Exercising its Goff-given powers, the Distribution Committee of The Cleveland Foundation had come over the course of the next seven decades to award grants four times a year, in March, June, September and December.

The process by which the Foundation arrived at its grantmaking decisions was, by the late eighties, painstaking. Whether submitted "over the transom" or invited, grant proposals were first read by the director, who then assigned the requests to one of the Foundation's program officers, each an expert in a certain field—namely, civic affairs, cultural affairs, economic development, education, health or social services. The program officer was expected to investigate the merits of the request by the means of interviewing the grant seekers and visiting their operation. Afterward the program officer wrote a three-to-six-page report, explaining the reasons why he or she believed the request should be approved or declined and, in the case of the former, recommending the amount of the grant.

Dubbed the "blue sheets" because of the color of their paper, the reports were then read by a subcommittee of four or five Distribution Committee members assigned to the program area in question. At the quarterly meeting of the subcommittee, the program officer could be queried about his or her recommendations before the subcommittee members decided to accept, reject or modify them. At the end of each quarter the entire Distribution Committee would meet to approve the recommended grants, only rarely overruling the subcommittees' dis-
position. By the late eighties, some 400 or so proposals were evaluated in this dispassionate fashion each year.

Normally, the docket review meeting, at which Steve Minter and the program officers examined a log of all the grant proposals received that quarter, was a routine step in the evaluation process, serving to keep the members of the professional staff abreast of one another's work. But the 9:30 A.M. conference on May 19, 1987, held as always in the wood-paneled board room of the Foundation's offices, had taken on special urgency.

On the June docket was a grant proposal that had prompted school superintendent Al Tutela's urgent questioning of Minter after the annual meeting 10 days before. Submitted by the Greater Cleveland Roundtable, it asked The Cleveland Foundation to make the lead grant, for $3.75 million, to a new, $16 million universal scholarship and jobs program for Cleveland public school graduates. Because the staff had decided to recommend the program as the first component of the Foundation's Special Initiative in Education, it had been logged in to receive $3 million over three years. This paper commitment would provide the first indication of the impact of the Special Initiatives on the availability of funds, particularly unrestricted income, about which a word of explanation is in order.

Because donors to the Foundation have the right to earmark the charitable uses of their funds if they so desire, about 20 percent of the Foundation's annual income is restricted to such specific purposes as medical research or college scholarships. Another 40 percent is designated for more general applications, such as aid to sick, needy or crippled children. The remaining 40 percent of the Foundation's annual income has no limitations as to purpose. It is these loosely designated or totally unrestricted dollars—the envy of more rigidly endowed community trusts in most other cities—that provide the major means to be flexible and creative.

Ironically, as the Foundation's role in the community grew in scope and complexity because of its relative independence of action, its reliance on unrestricted income had intensified. The June 1987 log sheets revealed that launching the first Special Initiative would consume $1.3 million of the year's allotment of flexible dollars. Should all the other meritorious requests on the log be authorized, it appeared likely that more than $6 million of the $7 million in unrestricted funds available for the year would be allocated
after only the second round of grantmaking. This would leave scant room for maneuvering in the third and fourth quarters.

Clearly, in reaching for new heights of leadership, the Foundation was stretching its resources to the breaking point. Yet the thought of retrenching never entered anyone's mind, for the desire to be receptive to changing community needs represented the most fundamental of institutional impulses. Thus, in late June 1987, the Distribution Committee decided to award $3 million to the Roundtable's Cleveland Initiative for Education (CIE). The grant was the largest single award the Foundation had ever made.

Despite the cost and ambitiousness of the Cleveland Initiative for Education, which was touted by its organizers as "the most intensive, comprehensive campaign ever undertaken by a major American city to improve the quality of public education and motivate students to stay in school and graduate," the program had had intensely practical origins. Because it would become the cornerstone of the Foundation's Special Initiative in Education, those origins merit some discussion.

Al Tutela had needed a way to compete with the streets. He knew that in the eyes of too many Cleveland youths the road to riches began by standing lookout for the neighborhood pusher, not by studying books. How do you persuade kids whose only models of upward mobility are dealers and pimps that they can escape a life of poverty by graduating from high school?

Tutela, a former Boston public schools administrator who had come to town in 1978 to assist in implementing a federal court order to desegregate the Cleveland public schools, thought he might have an answer. Why not pay disadvantaged kids for getting good grades with cash from a designated scholarship fund? One A or B so rewarded would, he believed, breed more As and Bs and inspire a kid to stay in school. It was a little like learning to play basketball. If you never made a basket, pretty soon you gave up. But if you made even one basket out of 10, you would be motivated to continue shooting.

In 1985, during a stint as acting superintendent of public schools, Tutela had shared his idea with several community groups, including the Greater Cleveland Roundtable. But no one had run with it, and soon Tutela was no longer sitting in the superintendent's chair. A year later, when the outsider who had been hired as superintendent was abruptly fired and Tutela named to replace him, he had dusted off the idea and
presented it once again to the Roundtable. This time Tutela discovered a more appreciative audience in the organization whose creation in the early eighties The Cleveland Foundation had supported in order "to bring together the many diverse and often conflicting interests that make up the Greater Cleveland community to create a shared agenda for addressing Cleveland's priority economic and social concerns," as the Roundtable has described its purpose.

The Roundtable's newfound receptivity to Tutela's brainchild could be traced back to a consciousness-raising session at The Cleveland Foundation's annual board retreat in March 1986 that featured a report on the Boston Compact. Established in 1982 by Boston's corporate community as a matter of enlightened self-interest, the Compact promised jobs for qualified public school graduates in exchange for improvements in the schools' dropout rates and math and reading test scores—problem areas that affected the caliber of the local work force. Minter had invited several Compact representatives to speak at the retreat in order to make a point: Rather than stand around hoping public education in Cleveland would right itself, one could emulate the Boston corporate community and strike a bargain with the schools.

Inspired by the news that the Compact seemed to be working, "The Distribution Committee in executive session gave the signal to exercise a degree of leadership not attempted in the past," Steve Minter had reported afterwards in a thank-you note to Compact's director, who had attended the session.

... I am certain your comments will [also] find their way into next week's Greater Cleveland Roundtable retreat. The Roundtable, Cleveland's urban coalition, has been struggling with its education mission. Five of our Distribution Committee members are also Roundtable trustees, plus the two guests [Minter had invited to the] ... session are Roundtable education committee members. I should also point out that Richard W. Pogue, our chairman, is the new chairman of the Roundtable.

As Minter had predicted, at its April retreat the Roundtable board had designated primary and secondary education as its number-one concern; a month later the organization asked the Foundation for a $40,000 grant to fund a staff specialist in education. The request was approved in June 1986, at the same time that the Distribution Committee had allocated $30,000 for the preparation of a concept paper outlining how
the Foundation might become more "proactive"—a favorite bit of philanthropic jargon—vis-à-vis the schools. Now both organizations were primed to pursue a supportive relationship that had long been stymied by the instability and political infighting that had accompanied desegregation.

When Tutela took over as superintendent in August 1986, the Roundtable, among several other community groups, had immediately invited him in to speak. "Tell us what you want," Tutela remembered Dick Pogue instructing him. Tutela had not taken these engagements casually. He had enlisted the help of William A. Silverman, Jr., of Wm. Silverman & Associates, a Cleveland public relations firm specializing in political affairs that got its start in the sixties when Silverman was hired as a communications consultant to the mayoral administration of Carl B. Stokes, with the support of a grant from The Cleveland Foundation. The architect of Cleveland: Now!, Stokes's ambitious and controversial economic redevelopment program, Silverman had assisted Tutela in the preparation of a professional flip-chart presentation on "External Initiatives" that the superintendent hoped the business and philanthropic communities would fund. The chief component of this $37 million wish list had been a "Scholarship Endowment" of $30 million.

In September 1986, Jack Dwyer, chairperson of the Foundation's education subcommittee and a member of the Roundtable board, had attended Tutela's presentation to the Roundtable trustees, a gathering at which the business community had been well represented. "When he threw out the price tag, you could hear a pin drop," Dwyer said. According to Dwyer, the corporate community had nonetheless been gratified that "at least [it] had something to work with," after years of feeling powerless to effect change in the schools.

After Tutela's presentation, the Roundtable had assigned the task of scrutinizing the superintendent's proposals to its education subcommittee, chaired by John F. Lewis. The managing partner of the Cleveland law firm of Squire, Sanders and Dempsey, Lewis recognized from his experience as a past leader of the Playhouse Square theater restoration project that "very little happens in this community unless The Cleveland Foundation is involved." He had decided "early on" to seek Steve Minter's advice. "Steve said you'd be smart to send out a letter asking other people to get involved," Lewis recalled. "He realized that the education subcommittee didn't have much power. . . . There's a perception that
if something has the backing of Cleveland Tomorrow, it has the support of Cleveland’s corporations, while if it’s Roundtable-backed, its kind of mushy—you’re not sure where the corporations are.”

By mid-December the 18-member Ad Hoc Strategy Group on Education consisting, as a Foundation think piece had recommended, of “high-level leaders in the business, education and philanthropic communities with demonstrated track records in policy-making and volunteer service” had been assembled. (As he drove home from Boston after taking a college-age daughter back to Harvard the Sunday after Thanksgiving, Minter had supplemented Lewis’s letter to many of the prospective participants with a personal note of invitation issued via phone at various rest stops along the way.) For the six or seven months of its existence, the Strategy Group operated under the aegis of the Roundtable—an organizational detail that Dick Pogue had suggested to Minter in order to lend credibility to both the group and the Roundtable. By January a task force¹ was spun off to examine the feasibility of Tutela’s proposed scholarship program, which had no known models. “They really worked hard to try to find everything wrong with it,” Tutela would later claim. “They tore it apart and then came back up with it.”

The resulting $16 million Cleveland Initiative for Education initially consisted of universal postsecondary scholarship and employment programs called Scholarship in Escrow (SIE) and School-to-Work (STW). Scholarship in Escrow was based directly on Tutela’s notion that a sense of hopefulness about the future could be engendered in disaffected students by rewarding them with $40, $30 or $10 for, respectively, every A, B or C they earned in core academic subjects beginning in the seventh grade. However, rather than turning over millions of dollars to the Cleveland public schools, with its reputation for mismanagement, as Tutela had originally proposed, the task force had decided that the better part of wisdom called for placing all monies earned in a CIE-controlled account to be applied toward the student’s college tuition or postsecondary technical training. Concerned that personal problems or negative peer influence might undermine the impact of the incentive program, the task force had also recommended that an “advocate” be placed in each school to advise needy students on support services available throughout the community. The planners anticipated using federal job training monies to pay the advocates.
In exchange for the community's commitment to fund the scholarship side of the program for five years, the task force had decided that the following improvements in the performance of the school's 30,000 7th through 12th graders could be reasonably expected: (1) an increase from 45 to 55 percent in the number of seventh graders who graduated from high school; (2) a threefold increase—from 51 to 168—in the number of students qualified for unconditional admission to accredited state institutions; and (3) a 60 percent increase—from about 700 to 1,100—in the number of students taking the American College Test (ACT) that most colleges use as a criterion for admission. If these improvements were realized, SIE would be deemed worthy of continuation beyond the initial funding period. Nowhere, however, did the task force set forth what it expected the school system to do to help meet these goals, despite the fact that their attainment, especially in regard to reducing the dropout rate, would require a substantial change in the performance of a large number of students.

To complement SIE, the Strategy Group had suggested adding an incentive for students who wished to work after high school; this could readily be accomplished, group members believed, by expanding an existing pilot program called School-to-Work begun by the Roundtable in 1983. The program offered accredited classes in workplace skills and behavior to juniors and seniors, whom it guided after graduation to Greater Cleveland employers who had signed an agreement to provide a certain number of entry-level jobs to Cleveland public school graduates each year. The Strategy Group's continuing deliberations also spawned, albeit somewhat inadvertently, a full-blown "adopt-a-school" program. Excited by his involvement in formulating the Cleveland Initiative for Education, Strategy Group member Robert W. Gillespie, the chairman and chief executive officer of Society National Bank, was inspired to persuade his bank to select a Cleveland high school to which it would provide special assistance. In the process Gillespie set an example that led, within a year of CIE's public announcement in July 1987, to 11 other Cleveland corporations volunteering to pair themselves with each of the system's remaining high schools. They called themselves Cleveland Education Partners.

In the meantime, $12.5 million had been raised for SIE and STW, and they, too, were up and running.
Although they did not express them publicly, some members of the Foundation’s Distribution Committee had doubts about the Cleveland Initiative for Education’s chances of succeeding. Most of the debate centered around Scholarship in Escrow, because Al Tutela’s concept was without precedent. Aside from the question of whether students should be paid for getting good grades, there was the issue of whether such modest cash rewards would even work to motivate kids to stay in school and/or improve their grades.

Jack Dwyer had been among those who questioned the merits of SIE, but, after superintendent Tutela made a presentation to the Foundation’s education subcommittee that he chaired, he had modified his position. “I felt Tutela had been asked to come forward twice—by us and the Roundtable—and explain what he felt would do most for education right now. He gave us the same answer each time, so in the absence of other ideas we had better support him,” Dwyer explained.

Others who had funded the Cleveland Initiative for Education, despite having private reservations, did so for reasons that went beyond a desire to support the first superintendent in recent memory who had articulated any sort of vision for the schools. (If one counted court-appointed desegregation administrators, as well as superintendents, the system had had 11 leaders since 1978). Sondra Hardis, program associate for education in BP America’s corporate contributions department, who had served as one of three staff members of the SIE task force, spoke for many civic leaders in describing the Cleveland Initiative for Education as a means to an end. “I don’t think anyone was that confident the schools could deliver on their part of the bargain or that these were even the right programs; they’re important but peripheral,” said Hardis, whose employer had made a lead grant of $2 million—its largest single grant ever—to CIE. “Many of us see this as a first step, as an important demonstration of community support. It buys the community a seat at the table, where we can use these programs to advocate with the superintendent for more basic school reform.”

Steve Minter’s personal beliefs about CIE were harder to discern. According to Tutela, a close observer of the director’s role in forming the Ad Hoc Strategy Group, Minter was a guy who liked to play his cards close to the vest. If so, Minter seemed also to be hedging his bet. The blue sheet recommending a $3 million grant to CIE had specified an
unusual number of conditions that would have to be met before any monies were released. Obtaining the agreement of SIE’s trustees to an annual evaluation of the program by an independent consultant had been among them.

In early 1989, six months after Scholarship in Escrow began operation, The Cleveland Foundation, BP America and the George Gund Foundation, a Cleveland-based private foundation that had also helped to launch CIE, hired Public/Private Ventures to conduct the first annual evaluation of Cleveland’s Initiative for Education. Nationally recognized for its expertise in educational partnerships, the Philadelphia-based firm counted among its clients business collaborations with public schools in nine major cities, including Boston.

Public/Private Ventures (P/PV) issued its report late that spring. P/PV’s principals pronounced Scholarship in Escrow, School-to-Work and Cleveland Education Partners—the corporations’ adopt-a-school campaign, which community leaders had come to perceive as a part of the initiative—to be “inventive and substantial” programs whose operations were technically solid. “[Their] strengths—wide range of programming, significant investment, innovative approaches and reasonable length of commitment—are crucial to the capacity of the private sector to produce noticeable, system-wide results in the behavior of urban public school students and school systems,” the report stated. “The history of private programming for social problems is replete with narrowly-focused, short-term, high expectation initiatives that have produced little or no impact on either youth or the larger public systems they were intended to augment or assist. Cleveland’s private sector has produced plans that consciously avoid these shortcomings.”

But Public/Private Ventures also expressed concern about the ability of the Cleveland Initiative for Education as then structured to achieve results commensurate with the dollars and time being invested. The firm recommended a number of changes that it believed would enhance the initiative’s effectiveness. For example, the report suggested restructuring SIE to reward most handsomely the average student who had significantly improved his or her grades, rather than continuing to weight the cash awards in favor of the straight-A or -B students, who were not likely to need outside motivation to perform well. Believing that even $6,000—the highest cash total it was possible for a student to earn during his or her five years in secondary school—was not an amount
sufficient to convince a disadvantaged kid that he or she could really afford to go to college, P/PV urged SIE to package other existing and potential scholarship funds into its own award program.

The report also called for better coordination of the various CIE programs. Finding, for example, that SIE's school-based advocates were spread too thinly, each one having to handle a caseload of up to hundreds of students, the report suggested that Cleveland Education Partners volunteers be recruited to help lead kids to needed support services—if necessary, by the hand. And it recommended that School-to-Work focus its job-training and job-placement efforts on students who had been identified by SIE advocates as having made significant educational progress.

In addition to fine-tuning the mechanics of the three programs, Public/Private Ventures sought to alert CIE's funders to a more important problem: the lack of a plan for winning the cooperation of the other players needed to effect system-wide change. The final report of the SIE task force had anticipated that the program would "drive a host of other educational reforms," but, as P/PV noted, to date there had been no "agreement on how the private sector investment might be used to . . . ensure that other necessary steps are actually taken."

To resolve the predicament, P/PV's principals recommended that the Cleveland Initiative for Education be formally established as an umbrella organization with its own staff and a board broadly representative of the business, civic, social service and educational community. While the sponsorship, funding and oversight of CIE would remain in the hands of the private sector, the new organization would serve as a long-needed forum where community leaders could meet with the superintendent, union officials and other partners to build consensus on policies and programs for improving the schools.

"The CIE we envision is a vehicle for providing leadership, outside momentum and the capacity for resolution to a set of problems that cannot be dealt with by any one institution or strategy," P/PV's report concluded. "[It] can be a credible voice for keeping the attention of all parties on the relationship of educational improvement to the continued progress of the Cleveland community and economy."

Briefed earlier in the spring of 1989 by P/PV's principals about the firm's preliminary findings, the Distribution Committee had greeted Public/Private Ventures' frank assessment of CIE's strengths and weaknesses with some misgivings. Dick Pogue was especially concerned
about the report’s potentially negative impact on the Greater Cleveland Roundtable’s fund-raising campaign for the initiative, which was still $2.5 million from its goal of $16 million.¹ On the other hand, the evaluation would have great value internally. Armed with an informed opinion of the true challenges facing the initiative, the Foundation staff could be much more effective in helping the grantees and the superintendent reshape CIE to meet the desired ends. And those goals should be expanded, P/PV strongly urged, to include seeking improvements in teaching techniques and enriching the curriculum. As the report concluded: Without “the delivery of effective and relevant educational content . . . the incentive and support programs have little on which to build.”

The process of reshaping CIE began immediately upon the dissemination of the final report. In June 1989 its three underwriters—the Cleveland and Gund foundations and BP America—convened a meeting of the public schools superintendent, Greater Cleveland Roundtable education chairperson John Lewis and representatives of the boards and staffs of the CIE programs. (The meeting was held at the very moment, ironically, that the five-year-old Boston school-improvement movement that had inspired CIE was foundering on the shoals of the Massachusetts schools’ nonperformance.) All parties agreed to proceed to incorporate the Cleveland Initiative for Education as a high-visibility advocate for educational reform. Or, as Victor C. Young, then the Foundation’s program officer for pre-collegiate education, described it: “a real leverage operation—it will have the ability to leverage change.” Although a structure and a strategy for doing so had still to be worked out, it was hoped that, at the very least, the new superagency would help Cleveland take advantage of the hard lessons Boston had learned.