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THE FUNDING LANDSCAPE

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Both Private Foundation and Federal Grants Are Distinct Components of Maine's Educational Funding Landscape

Foundation Funding

- The 15 largest Maine foundations dedicate $\frac{3}{4}$ of their grants to Maine organizations and $\frac{1}{4}$ to education in Maine
- Based on estimates for the year 2000, local and national foundations contribute over **\$14M** annually to education in Maine (*based on analysis of publicly available data*)
 - Over 60% of these contributions are made by foundations in Maine
 - Giving is highly concentrated, with 3 foundations accounting for $\frac{1}{2}$ the funding and 15 foundations accounting for 87% of the funding – most foundations give major grants of over \$100,000
 - By purpose: 60% of grant funding goes to capital improvements, scholarships, and faculty positions – only a handful of grants other than scholarships could be classified as focused on *Gap to College*
 - By type of recipients: 69% of grant funding is given to private colleges and universities, private K-12 schools, or public universities – very few major foundations have given educational grants to community based nonprofits or the public K-12 schools

Federal Funding

- Based on the year 2000 funding, the Federal Government provided over **\$27M** in education grants to Maine, \$7M for programs seeking to address the *Gap to College*
 - Grants average over \$750,000 and are generally directed to the state department of education for redistribution to K-12 schools or to higher education institutions

Alignment with *Gap to College*

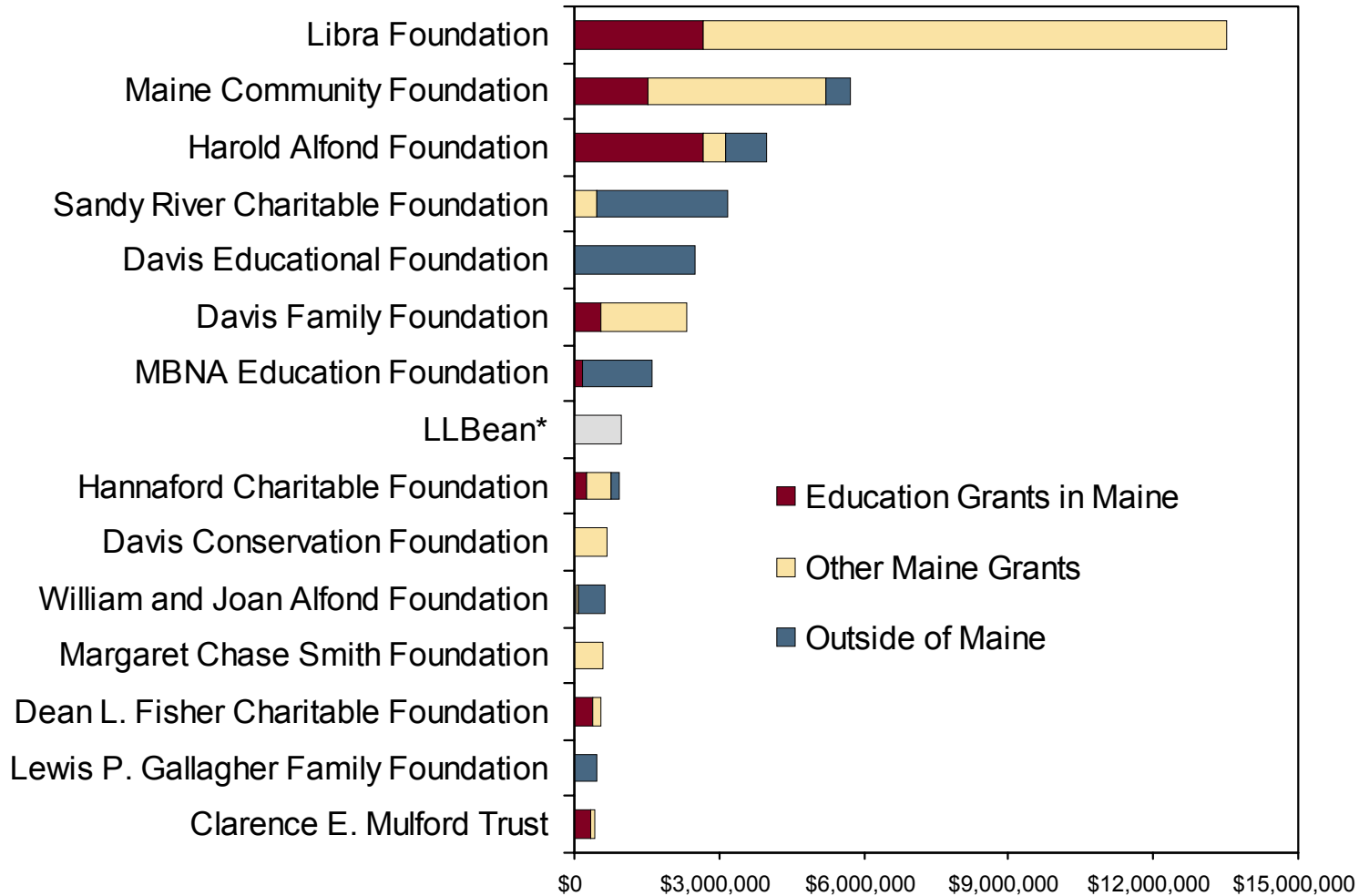
- A few major foundations have demonstrated interest in *Gap to College* issues in Maine – Maine Community Foundation, Nellie Mae Education Foundation, and MBNA Education Foundation – although the priorities of other funders do not exclude *Gap to College* issues
- Federal funding is more focused on *Gap to College*, with $\frac{1}{4}$ of \$27M in competitive grants dedicated explicitly to the issue – the programs funded by these grants represent both important *Gap to College* direct service experience and components of a system of support around which other efforts can be coordinated

An Overview of the Funding Landscape Confirms *Gap to College* Is An Attractive Area For MELMAC to Provide Foundation Leadership

- MELMAC is poised to become a significant player in the funding landscape
 - If MELMAC were to grant \$1.5M per year, it would become the **8th largest foundation in Maine**, the **4th or 5th largest education funder** and represent **10% of foundation grants to education in Maine**
 - Few foundations active in Maine give grants to community based nonprofits or the public K-12 schools
 - o If MELMAC were to focus its grantmaking on community-based nonprofits or K-12 schools, it would account for as much as **50% of foundation funding in Maine** to either type of institution
- Given limited foundation grantmaking focused on *Gap to College* issues other than scholarships, MELMAC's resources can make a significant difference, particularly with a strategy that identifies targeted needs and is coordinated with gaps in Federal resources
- Few foundations active in Maine are pursuing a strategy focused on defined educational needs
 - However some, including the Maine Community Foundation, the Nellie Mae Education Foundation, and perhaps the Gates Foundation, are currently working to define strategic initiatives addressing the *Gap to College*
 - A few other major foundations, such as the Harold Alfond Foundation and the Libra Foundation, appear more inclined to fund youth development initiatives
- There are **opportunities for leadership** and **collaboration** presented by the mandate established by the 2002 Maine Symposium on Higher Education for the People of Maine

Maine's 15 Largest Foundations Granted \$38M in 2000, 73% of Which Was Granted to Maine Organizations, 23% to Education in Maine

Top 15 Maine Foundations – Based on Grants Made in 2000

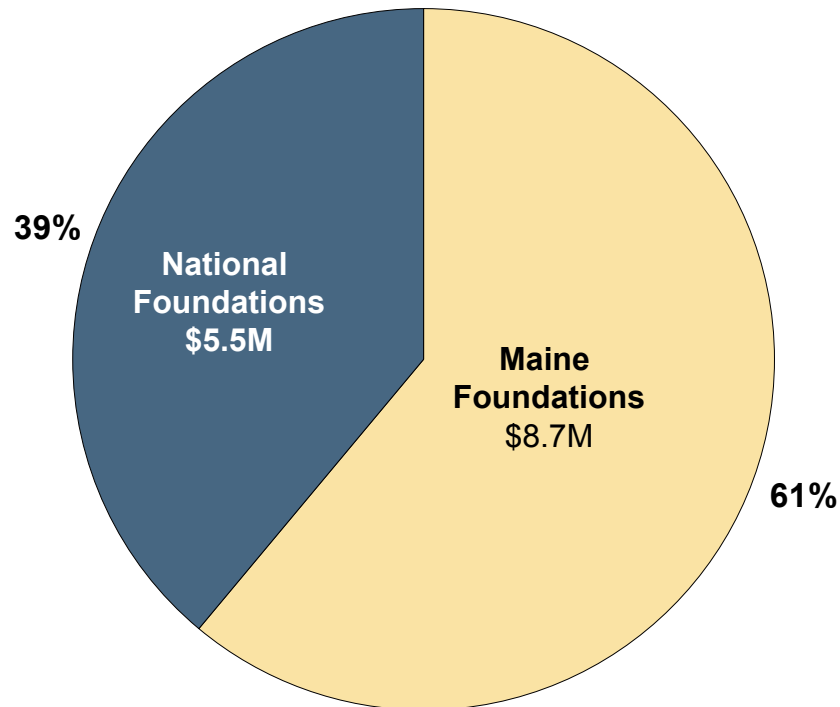


* Majority of LLBean funding is not focused on education, and much of it is out-of-state. LLBean giving is corporate, rather than Foundation giving and not included in other analysis as not considered a foundation.

Source: FSG Analysis of data from Foundation Center and individual foundation 990s; The MBNA Education Foundation is located outside of Maine, but has grantmaking staff in the state of Maine.

Maine Foundations Accounted for 61% of \$14M in Education Grants to Maine Recipients by Private Foundations in 2000

Foundations Contributing to Education in Maine – Based on Grants Made in 2000

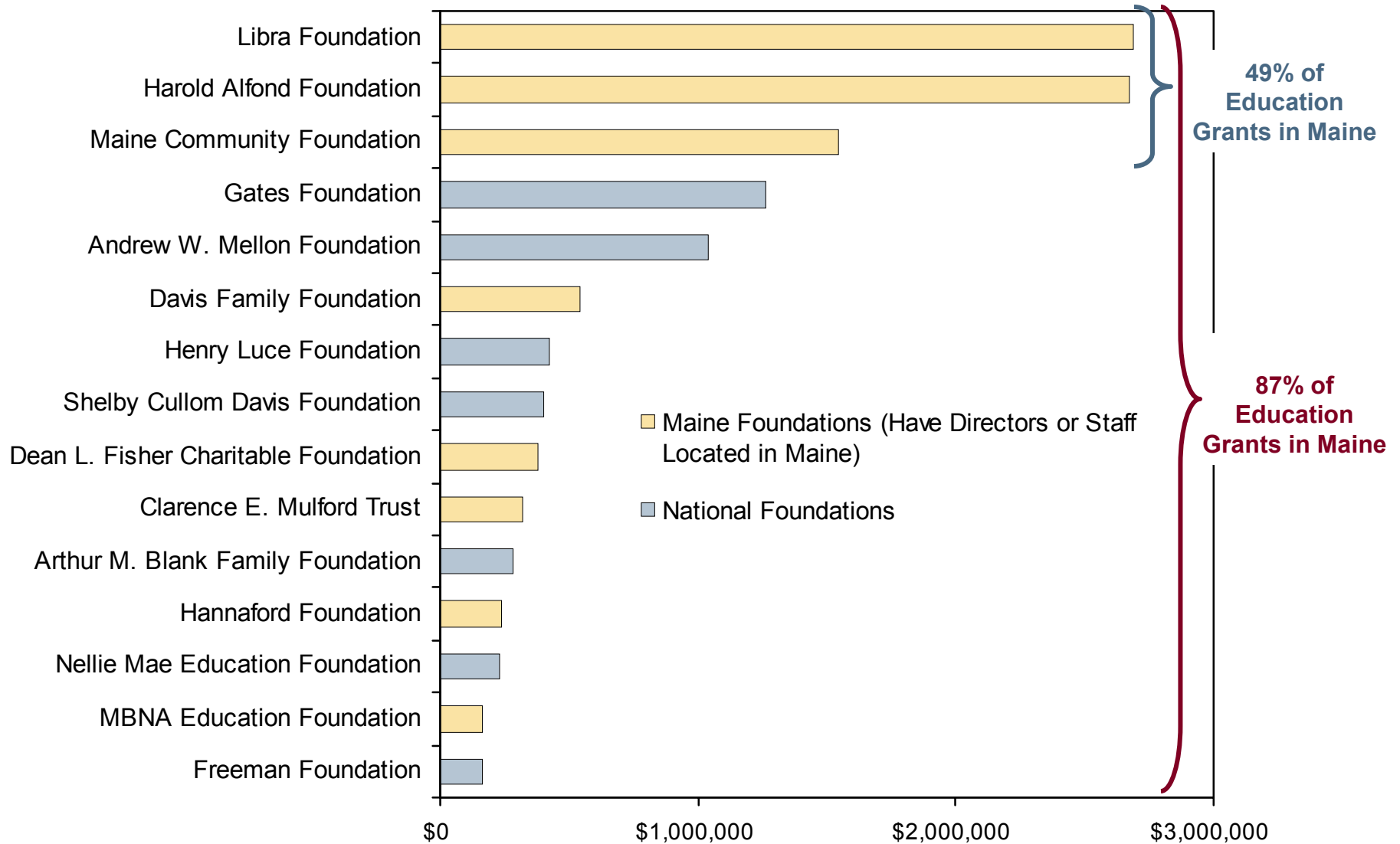


Source: FSG Analysis of data from Foundation Center and individual foundation 990s; LLBean excluded, as not a foundation

Foundation Funding - Concentration

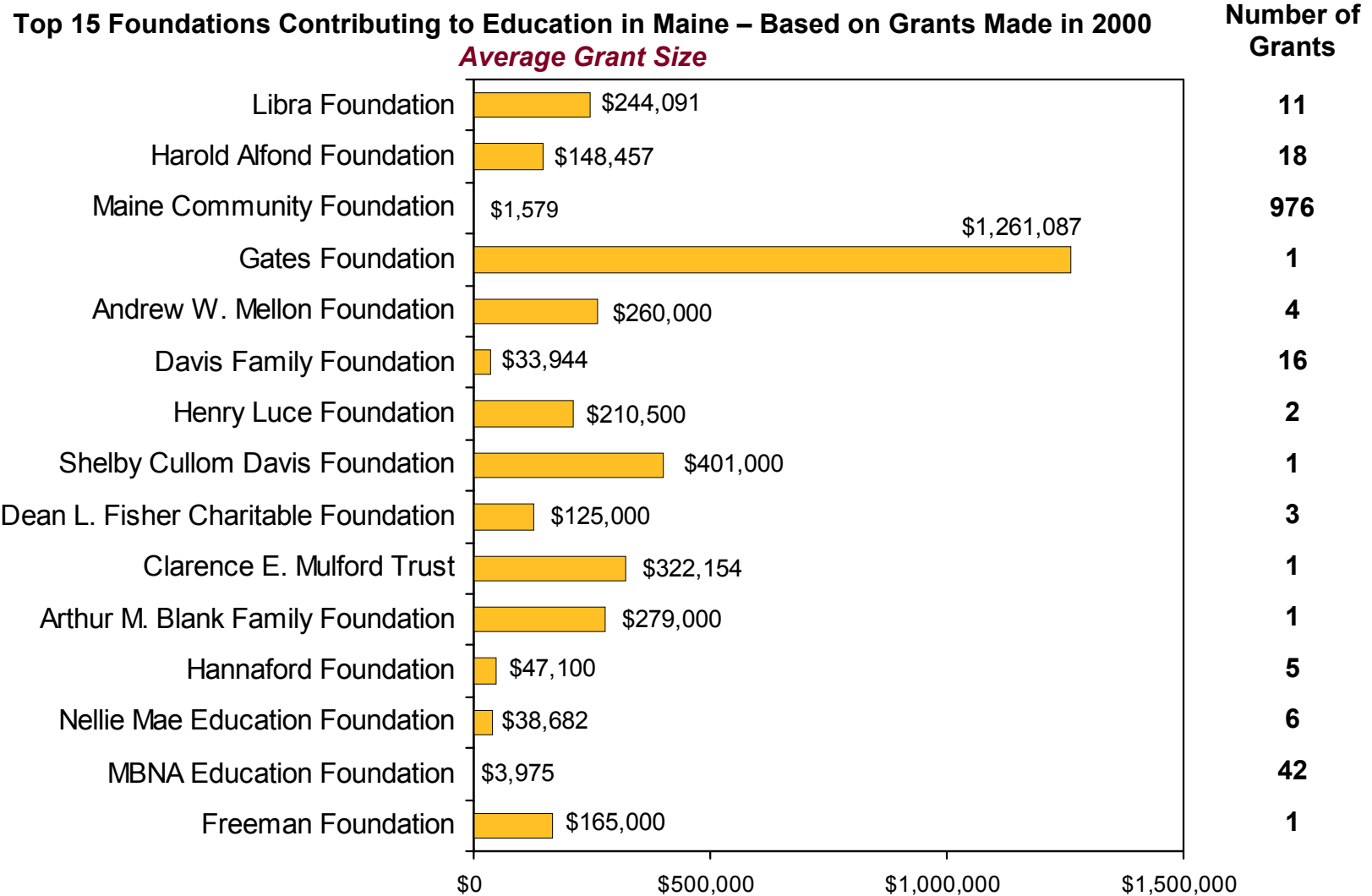
In 2000, the Top 15 Local and National Foundations Accounted for 87% of Education Grants in Maine – The Top 3 Account for 49%

Top 15 Foundations Contributing to Education in Maine – Based on Grants Made in 2000



Source: FSG Analysis of data from Foundation Center and individual foundation 990s, LLBean excluded, as not a foundation

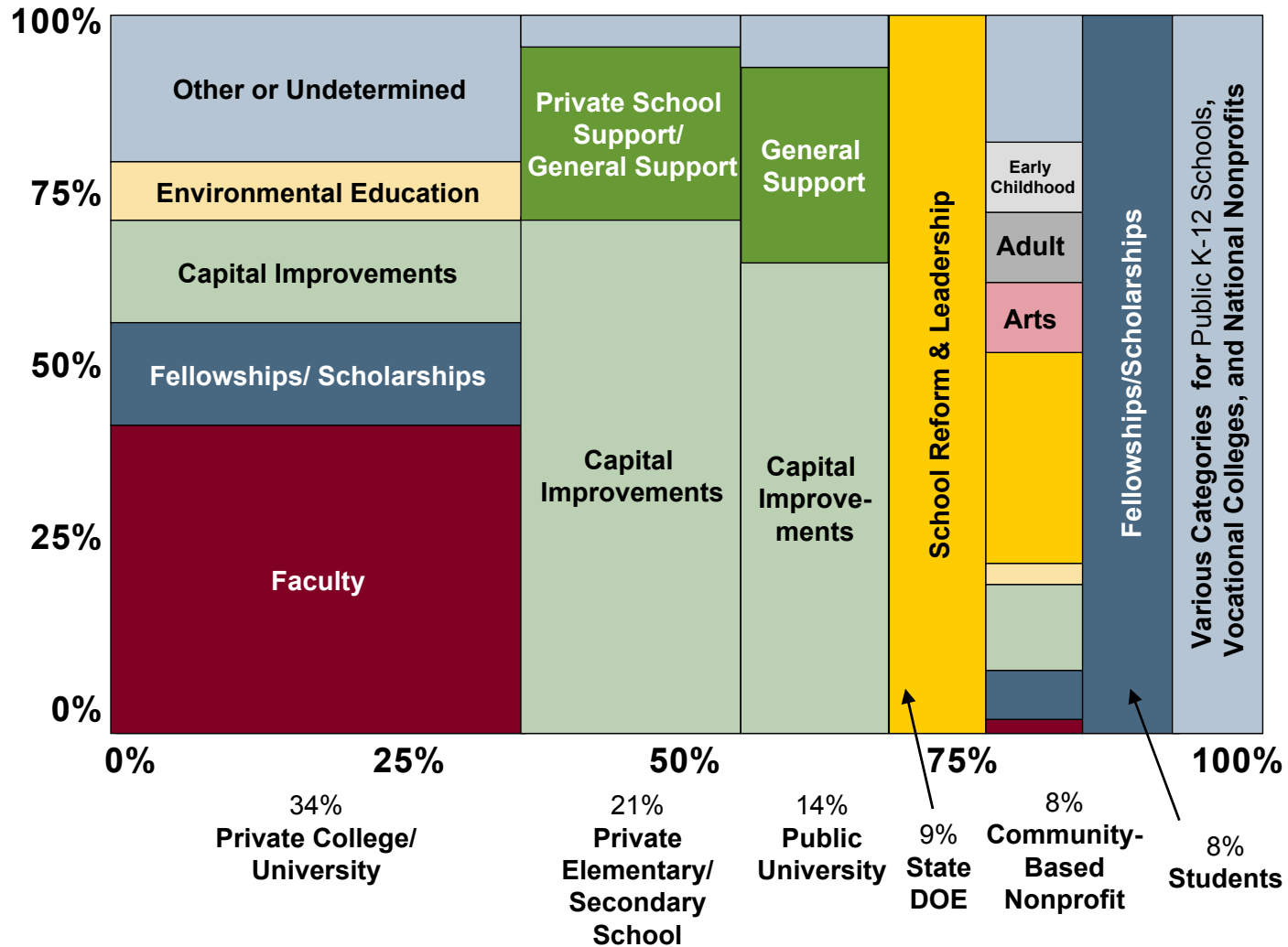
The Majority of the Grants by the Top 15 Foundations Funding Education Tend to Be Major Gifts of Over \$100,000



Source: FSG Analysis of data from Foundation Center and individual foundation 990s, LLBean excluded, as not a foundation

Grants Are Primarily to Colleges and Universities and Private Schools for Capital Improvements, Scholarships, Faculty, and General Support

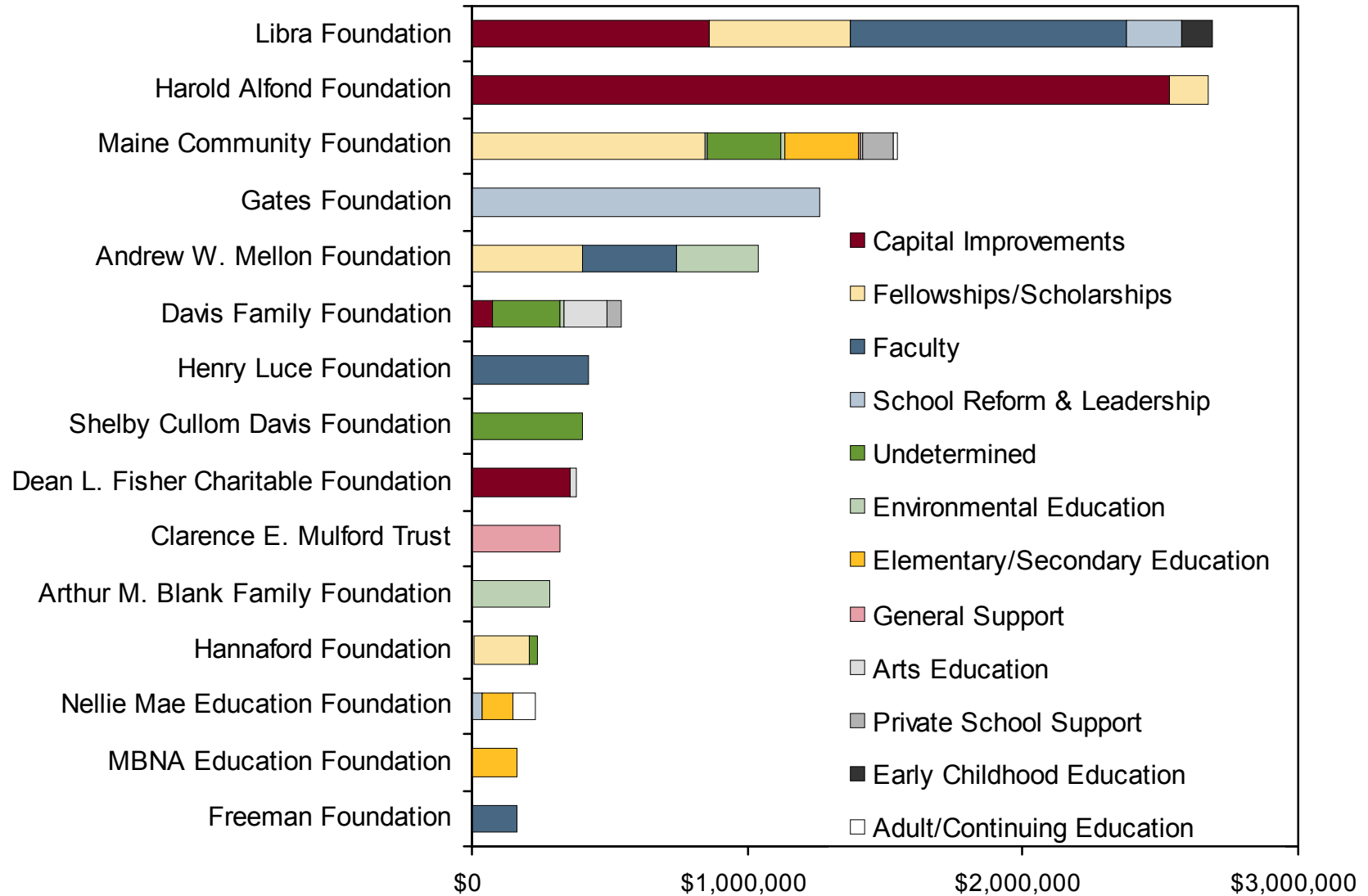
Foundations Contributing to Education in Maine – Based on Grants Made in 2000
Distribution of \$14M in Education Grants by Type of Institution and Purpose



Source: FSG Analysis of data from Foundation Center and individual foundation 990s, LLBean excluded, as not a foundation

Libra, Harold Alfond, and the Maine Community Foundation All Concentrate Over 50% of Gifts on Capital Improvements and Scholarships

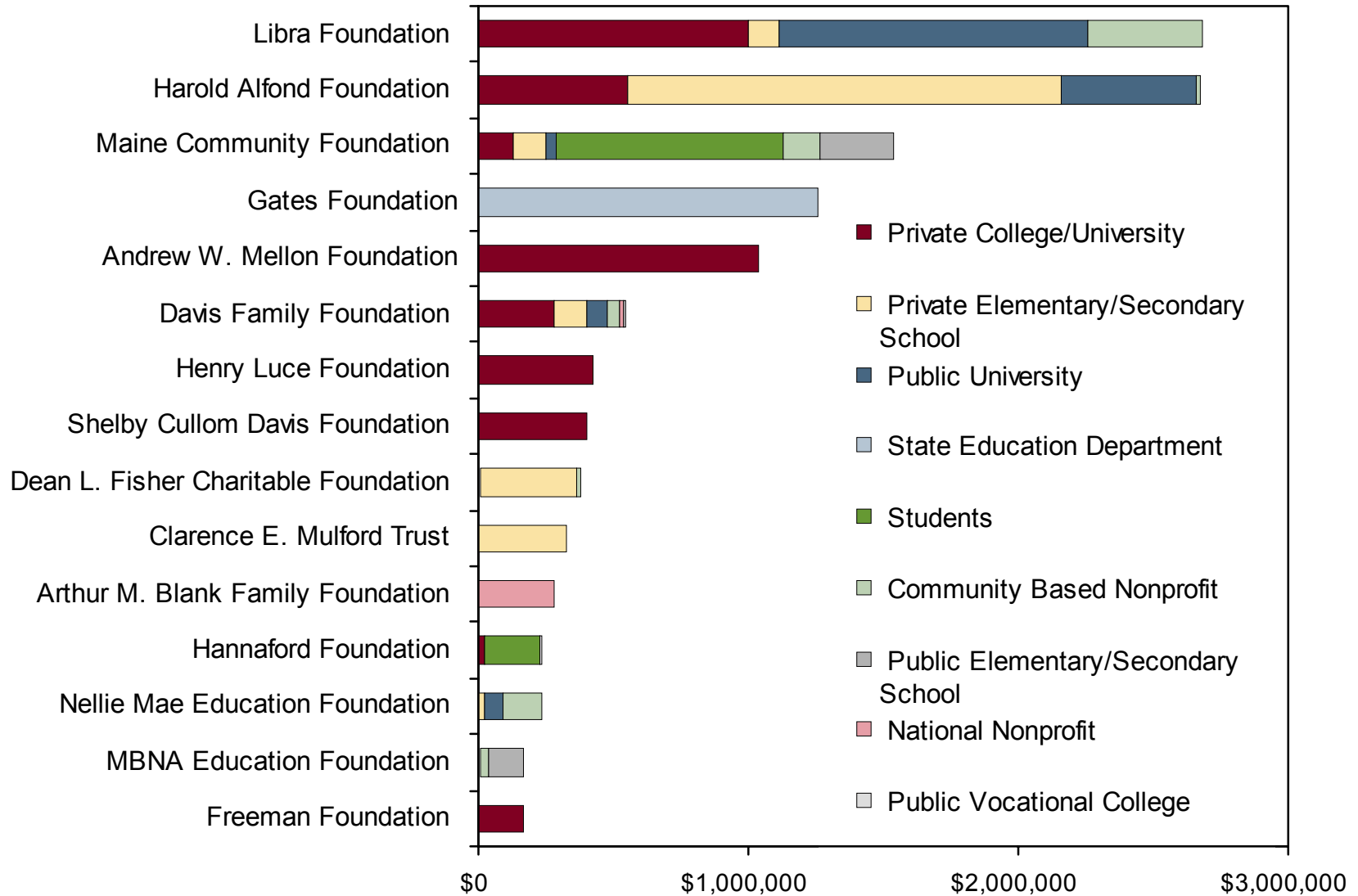
Top 15 Foundations Contributing to Education in Maine – Based on Grants Made in 2000



Source: FSG Analysis of data from Foundation Center and individual foundation 990s, LLBean excluded, as not a foundation

The Largest Foundations Rarely Give Directly to Public K-12 Schools or Community Based Nonprofits

Top 15 Foundations Contributing to Education in Maine – Based on Grants Made in 2000



Source: FSG Analysis of data from Foundation Center and individual foundation 990s, LLBean excluded, as not a foundation

Only A Handful of Foundation Grants in 2000 Have Focused Explicitly on *Gap to College* Issues

<u>Examples</u> of Non-Scholarship Grants Related to the <i>Gap to College</i>		
Recipient	Grant Amount	Purpose
Maine Migrant Family Resource Center	<ul style="list-style-type: none"> • \$19,800 	<ul style="list-style-type: none"> • To help provide training for tutors and mentors in the Maine State GEAR UP program
University of Maine, Farmington	<ul style="list-style-type: none"> • \$50,000 	<ul style="list-style-type: none"> • To support a partnership between a local public middle and high school, a university, and corporate partners to provide middle and high school students with courses, mentoring, tutorial support to improve their chances to successfully pursue post-secondary education

“There has been very little funding for changing the direction of higher education in Maine. But too much of the problem is that I’m not sure what we would do with the money if we had it.”

- Hank Schmelzer, Maine Community Foundation

Going Forward, Several Foundations’ Current Priorities Are Aligned with *Gap to College* Issues in Maine

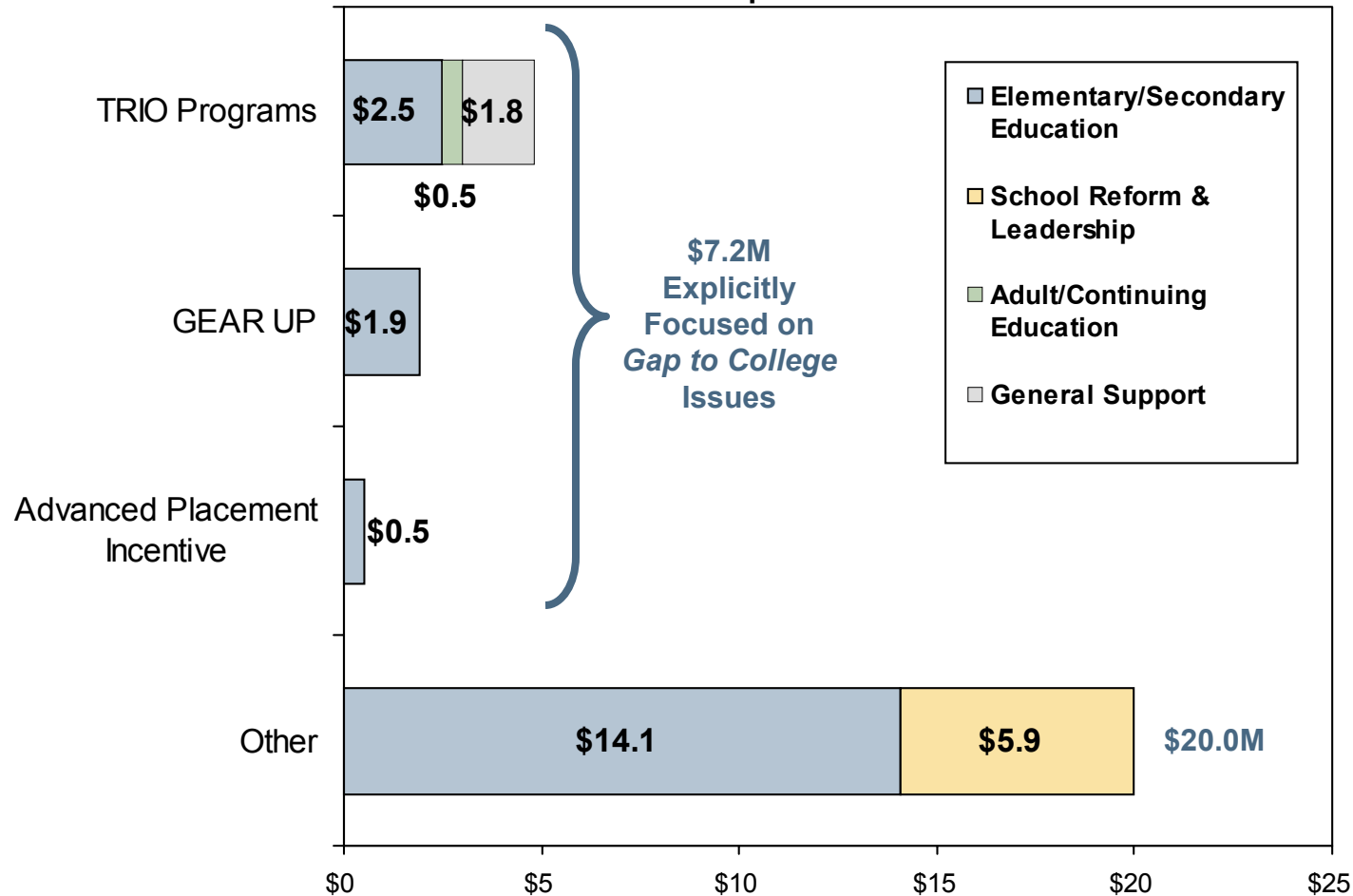
Foundation	Resources (Year 2000)	Priorities	Alignment with <i>Gap to College</i>
Maine Community Foundation	<ul style="list-style-type: none"> Assets of approximately \$100M \$1.5M in education grants in Maine – increasing to \$3.2M in 2001 	<ul style="list-style-type: none"> Making grants across a broad range of subject areas including education Providing leadership to define and address educational priorities across Maine 	<ul style="list-style-type: none"> Co-sponsor of the 2002 Maine Symposium, <i>Higher Education for the People of Maine</i> Currently planning a collaborative effort to define goals and actions to achieve higher educational attainment in Maine Providing ongoing support of the Mitchell Institute and many other college scholarship programs
Nellie Mae Education Foundation	<ul style="list-style-type: none"> Assets of over \$350M \$0.2M in education grants in Maine – though has increased in 2001 and 2002 	<ul style="list-style-type: none"> Four education initiatives across New England: <ul style="list-style-type: none"> – Adult Literacy – College Prep – Out-of-School Programs – Minority High Achievement 	<ul style="list-style-type: none"> Beginning to develop a strategy for the Foundation’s <i>College Prep</i> initiative, with a potential focus on rural college persistence Currently funding a New England-wide initiative supporting adult literacy programs in adding a <i>Transition-to-College</i> component to support GED students as they pursue higher education
Gates Foundation	<ul style="list-style-type: none"> Assets of over \$20B Recent grants of over \$1M to education in Maine 	<ul style="list-style-type: none"> Relatively new focus on education in rural areas 	<ul style="list-style-type: none"> New strategic focus on strengthening high schools and increasing college attendance and graduation rates – <i>expect to speak with foundation representatives to learn more</i>
MBNA Education Foundation	<ul style="list-style-type: none"> Assets of \$24M \$0.2M in education grants in Maine 	<ul style="list-style-type: none"> Primarily focused on education Eligible communities in Maine: Knox County, Waldo County, MSAD #1 (Presque Isle), MSAD #9 (Farmington), MSAD #27 (Fort Kent), Islands area 	<ul style="list-style-type: none"> Supporting “results-oriented programs that make significant and positive differences in the quality of education” Currently funding grants for teachers, school administrators, and other educators for programs in K-12 schools Providing support for college scholarships

There Are Significant Opportunities for MELMAC to Act In Collaboration with Other Private Funders, Sharing Expertise and Resources

- The Maine Community Foundation and the Maine Development Foundation, sponsors of the 2002 Maine Symposium on Higher Education, are convening a group of leaders to define and achieve the vision of higher education for all Maine people
 - *“We’re talking right now about different types of leadership to bring to the table. Our role is to get it rolling and nudge it along. I expect us to be defining 10-15 year goals over the next 12-18 months.”* – Hank Schmelzer, Maine Community Foundation
- MCF and MDF expect that MELMAC will play a key leadership role, providing expertise and resources – and directing some of the collective effort towards the priorities MELMAC identifies
 - *“I would expect that MELMAC would be involved in the goal setting for the state, that they will provide funding, and that they will draw out key issues and help come up with solutions – playing the role of an expert in the field... We will need a 15-20 year commitment to these goals and will always need a stoking of the fires.”* – Hank Schmelzer, Maine Community Foundation
 - *“If a funder is clear about what it wants to do and is narrowly focused, then it educates all of us about what is needed, and in doing so, generates a lot of enthusiasm.”* – Henry Bourgeois, Maine Development Foundation
- Other key foundations may be interested in exploring collaborative relationships with MELMAC
 - *“It’s valuable to find as many partners as possible. We’re certainly interested in Maine and in rural persistence issues – when you know what you’re going to do, let us know.”* – Gene Lee, Nellie Mae Education Foundation
 - *“Gates has been giving major grants to education in Maine. They have decided to be about strengthening high schools and getting more Americans to graduate from college... They love partnerships with other foundations doing things they believe in... You could actually find yourself with a mission that is extremely close to the Gates Foundation.”* – Duke Albanese, Commissioner, Department of Education

Over 1/4 of \$27M in Federal Grant Funding Is Focused Directly On Issues Pertaining to the *Gap to College* In Maine

Federal Department of Education Competitive Grants –
Based on Reported Grants for 2000



Over 90% of the Federal grant funds are dedicated to education at the elementary/secondary level and to K-12 school reform and leadership

Source: US Department of Education

TRIO Programs Are By Definition Focused on the *Gap to College*

Federal TRIO Program	Priorities	Target Population	Eligible Institutions	2000 Maine Awards
Upward Bound	<ul style="list-style-type: none"> Provide fundamental support to high school students preparing for college entrance 	<ul style="list-style-type: none"> High school students from low-income families, families in which no parent has a bachelor's degree, and low-income first-generation military veterans 	<ul style="list-style-type: none"> Post-secondary institutions Nonprofits Secondary schools in exceptional cases 	<ul style="list-style-type: none"> Bowdoin College - \$413,360 University of Maine - \$500,880 and \$266,498 for a specialized math/science program University of Maine, Farmington - \$305,700 University of Maine, Presque Isle - \$212,778 University of Southern Maine - \$266,498
Talent Search	<ul style="list-style-type: none"> Identify and assist high potential students from disadvantaged backgrounds to succeed in higher education Encourage HS dropouts to reenter educational system 	<ul style="list-style-type: none"> Individuals from disadvantaged backgrounds who have the potential to succeed in higher education HS dropouts 		<ul style="list-style-type: none"> University of Maine - \$417,360
Educational Opportunity Centers	<ul style="list-style-type: none"> Provide counseling and information on college admissions to non-traditional students 	<ul style="list-style-type: none"> Adults who want to enter or continue a postsecondary education program 		<ul style="list-style-type: none"> University of Maine - \$531,766
Student Support Services	<ul style="list-style-type: none"> Provide opportunities for academic development Assist students with basic college requirements Motivate students toward successful completion of postsecondary education 	<ul style="list-style-type: none"> Enrolled students at postsecondary institutions 		<ul style="list-style-type: none"> Post-secondary institutions

Source: US Department of Education

Several Other Programs, While Not Part of TRIO Legislation, Are Also Focused Explicitly on *Gap to College* Issues

Federal Program	Priorities	Target Population	Eligible Institutions	2000 Maine Awards
GEAR UP	<ul style="list-style-type: none"> • Provide early college awareness activities, improved academic support, information on paying for college, and scholarships • Increase college-going rates among youth by supporting locally-designed partnerships between colleges and low-income middle schools, as well as other partners 	<ul style="list-style-type: none"> • Primarily middle school students 	<ul style="list-style-type: none"> • Institutional partnerships 	<ul style="list-style-type: none"> • Maine State Department of Education - \$1,746,400 • University of Maine, Farmington - \$164,984
Advanced Placement Incentive	<ul style="list-style-type: none"> • Reimburse cost of AP test fees for low-income students • Develop programs targeting low-income students to: <ul style="list-style-type: none"> – Increase enrollment in AP classes – Increase participation in AP tests – Increase availability of AP courses 	<ul style="list-style-type: none"> • Low-income students participating in Advanced Placement coursework 	<ul style="list-style-type: none"> • Secondary schools (students) 	<ul style="list-style-type: none"> • Maine State Department of Education - \$532,000