

**“ While the work of helping urban systems improve is routinely messy and unpredictable, it is still worthwhile. But grantmakers must become more explicit up-front about the kind of partnership they want with school boards and administrators, the goals they want to pursue, the changes they expect to see, how their investments will help, and the results they expect to get.”**

## **Fixing urban school systems: Can philanthropy make a difference?**

A REPORT FROM A MEMBER BRIEFING ON GRANTMAKING IN URBAN SCHOOL SYSTEMS  
February 26-27, 2003 ■ Pittsburgh, PA

grantmakers<sup>for</sup>education 

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Three Pittsburgh-based foundations made national headlines last summer when they announced they were temporarily suspending grants to the city school district until it committed to stronger leadership and accountability for change. This public decision, however, was not so different from the private decisions many foundation trustees and program staff struggle with regularly: Can philanthropy really do much to help improve large urban systems?

The actions in Pittsburgh highlighted many difficult issues in education philanthropy:

- The social compact between cities and their schools is a complex issue that needs aggressive and sustained attention.
- Achievement gaps between students from different backgrounds are too large and must be addressed.
- School districts can be frustrating and unreliable partners.
- Both public and private resources are scarcer, so ineffective giving has high opportunity costs.
- There is a growing sense that philanthropists have an obligation to rethink traditional approaches to urban school grantmaking.

Public schools and districts are unlike the usual grantees with which foundations deal. They are part governmental agency and part community project. To what other governmental enterprise does the private sector make grants for the successful achievement of the goal of government? And, yet what agency of government is so essential to the wellbeing of our communities and the future of our democracy?

With the Pittsburgh decision as a back-drop, the Danforth Foundation and the Heinz Endowments worked with Grantmakers for Education to convene funders with experience working with urban schools to examine these issues:

- Are other arrangements – including different school board governance models – promising approaches for improving educational quality, accountability and leadership in urban school systems?
- Do grantmakers unwittingly contribute to some of the very problems they are trying to fix?
- What approaches can grantmakers take to improve results with urban school districts?
- Are there better ways for grantmakers to deal with school districts that are often frustrating and difficult partners?
- To what extent does philanthropic responsibility for wise stewardship of grant dollars clash with the realities of urban school improvement?

The group's conclusion: While the work of helping urban systems improve is routinely messy and unpredictable, it is still worthwhile. However, grantmakers must do better at clarifying with school district boards and superintendents the theory of change driving their investments, what changes they expect to see and how their investments will help.

Based on the group's discussions, greater attention to the three areas outlined on the following pages – political issues, structural issues and grantmaking issues – may help grantmakers be more successful in working to change urban school systems.

**Observation #1: Recognize and navigate community politics.**

In seeking to change urban school systems, grantmakers are actually seeking to change government. That means change presents important political problems, too, with political context, elected officials and voters to complicate things.

While grantmaking should always be non-partisan, it can rarely be accomplished in education without political consequences. Considering ways to improve educational quality – dysfunctional school governance, student achievement and accountability – is essential. But equally challenging are the political issues – the demands of interest groups, the politics of school board elections, the demands of parents and community members – that philanthropists must better factor into their grantmaking.

Professional development for school board members, who can frequently help or hinder effective reform strategies, may be one of the most promising places for philanthropic investment.

Greater public engagement also is necessary, and “local education funds” can provide substantial leadership here. These funds, which exist in most large cities, are independent organizations that leverage and mobilize resources to improve local schools, and they may represent the best way to encourage community buy-in for reform and to moderate political or bureaucratic resistance to change. Organizing prestigious community oversight groups also can help educate communities about needed change while providing protective cover for reform-minded boards and superintendents under fire.

**Observation #2: Don’t contribute to the dysfunction.**

Urban school systems are often deeply troubled organizations. That’s what makes them such tough partners. Too many of these districts find it hard to maintain focus and sustain priorities, refuse to adapt in light of evidence, track funds poorly and are unlikely to continue an initiative when special funding ends.

These systems present many of the symptoms of what Stanford University’s James March once called “organized anarchies.” These are places where people come and go in unpredictable patterns; where goals are unclear, often stated in vague and high-minded generalities instead of specifics; and where the technology for achieving the goals, however they are stated, is weak and unpersuasive at best.

But grantmakers need to be equally clear about how they contribute to the dysfunction. Too many foundations:

- Make no effort to coordinate their philanthropy with other local and national partners – and thus exacerbate “projectitis.”
- Accept the cult of the superintendent as CEO and “superman.”
- Stop paying attention and monitoring for specific changes after a plausible strategy is set.

Grantmakers need to be smarter about choosing their partners and ensuring there is common understanding about the goals of the work to be undertaken and the results to be achieved. Collaboration and common cause – rather than philanthropy’s more typical “we-know-best” hubris – are needed, and foundations should avoid putting all their bets on a single charismatic leader or player.

Grantmakers also should encourage experimentation and different approaches for improving governance, data use, incentives and accountability. Too little is known about which models are most effective – and too many efforts have been unsuccessful – for foundations to choose one simple solution and demand a district work in one way.

### **Observation #3: Encourage due diligence, collaboration and clear goals.**

Attendees at GFE's seminar agreed that foundations need to insist on stronger investment partnerships, "deals" with district leadership if you will, when making grants. The partnerships should be grounded in greater clarity about goals and how they will be accomplished, common understandings about what happens if district governance changes or leadership turns over, and firm exit strategies. Investments should happen in partnership with districts and perhaps other foundations with clear, common understanding of goals, strategies and results sought.

Grantmakers need to better consider a district's circumstances, capacity and commitment; the capacity of the broader community and the presence of unused community assets; the willingness of other philanthropies to coordinate action; and their own capacity to initiate and monitor.

To create more productive relationships with school districts, grantmakers should commit to:

- Perform due diligence in urban districts – examining commitment, coherence and capacity – before making awards, even for pilot or model projects.
- Give only when both the board and superintendent sign on to one reform strategy.
- Consider how the district can commit itself to sustaining innovations after the grant cycle is completed, and define in advance the conditions for continued giving.
- Insist on close tracking of "leading indicators" of student achievement and progress.
- Coordinate among philanthropies – both locally and nationally.
- Look for ways outside groups and leaders can lend stability and run political interference, so reforms have time to happen.

### **Next steps: Smarter grantmaking**

To support foundations who work in urban schools, attendees at the Pittsburgh meeting encouraged Grantmakers for Education to consider these issues:

- Sponsor a critical friends approach, such as "walk-through visits" from peer grantmakers to examine district work.
- Offer sessions for foundation trustees that help them understand the complexities of investing in urban systems.
- Help smaller foundations find ways to collaborate and cooperate on grants in urban districts.
- Encourage broader sharing of program evaluations.
- Regularly convene funders to continue working on the problems and strategies of investing in urban schools.

***In preparing this report, GFE appreciated the writing assistance James Harvey and the counsel of Robert Koff of the Danforth Foundation and Joe Dominic of the Heinz Endowments.***

## ATTENDEES

### **Presenters**

Susan Brownlee, *Grable Foundation*  
Larry Cuban, *Stanford University*  
Jim Harvey, *Harvey & Associates*  
Paul Hill, *University of Washington*  
Eloise Hirsch, *Mayor's Commission on  
Public Education (Pittsburgh)*  
Gerry House, *Institute for Student  
Achievement*  
Maxwell King, *Heinz Endowments*

Don McAdams, *Center for Reform of  
School Systems*  
Tom Murphy, *Mayor of Pittsburgh*  
Bill Purcell, *Mayor of Nashville*  
Ralph Smith, *Annie E. Casey  
Foundation*  
William Trueheart, *Pittsburgh  
Foundation*

### **Conveners**

Joseph Dominic, *Heinz Endowments*  
Robert Koff, *Danforth Foundation*

William Porter, *Grantmakers for  
Education*

### **Participants**

Corinne Allen, *Benwood Foundation*  
Gerry Balbier, *Heinz Endowments*  
Candace Bell, *William Penn Foundation*  
Julie Bell, *National Conference of State  
Legislatures*  
Linda Braund, *Heinz Endowments*  
Chip Burke, *Grable Foundation*  
Richard Curcio, *Lucent Technologies*  
Veronica Davey, *Broad Foundation*  
Elizabeth Duffy, *Ball Foundation*  
Mary Lee Fitzgerald, *Wallace-Reader's  
Digest Funds*  
Jeff Glebocki, *George Gund Foundation*  
Paul Goren, *Spencer Foundation*  
Leslie Graitcer, *BellSouth Foundation /  
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Patricia Grey, *Pittsburgh Foundation*  
Ellen Hershey, *Stuart Foundation*  
Bob Hill, *Ball Foundation*

Marc Hill, *Mayor's Office of Children &  
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Mark Kenney, *Ewing Marion Kauffman  
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Hayes Mizell, *Edna McConnell Clark  
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Doug Root, *Heinz Endowments*  
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