

## Background

In addition to traditional grantmaking, Rose Community Foundation has a long history of supporting public policy measures that have potential to advance its philanthropic priorities in aging, children and families, health and P-12 education. Usually, its public policy grants are to support research, education, organization and advocacy. Less often, the Foundation has awarded grants to issue-oriented political measures, both to support the development of ballot measures and to fund campaigns—sometimes both. The rationale for supporting this work is twofold: to advance innovative solutions that correspond to the Foundation’s program priorities, and to leverage resources in ways that greatly expand funding to implement programs and services within the Foundation’s mission and programmatic scope.

### About Amendment 66

In 2013, the Colorado legislature passed SB-213, a comprehensive revision of the Colorado Public School Finance Act. To implement SB-213, Colorado would require substantially more revenue. The Great Recession deeply eroded the state’s per-pupil support for school districts. Public education advocates, legislators, governor’s staff and community leaders collaborated to develop a funding solution—a two-tiered state income-tax increase to initially raise approximately \$950 million annually for reforms in SB-213. This proposal took shape as Amendment 66, a citizen initiative on the November 2013 ballot.

SB-213 included formulas to redistribute state funding to promote equity among school districts across the state. It also increases funding for English-language learners and special education students. Amendment 66 would create funding streams for quality preschool programs; full-day kindergarten; longer school days and school years; professional development, evaluation and career incentives for teachers; support for charter schools and more. It called for transparency and accountability in spending and reporting of results.

The Foundation had helped pioneer many innovations included in SB-213 and would be funded by Amendment 66. The two measures also built upon prior reform work. It was the second of two sweeping education reform laws passed since 2010, attracting national attention. Amendment 66 was developed by community and political leaders and vetted through extensive polling and focus groups.

### The Campaign: Colorado Commits to Kids

Colorado Commits to Kids (CC2K) was the campaign to pass Amendment 66. Its charge was to mount a statewide campaign that featured both a hefty advertising budget and a vast field campaign. It set an ambitious fundraising goal of \$10-12 million.

CC2K’s early polling data provided reasons to be optimistic. Campaign strategists were confident that a well-crafted media strategy and a strong field campaign would motivate likely voters to support improvements in the state’s schools. While

there was little organized opposition to Amendment 66, many who opposed it or had doubts remained quiet throughout the election season. In retrospect, it is easier to see the underlying dynamics that created headwinds against Amendment 66’s success.

First, not one Republican legislator voted for SB-213, even though some supported portions of it. Second, Amendment 66 was a tax increase, an inherent “nonstarter” for Republican voters and office holders. It was, in fact, the largest tax increase in Colorado’s history. Despite CC2K’s efforts, no prominent Republican endorsed Amendment 66. Third, it was a two-tiered increase, with a higher rate on incomes over \$75,000. Many in the business community opposed the reintroduction of a graduated tax system; some influential pro-education business organizations chose to either oppose it or to remain neutral.

CC2K’s campaign faced other hurdles. Amendment 66 was very complex and difficult for voters to understand, and a short campaign season allowed little time to educate voters about it. No outspoken champion campaigned vigorously for it. The 2013 ballot was the first-ever all-mail ballot, a factor that had unknown implications for turnout or voter behavior. In the larger political context, two unpredictable factors shook public confidence in government: the 2013 U.S. government shutdown due to Congressional inaction, and the disastrous rollout of healthcare.gov, the Affordable Care Act’s insurance website. Perhaps most important, few of the most prominent voices in education—including the state teachers union, district school boards and superintendents—became active, vocal proponents of Amendment 66. In fact, the teachers union planned to sue the state over tenure-related issues in SB-213.

In one important respect, the CC2K campaign was highly successful; it raised more than \$11 million including \$1-million donations from Bloomberg Philanthropies and Bill and Melinda Gates, as well as six-figure gifts from philanthropic donors ranging from conservative to progressive. Campaign leaders credited Rose Community Foundation’s early donation of \$200,000 as a major factor that helped secure additional funding.

## The Result

**A** amendment 66 was soundly defeated by a 66% to 34% margin. In the CC2K campaign's final report to Rose Community Foundation, it cited many of the challenges listed above as factors in the defeat, despite consistent polling numbers that showed Amendment 66 in a "tight race" up through the weekend before election day.

### Lessons Learned: Implications for Rose Community Foundation

Rose Community Foundation's previous experience in funding ballot measures is a mixed history of wins and losses. However, some of the wins have been transformative: the creation and funding of the Denver Preschool Program (\$12 million annually), the implementation of the ProComp teacher-compensation system in the Denver Public Schools (\$25 million annually), and passage of Colorado's Referendum C, which freed hundreds of millions of dollars in state revenue from constitutional restrictions and redirected it to voter-approved public purposes.

If Amendment 66 had passed, it would have transformed education in Colorado. This was clear when the Foundation's board of trustees approved the Foundation's campaign contribution despite opposition within the board and other Rose Community Foundation constituents, including some donors. Advocates for Amendment 66 cited the Foundation's history of taking significant risks to advance its program priorities. Opponents did not dispute the validity of Rose Community Foundation's role in funding *ballot measures*; they did not support this *particular proposal*.

During the campaign, the Foundation communicated clearly and openly with its constituents about its decision to support Amendment 66. Even opponents appreciated the Foundation's leadership and integrity in standing up for its values. After the campaign, the Foundation held two debriefing meetings—one with the board of trustees and another with other funders who supported the measure. The Foundation's trustees, executive leadership and program experts are committed to learning from experiences—both successes and failures.

Several key lessons from the Amendment 66 experience can be applied to Rose Community Foundation's future consideration of grants to support political measures.

- It is not sufficient to contribute to an issue campaign based solely on programmatic fit or institutional values. It will be important to assess the campaign organization's capacity

to be successful. While a grantmaking organization has expertise in assessing a nonprofit grantee's organizational capacity to perform, it is not likely to have the expertise to assess a campaign organization's ability to perform.

- Foundation culture and political culture are almost diametrically opposed in their goals (short-term vs. long-term), operating styles (reactive, in-the-moment vs. proactive, thoughtful), relationship patterns (transactional vs. collaborative) and timing considerations (urgent vs. methodical). To work effectively with a political campaign, Foundation leaders and staff must be prepared to suspend "business as usual."
- Consider the long view and what the Foundation's continued commitment to the issue may require and how it would look.
- Risk assessment must consider the impact of political conflict within the organization and its most important constituents—trustees, committees, donors, grantees and staff. It must also consider reputation management in terms of media coverage the ability to maintain favorable relations across a diverse political spectrum. Today's opponent may be tomorrow's ally.

### In Conclusion

Rose Community Foundation will likely continue to respond to opportunities, or play a leadership role in ballot measures that have the potential to bring about innovative change that improves the quality of life for people and communities it supports. This is consistent with its mission and its history of community leadership. The lessons of Amendment 66 add a dimension of maturity to the Foundation's approach to political efforts. In the future, the Foundation will apply these lessons by conducting more deliberate, formal assessments of the political context and the campaign organizations seeking support. It will conduct an internal scan to assess risk to relationships. Finally, it will seek a more influential, participatory role in any campaign it chooses to support.

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