



Many Voices, One Goal:

How an informal foundation collaborative helped make California history



STUART FOUNDATION



Putnam Consulting Group

Kris Putnam-Walkerly
Elizabeth Russell

INTRODUCTION

In 2013, the state of California passed sweeping changes in the way it funds public schools. New legislation shifted \$50 billion from a convoluted, very ineffective and inequitable system to a new system, called the Local Control Funding Formula (LCFF), by which funds flow more equitably to school districts.

This unprecedented change in education finance didn't happen overnight. It came only after copious research from leading academic institutions, mobilization by dozens of advocacy organizations, leadership from key elected officials, and the support of private philanthropy.

This is a case study of the role of philanthropy in providing resources and support for the development of statewide policy for the benefit of students. Credit for the hard work and leadership to develop and pass the new policy goes to the education leaders in California, foremost among them Governor Brown and State Board of Education Chair, Michael Kirst, and to the many organizations working to improve education across the state. It is beyond the scope of this study to describe the complete policy development process, the work of each organization, or the contributions by each individual and organization.

Over almost a decade, several foundations in California made both coordinated and individual investments to explore and support the possibility and the feasibility of education finance reform in the state. The purpose of this case study is to document the story of one particular foundation collaboration that brought together six foundations — with varied goals and priorities for public education — around the shared purpose of supporting a dramatic shift in education finance. It describes the groundwork and processes that shaped the experience, as well as the lessons learned that may benefit staff and trustees of any foundation considering investments that support public policy.

It is important to understand that while this case study is focused on the final phase of school finance reform, there were several earlier contributions that were essential to its success. Some of this work is referenced on the following pages. Of particular relevance to this study is an earlier collaboration of foundations¹ formed in 2005 to support the "Getting Down to Facts" research studies, the Governor's Committee on Education Excellence, and related research and documentation. That research and analysis formed the basis for the current policy.

This case study is not an endorsement of any single organization's work or any particular approach to education enhancement or reform but rather an exploration of one way in which this small group of foundations helped to create the conditions for significant policy change.



¹The Bill and Melinda Gates Foundation, William and Flora Hewlett Foundation, James Irvine Foundation, and Stuart Foundation collectively invested \$2 million over two years in the "Getting Down to Facts" research.

LAYING THE GROUNDWORK

A short review of the education finance reform movement in California

The path to education finance reform in California spans decades, as the state struggled to fund public education in a way that is both adequate and equitable. The history of this movement includes the contributions of hundreds, if not thousands, of individuals and organizations who cared deeply enough to share their vision, wisdom, and expertise on behalf of California's children. This brief history can in no way present the full story nor recognize all those who contributed. It is merely a glimpse at their efforts.

For most of its history, California schools were financed primarily through local property taxes, with supplemental help from the state and federal dollars. In 1971, a landmark lawsuit, *Serrano v. Priest*, challenged the practice of using local property taxes as a primary source for education funding, because discrepancies in property values led to inequities in funding. In response, the state assumed more control over school funding, imposing a per-pupil revenue ceiling for all school districts. Then, in 1978, voters in California passed Proposition 13, which greatly reduced property tax rates to 1 percent and capped growth over time. As a result, the state assumed a large share of the responsibility for education funding, which became much more reliant on sales and income taxes than on property taxes. In the following years, California dropped from among the top states in the nation to among the bottom in terms of per-pupil funding.²

With the burst of the dot-com bubble and the 2007 recession, California school funding was cut by billions of dollars. At the same time, more and more state education dollars were earmarked for “categorical” programs (e.g., school counselors and nurses, services for pregnant teens, college prep programs, or class size reductions), incentive programs or targeted grants. By 2007, the state’s education finance system had become so complex that roughly 60 percent of school funding was allotted for general use and 40 percent for categorical programs.

“Essentially, it was like receiving 60 percent of your personal income in cash and the rest in gift cards that you may or may not find useful,” explains Derry Kabcenell, a trustee of the Dirk and Charlene Kabcenell Foundation and one of the collaborative participants.

The result was a funding system that was so burdensome, arcane, and overly complex that few people in the state truly understood its ins and outs. Not surprisingly, many policy analysts and others began to loudly question California’s education finance system.

From 2005 to 2007, at the request of a number of state lawmakers and then-Governor Arnold Schwarzenegger’s Committee on Educational Excellence, a broad national team of researchers led by Susanna Loeb at Stanford University produced more than 20 studies of California’s education finance and governance systems as part of the “Getting Down to Facts” research

project. Four foundations provided funding for this independent research: the Bill and Melinda Gates Foundation, the William and Flora Hewlett Foundation, the James Irvine Foundation, and the Stuart Foundation. The *Getting Down to Facts* research explored the relationship between school finance and success in California’s public schools.

In 2008, a follow-up paper, *Getting Beyond the Facts: Reforming California’s School Finance* (authored by Alan Bersin, Michael Kirst, and Goodwin Liu³ and published by the Chief Justice Earl Warren Institute on Race, Ethnicity and Diversity at the University of California-Berkeley and funded by the Gates Foundation), presented an actionable plan to replace California’s existing school finance system with a weighted student funding formula. In a nutshell, weighted student funding formulas allocate education dollars according to student needs. All districts and schools receive the same per-pupil base funding, and those serving students with higher needs (such as English language learners, children in foster care, and children in poverty) receive additional funding to meet those needs.

While the findings of “Getting Down to Facts” and the plan presented in *Getting Beyond the Facts* were compelling, the impact of economic recession and an absence of political will made it impossible to take up the charge for education finance reform at that time. Nonetheless, a few foundations, including the Stuart and Hewlett Foundations, stayed focused on the possibility of policy change and maintained investments in research and support to groups that continued to collect evidence and work on building support for the time when opportunity might arise.

Opportunity Knocks

In 2011, five years after the “Getting Down to Facts” reports were released, a glimmer of opportunity emerged.

When Governor Jerry Brown made massive budget cuts to education in 2011, he also provided more local flexibility for the use of categorical funds. That move opened a small window of opportunity to push for more sweeping education finance reform, including renewal of discussion of a weighted student formula. A study by the Rand Corporation on the effects of the increased flexibility granted in 2011 was supported by the Hewlett, Kabcenell, and Stuart Foundations and provided some early information on the potential of a new funding model. The Stuart Foundation and the Kabcenell Foundation also provided



critical funding for the Public Policy Institute of California (PPIC) in April 2012 to gather new public opinion data about education finance reform and to continue developing a new finance model.

The Governor's office proposed a new model for weighted student funding in 2012. Unfortunately, the plan was not well received, in part because some perceived it as taking funding away from wealthier districts. Addressing the need for adequate funding for all schools and districts was clearly necessary before a reallocation of funding for greater equity could take place.

In November 2012, California voters approved Proposition 30, which raised personal income taxes and some sales taxes to protect the state's education budget. This delivered billions in additional funding to all districts across the state and paved the way for a new finance reform discussion in 2013, and provided an ideal window for building support for policy change. After months of intense effort, and building on years of groundwork, the state developed a funding formula that provided additional funds to districts serving students with the greatest education needs, and the Local Control Funding Formula became law in 2013.

"LCFF was a rare opportunity," says Sophie Fanelli, director of education at the Stuart Foundation. "It required a big compromise among groups of education advocates with different agendas, and among the foundations that fund their efforts. But it delivered the transparency, simplicity, and equity that everyone wanted to see and also respected the needs of school administrators and teachers. Not all policy making lends itself to this level of compromise and collaboration."

The Road to Improved Funding

- 1971** – *Serrano v. Priest* challenges equity of California's school finance system
- 1972** – SB 90 limits revenues for districts from general purpose funds
- 1976** – State Supreme Court rules (*Serrano v. Priest*) that state must equalize general purpose funding
- 1978** – Proposition 13 limits property taxes (and therefore school funding)
- 1988** – Proposition 98 guarantees minimum funding levels for K–12 public schools.
- 2005-2007** – "Getting Down to Facts" project examines school finance and governance
- 2008** – *Getting Beyond the Facts* paper proposes a weighted student funding formula.
- 2012** – Governor Jerry Brown proposes a weighted student funding formula but meets great opposition.
- 2012** – Proposition 30 shores up the state's education budget, paving the way for a new weighted student formula
- 2013** – Local Control Funding Formula becomes California law

²See "California's K-12 Public Schools: How Are They Doing?" by Stephen Carroll, RAND Corp. 2005, for more information on education funding trends. <http://www.rand.org/pubs/monographs/MG186.html>

³At the time that *Getting Beyond the Facts* was published, Alan Bersin was a member of the California State Board of Education and was a former state secretary of education. He now serves as assistant secretary of International Affairs and chief diplomatic officer for the U.S. Department of Homeland Security. Michael Kirst remains emeritus professor of education and business administration at Stanford University. He was president of the California State Board of Education when *Getting Beyond the Facts* was published and was reappointed to that position in 2011 by Governor Jerry Brown. Goodwin Liu was assistant professor of law and codirector of the Chief Justice Earl Warren Institute on Race, Ethnicity and Diversity at the U.C. Berkeley Law School, until he was appointed by Gov. Brown as an associate justice of the Supreme Court of California in 2011.

CLEAR FOCUS, PREPARATION, AND OPPORTUNITY

The philanthropic collaboration that provided support for the policy development process was both very focused and informal. It incorporated the knowledge gained from earlier philanthropic collaborations and on the expertise of individuals who had been working on these issues for years. When the conditions became conducive for change, the seeds for the collaboration that had been planted much earlier began to bear fruit.

Like many great collaborations, this one started with a conversation. In early 2012, when the Governor proposed a change in the formula, two foundations quickly met to assess what role, if any, philanthropy may have in supporting the work that would be needed to develop a policy to best serve California students. In keeping with federal laws governing private foundation engagement in public policy, their focus was on funding research, nonpartisan analysis, and technical assistance.

“The earliest conversation that led to this phase of work was with Derry Kabcenell,” remembers Christy Pichel, president of the Stuart Foundation. “We were hopeful about the opportunity, but we knew that public resources for the research and analysis that would be needed to develop the best policy were lacking. We agreed that there was an important role for philanthropy and that we wanted to work together to make the most of the opportunity.”

The Kabcenell and Stuart Foundations both had a strategic focus on statewide policy and had been waiting for this opportunity. Derry Kabcenell had identified finance policy as an area for investment of his time and foundation resources and had hired Kristi Kimball, with extensive experience in this area, as a consultant. Both Kimball and Pichel had been part of the earlier philanthropic collaborative that funded the “Getting Down to Facts” research.

“By the end of that first meeting we had identified some potential, rapid-turnaround, relatively small investments to support reform to the extent that we were legally able, including nonpartisan research and technical assistance,” continues Pichel.

Following that first meeting, the Kabcenell and Stuart Foundations continued discussions and reached out to other foundations. The Silver Giving Foundation soon joined, followed a year later (in 2013) by the Schwab Foundation, Walton Family Foundation, and the Broad Foundation.

Not Your Typical “Collaboration”

The concept of collaboration may cause foundations to roll their eyes, envisioning bureaucracy-heavy convenings, formal agreements, and loss of control over valuable grant dollars. But this collaboration among foundations for education reform policy was hardly traditional. In fact, some foundation participants and grantees are hesitant to use the term “collaborative” to describe it, suggesting other terms such as “informal learning

network,” “thought partnership,” or “cooperative.” Regardless of its title, there were many facets that made this particular effort unique.

Organic and Informal Structure

The informality of this collaboration was a key element of its success. There were no formal agreements or requirements that members come to common agreements, and — most important — no pressure on participating foundations to make grants to any particular organization.

Instead, the collaboration provided a structure of regular conference calls, email threads, and periodic in-person meetings. These provided opportunities for members to share thoughts and ideas, and they kept everyone informed of the latest developments in the finance reform work and updated on the work of each of the organizations supported by members. Notes of these and other key meetings were thorough and shared with everyone.

“There was no formal ‘now we’re all collaborating’ moment. It was a series of informal conversations that led to agreements about funding,” says Natasha Hoehn, executive director of Silver Giving Foundation.

Diversity of Opinion

It may be that a more formal approach to collaboration would not have worked for this particular group of foundations, as their overall agendas for supporting public education are quite different. However, they were all united on one clear, common goal: education finance reform. In pursuing that goal, each member of the collaborative was open and honest about what they wanted to fund.

“Perfect can’t be the enemy of good when it comes to school finance,” says Kellie O’Keefe, senior program officer of the Walton Family Foundation. “Some areas of LCFF legislation are better than others, but sometimes a step in the right direction is worth looking at to keep the momentum going forward.”

“The issue of education finance reform worked across party lines because of the nature of the solution,” says Kimball. “The LCFF makes equity advocates happy. It also makes efficiency and effectiveness advocates happy. It’s a clearer system with less red tape and more flexibility. We all agreed dollars should go where the need was greatest.”



Communication Rather than Direction

The collaborative was clear about its purpose — to work together to ensure that policy makers had the best possible information and nonpartisan analysis available as they developed the new school finance policy. The focus was on sharing information and did not attempt to direct any particular policy approach or engage in partisanship. Each organization funded by individual members of the collaborative maintained its own integrity of mission, and not all saw eye to eye on every point. No collaborative member or funded organization was pressured to change its opinion. Business, education, and nonprofit community organizations did not have to agree. Research organizations remained completely objective. “There was a lot of integrity in this collective effort, because everyone was completely transparent about the reasons they were engaged in this work,” says Fanelli. “The foundations and the organizations they supported were able to advance together toward a common vision.”

Independent Grantmaking

Each member of the collaborative played to its own strengths and followed courses of action and grantmaking that made sense to them, yet bolstered the effort overall.

“There were a couple of times where advocates or service providers or think tanks would approach one or several of us at the same time to ask for help as part of our efforts. One of us might think it was a good idea, but others might say not so much,” says Hoehn. “In those cases, the funding decisions were made individually. There was never any guilt or pressure. Even better, there were questions like, ‘What do you think of this?’”

“We all funded a lot of the same kinds of projects, but according to the interest and capacity of our foundations,” says Kabcenell. “Because my foundation is small and not a private foundation, we had more flexibility in funding advocacy and fast-response projects, but we couldn’t do the larger amounts of money. It really was a team approach where members brought different strengths to the effort.”

Foundations could also support different activities within the same grantee organization, thus helping that grantee extend its impact without stretching the foundations beyond their legal boundaries or comfort zones.

“Stuart Foundation funds helped us play the role of technical analyst for grassroots groups, giving them a voice in the proceedings and the shaping of community messaging that those groups could use to build support for the passage of LCFF,” says John Affeldt of Public Advocates, a nonprofit law firm with a focus on social justice. “Kabcenell Foundation funds allowed us to focus on the process of early implementation and regulation development once LCFF was passed, to ensure the voice of the community was still heard.”

Flexible and Timely Investment Decisions

The collaboration benefited greatly from the ability of at least three of the leading foundations — Stuart, Kabcenell, and Silver Giving — to respond quickly to funding requests. As the drive to passage became more intense in 2013 and immediate needs arose to help nonprofit partners with communications, coalition-building, and grassroots mobilization, these foundations were able to respond within a matter of days without having to go through multiple levels of approval. In the case of Kabcenell Foundation and Silver Giving Foundation, the donors were directly involved and at the Stuart Foundation, the CEO had discretion over a fund established by the Board of Directors that had been created to allow the Foundation to make investments in important projects outside of regular board meetings.

“Foundations typically require many months for grant approval at regularly scheduled board meetings,” Pichel acknowledges. “This situation required the ability to respond quickly to a rapidly changing environment. Having so many decision-makers involved and informed about the topic and able to make decisions in a short time frame was extremely valuable.”

Shared Respect

“What was most interesting to me about this collaborative was the way in which many of the nonprofit partners were so fully engaged with the foundations,” observes Fanelli, who joined Stuart Foundation in the course of the collaborative’s work. “Coming from the grantee side, that was really refreshing. Of course, there’s always a power dynamic, but I was pleasantly surprised that people would be so open about risks with foundations listening in. The grantee partners were very honest and open about what was going on and how and when the strategy needed to shift. There was a high level of transparency, candor, and mutual respect.”

WHAT THE COLLABORATION DID

While foundations often shy away from policy work for fear of violating the rules surrounding lobbying, there are many effective roles they can play — many of which were addressed by the collaborative, with input and guidance from legal counsel.

Participating Foundations

The foundations in this informal collaborative represented divergent views on public education but embraced the common goal of education finance reform.

- Stuart Foundation
- Dirk and Charlene Kabcenell Foundation
- Silver Giving Foundation
- Charles and Helen Schwab Foundation
- Broad Foundation
- Walton Family Foundation

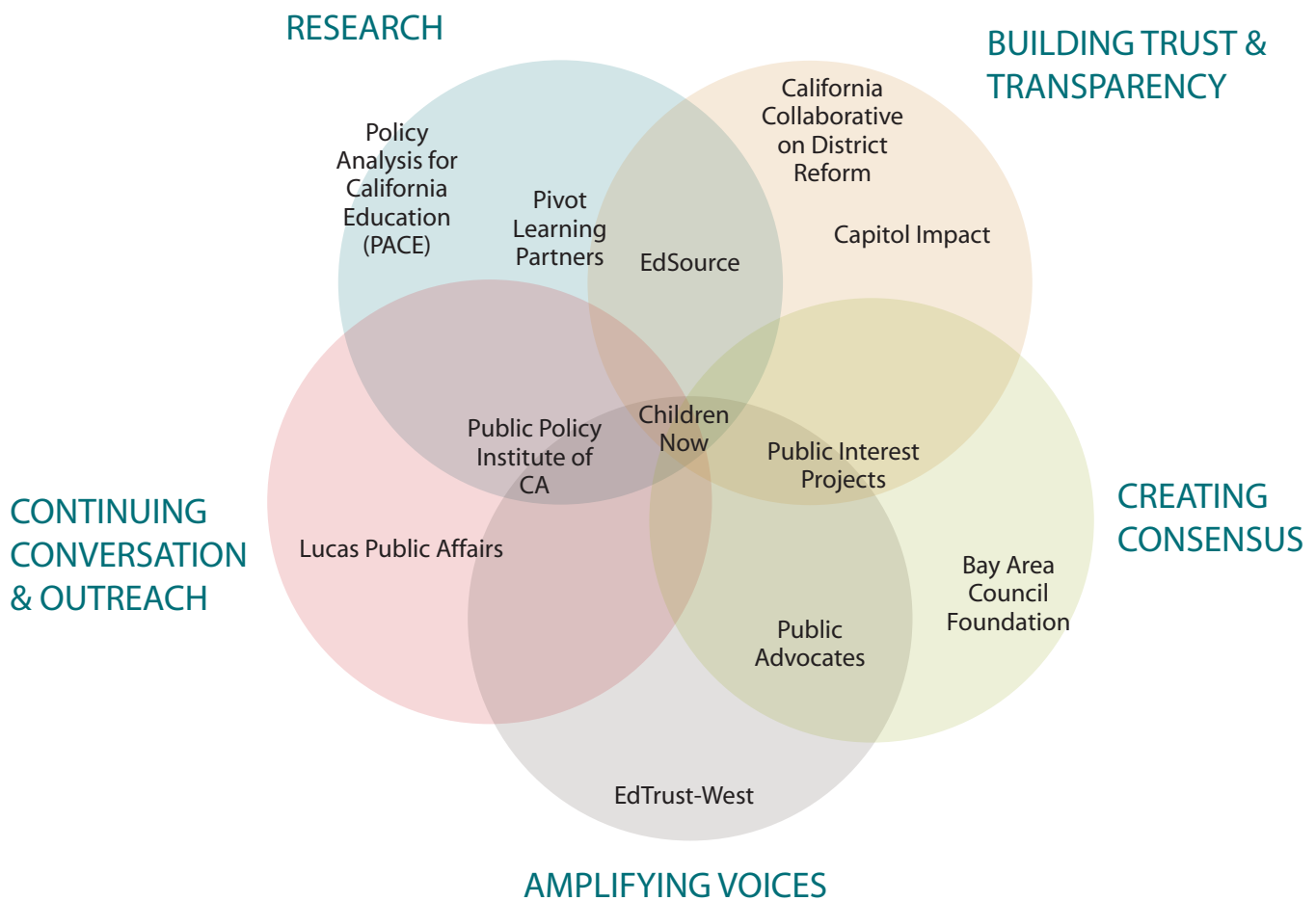
Individually and collectively, the members of the collaborative made strategic investments in organizations that could:

- Help inform the discussion of finance reform through research and financial modeling. Foundation funds supported nonpartisan research groups that dug deep into proposed models for finance reform and determined how they would play out at the district and school level.
- Build trust and transparency in the process of designing a new education finance formula. As various nonprofit groups developed research and models, foundations supported dissemination of these findings and ideas to school district groups, key superintendents, and others who would be directly affected by education finance reform, thereby helping to bring their reactions and ideas into the planning and design conversations that took place among education advocates and keeping the lines of communication open.
- Create consensus among both policy makers and grassroots/grasstops leaders. Grants supported advocacy organizations that had strong connections to various constituencies — from business to civil rights to educators — to ensure that all stakeholders understood the benefits and expectations surrounding LCFF.
- Amplify the voices of underrepresented stakeholder groups. Within various grassroots communities and geographies, foundation funds supported organizations that increased the participation of the families and communities most likely to be affected by LCFF in the discussions that informed LCFF's development.
- Continually monitor and contribute to the public conversation as LCFF moved toward passage. One of the largest collective investments made by the collaborative supported a large-scale communications and outreach campaign during the months leading up to the passage of LCFF. This effort included the creation of consistent messages, identification of appropriate messengers within various stakeholder communities, and a clear plan for reaching key audiences.⁴

⁴ Consistent with federal tax law, none of the funds provided by private foundation participants were earmarked for lobbying.

A Collaborative Approach to Policy Funding: Grants Made 2012–2013

While foundations in this collaborative did not always fund the same organizations, they collectively supported organizations in five key areas of policy investment (research, building trust and transparency, creating consensus, amplifying voices, and continuing conversation and outreach) to help move a sound policy forward to achieve a shared goal of education finance reform. The following illustration shows a sample — but not all — of the organizations funded in this collaborative effort.



FOUNDATION COLLABORATION ACTIVITIES

At its most basic level, the collaboration brought participating foundations together around a common goal and kept them together through ongoing communication.

Through biweekly (and then weekly) phone calls with Children Now and other key grantee partners, the group received regular updates about the ongoing challenges and opportunities emerging in the campaign to support education finance reform. In another set of private biweekly calls, foundations would discuss what they'd learned and what their individual plans were. On two separate occasions, the foundations met in person with a broader group of partners in Sacramento, which included occasional updates directly from the governor's administration representatives.⁵ And, as the pace of work accelerated in the months before passage, daily email news feeds from Children Now kept foundations abreast of the latest developments.⁶

Although the investments and activities were many, there were three areas in which all partners invested and to which all point as particularly helpful in accomplishing their shared goal.

Tapping a Quarterback

Although Stuart Foundation had funded Children Now for other purposes in previous years, some of the other collaborative participants had not. The group knew that a coordinating organization would be needed, and in a rare group decision chose to support Children Now as the nonprofit captain of a campaign to build support for education finance reform. Each foundation made its own decision about when and how much to offer in terms of grant funds.

"You rarely see foundations say, 'You're going to quarterback this,' but it allowed us to coordinate communications and outreach as opposed to having multiple groups out there on their own," says Ted Lempert, president of Children Now. "Thanks to the foundation coordination, we had sufficient support to coordinate with business and community groups to ensure multiple sector engagement in an organized way. That happens so rarely, but it's a great case study in collective impact.

Whenever a problem popped up, we had an entire landscape ready to respond."

Investing in Communications

Soon after their investment in Children Now, the collaborative foundations recognized the need for a deeper investment in communications to further power message development and outreach. Children Now was given additional funding for this work and chose to hire Lucas Public Affairs. In November 2012, following the failure of the governor's first weighted student funding proposal, Lucas convened an all-day meeting with Children Now and key thought partners to discuss a new communications strategy that might gain enough traction in 2013. Among other things, that meeting resulted in a new name for the effort in 2013 — the Local Control Funding Formula. According to State Board of Education Chair Kirst, that meeting and the new name were key to the measure's ultimate success.

Engaging the Administration

While always adhering to lobbying restrictions, members of the funding collaborative maintained lines of communication among themselves and with nonprofit partners for ongoing discussions and updates about the education finance system. In this way, the foundations were able to stay abreast of developments within the administration and help supply nonpartisan information and research.

"It was interesting how the government participated in this," observes Kirst. "This hasn't happened in any other work I've done. Representatives from the Administration were on the calls and would participate in meetings of nongovernment groups — making suggestions in an ex-officio capacity. That's very unusual. Sometimes the groups would differ with us, but we worked that out in the end. We needed allies and they were allies."

A note about California's policy system: In California, the governor has considerable power over finance, including a line-item veto, numerous appointments, and the ability to pass the budget and fund it in one swoop — which essentially means he can create new programs and fund them at the same time. Because of this, the passage of the Local Control Funding Formula did not involve the education committee of either legislative house but instead was handled through budget committees. There was some extreme resistance in the Capitol to eliminating categorical programs, and Governor Jerry Brown's leadership was crucial as ideas were refined and changes in the LCFF proposal were made to appease various groups.

⁵ In keeping with legal requirements, the Stuart Foundation did not refer to or reflect a view about the legislation in these communications.

Shaping and Sharing: What Policy Investment “Looks Like”

In a nutshell, the policy investment made by this foundation collaboration focused on shaping and sharing the “story” of how education funding could be better for California’s children.

To help in shaping the story, during this final phase of the LCFF campaign, foundations supported the activities of research organizations like Public Policy Institute of California and Pivot Learning Partners to create a clear, nonpartisan picture of what education finance reform might do for California’s schools. To shape it further, foundations made investments in the work of policy and fiscal consultants for deeper research and “real life” modeling of finance reform at the district and school levels, taking those models out to district and community leaders to get their reactions and thoughts and then incorporating their recommendations in further refinements. Children Now, serving as a central coordinating organization, then shared this nonpartisan analysis with the Governor’s staff to inform their own deliberations and refinements.

As the story of education finance reform continued to take shape, foundations supported Children Now’s ongoing work to build consensus by sharing nonpartisan information with key leaders in various stakeholder groups, looking for the areas of common interest or concern and keeping the lines of communication open to create buy-in. Children Now reached out to help coordinate many other diverse organizations already working on this issue, ranging from EdTrust West to the Bay Area Business Council, to build understanding and backing for the effort. Members of the foundation collaborative also made individual grants to key stakeholder organizations to help them extend their reach. As the pace of the policy development accelerated, so did the communications efforts of Children Now, led by the expertise of Lucas Public Affairs and supported by the collaborative.

Once the Local Control Funding Formula budget legislation was introduced by the Governor’s office, Children Now and other partners worked to share the story widely and effectively with the full range of stakeholders, monitor the conversations around its potential passage, and supply additional information when needed.

Shaping and sharing the story of LCFF was a massive undertaking requiring hundreds of individuals and organizations — and it had a very happy ending. On July 1, 2013, a new education finance system became law in California.



RETURN ON INVESTMENT

For its part in this collaborative effort, the Stuart Foundation invested nearly \$2 million in 2012 and 2013 to support research and public education about the importance of education reform, and evidence-based options for improving the system. This investment, combined with the efforts of the other funders and their non-private-foundation allies, laid the groundwork for significant policy change. In July 2013, those investments paid off as Governor Brown signed into law California's new Local Control Funding Formula.

"Achieving reform of this magnitude is a spectacular win," says Kimball. "No other state has a weighted student funding formula like this in place, statewide. This affects the flow of more than \$50B in state funding for K-12 education annually. The only places that come close to this, outside of California, have all achieved the finance reform through litigation, not legislation. I hope that all the boards of all the foundations involved over the past decade recognize the scale of this win, and how very rare this is."

Benefits to Participants

Beyond the obvious legislative win, participants in the collaborative realized other benefits that are helping inform their thoughts and practice moving forward.

Relationships

In addition to leveraging their grant investments and supporting their individual policy agendas via a shared goal (within the limits of federal tax law), all of the foundations participating in this collaborative point to the value they gained from forming relationships with other foundations and learning from them.

For the national foundations, participating in a collaborative with state and local foundations enhanced their understanding of local and state issues and provided a means for targeting efforts and leveraging investments. As one observed, "We didn't have deep connections or partnerships with other foundations in this group, and we didn't do a lot of funding in this state. This was a great opportunity to meet and learn from those who did this work in California."

Those relationships have continued as LCFF has moved from passage to implementation. Several members remain in close communication and discuss grantmaking opportunities related to various implementation projects. "When you're in regular conversation, you're naturally compelled to start doing more work together," says Kimball.

"There is an incredible value in maintaining positive relationships with other foundations, even if you don't know what you might partner on at first," she observes. "The relationship is something you can always build on. I think foundations should let their staff spend the time to be in contact with other foundations and reward them for the amount of coinvestment they are able to leverage."

Depth of field

For grantee partners, having multiple foundation perspectives in one place was a top benefit.

"It was nice to work with this collaborative," says Baldassare. "There were more voices, more bouncing of ideas off each other. It also gave us the ability to communicate with a broader funding audience — they could reach out to foundations and policy groups we didn't have relationships with."

"The fact that foundations were on regular calls with us — although it was time-consuming and sometimes frustrating — was very helpful because it gave us different perspectives and questions," says Lempert. "If there had been just one foundation, there would have been less give-and-take, fewer questions, and less diversity of feedback. There was good strategic back-and-forth with a lot of bright people, and it gave us the confidence and security to go all-in on this project and really do what we thought it would take."

"Each foundation engaged their own networks — very different networks — and then shared information back with us about what they were hearing from the field," adds Samantha Tran, Children Now's senior director of education policy. "Stuart Foundation reached out to school leaders and the equity community. Broad Foundation had ties to the reform community. Having all of that intelligence was a great help in thinking about who to engage, and it expanded our capacity to understand where the field was."

Credibility

For the policy effort itself, the collaboration of foundations eliminated perceptions of a behind-the-scenes agenda that a single foundation might have generated. "We occasionally had media questions about who was funding our efforts, but when we explained that it was a collaborative of many different foundations, those questions always stopped," says Lempert.

"Working with a group of foundations was good from our perspective, because we want to protect the credibility of our work," adds Baldassare. "We weren't influenced by their agenda. They didn't interfere, but we knew how to reach out to them when we needed and wanted to."

“Achieving reform of this magnitude is a spectacular win. It affects the flow of more than \$50B in state funding for K–12 education annually. The only places that come close to this, outside of California, have all achieved the finance reform through litigation, not legislation. I hope that all the boards of all the foundations involved over the past decade recognize the scale of this win, and how very rare this is.”



LESSONS LEARNED

Throughout their engagement with the collaborative and with education finance reform, the participating foundations learned a great deal. The following lessons can provide food for thought for staff and board members at any foundation as they contemplate future collaborative activity to inform public policy.

About Working Collaboratively

- **Be open to opportunity.** This collaboration wasn't the result of a group planning effort. Indeed, the collaborative might never have happened if Derry Kabcenell and Christy Pichel hadn't had that first conversation. But once the opportunity arose, foundations recognized the chance to jump into new territory. The attitude of "let's try and see what happens" and a willingness to work outside of established foundation comfort zones grew from the spirit of that initial discussion in a way that a formally planned engagement might never have achieved.
- **Participants don't have to agree on everything — just a common goal.** While the foundations in this collaborative brought a wide range of broad policy agendas to the table, their ability to focus on one shared goal kept them focused and friendly. It also made the regular calls more productive and efficient. "Even though some foundations were taking the lead around coordinating LCFF work, it never felt they were possessive of or dominating the conversations," said one participant.
- **Trust is everything.** The success of this collaborative was due in large part to the high levels of trust at play among collaborators and between collaborative foundations and grantees. Conversations were open, honest, and never dominated by one opinion. Participants made the effort to understand who the players were, what they brought to the table, and how each might benefit.
- **Know your collaborators.** "I would try to understand the theory of change for each foundation," recommends the Stuart Foundation's Fanelli. "That can help a great deal — not only knowing the people but their motivations and organizations. That way, you can anticipate what they might want from the collaboration and plan accordingly."
- **Communicate.** For informal collaboration, attention to communication is key, and it requires time. This collaboration worked so well because foundations made a concerted effort to share what they were doing, learn what others were doing, and discuss one another's ideas. Because there was no formal meeting structure or operating or funding agreements, communication was the glue that kept the foundations coordinated in working toward the same goal. "You need to know going into it that you're going to set that time aside, will communicate, will respond," says Pichel.
- **Designate a point person.** "If it isn't someone's job to keep track of things, then it's easy for things to slip through the

cracks. It's very important to have a coordinator," says Kabcenell. Over the course of two years, the Kabcenell Foundation played the primary coordinating role for this collaborative, first managed by Kimball as a consultant and then shifting to Derry Kabcenell after she moved on. Having a consistent point person to manage the foundation collaborative — making sure everyone was informed, talking with grantees to manage scopes of work, accumulating concerns from the other foundations, even coordinating grantmaker roles of different foundations based on their interests — kept things running efficiently to maximize the value of time spent.

About Collaborative Grantmaking

- **Consider the "quarterback" approach.** Choosing one lead grantee to coordinate others helps maintain focus, efficiency, and accountability. It also allows foundations to remain hands-off during implementation, yet retain all knowledge and action in one easily accessible place. For policy work, it can also enhance responsiveness and flexibility as new funding needs arise.

"Being the quarterback allowed us to build a team internally that touched on all of the issues," says Tran. "It's important to partner with other organizations, but when you're running a campaign that's this intense, it's more efficient and focused to have it all in house. If partners approach foundations together, I'd trust in that, but you can't forge new relationships in the midst of a very intense campaign. That takes away from the focus on the work."
- **Streamline where possible.** Collaborative funding is easier on key grantees in some ways (such as covering a wide breadth of needs), but there is always room for streamlining. In the case of this collaborative, there were instances when grantees receiving funds from more than one collaborative participant were faced with multiple grant applications and reports for the same work. In some cases, grantees perceived that the funding process was slower than it should have been, given the urgency of the work. However, all appreciated the foundations' efforts to simplify reporting guidelines and minimize the work required for multiple reports.

"Even though we were casual, we were conscious of streamlining for grantees as much as possible," says Kimball. "We also explicitly shared information with one another about proposals and comments back and forth to Children Now so we could agree and Children Now wouldn't be caught in conflict."



“It was extremely helpful that we had common goals and outcomes for all of the grants we received from collaborative participants,” say Children Now’s Tran. “It really tied everything together, and kept us focused on the work that we were doing.”

- **Know the field.** “If foundations collaborate, they should have some measure of due diligence — have enough conversations in the field to get the landscape and understand all players and key pressure points before making funding decisions,” says Public Advocates’ John Affeldt. Understanding who’s who in the field also can help foundations choose lead partners confidently and ensure that their funding choices are understood and respected by other nonfunded organizations who nonetheless will be important partners for success.

About Working in Policy

- **Consult with legal counsel.** While foundations shouldn’t shy away from opportunities to explore policy change, it’s important to consult with legal counsel to ensure that all foundation staff and consultants have clear understanding of the applicable regulations. “We were always aware that the role for philanthropy in this arena was to provide the necessary support for all stakeholders and decision-makers to have access to the best information and analysis available and to engage in productive processes to arrive at a policy solution to best meet the education needs of students,” says Pichel. “This was a way to effectively move policy development without engaging in lobbying activities, which we carefully avoided.”
- **Commit to the long haul.** “Policy making is by no means linear, but many times it’s about being ready when opportunity arises. Because there had been so much groundwork laid before, these foundations could mobilize nonprofits for collaborative action when the time was right,” says Kirst.

“Major policy change time frames are very long — and then very short,” adds Kimball. “Eight years is spectacularly fast, if you consider that this effort shifted \$50 billion in annual spending. But many were disappointed along the way, when the reform didn’t happen under Governor Schwarzenegger’s watch. You have to be willing to ride it out. All the groundwork that was laid in 2005–2011 was a critical foundation for the final phase of work in 2012 and 2013.”

A long-haul commitment is appreciated by grantees as well. “There are foundations who have been doing this for a long time. It’s been really great to talk with people who understand

the environment and the players,” says Liz Guillen, director of legislative and community affairs at Public Advocates.

- **Watch for windows.** Once you’ve committed, recognize when a policy window might open and be there in force when it does. (A policy window occurs when the right combination of a problem, a policy proposal, and politics exist to move a policy forward.⁶) “If you persist and the right conditions come along and a policy window opens, then your persistence will pay off,” says Kirst. “Don’t throw in the towel. Good ideas are out there all the time — it just matters when the window opens.”
- **Do your homework.** “Foundations should always research the implications and context of any policy they want to support,” says Fanelli. “Anticipate unintended consequences.” Likewise, know the policy landscape. What are the different avenues (executive, legislative, judicial) by which a policy might be enacted? Better yet, find a subject matter expert to invest the time needed to explore the issues, and help plan your approach and strategy. The knowledge of staff at some foundations was essential to understanding the issues, the political landscape, and what would be involved in supporting a major policy change.
- **Provide flexibility for rapid response.** Policy issues can often move and change very quickly, and foundations provide the most support when they can respond to those changes in a matter of days rather than adhering to a predetermined grantmaking calendar. Discretionary funds for use by lead decision makers on the board or staff can make a huge difference as the pace of policy making accelerates.
- **Ensure that many voices are heard.** Because the members of this collaborative had connections to diverse networks, they were able to continually check to see whose voices were not being heard in the debate and to take steps to help amplify them. As mentioned above, the diversity of networks and contacts that the collaborating foundations brought to the table did a great deal to enhance the diversity of voices lifted in support of LCFF.
- **Don’t walk away when the win happens.** Policy is only as good as its implementation. “A foundation’s investment strategy may shift, but the remaining policy pieces and local implementation need continued engagement. Otherwise the whole legacy gets tainted,” explains Tran.

⁶Kingdon, John W. (1995). *Agendas, Alternatives, and Public Policies*. Second edition. New York: Harper Collins.

CHALLENGES

Although the collaborative's work was not without challenges, all participants reported that those challenges were minimal.

“Overall, the people were so good and the issue was so important and the promise was so great that the challenges didn't seem huge.”

Specifically:

- Organizing day-to-day logistics and updates was never a formalized process, and that sometimes left foundations uncertain as to what to expect from one another. However, the small size of the group allowed members to speak directly with one another to clear up that uncertainty.
- Some discussions arose because of differences between the foundations' broader education agendas, but honest talk overcame those.
- Some grantees said that they wished they'd been more aware of the collaborative and what it was funding. This was because grantees were partnering with one another, outside of the collaborative's funding but on many of the same issues the collaborative wished to address. If they had been more aware of the collaborative's actions, they felt they might have contributed more effectively to the overall effort.
- Once 2012 hit, the speed of the work was incredibly fast. Some collaborative members felt as if they were always behind in putting resources in place fast enough. And although collaborative members who had decision-making authority for grants in their foundations had a great deal of flexibility, the pace of grant cycles did prove to be a challenge for program officers working within the approval processes of their foundations.
- The fact that all of the foundations were not located in the same geographic area posed a challenge to sustaining some of the relationships. In-person meetings are desirable, if not always feasible.
- Some foundations struggled with allocating the staff time necessary to stay on top of issues and be as responsive as they wanted to be, especially as the pace of change accelerated in 2013.

Despite these challenges, none of the foundations were deterred. “Overall, the people were so good and the issue was so important and the promise was so great that the challenges didn't seem huge,” concludes Pichel.

NEXT STEPS

As LCFF moves into its implementation stages, the foundations in the collaborative have started to pursue different aspects of that vast and varied work, based on their broader education agendas.

“This was a great example of how funding collaboratives don’t have to be long lasting or comprehensive. You can do a great job with one focused project and then disband,” says Kimball.

However, the relationships between participants are still considered valuable. All foundations are mindful of the importance of transition, all have made ongoing investments, and most still stay in touch to share information about their actions, including through scheduled weekly phone calls. “We continue to communicate and meet together to share information on LCFF implementation as the opportunities arise,” says Hoehn.

“The collaborative has continued to provide some transition funding for us so we could stay involved in the regulations process, build up community support, and keep an eye on what legislature is doing behind the scenes,” explains Tran. “We’re no longer in campaign mode, so now we’re shifting gears to see what’s next on the horizon.”

The collaborative foundations have also engaged new partners in the implementation phase of LCFF, many of which played their own roles in making the new education finance law a reality. Their activities range from supporting statewide outreach as school districts engage in their budget development under the new law to exploring implementation models in specific communities.

“The fact that we accomplished something so far reaching together is incredibly satisfying for all of our foundations and exceedingly important for California’s schools,” says Pichel. “We all learned a great deal by working with one another, and that’s going to be a lasting benefit for all of us.”

“The fact that we accomplished something so far reaching together is incredibly satisfying for all of our foundations and exceedingly important for California’s schools. We all learned a great deal by working with one another, and that’s going to be a lasting benefit for all of us.”

ACKNOWLEDGMENTS

Improving education finance in California was an accomplishment 40 years in the making. While the Stuart Foundation is humbled to have played a small part in the final stages of the journey, we most gratefully acknowledge the work of thousands of individuals and hundreds of organizations that brought this work along over a period of many years. From those engaged in the Serrano v. Priest case in 1971 to those who pushed hard for the passage of Proposition 30 in 2012, and everyone who engaged in the process in between, thank you for paving the way to success for our schools. None of California's current opportunities would be possible without the dedicated researchers, committed advocates, devoted educators, thoughtful policy makers, and engaged parents and community members who worked tirelessly for decades to deliver better options for California's children. To all of you, we say "thank you" and "bravo!"



STUART FOUNDATION

INVESTING IN CHILDREN & YOUTH TO CREATE LIFELONG IMPACT

500 Washington Street, 8th Floor
San Francisco, CA 94111
(415) 393-1551
www.stuartfoundation.org