.

Finally, in this chapter, I explored how the foundation characteristics laid out in Chapter

Four predicted the odds that foundations made grants to charter schools. Charter schools not only

rose in prominence as a method of school reform over the period of study, but as a grant

recipient type as well. I found that the foundation characteristics did not predict the making of

charter school grants as well as they had being a policy foundation. However, being a foundation

whose funding source came from at FIRETECH industry gave a foundation twice the odds of

making charter school/CMO grants.

In these findings, two competing forces seem to be at play. On the one hand, normative isomorphic forces can explain the pull of the non-largest foundations toward local recipients as a result of large foundations making such giving a priority (Reckhow, 2009, 2013). This is evidenced by the greater proportion of funding going to local recipient types in the full policy grant subset versus the non-largest foundation policy grant subset. On the other hand, the non-largest foundations also seem to be responding to their own organizational inertia (Hannan and Freeman, 1977, 1984) and refraining from making policy grants to school districts, and maintaining their funding for higher education research grants.

Table 38: Ten largest recipient types (by total dollars received) and percentage of all grants in respective key reference year, all grants by policy foundations

Pre-Summit		Post-Summit		Pre-NCLB		Post-NCLB	
Recipient Type	Percent of All Grants	Recipient Type	Percent of All Grants	Recipient Type	Percent of All Grants	Recipient Type	Percent of All Grants
Higher Education	21.6	Higher Education	18.2	Service Provider	15.1	Service Provider	17.1
School District	16.9	Service Provider	13.9	Higher Education	14.4	School District	11.5
Service Provider	12.0	School District	13.4	School District	9.8	Charter School/CMO	10.5
Policy Shop	8.2	Policy Shop	6.5	Policy Shop	9.3	Policy Shop	10.3
Membership Organization	6.1	Other	6.2	Nonprofit	9.1	Nonprofit	7.1
Other	5.2	Nonprofit	5.5	Community Organization	5.8	Higher Education	7.0
Research Organization	3.8	Membership Organization	5.3	Other	4.9	State Government	4.3
Local Education Fund	3.4	Business Organization	4.4	Charter School/CMO	4.1	Research Organization	3.9
Nonprofit	3.3	Missing/Unclear	3.5	Advocacy Organization	3.8	Membership Organization	3.6
Missing/Unclear	2.4	Research Organization	3.5	Research Organization	3.7	Local Education Fund	3.1

Table 39: Ten largest recipient types (by total dollars received) and percentage of all grants and of policy grants in respective key reference year, policy grants only

Pre-Summit			Post-Summit			Pre-NCLB			Post-NCLB		
Recipient Type	Percent of All Grants	Percent of Policy Grants	Recipient Type	Percent of All Grants	Percent of Policy Grants	Recipient Type	Percent of All Grants	Percent of Policy Grants	Recipient Type	Percent of All Grants	Percent of Policy Grants
Higher Education	9.6	20.9	Service Provider	8.3	17.5	Higher Education	10.4	15.7	Service Provider	11.4	16.1
Policy Shop	8.2	17.9	Higher Education	7.8	16.3	Service Provider	9.5	14.3	Charter School/CMO	10.5	14.7
Service Provider	5.0	11.0	Policy Shop	6.5	13.7	Policy Shop	9.3	14.0	Policy Shop	10.3	14.5
Membership Organization	4.6	9.9	Membership Organization	4.4	9.2	Nonprofit Community Organization	6.0	9.0	School District or Foundation	5.8	8.2
Research Organization	3.6	7.8	Nonprofit	3.2	6.8	Charter School/CMO	5.1	7.7	Higher Education	4.3	6.1
Local Education Fund	3.4	7.3	Research Organization	2.8	5.8	Advocacy Organization	4.1	6.2	Research Organization	3.8	5.3
Advocacy Organization	2.0	4.3	Advocacy Organization	2.6	5.5	Research Organization	3.8	5.7	Nonprofit	3.7	5.1
Think Tank	1.7	3.8	Local Education Fund	2.4	5.0	Local Education Fund	3.5	5.3	Membership Organization	3.4	4.7
Media	1.2	2.6	School District or Foundation	1.7	3.7	Fund	2.6	3.9	State Government	3.2	4.4
School District or Foundation	1.1	2.5	Business Organization	1.5	3.2	Membership Organization	2.2	3.3	Local Education Fund	3.1	4.4

Table 40: Higher education policy activity breakdowns

Higher Education Grants by Key Reference Year, All Policy Grants											
Pre-Summit			Post-Summit			Pre-NCLB			Post-NCLB		
Activity	Total Grants	Percentage	Activity	Total Grants	Percentage	Activity	Total Grants	Percentage	Activity	Total Grants	Percentage
Research	121	70.8	Research	131	60.9	Research	112	46.1	Research	114	43.4
Specific Program	35	20.5	Specific Program	53	24.7	Specific Program Technical Assistance	107	44.0	Specific Program	114	43.4
Process	9	5.3	Process	16	7.4	Process	12	4.9	Process	17	6.5
Advocacy	2	1.2	Advocacy	5	2.3	General Operating Support	7	2.9	Technical Assistance	9	3.4
Technical Assistance	2	1.2	Technical Assistance	4	1.9	Advocacy	2	0.8	Advocacy	4	1.5
Missing or Unspecified	2	1.2	Implementation	3	1.4	Organizing	1	0.4	General Operating Support	4	1.5
			General Operating Support	2	0.9	Multiple Policy Activities	1	0.4	Missing or Unspecified	1	0.4
			Legal	1	0.5	Missing or Unspecified	1	0.4			

Higher Education Grants by Key Reference Year, Top25-==0 (non-largest)

Pre-Summit			Post-Summit			Pre-NCLB			Post-NCLB		
Activity	Total Grants	Percentage	Activity	Total Grants	Percentage	Activity	Total Grants	Percentage	Activity	Total Grants	Percentage
Research	83	70.9	Research	78	57.8	Research	91	77.8	Research	66	64.7
Specific Program	26	22.2	Specific Program	38	28.2	Specific Program	14	12.0	Specific Program	18	17.7
Process	5	4.3	Process	10	7.4	Process	6	5.1	Process	12	11.8
Technical Assistance	2	1.7	Advocacy	4	3.0	Technical Assistance	4	3.4	Advocacy	3	2.9
Missing or Unspecified	1	0.9	Technical Assistance	2	1.5	Multiple Policy Activities	1	0.9	General Operating Support	2	2.0
			Legal	1	0.7	General Operating Support	1	0.9	Missing or Unspecified	1	1.0

Table 41: Ten largest recipient types (by total dollars received) and percentage of non-top25 foundation grants and of all policy grants in respective key reference years, Non-Top25 Foundations, only

Pre-Summit			Post-Summit			Pre-NCLB			Post-NCLB		
Recipient Type	Percent of Non-Top25 Grants	Percent of All Policy Grants	Recipient Type	Percent of Non-Top25 Grants	Percent of All Policy Grants	Recipient Type	Percent of Non-Top25 Grants	Percent of All Policy Grants	Recipient Type	Percent of Non-Top25 Grants	Percent of All Policy Grants
Higher Education	10.6	11.6	Higher Education Service Provider	7.5	7.3	Higher Education Service Provider	11.1	8.6	Service Provider	14.5	8.9
Policy Shop	5.9	6.5	Service Provider	6.8	6.6	Service Provider	7.8	6.1	Charter/CMO	14.3	8.7
Local Education Fund	5.5	6.0	Policy Shop	4.9	4.7	Nonprofit	5.6	4.4	Policy Shop State	10.6	6.5
Research Organization	3.2	3.5	Membership Organization	3.9	3.8	Charter/CMO	5.1	4.0	Government	4.1	2.5
Membership Organization	2.9	3.2	Business Organization	2.8	2.8	Policy Shop	4.6	3.6	Higher Education Membership Organization	3.6	2.2
Service Provider	2.6	2.9	Advocacy Organization	2.7	2.7	Research Organization	4.2	3.2	School District or Foundation	3.5	2.2
Advocacy Organization	2.1	2.3	Local Education Fund	2.6	2.5	Advocacy Organization	4.0	3.1	Nonprofit	3.0	1.8
School District or Foundation	1.7	1.9	Research Organization	1.7	1.6	Local Education Fund	2.8	2.2	Local Education Fund	2.9	1.8
Think Tank	1.4	1.6	School District or Foundation	1.3	1.2	Membership Organization	2.4	1.8	Advocacy Organization	2.8	1.7
Nonprofit	1.4	1.5	Think Tank	0.8	0.8	Other	1.8	1.4	Organization	2.5	1.5

Table 42: Top Five Recipient Types Comparisons for 2005, percentage of all grants and of policy grants shown in parentheses[a]

Reckhow 2005 Top Five Recipient Types[b]	Top 5 Recipient Types, All Grants	Top 5 Recipient Types, All Grants *without* the 12 Largest 2005 Foundations	Top 5 Recipient Types, Policy Grants Only	Top 5 Recipient Types, Policy Grants Only, *without* the 12 Largest 2005 Foundations	Top 5 Recipient Types, Policy Grants Only, *without* 25 Largest Foundations
Public Schools (~24)[c]	Service Provider (17.1)	Service Provider (9.6)	Service Provider (11.4/16.1)	Service Provider (6.0/8.4)	Service Provider (6.3/8.9)
Charter Schools/Private Schools (~19)	School District (11.5)	Charter School/CMO (5.9)	Charter School/CMO (10.5/14.7)	Charter School/CMO (5.9/8.3)	Charter School/CMO (6.2/8.7)
Research and Advocacy Organizations (~17)	Charter School/CMO (10.5)	Policy Shop (5.7)	Policy Shop (10.3/14.5)	Policy Shop (5.7/8.0)	Policy Shop (4.6/6.5)
Higher Education (~6)	Policy Shop (10.3)	Nonprofit (4.2)	School District (4.6/6.5)	Higher Education (2.2/3.1)	State Government (1.8/2.5)
Elected/School Official Associations[d] (~6)	Nonprofit (7.1)	Higher Education (3.2)	Higher Education (4.3/6.1)	Advocacy Organization (1.8/2.6)	Higher Education (1.6/2.2)

Note a: For the columns that show "all grants" I only include the percentage of all grants, not policy grants
Note b: Reckhow, 2009, p. 44.
Note c: Percentages for Reckhow data are approximate, as the data are taken from a graph that only shows increments of 5 percentage points
Note d: This is approximately the same as my membership organizations, although my category is more inclusive

Chapter 7: Conclusion

7.1: Introduction

In this final chapter, I will review my research questions and findings. I will then discuss why it is necessary to study foundations and the implications of my findings for practice and theory. Finally, I will conclude with some thoughts about how my findings can inform future research.

7.2: Recap

In this dissertation I asked if the nature of grantmaking for K-12 and early child education policy changed between 1987 and 2005, using the 1989 Governor's Summit in Charlottesville and the passage of NCLB as markers for when I would expect to see changes in foundation grantmaking. First, I asked what, if any foundation characteristics accounted for a foundation being a policy foundation, and for the proportion of a foundation's grants that were made for policy activities. I then looked specifically at the levels of government that were targeted by foundation grantmaking for education policy. I asked if foundation grants became (1) less locally targeted after the 1989 Governor's Summit in Charlottesville, VA, and (2) more nationally or federally targeted after the enactment of No Child Left Behind. Finally, I examined changes in the types of recipient organizations that received education policy grants on either side of each event to see if and how they changed. Throughout my discussion, I have examined if there is a significant difference in the behavior of the largest foundations as compared to the rest of the field of foundations. I argued that the presence of a few very large foundations in the field

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of education philanthropy has obscured the work of smaller foundations, and that examining these smaller foundations is necessary because they do not behave exactly the same way as the largest foundations.

In Chapter Four, I found that over the course of the study grantmaking for policy activities grew both in terms of the raw numbers of policy grants made and the percentage of grant dollars directed toward policy. I did note, however, that at the same time, there was dramatic growth in education grantmaking, generally. *Consequently, as compared to the full field of education grantmaking, I suggest that policy grantmaking did not become more common on a percent of giving basis than it had been previously. Rather, largely due to the very public efforts of a few very large foundations (Reckhow, 2009; 2010; 2013; Tompkins-Stange, 2013; Carr, 2012) policy grantmaking became more prevalent in the conversation about education grantmaking.*

With regard to the first research question, what, if any foundation characteristics were related to being a policy foundation, I found that a number of foundation characteristics are associated the odds of being a policy foundation. I defined as grantmaking that seeks to improve or change government, define/clarify public issues, ensure the rights of the public, or improve the private sector's responsiveness to public needs. Policy grantmaking also includes those grants that are given to policy-formation groups for the purposes of organizing, researching or discussing policy. Moreover, policy grantmaking is used to change public expenditures (Domhoff, 1974; Mavity and Ylvisaker, 1977; Colwell, 1993; Greene, 2005). First, age was inversely related to the odds of being a policy foundation. Looking at the full set of policy foundations, I found that older foundations (created prior to 1987) had greater odds of being a policy foundation than did newer foundations. Second, membership in an affinity group was

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associated with increased odds of being a policy foundation. While there is some question about the causal direction of the relationship, Hwang and Powell (2009) found that participation in professional organizations significantly increased rationalization among nonprofits, suggesting that in this case as well, being a member of an affinity group causes foundations to have greater odds of being policy foundations, not vice-versa. Normative isomorphism (DiMaggio & Powell, 1983) seems to be a significant factor in foundation grantmaking behavior. Although I also suggested that access to more and better information through these types of organizations might also account for this association, my findings in Chapter Five—that membership is not associated with the making of local grants—do not support this. Third, foundation size, as measured by the log total grant size, also gave foundations greater odds of being a policy foundation. That is, larger foundations were more likely to be policy foundations. Fourth, foundations with a single state focus had decreased odds of being policy foundations as compared to foundations with a sub-state focus. Fifth, being an independent rather than company-sponsored foundation gave a foundation decreased odds of being a policy foundation. Sixth, I found that region affects the odds of being a policy foundation. In contrast to what I expected, being a western foundation is inversely related to being a policy foundation and to the proportion of policy grants made, as compared to being a northeastern foundation. Interestingly, when I examined the foundations without the largest foundations, I did not find any difference in the characteristics that predicted being a policy foundation. While being a larger foundation is predictive of the odds of being a policy foundation, then, it is not clear that the largest foundations drive the behavior of all foundations in the way in which I predicted.

Lastly, in Chapter Four, I found that being a foundation that focused its grantmaking on two or more states, being an independent foundation, being a new foundation, and being a

foundation whose founder made his fortune in FIRETECH were related to an increase in the

proportion of grants that foundations made for policy activities. Being a foundation from the

South or West was negatively associated with making policy grants. In this model, the

interaction between region and age was not significant. When I excluded the largest

foundations—those covered in Reckhow's influential analysis—having a very large board (20+

members) was also significantly related to the proportion of grants made for policy. However,

there was otherwise no substantive difference between the group of foundations that excluded

the 12 largest foundations in 2005 and the full policy foundation data set. In this case, the

entrance of new foundations into the field does seem to drive at least some of grantmaking

behavior.

In Chapter Five, I sought to answer the question of whether or not foundations responded

to changes in the level of government responsible for making education policy on either side of

Charlottesville Summit and the passage of NCLB. I expected an overall decrease in locally

targeted grant dollars and a growth in grant dollars directed at the state level following the

Summit. I did find that on either side of the Summit there was a significant decrease in the total

dollar value of education policy grants targeted locally. This downward trend continued through

the entire time period. Further, although there was an overall decrease in state-directed grant

dollars following the Summit, the proportion of grant dollars directed at the state level by the 25

largest foundations grew slightly. At the same time, there was considerable growth in nationally

targeted policy grantmaking following the Charlottesville Summit. This is reflective of the

national focus of the Summit.

I expected that grants directed at the federal level would grow as a result of NCLB. I

found that while this was the case, the proportion of grant dollars targeted at the federal level of

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government grew between each key reference year as well. In the post-NCLB reference year the percentage of policy grantmaking targeted at the federal government was essentially the same for the 320 non-largest foundation (0.92%) as it was for the 25 largest foundations (0.94%). Even after the implementation of NCLB, federally targeted grantmaking represented a very small proportion of overall policy grantmaking. Further, even as federally targeted grantmaking grew slightly, nationally targeted grantmaking diminished quite substantially. Unexpectedly, state targeted policy grants reached their peak following the passage of NCLB, as did locally targeted policy grants made by the 25 largest foundations. I found that after NCLB, policy grantmaking was, at least somewhat, responsive to the demands of NCLB, as well as to the concomitant growth in the school choice movement. Although NCLB was a federal law, its implementation was reliant on changes to state and local policy and practice. It, therefore, makes sense that foundations would target those levels of government in their efforts to affect policy change in education. Environmental changes resulting from new levels of government taking responsibility for education policy resulted in foundations shifting their giving priorities, suggesting that foundations do act, at least to some degree, as rational actors.

The non-largest foundations behaved somewhat differently than the 25 largest foundations, suggesting different giving strategies and priorities. Moreover, this suggests that while the largest foundations drive the national conversation, the non-largest foundations do not necessarily follow suit. Most prominently, as the proportion of dollars directed locally grew over time among the largest foundations, it diminished among the non-largest. Conventional wisdom assumes that smaller foundations make more grants locally than do large foundations, as they have less capacity for making grants at higher levels of government. Although the differences are not enormous, this finding suggests that that is not necessarily the case.

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For state-targeted giving, the non-largest foundations made a smaller proportion of grant dollars after the Charlottesville Summit than they had before, unlike the largest foundations. In the pre-and post-NCLB reference years, however, state targeted grants from the non-largest foundations grew. Similarly, the proportion of grants made by the non-largest foundations directed nationally diminished on either side of the Summit, but then grew in the pre-NCLB reference year, only to fall following the implementation of NCLB. The increase in the pre-NCLB reference year was quite small, but it was statistically significant. In contrast, the proportion of grant dollars directed nationally by the 25 largest foundations grew after the Summit and then fell quite dramatically in each of the subsequent key reference years. The non-largest foundations, it seems, also altered their national giving strategies, but not as dramatically as the largest foundations. Prior to the Summit, the 25 largest foundations directed nearly 27% of their policy grants nationally; this had declined to 10.5% by the last year of my data. In contrast, the non-largest foundations targeted just under 11% of grant dollars nationally in each of the first three sets of years, dropping to just over 7% in the last year.

The findings in Chapter Five suggest that foundation size is important, but not determinative, in accounting for organizational behavior. In some instances the entire field moved its grantmaking in the same direction, but in others the largest foundations and the remainder of the foundations moved their grantmaking in opposite directions. I found that in the case of the differences in locally targeted giving, the entrance of new foundations seems to be responsible for the apparent growth, which not incidentally, was not particularly large, in locally targeted grants by the 25 largest foundations. When I compared locally targeted grants made by new versus old foundations, I found that in 2005 new foundations gave nearly double the percentage of locally targeted grant dollars. This suggests that the entrance of new foundations

into the field of foundations was largely responsible for the growth (Hannan & Freeman, 1984). The comparative stability of national giving by the non-largest foundations (as opposed to the 25 largest) indicates that while the largest foundations were responsive to the local and state needs/opportunities created by NCLB, the majority of foundations exhibited a fair amount of inertia in their giving (Hannan & Freeman, 1977; 1984). Additionally, these findings suggest that mimetic isomorphism is not always at work. The smaller foundations may not seek to be like their larger counterparts. Perhaps they attain their legitimacy more from their peer organizations than from the entire field. This is an interesting proposition that should be studied in greater depth.

In Chapter Six, I showed that even many grants to local and state recipient types seemed to be designed to drive a national policy agenda. The types of reforms that were supported, even when they were funded at the local and state level, have salience across the country and, many have made their way into the federal education policy agenda. Foundations supported recipient types and policy change efforts that could be considered exemplars, or bottom-up (Rotherham, 2005) to influence how K-12 education is delivered across the United States, not just in the particular localities in which they gave. This was particularly evident in the funding of school choice and school reform efforts. Overall recipient types became more diverse and more local. Following the implementation of NCLB, the most common recipient types were service providers, charters, policy shops and school districts. Among the policy grants only, this was still true, but when I excluded the largest foundations, school districts fell off the list. Grants to higher education diminished dramatically over time, but when I excluded the largest foundations, research grants to higher education remained a significantly higher proportion than did specific program grants to higher education, which is not the case when all of the policy grants are

considered. Grantmaking to national policy organizations grew over the course of the study, as Reckhow and Snyder found in their (2014) study limited to large foundations. However, when I examined the levels of government targeted by those grants, the proportion of grant dollars targeted nationally actually decreased, as did the proportion of grant dollars targeted locally. At the same time, the proportion of grant dollars targeted at the state level grew. Even as grantmaking to national policy organizations grew, then, foundations were using the national organizations to fund grants that were targeted elsewhere.

Again in Chapter Six, I found that the largest and non-largest foundation did not behave exactly the same way. While there is some evidence throughout this dissertation that the largest foundations have led smaller foundations to change their grantmaking behavior, I argue that they have changed the field of foundations through their entrance, but not as strongly through a direct influence on smaller foundations. Smaller foundations seem to operate differently and to maintain different ideas about what should be funded. There is some evidence that since the conclusion of my data this has changed somewhat (see for example the various reports available from Exponent Philanthropy, the affinity group for small foundations). However, at least for the period covered by this study, organizational ecological factors were more strongly influential upon the field of foundations than isomorphic forces were on individual foundations.

7.3: Return to the Conceptual Framework

In Chapter Two, I argued that rational choice theory would lead foundations to adapt their grantmaking strategy to target the levels of government making education policy. I anticipated that such changes would occur quickly after each of the key events around which I

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structured my analysis—the Charlottesville Summit and the implementation of No Child Left

Behind. What I found was more complex and my thinking about what rational grantmaking

looks like evolved as a result. Foundations did respond immediately to the Charlottesville

Summit (my data for post-NCLB were not immediate), but not in the way expected. Rather than

becoming more state focused, grants became more nationally focused. I suggested that this still

represents rational grantmaking behavior as the Summit resulted in calls for change in education

policy *across* the country, and foundations responded by funding policy that would influence

such changes. Quite interestingly, however, I also found that by the pre-NCLB year—which is

eight years after the Summit—state targeted grantmaking had, in fact, increased as a percentage

of the number of grants made by the all of the policy foundations and as percentage of grant

dollars among all of the policy foundations and the non-largest foundation subset. This suggests

that there is a lag in rational behavior, perhaps due to access to information about changes in the

policy environment.

Following the implementation of NCLB, I thought that rational behavior on the part of

foundations would lead to an increase in federally targeted grantmaking. While I did find this, I

also found that federally targeted grantmaking grew as a percentage of grant dollars in each key

reference year. Again, rather than a refutation of rational choice predictions, I read this as

indicating that rational responses to a changing environment are less straightforward than I

originally presumed. I argued that although the Summit did not result in the immediate adoption

of new federal education policy—that took a few years and a new administration—it did serve as

a mechanism through which President Bush could speak about education and start to evolve the

discussion about the federal role in education. As such, foundations making more federally

targeted policy grants were responding to the federal government slowly taking a more active interest in education policy.

Quite interestingly, I found that although locally targeted grantmaking—as a percentage of grant dollars—fell following the Summit, it rose quite substantially in the pre-NCLB reference year and again in the post-NCLB reference year. It seems that foundations might have realized that it is quite difficult to change local education policy and practice through the funding of nationally targeted grants. Instead, they appear to fund their larger policy agendas through local grantmaking, with the aim of demonstrating the feasibility and effectiveness of their ideas and using those demonstrations to build momentum and constituencies for national change. Although NCLB is considered by some to clearly demarcate an increased role in federal education policy, it was not the first federal education legislation to be enacted during this time period. It is quite conceivable that foundations were responding to increased need among state and local education agencies that resulted from new federal mandates, a need that was enhanced after the implementation of NCLB. Additionally, Henig (2009) asserted that although there are indicators of centralization in K-12 education policy, this has not made local arenas irrelevant. To the contrary, because so many key implementation decisions are made locally, national actors are realizing that much of the policy and political action continues to take place at that level of government (see also Gamson, 2009). Crowson and Goldring (2009) also argued that even as there has been increased centralization of education mandates (i.e. mandates from the federal level of government), "the nation's prime attention under these mandates is *determinedly* local" (emphasis in the original, p. 2). That is, although the federal government has imposed numerous requirements upon K-12 education, districts and individual schools bare the primary responsibility for implementing, and are accountable for, said requirements. If we are to believe

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that foundation grantmaking for public policy is reflective of the levels of government that make education policy—and I argue that I have shown that at least some foundations are both cognizant and adaptive of changes to the levels of government making and enacting education policy—then my finding that the largest foundations directed a higher proportion of policy grant dollars locally after NCLB than they had at any point in my data prior to it, further demonstrates rational behavior among foundations.

One additional environmental change might have an influence on increase in locally targeted grantmaking: the growth of the charter school movement. From its roots in the early 1990s, the charter school movement grew rapidly across the country. Charter school grants in my data collection are primarily locally targeted as they are given to individual charter schools.

In Chapter Two, I also hypothesized that isomorphism—particularly normative and mimetic isomorphism—could alternatively explain why foundations changed their grantmaking behavior. In this conception, foundations adapt to the environments within their organizational field in order to gain legitimacy among their peer organizations (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). I expected that foundations would respond to the ambiguity of grantmaking by mimicking the behavior of foundations that they see as successful and gather information—both real and symbolic—about organizational and grantmaking expectations from their participation in membership and affinity groups. I hypothesized that foundations would respond to normative isomorphic pressures as a result of participation in affinity groups and membership organizations. I did find a strong association between foundations that were members of such organizations and the odds of being a policy foundation, but once foundations were identified as being a policy organization, there was not a significant relationship between membership and the proportion of policy grants made.

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Second, I hypothesized if foundations change their behavior due to mimetic isomorphic forces, then the non-largest foundations would behave more similarly to the largest foundations. This occurred some of the time, but not all of the time. As discussed above, I found that following the Summit, while locally targeted grantmaking fell among the non-largest foundations, it grew among the largest. In the pre-NCLB year, when the percentage of grants targeted at the state level rose among the non-largest foundations, it continued to fall among the largest foundations. Similarly, I found differences between the types of recipient organizations funded by the two asset-size sub-groups.

I also hypothesized that foundations from the FIRETECH industries and new foundations would be more likely to (1) be policy foundations, (2) make a higher proportion of grants for policy activities, and (3) have greater odds of making charter grants. I believed that this would be the case because these foundations in particular are identified in the literature as drawing at least some of their legitimacy from the industry fields in which their founders made their money in addition to, if not instead of, the field of philanthropy. These foundations—and their parent industries—have a strong focus on measurable outcomes and recognize the need to change the environment in which their recipients operate in order to make their recipients successful. I found that although being a FIRETECH foundation is not related to being a policy foundation, once a foundation was identified as a policy foundation, FIRETECH foundations made a greater proportion of policy grants and had greater odds of making charter grants than did non-FIRETECH foundations. Two observations follow. First, these foundations may, in fact, be drawing their legitimacy from the industry fields in which their founders made their money. Second, these foundations may draw their legitimacy from one another, not the entire field of foundations.

Thus, I have suggested that foundations may be more responsive to foundations with which they share similar characteristics than they are to the entire field of foundations. As such, the largest foundations may mimic the other large foundations and smaller foundations may mimic each other, or, as just stated, FIRETECH foundations may draw their legitimacy from other FIRETECH foundations, not the full field of foundations. The literature on venture philanthropy suggests that for venture or strategic philanthropies, this is the case. Moody (2008) noted that "the construction and diffusion of the field [venture philanthropy] depended on influential opinion leaders who strategically defined and advocated a new cultural repertoire in a way that established its legitimacy and resonated with new donors and existing culture [within the field of venture capital]. The institutionalization of this culture and the subsequent spread of the field also depended on communication and isomorphic modeling across networks" (p. 347). Similarly, Tompkins-Stange (2013) found evidence that the large foundations in her study—which were divided between new and old sub-groups—became more similar in their grantmaking approach over time. While she did not study smaller foundations, it is certainly reasonable to assume that smaller foundations may not have the same resource capacity to mimic the largest foundations, and, therefore, take their cues from foundations of similar size. I suggest that other foundation "types" might also be more responsive to isomorphic pressures within— and seek legitimacy from— their type than across the entire field.

Although there are numerous combinations of foundation characteristics that could form types from which foundations would draw legitimacy, a few stand out. First, as just mentioned, foundation size and foundation industry source seem to characterize two types of foundations. New and old foundations, and the combination of size and age are types. Other foundation characteristics that I tested could characterize foundation types as well—board size, geographic

focus, foundation type and region in which the foundation is located, are all likely candidates. Foundations with small boards or that seek to influence change at the state level of government, for example are foundations that I might expect to seek out other similar foundations from which to draw their legitimacy. Foundations with small boards are unlikely to have the same resources as those with very large boards and, therefore, it would be safe to assume that they would not only behave differently vis-à-vis their grantmaking strategies, but also to draw their legitimacy from different sources. Likewise, foundations, such as Graustein, Albertson and Reynolds, which I described as working significantly at the state level, would likely draw their legitimacy from funders with similar goals and also from their respective state governments, agencies and advocacy organizations, rather than just the field of foundations. Similarly, as described in the literature review, foundations such as the John M. Olin Foundation sought to differentiate themselves specifically from the larger field of foundations, which they viewed as having left-leaning politics. Conservative foundations, thus, seek their legitimacy from other conservative foundations as well as from the general field of conservative politics, rather than from the larger field of philanthropy

Finally, I hypothesized that organizational ecology would provide a useful lens through which to view the changes that I identified in the field of education policy philanthropy. Indeed, I argue that this is the best of the three theoretical lenses for understanding what seems to have occurred over the period of study. In this understanding, individual organizations do not necessarily change, but rather the entrance of new, and exit of old organizations change the appearance of the field (Hannan & Freeman, 1984). Although I did not consistently find that foundation age was associated with the dependent variables, it was significantly associated with making a greater proportion of policy grants. Moreover, I have shown that the new, large

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entrants into the field of education philanthropy during the period of study changed the perception, if not the practice, of the field. This has occurred in part because of the research and media attention given to these large foundations, but also due to their use of more strategic grantmaking methods that more completely engage the policy process.

Along with the idea that new entrants are responsible for the appearance of change, organizational ecology predicts that individual organizations actually do not change much at all, rather they are driven by inertia (*ibid*). In this case, it seems quite possible that, especially for the majority of non-largest foundations, foundations may not respond much at all to isomorphic pressures or to rational choice theory, but rather that their behavior is predicated on the grantmaking strategies with which they were founded. Further, rather than gaining legitimacy from other foundations, smaller foundations in particular, though larger state and regional foundations as well, may garner legitimacy from their local (or state or regional) elites. As such, their grantmaking strategies would only change in response to the needs of their local communities. Foundations that are particularly tied to their communities are the most likely to experience this type of legitimacy seeking behavior.

Thus I conclude this section with two thoughts about foundations and legitimacy. First, foundations do not necessarily seek legitimacy—or at least all of their legitimacy—from within the philanthropic field. While they need to be seen as legitimate to other foundations, they have other fields with which they interact that are important as well. Foundations seem to sit at the intersection of the field of philanthropy, the field(s) in which they hope to exert influence and the level of government that they seek to influence. Second, the distinction between isomorphic behavior and rational behavior are not as clear-cut as I had initially proposed. In some ways, they play off one another. A foundation seeking legitimacy from peer foundations not only seeks to

mimic them, but also learns from their knowledge, gathering new information from them to use

to make better and more rational decisions about their grantmaking. Rather than being an

either/or, foundations are likely responding to both isomorphic pressures as well as rational

choice in seeking legitimacy, not only within the field of philanthropy, but within their "subject-

area" fields as well.

7.4: Why this is Important

Foundations frequently come under fire from critics in the social sciences, government

and the media. This has been the case since they were created in the early twentieth century. It is

important to study foundation work, particularly with regard to public policy, to understand if the

philanthropic world is indeed as powerful and anti-democratic as critics suggest. Criticism of

foundations has focused on three primary areas: (1) foundations as elites; (2) the role of

foundations in limiting democracy; and (3) the unintended consequences of foundation

programs. In this section, I will briefly review the major points of criticism and, in the last

section provide the implications of my research as a response to said assessments.

7.41: Foundations as elites. Foundations are seen as elite institutions that improperly

meddle in public affairs, asserting and favoring elite views over the best interests of the populace

(Arnove, 1980; Weischadle, 1980; Hall, 1992; Reckhow, 2009; Tomkins-Stange, 2013;

Reckhow & Tompkins-Stange 2015). Hess (2005) argued there is an "absence of scrutiny" (p. 9)

for foundation activities. The media generally tells positive stories about philanthropic

giving/charitable behavior. Journalists often write positive stories about professionally endorsed

school reform. And, it is hard to find educators or researchers who are willing to openly criticize

foundations. Likewise, he suggested that researchers are unlikely to openly criticize foundations,

or study them critically because (1) philanthropists are, "almost by definition, worthy of praise" (p. 10), (2) academics rely on foundations as benefactors and are, therefore, hesitant to criticize their activities, and (3) people and organizations with whom scholars work are also reliant on foundation funding, and are, therefore, unlikely to criticize foundation activities, even if a particular scholar would be willing to do so (p. 10). Because of the "absence of scrutiny" (Hess, 2005, p. 9), foundations can act in their own self-interest, rather than that of the populace.

Even when they seem to have charitable interests at heart, it has been argued, that foundations limit substantial change by not funding more radical (i.e. left-leaning) ideas and, therefore, favor the status quo (Arnove, 1980; Karl and Katz, 1981) Domhoff, 2005, 2010; Covnigton, 1998; Walters and Bowman, 2010). Arnove (1980) argued that:

> foundations like Carnegie, Rockefeller and Ford have a corrosive influence on democratic society; they represent relatively unregulated and unaccountable concentrations of power and wealth which buy talent, promote causes, and, in effect, establish an agenda of what merits society's attention. They serve as "cooling-out" agencies, delaying and preventing more radical, structural change. They help maintain an economic and political order…which benefits the ruling class interests of philanthropists and philanthropoids…which…has worked against the interests of minorities, the working class, and Third World peoples (p. 1).

7.42: Foundations limit democracy. Foundations are seen as limiting democracy through a variety of means. First, foundations have undue influence over government through a small group of grantees. Hall (1992) argued that by funding research, education and the media, the earliest foundations were able to influence government, not only because they controlled the information upon which governmental policies were made, but also because they funded the "experts who advise[d] and implement[ed] public policy" (p. 69). Similarly, Weischadle (1980) argued that philanthropic foundations give a small group of people undue influence over the

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majority of the population and are inaccessible to many organizations seeking funding. Foundations are considered to be impenetrable by outsiders (Tompkins-Stange, 2013); many make only unsolicited grants (Reckhow, 2009; Scott, 2009) and do not disclose any information on how to contact them. They are seen as locking themselves away from general public (Tompkins-Stange, 2013). Likewise, Karl (1976) suggested that a reliance on experts favored by foundations can lead foundations to limit democracy because the decision making process does not fit with Americans' tradition of resolving conflict via free enterprise or pluralism. Reckhow and Tompkins-Stange (2015) further argued that foundations limit democratic practice by circumventing "the public debate…by framing desired reforms as "evidence-based" and thus as unbiased and politically neutral on their empirical legitimacy. Reckhow (2013) argued that this framing can result in the "sidelining" of stakeholders outside an elite, expert-driven network" (p. 30).

In reference to the role of the large foundations, Roelofs (2005) also supported this view in his argument that the large foundations served as a "revolving door" to government (18). Reckhow and Tompkins-Stange (2015) similarly showed how officials and grantees from the Broad and Gates Foundations made their way into the Obama Administration, bringing the foundations' policy agendas with them.

Second, critics argue that that the money that foundations use for grantmaking would be better used in the public domain if the foundation funder had to pay taxes. Because the money is not in the public domain, foundations are not accountable for their work, even when it directly affects the public (Ravitch, 2010; Greene, 2005). During the 1969 Congressional investigation of foundations, Representative Byrnes of Wisconsin argued that "Our tax laws have given one group [the wealthy with foundations] a chance to…make their own determination as to what is in

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the public good, and to decide how to spend that money" (Byrnes, 1969 as cited by Nielsen, 1972, p. 12).

A third way in which foundations are seen as limiting democratic practice is through what they do *not* fund (Arnove, 1980; Colwell, 1993; Domhoff, 2005; Jenkins & Halcli, 1999; Ostrander, 1995). Domhoff (2005) and Slaughter and Silva (1980) argued that by not funding more radical and grassroots ideas, foundations limit who can participate in government. Reckhow (2009, 2013) similarly found that by funding districts with strong mayoral control, foundations limited the voices of local stakeholders, including parents and advocates, often having the unintended consequence of considerable resistance to foundation-funded reforms. Similarly, and particularly, with regard to new style venture philanthropy, it has been argued that foundations set their goals and define success too narrowly, making it quite likely that they will miss a great innovation (Tompkins-Stange, 2013; Moody, 2008). Scott and Jabbar (2014) argued that venture foundations limit the types of research that get funded because venture foundations are only interested in funding research that uses student testing data as a measure of student success.

Fourth, critics have argued that, in spite of Greene's (2005, 2015) contention that foundation dollars are limited in comparison to public funding of schools, foundations have undue influence in education due to their financial resources. A number of current researchers and thinkers have argued that because many public schools, particularly those with the greatest need for philanthropic resources, are financially-strapped, they will take foundation money on the foundations' conditions. This gives the foundations increased access to setting school and district policy (Bloomfield, 2006; Ravitch, 2010b; Rogers, 2011; Tompkins-Stange, 2013). Similarly, because a few of the largest foundations have converged on the same policy goals,

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they exert undue influence on public education that "is beyond the reach of democratic institutions" (Ravitch, 2010b, p. 200; see also Reckhow, 2009, 2013 and Carr, 2012), and as such are "not subject to public oversight or review" (*ibid,* pp. 200-201). Voters can't vote them out if they don't like what they are doing and if their plans fail, there is no recourse (*ibid*). The effect of this convergence is exacerbated if the goals coincide with government goals (Tompkins-Stange, 2013), as has been argued is currently the case with many Obama Administration education reforms (Ravitch, 2010b; Reed as quoted by Goldstein 2015; Layton, 2014; Reckhow & Tompkins-Stange 2015).

7.43: Unintended consequences of foundation funding. Previous research has found that foundation actions have unintended consequences of a variety of sorts. Foundations are seen as having a short attention span, and are apt to cut programs short if they are not achieving their goals (Tyack & Cuban, 1995; Hess, 2005; Clemens & Lee, 2010; Hammack & Anheier, 2010b; Layton, 2014; Goldstein, 2015) or to make mid-course corrections, leading to a loss of legitimacy for grantees and local leaders working with the grantees and foundations (Tompkins-Stange, 2013). Other unintended consequences have included angering the populations that they think they are trying to help (Buss, 1980; Reckhow, 2009; Domhoff, 2010; Goldstein, 2015; Ravitch, 2010b) increasing the state's role in education, as were a significant result of the equity lawsuits (Buss, 1980), and the loss of local and parental voice (Reckhow, 2009; Clemens & Lee, 2010).

7.5: Implications for research, policy and practice

Foundations, then, are often on the receiving end of a public scolding. It is not my aim to

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determine whether or not this scolding is warranted, rather my findings suggest that more complete research is necessary before such conclusions are drawn. The criticisms cited above are lobbed at the field of philanthropic foundations as a whole, but generally only reference the largest foundations. As I have shown throughout this dissertation, the non-largest foundations do not always behave the same way as the largest foundations. This was true throughout my time period, not only in 2005 which is the only year in my data set that includes all of the large, new foundations that are so frequently discussed in the media.

7.51: Implications for research. My research has shown that in some cases, the non-largest foundations respond to isomorphic forces and become more like the largest foundations, but not in every case, suggesting that other forces are at play. For example, as the overall field of foundations made a smaller percentage of grant dollars that were directed locally over the course of the study, the group of 25 largest foundations did just the opposite. The remaining foundations did not follow their lead. The field of foundations offers a ripe field for the study of organizations. Taking a lead from Hwang and Powell (2009), the first implication for research is that researchers should use foundations with varying characteristics and of varying size to build upon our existing understanding of organizational behavior.

Second, my foundation sample should be extended further toward the present to understand if the differences between the largest foundations and all other foundations continue to exist. If it does not, research should explore the role of the largest foundations in influencing the field and seek to understand how and why have smaller foundations followed suite. It would also be useful to examine the types of grant programs that are lost by smaller foundations mimicking the largest foundations. If the differences have continued, it would be useful for both regulators and the philanthropic community to understand why smaller foundations have not

done so. And, if the largest foundations have become more like the other foundations in the field, that is important to understand as well. It would also suggest that the leaders of the new, venture-philanthropy-type foundations might be more willing to learn from the established field than they originally planned. If that were the case, there is a great deal that we can learn about the ways in which organizations change internally and respond to one another.

A third avenue for further research is to further explore philanthropy in the school choice movement. Cohen (2007) looked at the conservative foundations that drove school choice reforms. More extensive research should be done on the characteristics of other foundations that make grants for charters specifically, or choice generally. I found, quite noncontroversially, that funding for the charter movement, and the school choice movement as a whole, grew dramatically after NCLB was implemented. Further research should examine the intervening years to further assess the influence that the choice components of NCLB might have had on this growth, and the influence that foundations had on the choice components of NCLB. Additionally, more qualitative research might be able to further explore why foundations fund charter schools. Are they, as Ravitch (2010b) contends, trying to infuse public education with market based economics, or are responding to what they believe is a broken public education system? Understanding who is behind the money that funds such policy change efforts is critical to their full evaluation.

A fourth area of further research would look at foundations that work at the state level to understand if and how they have been successful. I have begun this work, finding that by 2005 they had begun to involve themselves in state policy. However, my data are (1) not completely current and (2) are mostly quantitative. Updating this aspect of my data and including strong qualitative research, particularly on foundation goals and the steps that they take to enact them at

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the state level are useful not just for those of us who study education, but other state policies as well. As has recently been seen in the marriage equality movement across the United States, working at the state level offers change agents the ability to make substantial and relatively swift change that cannot be created from the federal level.

Similarly, research should look more carefully at the influence of foundations at the federal level of government. It is evident not only in my data, but in Carr's (2012) findings as well, that foundations do not make many grants targeting the federal government. Although I found an ever-increasing percentage of foundation dollars targeted at the federal level, the total proportion in 2005 remained miniscule (less than 2%). However, as Carr (2102) started to show, they do have other ways in which to influence federal policy. It is quite clear that current federal education policy and the policy objectives of the largest foundations have converged (Reckhow & Tompkins-Stange, 2015). Much more research should be conducted to understand this relationship.

Lastly, I suggest that researchers should study a broader set of foundations and that foundation work should be considered by grantmaking objectives. Doing so will give researchers and regulators a better understanding of the influence that foundations have. For example, while the literature suggests that new foundations are more heavily involved in policy work, my analysis of a large data set showed that older foundations are significantly more likely than new ones to be policy foundations. I argue that this is due to the fact that there are considerably more new foundations that do not do policy work than there were in the past. As Domhoff (2010) noted that although there are between 65,000 and 70,000 foundations in the US, only a few hundred are involved in policy creation. In previous generations, there were far, far fewer foundations, particularly working in the K-12 and early childhood arenas. Similarly, in my data

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set, which was collected with the objective of identifying policy foundations, I identified more than four times as many foundations that had the potential to be policy foundations (based on grant search terms) than I did actual policy foundations. Forty-five percent (45%) of those foundations were created between 1987 and 2005. Many foundations are happy to provide grants that supplement public funding or fill in the gaps in public funding, and these are not only welcome in many schools and districts, but necessary for schools' operations as well. These foundations serve a different purpose than do the foundations that seek to change public policy, which should be considered by researchers and policymakers. This is not to say that the work that the new, large, venture-philanthropy-type foundations are doing in education policy is not relevant or important. Rather, I point to this example because it is necessary for us to understand, both in practical terms, and from an organizational change perspective, why so many new foundations *do not* participate in policy work. Is it a matter of size? Is it a matter of values? If the answer to either of these questions is "yes," then it is necessary to ask if private foundations with different characteristics or operational goals should be regulated differently? Moreover, there might be good reason for policy makers to consider creating differentiated regulations for foundations with different aims. Perhaps foundations funding advocacy work need to be more heavily regulated while those providing supplementary dollars to community organizations could be less regulated. These are clearly topics worthy of further investigation.

7.52: Implications for policy. There are three primary implications for policy that follow from the findings of the last research item that I suggest, and from my findings overall. First. Regulators should consider differentiated regulations for different types of foundations—be they based on size or foundation objectives. Second, regulators should require that foundations provide more information on their tax forms. While some foundations provide clear explanations

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of each grants' purpose, not all do. As I showed in Chapter Five, conservative foundations are more likely to not provide extensive detail on their 990-PFs. By requiring foundations to provide a description of each grant, regulators and researchers would be better able to trace grant money going for advocacy work, the legality of which is already borderline. A final implication for policy is that foundations should all be required to have the same fiscal years and these should match either the calendar year or the tax year (April to April). Because they do not all currently have the same funding calendar, it is difficult to track trends in funding. Further, as some foundations report multi-year grants only in the first year of the grant and some report them in each year of the grant, it is difficult for both researchers and regulators to ascertain how funds are being spent in each calendar year. Having good data on the purpose of each grant and when recipient organizations actually receive money is important, as foundation money is money that would—if not in a foundation—be paid into the public tax system.

7.53: Implications for practice. A final thought is an implication for foundation practice. While not all foundations need to (or should) follow the lead of venture philanthropy, they all stand to learn from the practice of setting goals and designing grant programs that meet those goals. Clear notions of which level of government is best equipped to handle the policy change that a foundation wants to create should be included in those goals and designs. As my description of the Graustein Fund's early childhood efforts in Chapter Four showed, doing so enables a foundation to fund, and sometimes create, organizations that are well aligned with their policy goals. The same is true for foundations that do not have a strong interest in policy. Funding policy activities is not necessary for foundations, or even necessarily ideal. Foundations should create clear strategic plans and follow them through in order to use their limited resources well. While foundation characteristics are certainly influential in what foundations fund, they

need not be predetermined. Additionally, foundations should be cognizant of the side effects of their grant programs and ask themselves what are the possible unintended consequences of these programs and how can we avoid them.

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Appendix A: Twenty-Five Largest Foundations in Policy Data set

Bill & Melinda Gates Foundation, WA
The Ford Foundation, NY
The Robert Wood Johnson Foundation, NJ
Lilly Endowment Inc., IN
The William and Flora Hewlett Foundation, William and Flora, CA
The David and Lucile Packard Foundation, CA
The Andrew W. Mellon Foundation, NY
John D. and Catherine T. MacArthur Foundation, IL
Fidelity Foundation, MA
The Rockefeller Foundation, NY
The Starr Foundation, NY
Annie E. Casey Foundation, CT (MD)
The Annenberg Foundation, PA (CA)
Carnegie Corporation of New York, NY
Charles Stewart Mott Foundation, MI
The Harry and Jeanette Weinberg Foundation, Inc., MD
Knight Foundation, John S. and James L. FL (Knight Foundation, OH/FL)
Ewing Marion Kauffman Foundation, MO
The McKnight Foundation, MN
Richard Kind Mellon Foundation, PA
Alfred P. Sloan Foundation, NY
The James Irvine Foundation, CA
The Wallace Foundation, NY (post-NCLB year)
Wallace-Reader's Digest Fund, Dewitt, Inc, NY/Wallace-Reader's Digest Funds, NY (pre/post-Summit, pre-NCLB years)
Walton Family Foundation, Inc., AR

Appendix B: Non-Monetary Strategies of Influence

Foundations use four primary extra-monetary tools, i.e. tools that are not solely related to their funding abilities, to influence policy: (1) through their relationships with policymakers (Berman, 1983; Carr, 2012; deMarris et al., 2011; Domhoff, 1990, 2010; Lagemann, 1983, 1989; Reckhow & Tompkins-Stange, 2015; Smith, 2009; Tompkins-Stange, 2013; Weischadle, 1980); (2) through the personal networks of their founders and key personnel (Brilliant, 2000; Bromley & Tompkins-Stange, 2012; Colwell, 1980; Nielsen, 1972; Reckhow, 2009, 2010); (3) through their reputations (Ferris & Mintrom, 2009; Knott & McCarthy, 2009; Marris & Rein 1973; Quinn, et al., 2012; Reckhow 2013; Thümler, 2011; Tompkins-Stange, 2013)and (4) in their role as experts and advisors (McKersie, 1993, 1998, 1999; Tompkins-Stange, 2013).

First, foundations convene experts and create networks in which issue area experts and policymakers can meet to exchange ideas (Colwell 1980, 1993; Domhoff 1974, 1987, 1990 2010; Ferris & Mintrom 2009; Ferris, Hentschke & Joy 2006; Hammack 1999; Marrais & Rein 1973; Reckhow and Tompkins-Stange 2015; Rotherham 2005; Weischadle, 1980). In addition, foundations convene policymaker panels, such as "blue-ribbon commissions" to create policy recommendations around specific questions and areas of public policy (Colwell 1993; Berman 1983). In their research, Ferris, Hentschke and Joy (2005) found that just under half, nine of out of 20 policy foundations, funded policy networks.

Domhoff (2010) described how foundations are involved in the policy planning process which, he contends begins in corporations, social clubs and informal discussions among elites who identify issues to be dealt with by new policies. The process ends in government where the policies are made (p. 87), but in the middle of the policy planning process "there is a complex network of people and institutions that play an important role in sharpening the issues and weighing the alternatives. This network has four main components—foundations, think tanks, university research institutes, and policy-discussion groups" (p. 88). The notion of the policy planning network explains how ideas, experts and ultimately policy recommendations, that may come from seemingly disparate places, fit together. For example, Weischadle (1980) described how early in their existence, foundations perfected the use of policymaking networks to enhance their effectiveness. He argued that the presence of key university presidents on the board of the Carnegie Corporation and the College Entrance Board, was crucial to the acceptance of the Carnegie Unit as a condition of participation in the Carnegie pension plan (pp. 364-5).

Second, through their relationships with policymakers, foundations are able to exert informal influence over policy decisions (Berman, 1983; Reckhow and Tompkins-Stange 2015). Domhoff (1990, 2010) and Berman (1983) describe the relationship between policymakers and foundations as cozy and complicit. This view sees philanthropy as an elite institution, which perpetuates the goals of the upper class. Although the relationships that Domhoff, and to some extent Berman, described were less formal, Weischadle (1980), Tompkins-Stange (2013) and deMarris, et al. (2011) described explicit funder-policymaker relationships that were created by the foundations with the goal of influencing policy. Weischadle (1980) argued that in order to get its post-World War II policies, implemented, the Corporation "placed its officers in policymaking positions in Washington" and placed policymakers as Corporation Trustees (p. 373). These relationships proved to be key to getting their national educational goals adopted.

Tompkins-Stange (2013) showed that the Broad Foundation sought to change district policy by populating urban districts with "their people" (p. 54). Through the Broad Residency and Superintendent's Academy, the foundation has placed high-level professionals in districts, which have in turn implemented Broad-supported policies, such as merit pay for teachers. In some instances, Tompkins-Stange noted, the Broad Foundation has gone as far as paying the salaries of "their people" in districts where they seek to work.

Tompkins-Stange (2013) also described how the Gates Foundation came to realize that building relationships with policymakers would enable the structural changes that they wanted to make at the local level. As one of her informants noted, ""Gates had a very explicit theory of action about working at the state level to create a policy environment that would be supportive of the kinds of changes that they wanted to make at the local level." By concentrating resources in targeted geographic regions, utilizing close partnerships with state and district actors, Gates aimed to institutionalize systems for common standards and assessments through mechanisms at the state level, as well as to develop systems to ensure that classroom-level instruction was appropriately aligned with these policy changes at the district level" (p. 70).

Along with their own relationships, foundations, particularly those with living founders as well as those with influential trustees, board members and/or staff, are able to leverage the personal networks and reputations of those key personnel to influence policy. Nielsen (1972) noted that "[foundations are] at or near the center of gravity of the American Establishment. By themselves and also by their positions in an intricate web of powerful men and institutions, they have a significance even larger than their huge resources might suggest (p. ix). Similarly, Brilliant (2000) argued that foundations are linked with one another, and with "related institutions" through their boards, enabling them to "use vast resources…[to influence] public policy in our country and abroad (p. 15).

Likewise, Tompkins-Stange (2013) found that the Gates and Broad foundations used the fact that they have living, vocal founders to benefit their grantmaking and policy strategies. And, Bromley and Tompkins-Stange (2012), found that "foundation representatives actively used personal relationships to advance their political position within the scope of the law" (p. 17) in order to deal with policy related activities. As such, they might meet with elected officials and policymakers to talk about an issue, but not to directly advocate for a particular bill.

Perhaps the most important study of how the relationships of board members enable foundations to influence policy is Colwell's (1980). Colwell (1980) looked at the presence of foundation trustees on the boards of directors of other foundations and policy organizations, and also at the relationships between foundations. Colwell looked for overlapping board memberships in the boards of trustees of 20 large, policy foundations and thirty-one recipient organizations. To do so, she created a sample of foundations making public policy grants (N=77) and a sample of policy influencing organizations (N=31), identified through the grants of the foundations.[116] She found that there were three types of direct relationships—foundation to

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[116] The sample of foundations was taken from the 400 foundations with more than $10 million in assets in 1974 (p. 418). It included all (26) private foundations with more than $100 million in assets, a twenty-percent random sample of private foundations with assets between $25 million and $100 million (25 foundations), and a ten-percent sample of foundations with assets between $10 million and $25 million (26 foundations). She then categorized all of the grants made by these foundations in 1972 and 1975 into subject areas, including one for research, which included public affairs/policy grants (p. 418). Twenty of the seventy-seven foundations "gave over 5 percent of their total grants or over $200,000 in either 1972 or 1975 in this special category of what are here called public policy grants" (p. 418). These are the public policy foundations. By examining the grants made by these 20 foundations, Colwell

foundation, foundation to organization and organization to organization— and one indirect relationship, in which trustees from multiple foundations sit on the board of a single foundation or recipient organization, that lead to foundation influence in the realm of public policy (p. 413). Thus, not only were there open communication networks among foundation trustees, but also between foundation trustees and organizational boards, and among the recipient organizations.

While not specific to education, Colwell's (1980) findings showed that foundations have significant influence not only on their grantees' activities, but also on the activities of other foundations. She found that there was not only a significant presence of foundation trustees on the boards of their grantees and the grantees of other public policy foundations, as expected, but there was also a substantial presence of foundation trustees on the boards of other foundations. Nearly half of the trustees of the public policy foundations served as trustees of another foundation not in the public policy sample (120 additional foundations). In fact only three of the public policy foundations *did not* have any trustees on the boards of other foundations. Moreover, eleven of the public policy foundations were linked through the indirect relationship described above. The strongest indirect links were through the Carnegie Corporation and the Rockefeller Foundation.

The sharing of trustees between and among foundations enabled the easy communication necessary to coordinate giving and program development. Coordination of giving is important for two reasons. First, as Colwell pointed out, the Tax Reform Act of 1969, which limited foundation activities, prevents any single foundation from contributing more than thirty-three percent of an organization's budget without dramatically increasing the foundation's reporting requirements, as well as their legal and fiscal responsibility for the grantee organization. However, when funding is coordinated among foundations, they can fund an organization in total, or at least more significantly (Colwell, 1993, p. 146). Second, to the extent that foundations are trying to create a common program and/or policy goal or are looking for partners in doing so, easy communication and opportunities for brainstorming and discussion are necessary.

As expected, Colwell also found a substantial connection between the public policy foundations and the policy influencing organizations. Ten of the foundations in her public policy sample had forty-eight trustees sitting on eighteen different organizational boards (out of thirty-one organizations in the sample). Thirteen of these forty-eight trustees sat on more than one organizational board. Additionally, eight out of ten public policy foundations directly linked to the policy influencing organizations had more than half of their trustees serving as trustees of other foundations. By sitting on the boards of the policy influencing organizations, Colwell suggested that foundations were (are) able to guide not only the organizations' policy goals, but also their day-to-day operations. These relationships were not one way, however. Only seven of the thirty-one policy influencing organizations did *not* overlap board members with the foundation boards. Twenty-three of the recipient organizations had 457 links with 287 different foundations, forty-five of which were in the public policy sample. "More than half of the non-public policy foundations were linked through their board members to at least one policy

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identified thirty-one grantee organizations that received "grants from three or more of the 20 foundations" (p. 419)—this is the policy influencing organization sample. Data to make all of these determinations were taken from the Foundation Center, the organizations' annual reports, and the "index of Donors, Trustees, and Administrators in Editions 4,5, and 6 of the *Foundation Directory* (p. 419).

influencing organization and one or more other foundations; 23% were directly linked to two or more of the organizations and other foundations" (Colwell, 1980, p. 424).

The policy influencing organizations were also linked to one another: "twenty-two of the thirty-one organizations in the sample shared board members" (*ibid,* p. 425). Sixty percent of the organizations also had foundation affiliations through board members. Colwell concluded that

> …there is a well-connected potential communications network involving trustees and board members of the original public policy sample and the policy oriented organizations which three or more of these sample foundations funded" (*ibid,* pp. 425-6). Moreover, "there is an interconnected foundation "club"…among the foundations involved in public policy grants and probably the vast majority of the foundations with over $10 million in assets" (*ibid,* p. 430). This network of foundations "has a substantial voice in the operation of these [policy influencing] organizations through board memberships and through grants, and through this relationship influences public policy (*ibid,* p. 430).

As part of her network analysis, Reckhow (2009, 2010) found that the diverse providers, particularly those with a market-based/school choice bent, had representatives from the same foundations on their boards. "Thus the perspective of the foundation is communicated…through discussions about organization policy and direction at board meetings" (2010, pp. 297-8). Further she suggested that the predominance of this strategy among the market-based diverse providers is part of the foundations' deliberate attempt to build an organizational field, as discussed above. Thus, it is evident that foundations deliberately use their relationships, with both other foundations and their recipient organizations, to influence public policy.

Similar to using their relationships to influence policymakers, foundations leverage their reputations (Ferris & Mintrom, 2009; Knott & McCarthy, 2009; Tompkins-Stange, 2013) or prestige (Reckhow 2013; Marris & Rein 1973) to yield influence, to serve as experts, and to confer legitimacy and cultural literacy (Thümler, 2011; Quinn et al., 2012). Knott and McCarthy (2009) argued that foundations work to build their reputations to reduce political risk, which enables them to "build trust and common expectations with policymakers" (p. 218). The foundations in their study built their reputations by supporting research and demonstration projects that served as national models. Tompkins-Stange (2013) described how the Gates and Broad foundations used their standing as "prestigious funders" to get things done: "Several informants described a charge from Bill Gates to leverage the foundation's reputation towards its end goals" (p. 92). Citing the specific instance of the 2006 National Governor's Association meeting, an informant told her that it was the power of the Gates "voice" that convinced almost all of the states to sign onto the idea of core curriculum standards and graduation requirements (p. 95). It is evident that foundations use the personal relationships that their trustees and program officers have and develop to sway grantees and policymakers.

Finally, foundations coordinate among other foundations, among researchers, universities, think tanks, nonprofits and policymakers to advocate particular ideas or ideologies, as well as to strengthen grant programs. According to Knott and McCarthy (2009), foundations serve as "a direct facilitator connecting research, advocacy, and policy (Laracy, 2001)" (p. 224) in their advocacy work. Further, they found that foundations develop relationships with local policymakers, and subsequently through them state and national policymakers, through their demonstration project grantees.

As was described above, Colwell (1980) found significant links among foundations and policy planning organizations, which enabled coordination of grantmaking and programs. From her social network analysis, Reckhow (2009, 2013), likewise, found that the foundations in her study funded the same policies, if not the same organizations. She argued that in 2005 there was a convergence of giving and agendas among grantmakers, enhancing their influence beyond the power of their individual grants:

> Yet the dollars alone do not account for the increasing foundation influence on education policy in each district [New York City and Los Angeles Unified]. As grant making has increased, funders have also converged on a shared set of grant recipients and shared funding strategies. Thus, funding originating from multiple foundations tends to support a common policy direction, rather than promoting various pet projects. With these shared grant-making approaches, foundations have greater potential to influence policy (Reckhow, 2013, p. 60).

Further, in her case study of New York City, Reckhow (2009, 2013) found that foundations coordinated grants among themselves as in organizations such as the Donor's Education Collaborative. By giving through the Collaborative, foundations were able to fund advocacy and grassroots organizations and support activities, such as community activism and organizing, that their own giving guidelines might have otherwise prohibited or discouraged. Similarly, Bromley & Tompkins-Stange (2012) described the way in which the "education" foundation, one of the three case study foundations in their sample, worked with other foundations to achieve their policy goals. The "education foundation" was committed to conducting policy work in spirit, but was cautious not to cross the line of impropriety. This foundation was most interested in policy work that could be done in conjunction with other foundations and that was clearly within the confines of the law. Conducting advocacy work in coalition with other foundations gave the foundation "cover": "[an] informant described that this risk aversion [to policy activities] led to instances wherein the foundation would sign onto policy-related initiatives that included a number of other funders as partners, so as not to be in the spotlight and incur undue attention" (p. 15).

Teles (2008) similarly described how the Ford Foundation worked "to provide coordination and advice" (p. 51) to support the development of public interest law. The Ford Foundation, in its capacity as coordinator, built a network of law firms and entrepreneurs "willing to fill the holes in the public interest law network. It put budding public interest lawyers in touch with the legal establishment, recommended lawyers for their boards and shaped their internal structure" (p. 51). He further described how the John M. Olin Foundation also used "strategic patronage" (p. 182) to develop a conservative response to liberal public interest law. The Olin Foundation's support of law and economics programs at elite legal schools, along with the support it provided for networking and research by the programs' students and faculties, further promoted the growth of the field of law and economics.

Appendix C: School Choice and Scholarship Organizations

Included	Excluded
School Choice Scholarships, KY	A Better Chance, Multiple Locations
Seeds of Hope Charitable Trust, CO	Extra-Mile Foundation, PA
Student Sponsor Partners, NY,	Endowment for Inner-City Education, NY
Memphis Opportunity Scholarship Trust (MOST), TN	Big Shoulders Fund, IL
Partners Advancing Values in Education (PAVE), WI	Prep for Prep (Broad Jump), NY
Washington Scholarship Fund, DC	Strong City School Fund, MO
Children's Educational Opportunity Foundation (CEO), TX	Augustine Education Foundation, HI
Children First, UT	Buffalo Prep, NY
Today and Tomorrow Educational Foundation, St. Louis, MO	Rainier Scholars, WA
Inner-City Scholarship Fund, NY (NYC location only)	Albert G. Oliver Program, NY
Alliance for Choice in Education, CO	Student/Partner Alliance, NJ
Florida School Choice Fund, (Now Step Up for Students), FL	Higher Achievement Program, DC
Children's Scholarship Fund, Multiple Locations	NJ SEEDS, NJ
Scholarship Fund for Inner-City Children, NJ	Sponsors for Educational Opportunity, NY
Daniel Murphy Scholarship Fund, IL	Steppingstone Foundation, MA
BASIC Fund, CA	Baltimore Educational Scholarship Trust (BEST), MD
HighSight, IL	City Prep, NY
BISON Fund, NY	Black Student Fund, DC
Tri-County Scholarship Fund, NJ	Capital Partners for Education, DC
Parents Challenge, Colorado Springs, CO	Inner City Scholarship Fund, MA/NY
	REACH Prep, CT
	Endowment for Inner-City Education, NY
	Carson Scholarship Fund, MD
	Commonweal Foundation, MD
	TEAK Fellowship, NY
	Byrne Foundation, CO

Appendix D: Search Terms by Year

2005
Recipient Type: Education, research
Recipient Type: Education, reform
Recipient Type: Education, public policy
Recipient Type: Education, government agency
Subject: Charter Schools
Subject: Education, alliance/advocacy
Subject: Education, Early Childhood Education
Subject: Education, Equal Rights
Subject: Education, government agencies
Subject: Education, management/technical assistance
Subject: Education, Public Education
Subject: Education, Public Policy
Subject: Education, Reform
Subject: Education, Research
Subject: Education, single organization support
Subject: Elementary/secondary School reform
Subject (keyword): "voucher" or "school choice"

2000-2001 Book
Subject: Early Childhood Education, Program Evaluation
Subject: Early Childhood Education, Research
Subject: Early Childhood Education, Technical Aid
Subject: Education, Equal Rights
Subject: Education, Program Evaluation
Subject: Education, Public Education
Subject: Education, Public Policy
Subject: Education, Reform
Subject: Education, Research
Subject: Education, Seed Money
Subject: Education, Single Organization Support
Subject: Elementary School/Education, Research
Subject: Elementary School/Education, Seed Money
Subject: Elementary/Secondary Education
Subject: Elementary/Secondary Education, Research
Subject: Elementary/Secondary Education, Seed Money
Subject: Elementary/Secondary School Reform
Subject: Elementary/Secondary School Reform, Awards/Prizes/Competitions
Subject: Elementary/Secondary School Reform, Blacks
Subject: Elementary/Secondary School Reform, Computer Systems
Subject: Elementary/Secondary School Reform, Conferences/Seminars

Subject: Elementary/Secondary School Reform, Economically Disadvantaged
Subject: Elementary/Secondary School Reform, Faculty/Staff Development
Subject: Elementary/Secondary School Reform, Fellowships
Subject: Elementary/Secondary School Reform, Film/Video/Radio
Subject: Elementary/Secondary School Reform, Hispanics
Subject: Elementary/Secondary School Reform, Immigrants/Refugees
Subject: Elementary/Secondary School Reform, Management Development
Subject: Elementary/Secondary School Reform, Native Americans
Subject: Elementary/Secondary School Reform, Offenders/Ex-Offenders
Subject: Elementary/Secondary School Reform, Program Evaluation
Subject: Elementary/Secondary School Reform, Publication
Subject: Elementary/Secondary School Reform, Research
Subject: Elementary/Secondary School Reform, Scholarships
Subject: Elementary/Secondary School Reform, Seed Money
Subject: Elementary/Secondary School Reform, Technical Aid
Subject: Elementary/Secondary School Reform, Women
Subject: Elementary/Secondary School Reform, Youth
Subject: Government/Public Administration, Children & Youth
Subject: Program Evaluation, Education
Subject: Public Affairs, Education
Subject: Public Affairs, Formal/General Education
Subject: Public Policy, Children & Youth
Subject: Public Policy, Youth
Subject: Publication, Education
Subject: Secondary School/Education, Program Evaluation
Subject: Secondary School/Education, Research
Subject: Secondary School/Education, Seed Money

1992-1993 Book
Subject: Education, Administration/Regulation
Subject: Education, Alliance
Subject: Education, Conferences/Seminars
Subject: Education, Early Childhood
Subject: Education, Equal Rights
Subject: Education, Government Agencies
Subject: Education, Management/Technical Assistance
Subject: Education, Public Education
Subject: Education, Public Policy
Subject: Education, Publication
Subject: Education, Research
Subject: Education, Seed Money
Subject: Education, School Reform
Subject: Public Policy, Research
Subject: Publication, Education

Subject: Scholarships/Financial Aid, Minorities
Subject: Scholarships/Financial Aid, Economically Disadvantaged
Subject; Scholarships (elementary), Research
Subject: School (elementary), Conferences/Seminars
Subject: School (elementary), Research
Subject: School (elementary), Publication
Subject: School (elementary), Seed Money
Subject: School (secondary), Conferences/Seminars
Subject: School (secondary), Publication
Subject: School (secondary), Research
Subject: School (secondary), Seed Money

1991-1992 Book
Subject: Education, Administration/Regulation
Subject: Education, Advocacy
Subject: Education, Alliance
Subject: Education, Conferences/Seminars
Subject: Education, Early Childhood
Subject: Education, Equal Rights
Subject: Education, Government Agencies
Subject: Education, Management/Technical Assistance
Subject: Education, Public Education
Subject: Education, Public Policy
Subject: Education, Publication
Subject: Education, Research
Subject: Education, Seed Money
Subject: Education, School Reform
Subject: Public Policy, Research
Subject: Publication, Education
Subject: Scholarships/Financial Aid, Minorities
Subject: Scholarships/Financial Aid, Economically Disadvantaged
Subject: Scholarships/Financial Aid, Native Americans
Subject; Scholarships (elementary), Research
Subject: School (elementary), Conferences/Seminars
Subject: School (elementary), Research
Subject: School (elementary), Publication
Subject: School (elementary), Seed Money
Subject: School (secondary), Conferences/Seminars
Subject: School (secondary), Publication
Subject: School (secondary), Research
Subject: School (secondary), Seed Money

1990-1991 Book
Subject: Education, Administration/Regulation
Subject: Education, Advocacy
Subject: Education, Conferences/Seminars
Subject: Education, Early Childhood
Subject: Education, Equal Rights
Subject: Education, Government Agencies
Subject: Education, Management/Technical Assistance
Subject: Education, Public Education
Subject: Education, Public Policy
Subject: Education, Publication
Subject: Education, Research
Subject: Education, Seed Money
Subject: Education, Technical Aid
Subject: Public Policy, Research
Subject: Publication, Education
Subject: Scholarships/Financial Aid, Minorities
Subject: Scholarships/Financial Aid, Economically Disadvantaged
Subject: Scholarships/Financial Aid, Native Americans
Subject; Scholarships (elementary), Research
Subject: School (elementary), Research
Subject: School (elementary), Scholarships
Subject: School (elementary), Seed Money
Subject: School (elementary), Student Aid
Subject: School (secondary), Scholarships
Subject: School (secondary), Limited to New Jersey
Subject: School (secondary), Seed Money
Subject: School (secondary), Student Aid
Subject: School (secondary), Research

1989 Book
Subject: Community Affairs, Education
Subject: Community Affairs, School Programs
Subject: Education (early childhood)
Subject: Education (early childhood), Research
Subject: Education (elementary), Improvement
Subject: Education (elementary), Research
Subject: Education (public), Finance
Subject: Education (public), Improvement
Subject: Education (public), Parent Participation
Subject: Education (public), Policy
Subject: Education (public), Research
Subject: Education (secondary), Government
Subject: Education (secondary), Improvement
Subject: Education (secondary), Research

Subject: Education school, Research
Subject: Education, Finance
Subject: Education, Improvement
Subject: Education, Publication
Subject: Education, Research
Subject: Government (city), Monitoring
Subject: Government (federal), Education
Subject: Government (state), Education
Subject: Government, Education
Subject: Public Affairs, Education
Subject: Public Policy, Education
Subject: Publication, Education
Subject: School (elementary), Research
Subject: School (public), Improvement
Subject: School (public), Parent Participation
Subject: School (public), Public Affairs
Subject: School (public), Research
School (secondary), Improvement
School (secondary), Research

Appendix E: School Reform Models Coded as Policy/Not Policy

Accelerated Schools
America's Choice School Design
ATLAS Communities
Audrey Cohen College: Purpose Centered Education
AVID (only for full school programs)
Center for Effective Schools
Child Development Program
Coalition of Essential Schools (except for when clearly for small schools, then only policy)
Community for Learning
CoNECT Schools
Core Knowledge
Different Ways of Knowing
Direct Instruction
Edison Project/Edison Schools
Expeditionary Learning/Outward Bound (only in the years in which it was a reform model)
High Schools That Work
High/Scope Primary Grades Approach to Education
Integrated Thematic Instruction
MicroSociety
Modern Red Schoolhouse
Montessori (only for elementary school, not preschool)
National Academy Foundation
Onward to Excellence
Paideia
QuESt
Roots & Wings
School Development Program
Success for All
Talent Development High Schools
Talent Development Middle Schools
The Learning Network
Urban Learning Center Accelerated Schools Project
Ventures Initiative and Focus System

Appendix F: Recipient Types for Policy Foundations

Recipient Type Definitions

Code	Definition
Advocacy Organization	Grants given to organizations that conduct advocacy on particular policy topics. Such organizations seek to influence policymakers through their work.
Business Organization	Grants given to organizations that represent business interests or particular industries.
Civic Engagement Organization	Grants given to organizations that promote civic engagement.
Community Organization	Grants given to organizations that (1) provide services in a community or (2) represent a community's interests such as a neighborhood association or a local development council. This code includes organizations that are designed to work with or provide information for parents and community development organizations.
Community Organization—Organizing	Grants given to organizations that are dedicated to community organizing.
Charter/CMO	Grants given to a charter school or charter management organization.
Early Childhood Provider	Grants given to early childhood education providers (preschools, head start, etc).
EMO	Grants given to an education management organization.
Government-Federal	Grants given to a federal government agency or body.
Government-Local	Grants given to city, town or county government.
Government-School District	Grants given to one or more school districts, or to an individual school in a school district.
Government-State	Grants given to a state government agency or body.
Higher Education	Grants given to higher education organizations.
Local Education Fund (LEF)	Grants given to Local Education Funds. "LEFs are nonprofit organizations that work with, but are independent of, their local school systems. LEFs advocate for involvement in public education by all segments of the public. LEFs also generate resources for public education by facilitating investment from local governments, businesses, and philanthropic foundations" (http://www.publiceducation.org/whatisanLEF.asp). LEFs are usually identified as such on their websites.
Membership Organization	Grants given to membership organizations. These are organizations that represent a particular group of people or organizations such as the National Association of School Boards, the National Governors Association or the Education Commission of the States. This also includes professional associations and unions.
Media	Grants given to a newspaper or journal, or for media reports on education/education policy.

Nonprofit	Grants given to any 501c3s that run educational programs but do not fit into the other codes.
Other	Grants given to organizations that don't fit into any of the other codes. See list below
Private Foundation	Grants given to another private foundation.
Parent Organization	Grants given to organizations that work with parents, but not for the purpose of organizing them.
Public Interest Organization	Grants given to public interest groups or the operating foundations that support them
Policy Shop	Grants given to organizations that "do it all." Those are organizations that conduct research, do advocacy, and/or provide technical assistance.
Public Charity	Grants given to public charities.
Public Charity/Policy Shop	This code was used for grants given to the Southern Education Foundation in Atlanta, GA. While it is a public charity, it acts as a policy shop.
Quasi-Governmental	Grants given to quasi-governmental or regional organizations and boards (such as regional higher education boards). Also, grants given to public-private partnerships.
Research Organization	Grants given to research organizations or companies.
Service Provider (non-EMO)	Grants given to organizations or companies that provide educational services such as tutoring, professional development, curricula, school supplies, etc, but do not manage an entire school(s). It includes reform models and intermediary organizations. This code also includes organizations that provide technical assistance to schools, districts, charters, or other education organizations.
Service Provider-Nonprofit	Grants given to organizations that support nonprofits that either work with or support schools, school districts or charter schools.
Think Tanks	Grants given to organizations identified as think tanks in their organizational description (on their website or in their 990), or that are "independent, non-interest-based, nonprofit organizations that produce and principally rely on expertise and ideas to obtain support and to influence the policymaking process (Rich, 11).

Recipient Type Other, Organizational types included:

  Agricultural organizations, such as Four-H
  Animal rights organizations
  Arts Councils
  Battered women's shelters and domestic violence prevention organizations
  Child abuse prevention organizations
  Children's rights organizations, such as Children's Defense Fund; Defense for Children
  International
  Community music schools
  Cultural organizations and associations
  Environmental and conservation organizations

Family services, counseling and mental health providers
Food banks
For-profit consulting companies, such as Bothner & Bradley, KS; California Strategies, CA
For-profit publishers
Goodwill Industries
Group homes and orphanages
Health associations, such as the American Lung Association
Historical societies and historical preservation organizations
Homeless shelters
Hospitals
Humanities Councils
Legal organizations
Libraries
Museums
Non-education-related professional organizations
Parks and Nature organizations
Planned Parenthood
Salvation Army
Scouting organizations
Senior centers
Sports teams and organizations
Student exchange programs
Substance abuse prevention programs
Symphonies/orchestras
The American Red Cross
Theaters
Visiting Nurse Associations
Volunteer organizations not directly related to education, such as the Junior League and the Assistance League
YMCAs/YMHAs
Youth development organizations
Zoos/Aquariums

Number and Percentage of Recipient Types

Recipient Type	Number of Grants	Percent of All Grants
School District or District/School Foundation (includes grants to individual public schools)	2,446	18.5
Service Provider	1,898	14.3
Higher Education or Higher Education Foundation	1,519	11.5
Other	1,036	7.8
Nonprofit	991	7.5
Policy Shop	849	6.4
Charter/CMO	642	4.8
Advocacy Organization	585	4.4
Membership Organization	495	3.7
Local Education Fund (LEF)	332	2.5
Missing or Unclear	285	2.2
Early Childhood Provider	275	2.1
Community Organization	265	2.0
Research Organization	234	1.8
Government-State	227	1.7
Think Thank	210	1.6
Community Organization (Focus is Community Organizing)	165	1.3
Business Organization	146	1.1
Media	110	0.8
Government-Local	92	0.7
Quasi-Governmental	76	0.6
Community Foundation	55	0.4
Public Charity	52	0.4
Parent Organization	49	0.4
Private Foundation	47	0.4
Service Provider (Nonprofit)	45	0.3
Community Engagement Organization	34	0.3
Education Management Organization (EMO)	24	0.2
Public Interest Organization	21	0.2
Private School	21	0.2
Public Charity/Policy Shop	17	0.1
Government-Federal	4	0.03
Operating Foundation	4	0.03

Recipient Types Grouped for HLM Analysis:

Charter Schools/Charter Management Organizations
Community Interests
Early Childhood Provider
Engagement Organizations
Government or Quasi-Government Organizations
Higher Education
Local Education Funds
Membership Organizations
Nonprofits and Service Providers
Policy Organizations
Recipient Type Missing
School Districts

Appendix G: National Policy Organizations

ACHIEVE, Inc., DC
Alliance for School Choice, DC
American Academy of Arts and Sciences, Cambridge, MA
American Association for Marriage and Family Therapy Research and Education Foundation, DC
American Association for the Advancement of Science, DC
American Association of Colleges for Teacher Education, DC
American Association of School Administrators, Arlington, VA
American Association of University Women, DC
American Council for the Arts, NY, NY
American Council on Education, DC
American Education Reform Council, Milwaukee, WI
American Enterprise Institute for Public Policy Research, DC
American Legislative Exchange Council, Arlington, VA
American Mathematical Society, Providence, RI
American Montessori Society, NY, NY
American Physical Society, College Park, MD
American Reading Council (ARC), NY, NY
American Society for the Prevention of Cruelty to Animals, NY, NY
American Student Achievement Institute, Bloomington, IN
American Textbook Council, Center for Education Studies, NY, NY
American Youth Policy Forum, DC
Applied Research Center, Oakland, CA
Aspen Institute, DC (NY)
Association for Supervision and Curriculum Development, Alexandria, VA
Association of American Educators, Mission Viejo, CA
Association of School Business Officials International, Reston, VA
Audubon Society, National, NY, NY
Black Alliance for Educational Options, DC
Brookings Institute, DC
Cato Institute, DC
Center for American Progress, DC
Center for Assessment and Policy Development, Conshohocken, PA
Center for Commercial-Free Public Education, Oakland, CA
Center for Education Reform, DC
Center for Law and Social Policy, DC
Center for Media Education, DC
Center for Population Options, DC
Center for Workforce Preparation and Quality Education, DC
Center for the Future of Teaching and Learning, Santa Cruz, CA
Center on Education Policy, DC
Child Care Action Campaign, NY, NY

Children Now, Oakland, CA
Children's Defense Fund, DC
Children's Educational Opportunity Foundation, Little Rock, AR
Children's Scholarship Fund, NY, NY
Cities in Schools, Alexandria, VA
Citizens for Educational Freedom, Indianapolis, IN
Civil Society Institute, Newton, MA
College Board, NY (TX); College Entrance Examination Board, NY, NY
Committee for Economic Development, NY, NY
Communities in Schools National Office, Alexandria, VA
Consortium for Mathematics and Its Application (COMAP), Arlington, MA
Council for Basic Education, DC
Council of Chief State School Officers, DC
Council of Independent Colleges, DC
Council of State Governments, DC
Council of State Policy and Planning Agencies, DC
Council of the Great City Schools, DC
East-West Center Foundation, Honolulu, HI
East-West Center, Honolulu, HI
Economic Policy Institute, DC
Economic and Social Research Institute, Reston, VA
Editorial Projects in Education, DC (MD)
Education Commission of the States, Denver, CO
Education Policy Institute, DC
Education Sector, DC
Education Trust, DC
Equal Opportunity Foundation, DC
Fair Test, National Center for Fair and Open Testing, Cambridge, MA
Families and Work Institute, NY, NY
Fight Crime: Invest in Kids, DC
Furman University, Richard W. Riley Institute, Greenville, SC
Gay, Lesbian and Straight Education Network (GLSEN), NY, NY
George Washington University, DC
Goldwater Institute, Phoenix, AZ
Heartland Institute, Chicago, IL
Heritage Foundation, DC
Hispanic Council for Reform and Educational Options, DC
Hispanic Council for Reform and Educational Options, Fort Worth, FL
Hoover Institution on War, Revolution and Peace, CA
Hudson Institute, Indianapolis, IN
Independence Institute, Denver, CO
Institute for Contemporary Studies, Oakland, CA
Institute for Educational Leadership, DC
Institute for Research on Learning, Palo Alto, CA
Joint Center for Political Studies, DC

Manhattan Institute for Policy Research, NY, NY
Mathematical Association of America, DC
Middle College National Consortium, Long Island City, NY
Milton and Rose D Friedman Foundation, Indianapolis, IN (CA)
NAACP, Baltimore, MD
National Academy of Education, DC (MA)
National Academy of Sciences, DC
National Action Council for Minorities in Engineering, NY, NY
National Alliance for Public Charter Schools, DC
National Alliance of Black School Educators, DC
National Alliance of Business, DC (NY)
National Alliance of State Science and Mathematics Coalitions, DC
National Assembly of National Health and Social Welfare Organizations, DC
National Association for the Education of Young Children, DC
National Association of Charter School Authorizers, Chicago, IL
National Association of Child Care Resource and Referral Agencies, DC
National Association of Elementary School Principals (NAESP) Foundation, Alexandria, VA
National Association of Latino Elected and Appointed Officials (NALEO), Los Angeles, CA
National Association of Partners in Education, Alexandria, VA
National Association of Secondary School Principals, (NASSP), Reston, VA
National Association of State Boards of Education, Reston, VA
National Association of State Directors of Teacher Education and Certification, Olympia, WA
National Association of State-Based Child Advocacy Organizations, Rochester, NY
National Black Child Development Institute, DC
National Board for Professional Teaching Standards, DC (VA, MI)
National Center for Children and Families, Bethesda, MD
National Center for Community Education, Alexandria, VA
National Center for Educational Accountability, Austin, TX
National Center for Effective Schools Research and Development, Okemos, MI
National Center for Excellence in Education, DC
National Center for Family Literacy, Louisville, KY
National Center for Health Education, NY, NY
National Center for Improving Science Education Network, DC
National Center for Restructuring Education, Schools and Training, NY, NY
National Center for Science Education, Berkeley, CA
National Center on Education and the Economy, DC (NY)
National Child Labor Committee, NY, NY
National Coalition of Advocates for Students, Boston, MA
National Coalition of ESEA Title I Parents, DC
National Coalition of Education Activists, Philadelphia, PA
National Commission for the Principalship, Fairfax, VA
National Commission on Social Studies in the Schools, DC
National Commission on Teaching and America's Future, DC
National Committee for Citizens in Education, Columbia, MD
National Committee for Prevention of Child Abuse, Chicago, IL

National Community Education Association, Alexandria, VA
National Conference of State Legislatures, Denver, CO (DC)
National Council for Community and Education Partnerships, DC
National Council for History Education, Westlake, OH
National Council for the Social Studies, DC
National Council of Jewish Women, NY, NY
National Council of La Raza, DC
National Council of Teachers of Mathematics, Reston, VA
National Council on Economic Education, NY, NY
National Council on Foreign Language and International Studies, Inc., NY, NY
National Council on Teacher Quality, DC
National Education Association, DC
National Endowment for the Humanities, DC
National Foundation for the Improvement of Education, DC
National Governors Association/National Governors Association Center for Best Practices, DC
National Head Start Association, Alexandria, VA
National Institute for Public Policy (NIPP), Fairfax, VA
National Law Center on Homelessness and Poverty, DC
National League of Cities Institute, DC
National Organization on Fetal Alcohol Syndrome, DC
National PTA-National Congress of Parents and Teachers, Chicago, IL
National Parenting Association, NY, NY
National Policy Board for Educational Administration, Fairfax, VA
National Research Council, Mathematical Sciences Education Board, DC
National Right to Work Legal Defense and Education Foundation, Springfield, VA
National School Boards Association, Alexandria, VA
National School-Age Child Care Alliance, Boston, MA
National Science Teachers Association, DC (VA)
National Society for Internships and Experiential Education, Raleigh, NC
National Society for the Study of Education, Chicago, IL
National Staff Development Council, Oxford, OH
National Training and Information Center, Chicago, IL
National Women's Law Center, DC
National Youth Leadership Council, Saint Paul, MN
New York University, Institute for Education and Social Policy, NY, NY
Pacific Institute for Community Organizing, Oakland, CA (DC)
Parents as Teachers National Center, Saint Louis, MO
Parents for Public Schools, Jackson, MS
People for the American Way Foundation, DC
Public Agenda Foundation, NY, NY
Public Education Network (PEN), DC
RAND Corporation, Santa Monica, CA
Redefining Progress, Oakland, CA
Reason Foundation, Santa Monica, CA
Save the Children Federation, Fairfield, CT (NY)

Teach for America, NY, NY
Third Way Foundation, DC
Thomas B. Fordham Institute, DC
Tomas Rivera Policy Institute, Los Angeles, CA
Twentieth Century Fund, NY, NY
Urban Institute, DC
Urban League, National, NY, NY
Zero Population Growth, DC
Zero to Three: National Center for Infants, Toddlers, and Families, DC

Appendix H: Grant Topics

Grant Topics
Accountability
Achievement Gap
Advocacy
Alignment
Alternative Assessment
Alternative Certification—Superintendents
Alternative Certification—Teachers
Alternative Education
Annenberg Challenge
Arts
Assessment
At-risk
Attendance
Best Practices
Character Education
Charter Schools (includes Boston Pilot Schools)
Child Care
Child Development
Childhood**
Civic Engagement
Class Size
College Readiness
Community Schools
Conference**
Counseling
Credit Recovery**
Curriculum
Data
Demonstration Program
Desegregation
District Consolidation
District Reform
Diversity
Dropout Rates/Graduation Rates
Early Childhood Education
Economic Development

Economy**
Education Program
Education Reform
English Language Learners
Enrichment**
Equity
Federalism
First Generation**
Funding (non-equity issues)
Fundraising
Gender Specific (i.e. boys or girls education)
General Operating Support
Gifted and Talented Education
Governance
Government
Health Care
Health Education
High School Reform
High School Reform-Redesign
High Schools
High Stakes Testing
Higher Education
Home Schooling
Immigrants
Implementation
Infrastructure
Instruction/Pedagogy
Juvenile Justice**
Knowledge Management**
Leadership
Leadership Development/Training
Learning Environment
Legal
Library
Literacy
Local Education Funds (LEFs)
Low-Income
Magnet School
Management
Media
Membership Fee**
Mentoring

Middle Grades
Minorities
Missing/Unclear/Unspecified
New School
No Child Left Behind (NCLB)
Organizational Development
Organizing
Other
Out of School Time (i.e. before/after school programs)
Outcomes
P-16
Parent/Community
Peer Mentoring
Philanthropy/Foundations
Policy
Pre-K
Principal Training
Principals
Privatization
Program Expansion
Public Awareness
Public Engagement
Public Schools
Publication
Quality
Race
Reform Model
Remediation
Research/Evaluation
Resources
Rural Schools
Scholarships
School Choice—General
School District
School Environment
School Finance/Equity
School Improvement
School Readiness
School Reform
School Restructuring
School Safety
Seed Money

Small Learning Communities
Small School(s)
Social Services
Social Support
Spanish Publication**
Special Education
Sports
Standards
Student Achievement
Student Engagement
Student Leadership
Student Services
Student-led Organizing
Teach for America
Teacher Education Reform
Teacher Reform
Teacher-Compensation
Teachers--Compensation
Teachers--General
Teachers--Quality
Teaches--Turnover
Technical Assistance
Technology
Teen Pregnancy/Parenting
Textbooks
Tracking
Unions
Urban Schools
Vouchers
Workforce Development
Year Round Calendar
Youth Development
Youth Leadership
Youth Organizing

**Topics that appeared in the full data set but not the policy foundations.

Appendix I: Source of Funding Definitions

Code	Definition
Funding Source-Energy= 0	Funding source is an energy company
Funding Source-Materials=1	Funding source is a materials company
Funding Source-Industrials=2	Funding source is an industrial company
Funding Source-Consumer Discretionary=3	Funding source is a consumer discretionary company
Funding Source-Consumer Staples=4	Funding source is a consumer staples company
Funding Source-healthcare=5	Funding source is a healthcare company
Funding Source-financial services=6	Funding source is a financial company (includes real estate development).
Funding Source-IT=7	Funding source is an information technology company
Funding Source-Telecom=8	Funding source is a telecommunications services company
Funding Source-Utilities=9	Funding source is a utility company
Funding Source-Health Conversion=10	Foundation is listed as health conversion on profile.
Funding Source-Multiple=11	Funding source is multiple individuals (ex. the people of city or state) or other foundations (but not succession foundations, those are coded with the original founder's SIC code, e.g. Wallace)
Funding source-missing=12	The funding source is missing.
Funding Source-Other = 13	The funding source is some other form of wealth, such as money won in the lottery.

Appendix J: Grant Topic Codes for Either Side of Reference Events Analysis

Summit Topics	No Child Left Behind Topics
Assessment	Accountability
College Readiness	Achievement Gap
Curriculum	Assessment
District Reform	At-Risk
Dropout and Graduation Rates	Charter Schools (includes Boston Pilot
Education Reform	Schools)
High School Reform	Data/Data Use
Instruction/Pedagogy	Dropout and Graduation Rates
Policy	High Stakes Testing
Research/Evaluation	Home Schooling
School Readiness/Early Childhood Education	Low-Income
School Reform	Magnet Schools
School Reform Model or Specific School	NCLB
Reform Strategy (examples include Coalition	Policy
of Essential Schools, Career Academies,	School Choice—general
Community Schools, Paideia, Magnet Schools)	Standards
Small Schools	Student Achievement/ Student Outcomes
Standards	Teacher Education Reform
Student Achievement	Teacher Reform
Teacher Alternative Certification	Teachers—Compensation
Teacher Education Reform	Teachers—Quality
Teachers	Vouchers
Teacher-Reform	