

Making Education Everyone's Business

Washington Roundtable: A Study of Successful Education Advocacy

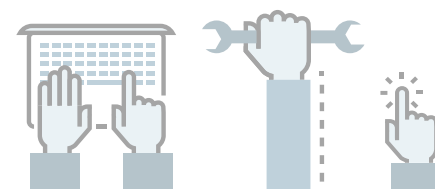
MAY 2020

Introduction

The Washington Roundtable was founded in 1983 to engage the state's most senior business leaders on issues related to the long-term social and economic health of the state. Today, the Roundtable represents nearly 60 of Washington's largest businesses, including economic powerhouses like Boeing, Microsoft, and Starbucks. Its advocacy efforts are focused on three core issues: education, transportation, and economic development.

The Roundtable itself is a 501(c)(6) advocacy organization funded by member dues. The bulk of its education work, however, is funded by philanthropy through its 501(c)(3) affiliate, the Partnership for Learning (PFL). PFL was created in the early 1990s to communicate about the benefits of standards-based reform in Washington. As the landscape of education reform-oriented organizations deepened in the state, and PFL's work broadened beyond standards-based reform, the work of the Roundtable and PFL became increasingly aligned. At the same time, other education reform organizations sprung up and PFL increasingly operated alongside other organizations working on similar issues.

In response to the changing landscape, PFL rebranded itself as the education foundation of the Washington Roundtable to clarify its connection to the broader business community. Today, the two continue to be legally separate entities but are functionally merged — operating under a single president and with the same core set of seven staff members (see sidebar for more details on this arrangement). Together, the two organizations have an annual operating budget of about \$4 million, coming from both dues (on the Roundtable side) and philanthropy (on PFL's side).



This is one of three case studies that accompany the report, Making Education Everyone's Business: Three Studies of Successful Education Advocacy. Case studies of the other two organizations, Colorado Succeeds and the Metro Atlanta Chamber, can be found on our website.

The Roundtable and PFL have been able to demonstrate important success in advocating for education policies aligned to their agenda. In 2019 alone, the Roundtable actively advocated on behalf of several key education policy initiatives that the Washington legislature adopted. In early childhood, the Roundtable supported legislation that will provide more high-quality early learning opportunities for low-income students. In K-12, the Roundtable supported legislation to expand competency-based assessment options. It also supported policies to encourage high school students to take advantage of dual-credit and dual-enrollment programs. In postsecondary, the Roundtable was instrumental in the development of the Workforce Education Investment Act, which provides funding to improve enrollment and completion rates in the state's postsecondary institutions.¹

Sidebar

Washington Roundtable and Partnership for Learning's "Functional" Merger

Nonprofit organization Partnership for Learning (PFL) was founded in the early 1990s during the early days of the standards-based education movement. At the time, it was the primary organization advocating for higher standards and better assessments in Washington state. The Roundtable worked closely with PFL to advocate on behalf of standards-based reform initiatives, and many of the Roundtable's members provided funding to PFL. The Washington legislature adopted substantial education reform legislation in 1993.

Throughout the mid- to late 1990s, additional education reform-oriented organizations emerged in the landscape. It became apparent to Steve Mullin, who at the time was the executive director of PFL, that the organization needed to distinguish itself from these other organizations. In 2012, the PFL board rebranded the organization as the education foundation of the Washington Roundtable and became the business voice within the education reform coalition. This rebranding tightened the alignment between the agendas of Washington Roundtable and PFL.

Despite their aligned agendas and the fact that the organizations' boards included overlapping members, the level of collaboration between the two organizations dissipated over time. Having two organizations with similar goals, but separate staffs and overhead, complicated fundraising efforts, since their audiences were essentially the same. It also complicated communications efforts. Mullin explained, "If you have two organizations with overlapping missions but separate roles and staffs, it becomes complicated trying to explain how they're synergistic but separate, but at the same time mutually reinforcing."²

Brad Smith, the president of Microsoft and a board member of the Roundtable and PFL, was one of the early advocates for merging the two organizations. There was both an efficiency and an effectiveness component to this idea. For senior corporate leadership, who often engaged with both organizations, having a single organization was viewed as a more efficient use of their time. They could, for example, go to one board meeting instead of two. Merging the two organizations also provided board members with greater clarity about leadership. Mullin explains, "Both the Roundtable and PFL boards wanted to know who was running the place. They wanted more clarity about who was in charge and who they could ultimately hold accountable."³

Continued on next page

Sidebar *continued*

There was also a belief that having the two organizations run by a single president would improve the effectiveness of both. Mullin explains, “It’s easier to make the case for doing effective work when you can show the relationship rather than trying to explain more theoretical coordination. You also lose the assumption that both organizations are trying to maximize their own role and prominence. If you have two presidents or leaders, they are naturally inclined to see the survival of their organization as part of their job. Even when we were co-located, there was tension about where the priorities were. When you merge, you can take the people out of it and make a more objective decision about how the two should fit together and how work should be prioritized.”⁴

As conversations about how to realign the two organizations intensified, Mullin, who by then was president of the Roundtable and a board member and officer of PFL, brought three options to the Roundtable’s executive committee for consideration: keep the two organizations fully independent, completely (legally) merge them, or “functionally” merge them. A core element of consideration was the desire to retain PFL’s 501(c)(3) status, which allows it to benefit from philanthropic donations. Both boards wanted as much alignment as possible while still keeping the two organizations legally separate, and opted for the “functional” merger. This is how it looks today:

- Mullin continued on as president of the Roundtable and became the president of PFL as well; he let PFL’s previous leader go.
- Both organizations continue to have their own boards. PFL’s board is composed of a small subset of the Roundtable’s education committee. The Roundtable’s board functions as the governing board for the two organizations.
- All staff are Roundtable staff, but PFL’s budget reimburses the Roundtable for some of the staff time spent on education-related issues.
- The two organizations maintain fully separate budgets and funding streams (although voluntary contributions from the Roundtable members to PFL are a critical component of PFL’s funding).

Transitioning PFL staff to the Roundtable simplified recordkeeping, made it clear to all employees the nature of the relationship between the two entities, and ensured that all employees were treated fairly in terms of compensation and benefits (prior to the merger, the Roundtable’s benefits were superior to PFL’s).

Because PFL’s rebranding happened prior to the functional merger, and the two organizations were already located in the same office space, Mullin indicates that there weren’t too many hiccups: “There was a significant increase in the number and capacity of education reform-oriented organizations in the state, which led to the rebranding of PFL. If that hadn’t happened, I don’t know that we would have decided to do what we did. It would have been harder and the pros and cons would have been more complicated. But given that PFL had become the business component of the broader coalition, we just aligned our governance model to what had already happened in the market.”⁵

All of the staff members, with the exception of PFL’s most recent executive director, stayed on through the merger. And PFL’s budget has grown significantly since the merger — an indicator that its stakeholders are happy with the work the team is doing on education.

How has Washington Roundtable achieved its success?

While both the Roundtable and PFL had long track records of success on their own, the merger provided the two organizations, now operating under a single leader, the opportunity to step back and strategically realign resources and priorities to achieve even greater success across their issue areas. The combined organization rearticulated its value proposition to its members and funders and ensured an effective and efficient use of both human and financial resources. Moreover, now functioning as one team, the Roundtable's staff has developed a strategic approach to its communications and advocacy work, which has led to a number of critical education policy wins.

1 The Roundtable has defined a clear value proposition for members and funders, strengthened by its merger with PFL.

Since its founding in 1983, the Washington Roundtable has worked to establish itself as the voice of key business leaders on issues of critical importance to the state's business landscape, including education, transportation, and statewide economic development. The Roundtable both establishes and pursues its own policy agenda and provides opportunities for leaders of its member companies to advocate on behalf of issues that are important to them. According to Jeff Vincent, CEO and president of the Laird Norton Company, a 166-year-old family enterprise, as well as chair of the PFL board, Roundtable membership gives him "even greater access and ability to influence important civic issues. We are one of the smaller Roundtable members, but when I'm advocating for certain issues, membership gives me the ability to speak on behalf of a business community that's larger than just my company. It's easier to meet with key legislators when I'm speaking on behalf of a group that includes the state's largest employers."⁶ In addition to direct connections to legislators, Roundtable membership provides business leaders with opportunities to network and build relationships with other leaders advocating for similar interest areas.

The Roundtable's deep connections to state leaders also provide opportunities for business leaders to chair committees or boards on relevant issues. Roundtable president Steve Mullin, for example, recently connected Vincent with an opportunity to chair the state's student achievement council (the state's governor-appointed higher education coordinating board). Vincent has previous state-level experience, making him a good fit for the opportunity. Having a Roundtable member chair the council has clear benefits in terms of advancing the Roundtable's agenda at the state level.

The Roundtable-PFL merger added another layer to the value proposition it offers its members. Historically, according to Mullin, the Roundtable had strong relationships with big companies while PFL "had a softer reputation and better relationships with educators and district leaders."⁷ The merger made it possible for the Roundtable to bring together those two stakeholder groups. The Roundtable now works hard to provide opportunities for business leaders to engage directly with educators. As part of its programmatic work, for example, the Roundtable, via PFL, has developed a leadership training program for high school principals. Through this program, principals of schools with high percentages of students who are unlikely to receive a postsecondary credential are paired with a business leader to

engage in shared learning around leadership. The Roundtable enables this partnership with the state's principals' association by facilitating the connection to business leaders, providing a venue for the collaboration, and providing funds to cover the costs associated with three two-day cohort workshops each school year.

Hands-on opportunities like these, which allow business leaders to engage directly in the organization's education work, serve a dual purpose: From the Roundtable's perspective, it gives business leaders increased credibility and real-world experience from which to draw when they advocate on behalf of the Roundtable's education initiatives. For business leaders, it helps "build personal relationships and a values-based connection to educators,"⁸ says Mullin, which is important for their ongoing support of the Roundtable's work.

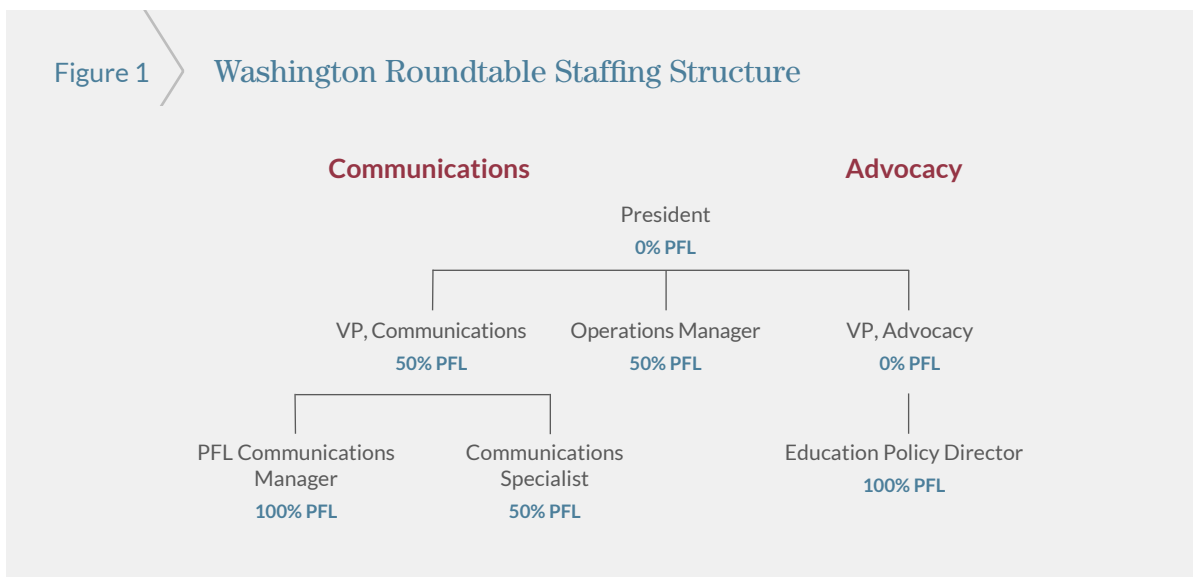
The merger also added funders to the mix of stakeholders for whom the Roundtable provides value. Prior to the merger, PFL provided funders with a way to support policy work at the nexus of business and education. It continues to do that now that it is merged with the Roundtable, but is able to be more effective as it is no longer competing with or trying to align to the work of the Roundtable. Now, the work that funders support through their contributions to PFL is the work of the Roundtable. The two agendas are now one and speak as one, eliminating confusion and ensuring that funders are getting the full weight of both PFL and the Roundtable behind their contributions.

Finally, the merger ensures that education is always a core focus of the Roundtable's work, which is of key importance for funders. Because any funding that PFL raises is specifically for education work, it can only be used for that purpose. PFL reimburses the Roundtable for staff time spent on education, which means that "no matter what our other priorities might be, the state's largest private employers are persistently working on education issues," explains Mullin.⁹

2 The Roundtable used the merger with PFL as an opportunity to strategically realign its staffing model and capitalize on an additional source of financial revenue.

The Roundtable-PFL merger provided an opportunity for Roundtable leadership to realign its staffing model. Prior to the merger, the two organizations were organized by issue area, with PFL staff focused solely on education and Roundtable staff divided among education, transportation, and economic development. This meant that there was considerable overlap between the two organizations: Each had staff members working on education policy research and policy development; each had staff working on education-related communication efforts; and each had its own administrative assistant, often working on overlapping events. The duplicative staff roles led to considerable confusion, and, coming out of the merger, Mullin decided to organize staff by function, rather than issue area. There are now seven staff members organized into two teams, advocacy and communications. As described in the callout box above, all seven staff members are employees of the Roundtable, but PFL reimburses the Roundtable for staff whose time is spent substantially on education. Figure 1 illustrates the Roundtable's staffing structure.

Figure 1 Washington Roundtable Staffing Structure



As Figure 1 shows, there are two Roundtable employees who are fully reimbursed by PFL, meaning they are solely focused on education. There are three other staff members whose positions are reimbursed 50%, meaning they spent 50% of their time on education issues. This structure ensures both that education is always a primary focus of the Roundtable’s work and that the funds PFL raises are used exclusively to further work on the Roundtable’s education priorities. Neither the president’s nor vice president’s salary is reimbursed by PFL. Though both of their work includes education issues, it is explicitly advocacy work funded by the Roundtable – maintaining a clear, bright line between PFL’s nonprofit dollars and the Roundtable’s advocacy work.

Given the necessity of maintaining two separate budgets, the merger did not result in a realignment of resources the way it did a realignment of staff. To the contrary, the decision to functionally, rather than legally, merge the Roundtable and PFL was driven largely by the desire to maintain PFL’s 501(c)(3) status. This status enables PFL to accept foundation funding for its work. The Roundtable, on the other hand, is a 501(c)(6) organization that is fully funded by its member dues.

Because they are legally separate entities, the Roundtable and PFL have separate budgets. The Roundtable’s FY 2019 budget was approximately \$1.5 million, the vast majority of which comes from member dues (see Figure 2). The Roundtable expends about 85% of its budget in four main categories: personnel, advocacy (primarily contract lobbyists), communications and publications, and operations (see Figure 3).

Figure 2 > Washington Roundtable Income, 2019

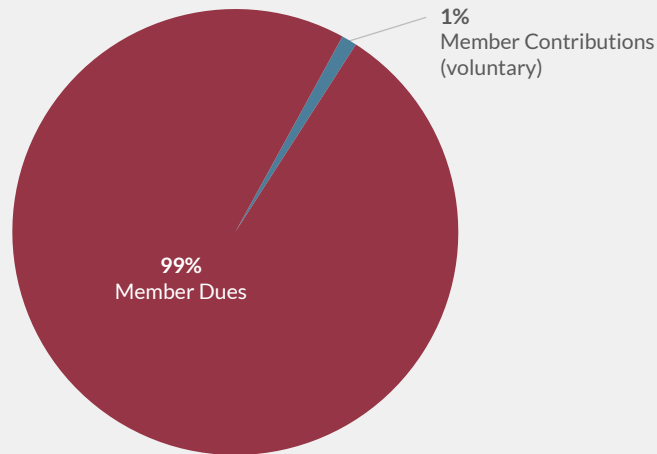
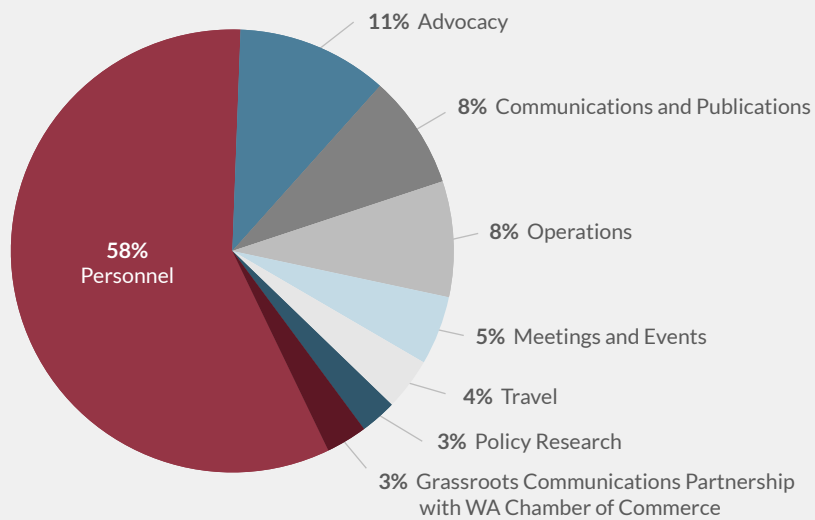


Figure 3 > Washington Roundtable Expenses, 2019



PFL's FY 2020 budget is about \$2.3 million. Importantly, as Figure 4 illustrates, more than half of PFL's income is restricted for two projects funded by two grantors. Most of that restricted money flows through PFL to contractors on those projects. The remaining dollars come from a combination of contributions from Roundtable members and grants from external funders. PFL spends approximately three-quarters of its budget in three categories: personnel and benefits, communications, and consultants (see Figure 5).

Figure 4 Partnership for Learning Income, 2020

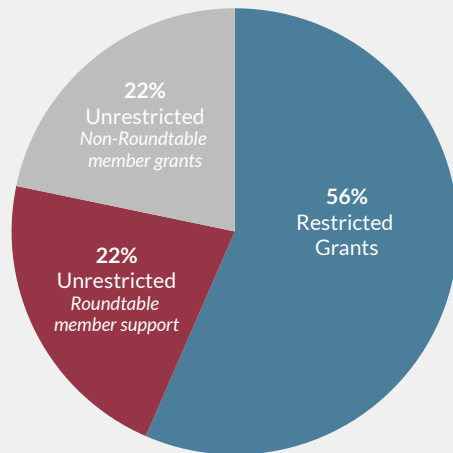
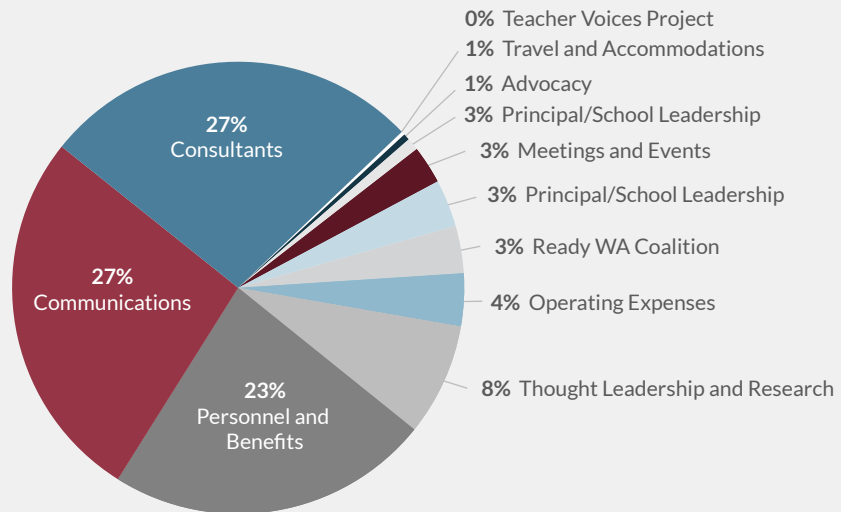


Figure 5 Partnership for Learning Expenses, 2020



Note: Percentages may not sum to 100 due to rounding.

Mullin notes that while the budgets of the Roundtable and PFL are stable — the Roundtable has a cash reserve of approximately three months' worth of operating costs and PFL maintains an even larger reserve — the financial structure of the organization is something he's always thinking about.

The current membership dues structure is based on in-state employment numbers. At the end of each calendar year, the Roundtable asks its members to report on their in-state head counts, and they have a dues schedule based on those counts. At the top are Microsoft and Boeing, which each have in-state employee counts above 30,000 and pay \$100,000 in dues annually. The next-highest members have employee counts in the 5,000-10,000 range and pay \$50,000 to \$60,000 in annual dues. While Mullin acknowledges that there are drawbacks to this approach — large retail employers like Starbucks or Nordstrom have a lot of temporary or lower-paid employees compared to companies like Boeing and Microsoft — he feels it's the simplest among all the options he's considered.¹⁰

On the PFL side, Mullin is constantly grappling with the advantages and disadvantages of taking funding from members or funders that's restricted for particular projects. Large chunks of money can be tempting for a small organization, but can also have the side effect of distracting staff time and attention from the organization's core mission and agenda. And while PFL's budget has grown in recent years, Mullin acknowledges the instability that comes with relying on foundation funding and voluntary contributions from member companies. To help combat this, he's working to find a way to establish members' financial commitments to PFL, not just the Roundtable. This may include an optional donation line on their annual Roundtable dues statement, which, over the long term, could infuse greater predictability into PFL's funding streams.

3 The Roundtable has developed a focused policy agenda aligned to statewide needs and context.

The Roundtable has been operating in a unique political and fiscal climate over the past decade, and has had to be both patient and strategic in its approach to education advocacy.

From 2007 until 2018, much of the legislature's work on education was focused on remedying the state's K-12 education funding formula following a 2007 lawsuit, *McCleary v. State of Washington*, that alleged that the state had not adequately funded its K-12 schools. In 2012, the Washington State Supreme Court ruled that the state had violated its constitution by underfunding its K-12 schools and mandated the legislature to create a new funding formula.¹¹ It was not until June 2018 that the state Supreme Court found that the legislature had fully satisfied the conditions of the *McCleary* decision.¹²

Despite the fact that *McCleary* overshadowed most other conversations about education policy during this time, the Roundtable continued to pursue a broad education advocacy agenda. This agenda included priorities such as expanding high-quality early learning opportunities for low-income families; maintaining the state's commitment to rigorous standards and assessments; supporting students at risk of dropping out of high school; reducing financial barriers to postsecondary education; and supporting credential completion at the state's community and technical colleges.¹³

Because the Roundtable has established itself as the credible business voice on education issues, it's particularly influential on topics at the intersection of education and business, such as the transition between high school and postsecondary institutions. In 2016, it commissioned a report analyzing the state's future employment growth alongside outcomes for its high school graduates. The research projected that the state would have 740,000 job openings between 2016 and 2021, a job growth rate nearly three times the projected national job growth rate.¹⁴ A majority of these jobs will require some college or a postsecondary credential.¹⁵ However, the report also found that just 31% of Washington's high school graduates go on to earn a postsecondary credential by age 26.¹⁶ The research has helped quantify a significant undersupply of Washington students eligible for these jobs and the likelihood that companies will have to import talent from elsewhere.

To further understand the scope of the challenge, the Roundtable's research identified the biggest gaps in the pipeline between high school entry and postsecondary completion: low postsecondary enrollment. Fully one-quarter of the students who complete high school in Washington do not enroll in a postsecondary program.¹⁷

These data demonstrate a clear need: More of Washington's students need to earn a postsecondary credential. To do that, more students need to enroll in postsecondary programs. The Roundtable's board used this data to focus its education agenda around a singular goal: By the class of 2030, 70% of Washington students will earn a postsecondary credential by age 26. This goal not only supports the outcomes of Washington's young people, but helps establish a stronger pipeline of talent for Washington's many growing businesses.

By the time *McCleary* came to an end in the summer of 2018, the Roundtable and its partners were ready to make a pitch for a statewide investment in postsecondary credentialing. The Workforce Education Investment Act, passed in 2019 (see sidebar below), was a direct result of the Roundtable's strategic, research-aligned agenda — and its patience to wait for an open policy window. As of 2020, the Roundtable has realigned its entire education policy agenda around driving progress toward the 70% credential attainment goal.¹⁸

4 The Roundtable has developed a strong coalition to support progress toward its agenda.

In its nearly 40 years of existence, the Roundtable has established itself as a credible business voice on issues affecting the statewide business climate. The Roundtable-PFL merger further solidified the combined organization as the business voice on education issues. Its history and credibility have enabled it to establish strong connections with other business and education organizations in the state. Over time, the Roundtable has developed a strategic approach to managing these relationships to help further its agenda.

One key network that the Roundtable has cultivated to support its work on higher education issues is the College Promise Coalition. This coalition is a partnership of dozens of education organizations throughout Washington, including public and private two- and four-year colleges and universities, students, families, alumni, education advocates, and leaders in business and labor, to advocate for expanded post-high school education and training opportunities.¹⁹ It launched in late 2009 as a response to deep cuts to higher education that followed the 2008 recession. The coalition was initially focused on stopping these cuts; as the state economy has recovered, its focus has shifted first to reinstating key postsecondary funding streams and, more recently, to encouraging state leaders to prioritize investment in higher education.²⁰

The Roundtable coordinates this coalition with financial support from the Bill & Melinda Gates Foundation. Kelly Evans, head of the coalition, explains, “We’re a pretty blue state, so a key part of our advocacy is to create a broad-based coalition that brings together Democrats, Republicans, business, and labor around an issue we can all agree on. That gets the attention of lawmakers, when you have the business community working with labor unions and higher education institutions working with students and alumni.”

The broad base and multiple perspectives that the coalition brings together helped get the attention of lawmakers as the Roundtable and its partners were advocating for what became the Workforce Education Investment Act. Now that the Roundtable has realigned its entire education advocacy agenda around this single goal, the College Promise Coalition will continue to play a vital role in furthering related policies.

Conclusion

The Washington Roundtable occupies a unique and important space in Washington’s business landscape, as the statewide business voice on education issues. The unique arrangement between the Roundtable and PFL enables both organizations to be efficient and effective in advancing work in education, to clarify their collective voice of the business community within the education advocacy landscape, and to advance issues in higher education on which the business community is a particularly credible messenger. These key features will allow the Roundtable to continue to advance its work toward the 70% credential attainment goal over the next decade.

Endnotes

- 1 "2019 Chair's Report," Washington Roundtable, <https://www.waroundtable.com/wp-content/uploads/2019/08/2019-WRT-Chairs-Report.pdf>.
- 2 Interview with Steve Mullin, president, Washington Roundtable, conducted by phone, December 10, 2019.
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 Interview with Jeff Vincent, CEO and president of the Laird Norton Company as well as chair of the PFL board, conducted by phone, December 30, 2019.
- 7 Interview with Steve Mullin.
- 8 Ibid.
- 9 Interview with Steve Mullin.
- 10 Interview with Steve Mullin.
- 11 Joseph O'Sullivan, "Washington Supreme Court Ends Long-Running McCleary Education Case Against the State," The Seattle Times, June 9, 2018, <https://www.seattletimes.com/seattle-news/washington-supreme-court-ends-100000-per-day-sanctions-against-state-in-mccleary-education-case/>.
- 12 Ibid.
- 13 "Our 2020 Policy Agenda," Washington Roundtable, November 25, 2019, <https://www.waroundtable.com/2019/11/25/our-2020-policy-agenda/>.
- 14 WA Roundtable, BCG Consulting & Partnership for Learning, "Pathways to Great Jobs in Washington State," 2017, https://www.waroundtable.com/wp-content/uploads/2017/03/WKWJ_FINAL_Report.pdf.
- 15 Ibid.
- 16 Ibid.
- 17 Ibid.
- 18 "Our 2020 Policy Agenda," Washington Roundtable, November 25, 2019, <https://www.waroundtable.com/2019/11/25/our-2020-policy-agenda/>.
- 19 "Who We Are," College Promise Coalition, <https://collegepromisewa.org/who-we-are/>.
- 20 Interview with Kelly Evans, partner, Sound View Strategies, conducted by phone, December 17, 2019.