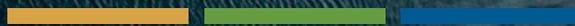


# 2016

ANNUAL REPORT

WALTON FAMILY  
FOUNDATION



## Sam and Helen Walton believed in the power of philanthropy to create opportunity

and help solve society's biggest challenges. Today, the Walton Family Foundation is investing in a future where innovation drives lasting change to improve K-12 education, protect our oceans and rivers, and improve quality of life in the communities we call home.



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## A Conversation with Carrie Walton Penner and Kyle Peterson

For nearly three decades, the Walton Family Foundation has worked to solve some of society's biggest challenges and create opportunity for people and communities in need. We spoke with Board Chair Carrie Walton Penner and Executive Director Kyle Peterson about the foundation's growth, the role of family and the importance of staying true to the philanthropic vision of Sam and Helen Walton.

Carrie, you took on a new leadership role last year at a time of significant growth within the foundation. What are the biggest changes you have seen?

Carrie: Three generations in, our family's engagement is stronger and more strategic than ever. We have restructured how the foundation is governed to act more urgently and effectively. Up to February 2016,

we had open engagement by all family members. We had a board made up of 18 individuals, all family members. Now we have five family members on the board – my aunt Alice, my brother Ben, my father Rob, my cousin Steuart and myself. Other family members serve the foundation through membership on committees. The change has helped us focus our work. At the same time, it has allowed a full range of family members to be engaged in their specific areas of interest. We needed to figure out a way to be more efficient and effective while maintaining that strong family involvement.

## Can you talk about why family engagement is so important?

Carrie: My grandparents wanted to have a family foundation that engaged generations of family members. They wanted the foundation to bring us together, to work together, to be active in giving back to our local community, our national community and internationally. Looking to the future, they also wanted to make sure the foundation was open enough to adapt as time goes on and as family members brought new interests to our philanthropic work.

## Kyle, what is your biggest impression since joining the foundation as executive director?

Kyle: I feel like I had the luxury of having time to learn, ask questions and observe for a good two to three months when I joined the foundation. I had the opportunity to meet with individual family members, dig into the history and hear family stories. One of the things I concluded from chatting with family and staff is the foundation is on very solid footing. We have experienced tremendous growth. When that happens, systems can sometimes come undone. I haven't found that here. We have an organization that is extremely functional. Now we are eager to build on that and seize new opportunities.

There is a pivot occurring with this foundation. It has been around for nearly 30 years, but it feels very

entrepreneurial. Some foundations that have been around for decades can feel sleepy. The pace is slow, and maybe it has lost its urgency. That is not the case with this foundation. We have a very active family. There is a broad range of family members bringing new ideas, which is super healthy. The foundation has both a strong legacy and an entrepreneurial spirit – it is a good combination.

## The foundation is tackling significant issues – from K-12 education to the environment and improving quality of life in regions like the Mississippi and Arkansas Delta. Could you talk about the magnitude of those challenges?

Carrie: When we began thinking about working on national K-12 education, we looked at it in the context of identifying the big social problems that needed to be addressed: How do you improve education for the kids most in need, the children who are being underserved? That's also the approach we take with the environmental issues we work on, such as fresh water and fisheries. What are the big issues that need to be addressed? Because we are a family philanthropy, we can approach these issues in a very creative way that can complement work being done by those that have already been thinking about it, like a government or a school district. We want to be

“Even though we are thinking about issues at a national level or an international level, everything is ultimately local.”

CARRIE WALTON PENNER  
Board Chair



innovative. Sometimes we can think a little bit more out of the box than a larger institution.

Kyle: Just building on top of that, the idea of the moment in philanthropy is around 'reaching scale.' That is a dramatic change from the way foundations used to think, even 10 years ago. Foundations used to think more in terms of just finding great organizations to invest in. That was the job. The new idea is to look at big issues at the systems level and at scale. It is a fantastic development, but it is also very hard to do. This family is doing that. When you are working on creating high-quality schools in cities like New Orleans or Indianapolis, or protecting the Louisiana wetlands, or restoring the health of the Colorado River, the fact is that solving those challenges requires a sustained commitment to lasting change. This foundation feels very comfortable taking on those big issues. The family isn't after quick philanthropic wins. They are in it for the long haul.

## Carrie, three generations of the Walton family have shaped this foundation. That's unique in the world of philanthropy. What has stayed the same? What is different?

Carrie: We had family meetings the entire time I was growing up. It was very open and welcoming. As a child, I would come in, participate in the meeting and fall asleep on the rug in my grandparents' living room. When I was in high school and college, I got more involved. My grandparents, my aunts and uncles, my dad – they welcomed any questions we had because this was something that we were doing together. We had significant conversations about giving back. To me, it has always felt like a journey we have all been on together. Today, we are far bigger and more formal. Our meetings are now in a conference room instead of the living room. There is a professional staff supporting the work. But we still try to be open and welcoming to anyone who wants to be involved. We want everyone to feel welcome to ask whatever comes to mind. We learn through that process as well.

Kyle: In my time here, I've been impressed by the family's deep commitment to learning by getting into the field for visits to the communities where the foundation works. Those visits are a great way to bring in ideas and understand firsthand the challenges people are facing.

Carrie: It has always been a critical piece of who we are, and what we do and how we stay grounded in the real purpose of the work. It is about the people. My uncle John used to spend time in public schools. He saw the difference in the quality of education that students from low-income communities were

“The foundation has both a strong legacy and an entrepreneurial spirit – it is a good combination.”

KYLE PETERSON  
Executive Director



getting, compared to those students from higher-income communities. That is how our interest in K-12 education started.

## You mentioned education. How do those ‘on-the-ground’ visits by family and board members help shape the foundation’s environment work?

Carrie: Those conversations in the field are vital at every level of the organization. Many of us remember a family visit to Galveston in April 2010. We were on a shrimping boat, learning about some new ways to catch shrimp and reduce the amount of bycatch. It was there we learned about the Deepwater Horizon oil spill maybe 100 miles from where we were. We realized at that moment the incredible impact this event would have on the livelihood of those fishermen, and potentially on their children’s livelihood.

Because we were there, on the ground when that occurred, we were able to see the impact. We were able to use the relationships – with partners in fisheries across the region – to begin working on mitigating some of the damage, as well as bring focus to long-term wetlands restoration throughout the region. Having that connection is important for our staff members, but also for board members and family members. It helps us stay grounded in what the true impacts of our work look like – for children, for farmers, for fishermen and for communities.

## Do you see solutions developed at the community level as having more durability?

Carrie: Even though we are thinking about issues at a national level or an international level, everything is ultimately local. We can learn from big thinkers who are identifying solutions around the world. But every community is different, and every solution looks different depending on where you live. It has always been important to me that we don’t come into a community thinking we have all the answers, and we know how to fix a problem. We share knowledge about how other people around the country, or around the world, are addressing similar issues. But the decision-making needs to come from people at the local level.

Those are their decisions. They will be embedded in those communities in a more lasting way than if we come in and say, ‘This is our idea, and you should do this because we have seen it work somewhere else.’

Kyle: I would echo that. I have worked in the social sector for 30 years. When a solution or idea is imposed, it doesn’t stick. Most often, the solution resides with people in the community. You have to listen to that and provide the capacity building to make sure that folks can lead the change.

## As you look to the year ahead and beyond, what’s next for the foundation?

Kyle: We are going to build on what is working well. We have three amazing programs with ambitious five-year strategies. I also want to be more intentional about sharing information about the work we do and what is behind it. As I talk to grantees and our partners, they are curious. They want to hear about the work we are doing, but also how we are doing it.

Another focus is going to be on embracing the concept of the Walton Family Foundation as ‘one foundation.’ Our individual programs have evolved in strong ways. There is an opportunity to spotlight the best practices from one program and share them so that another program can benefit. Finally, I want to focus on increasing collaboration. If we are truly focused on change at a systems level – whether it’s the Colorado River, the Mississippi River or an entire city – then collaboration is critical. It requires working with other funders and other partners.

Carrie: One thing I know is that we will continue to think and do big things. Philanthropy is so vital to creating change in the world because we can take risks and innovate in ways that the public and private sectors can’t. Our foundation is more effective in tackling large-scale challenges than ever. We have a great team of professionals in place. We have dedicated grantees. We have a really strong feedback loop within the family to make sure we get the best ideas on how to give back and to ensure ongoing and lasting engagement. In fact, the fourth generation is starting to get involved. The whole family is proud of that, and I think that is exactly what my grandparents envisioned.

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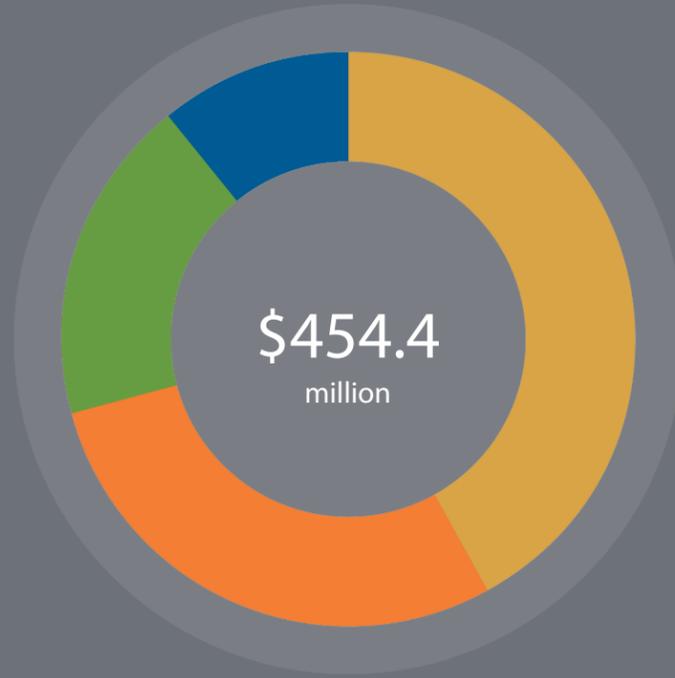
“Our family’s engagement with the foundation is stronger and more strategic than ever.

We remain grounded in our grandparents’ timeless commitment to opportunity, but our multi-generational approach brings fresh thinking to our work, just like they hoped it would.”

CARRIE WALTON PENNER  
Board Chair

## 2016 Grant Investments

\$454.4 million  
in grants awarded in 2016



### K-12 EDUCATION

- \$94.8 High-Quality Schools
- \$81.1 Investing in Cities
- \$7.6 Innovation
- \$7.4 Research & Evaluation



### ENVIRONMENT

- \$35.6 Oceans
- \$21.2 Colorado River
- \$12.3 Coastal Conservation
- \$11.4 Mississippi River
- \$2.7 Innovation & Research



### HOME REGION

- \$41.5 Northwest Arkansas
- \$6.5 Delta Region
- \$0.6 Arkansas Education

## Our People

Over the past four years, our staff has doubled in size to nearly 100 talented individuals with expertise and experience ranging from negotiating international agreements related to the Colorado River to leading cross-cultural performing arts organizations to teaching students and leading schools. While our roots remain in our Bentonville, Arkansas, home, our impact is global. Our operations continue to expand with offices in Denver, Jersey City and Washington, D.C.

## Our Board of Directors

The Walton Family Foundation is led by the descendants of foundation founders Sam and Helen Walton. Walton family members are engaged in all areas of the foundation with five individuals selected to serve as the board of directors.



CARRIE WALTON  
PENNER  
Board Chair



ALICE WALTON



BEN WALTON



ROB WALTON



STEUART WALTON



**ENVIRONMENT**  
\$83.2 million invested

## Conservation solutions that promote economic and environmental prosperity



**BARRY GOLD**  
Environment Program Director

A strong, resilient environment is the bedrock of a thriving economy. The foundation supports conservation projects that sustain vibrant communities and natural resources.

Our ocean conservation work focuses on securing healthy, sustainable fisheries in the Americas – the U.S., Mexico, Peru and Chile – and Indonesia.

Healthy oceans benefit individuals and communities. Over the past year, the foundation's grants advanced international efforts that promise to restore our oceans and reduce overfishing in these target geographies. New and unexpected partnerships formed, including an alliance between scientists and eight of the world's largest seafood companies to combat illegal fishing and improve supply-chain transparency.

Through freshwater conservation initiatives, the foundation made tangible progress toward improving the health of the Mississippi and Colorado rivers, which provide drinking water to 55 million people and generate more than \$1 trillion of economic activity.

Throughout the Mississippi River Basin, the foundation is working to improve water quality by changing farming practices on 10 million acres of agricultural land over five years. Last year our work encouraged farmers to plant tens of thousands of acres with cover crops, which help protect soil quality, improve the land's ability to hold water and lower the amount of excess nutrients that wash into the river.

With the foundation's backing, a coalition of leading agricultural and food companies, major retailers and environmental groups also united to promote better conservation practices on farms in Illinois, Iowa and

**NEARLY 725,000**  
*metric tons of tuna have been certified as sustainable under Marine Stewardship Council standards*



Nebraska. The new Midwest Row Crop Collaborative will raise \$4 million for projects that reduce nutrient loss and improve soil health in those three states.

In the Colorado River Basin, over-allocation of water resources and climate change threaten the economy and the environment of the basin. The foundation is supporting market-based reforms to policies that drive overuse of water and damage an ecosystem ravaged by drought. Last year brought important progress.

For example, the foundation worked to secure a federal-state agreement to help avoid an environmental calamity in the Imperial Valley region surrounding California's largest lake, the Salton Sea. The lake is shrinking from years of drought and faces increased salinization.

The federal-state agreement was made possible in part through the Water Funder Initiative. The foundation and several philanthropic partners committed \$10 million over five years that will help protect public health and promote drought resilience

in the Salton Sea. In both the Upper and Lower Colorado River Basin, we are helping improve river flows compromised by habitat loss and invasive species. In 2016, the U.S. Fish and Wildlife Service endorsed a foundation-backed plan to recover patches of natural habitat along the Gila River to protect bird species threatened by vegetation loss.

In the coastal Gulf of Mexico, where the foundation is working to restore wetlands and other coastal ecosystems, we joined with partners to ensure that governments prioritized the renewal of a comprehensive plan that will guide billions of dollars committed to repair damage caused by the 2010 oil spill.

The updated plan provides a framework for making Gulf restoration a reality and ensuring resilient coastal communities over the long term.

The foundation approaches its conservation work with urgency because healthy oceans and rivers are the key to our society's long-term prosperity.

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“The decisions we make over the next five to 10 years – for the water we drink, the ocean and coasts – will determine what kind of world we leave to our children and grandchildren.”

ROB WALTON  
Environment Program Committee Chair



## 5 Ways to Help Preserve the Colorado River Now

### Finding solutions for a river threatened by drought and overuse of water

By Ted Kowalski, Senior Environment Program Officer

What does a water crisis look like? Along the parched shores of Lake Mead on the Colorado River, it appears as a giant bathtub ring, a sun-bleached stain marking the reservoir's decline.

The ring is Mother Nature's measuring stick. Over 16 years of extreme drought, Lake Mead's water level has fallen a startling 135 feet. The nation's largest reservoir last year reached its lowest levels since the Great Depression. Lake Mead symbolizes the growing threat facing the entire Colorado River basin, laid low by the worst drought in the West in more than a century. The reservoir's surface elevation has for several years flirted with 1,075 feet – the level at which the Secretary of the Interior declares a water shortage for the Colorado River's lower basin states.

Without collective action by federal agencies, the States and water users, there is a strong chance shortages will take effect in January 2018.

The river's drought-related problems are compounded by constrained and inflexible water management laws in a region so thirsty that, in most years, demand exceeds supply.

Under this system, more water is annually allocated to the seven Colorado River states and Mexico than the basin can provide, especially in dry years, creating a water deficit that threatens supply to roughly 36 million people and 6 million acres of land.

The Walton Family Foundation supports reforms to policies that drive overuse of water, and is committed to solutions that restore healthy rivers and a healthy regional economy. The foundation supported a survey by the University of Colorado's Colorado River Project, which identified five actions to ease the strain on the Colorado River and its tributaries:

- 1** Complete negotiations between the United States and Mexico to better manage river flows across the international border.  
This would extend and expand an agreement, due to expire in December 2017, that includes joint investments in conservation projects, short-term water exchanges and sharing of water shortages and surpluses.
- 2** Stabilize water levels on Lake Mead.  
The federal government should support efforts by states in the lower Colorado basin (Arizona, Nevada and California) to complete a drought contingency plan to lessen the impact of over-consumption through management of water demand.
- 3** Agree on drought contingency plans for the Colorado River's upper basin.  
The federal Bureau of Reclamation should finalize a memorandum of understanding with upper basin states (Utah, Wyoming, New Mexico and Colorado) on interconnected drought operations for reservoirs of the Colorado River Storage Project.
- 4** Resolve tribal water claims.  
The federal government should settle outstanding claims by several Native American tribes in the Colorado River basin that, left unresolved, create uncertainty over how to manage long-term water demand.
- 5** Improve federal coordination on Colorado River management.  
The Department of the Interior and the Department of Agriculture can advance water conservation efforts and address drought impacts through better collaboration, using their expertise to identify projects that address several problems at once.



## A Fisherman's Story: Toward Sustainable Seafood

By Chris Brown, President, Seafood Harvesters of America

I started fishing when I was about seven years old. My grandfather was a commercial fisherman who operated a boat off the coast of Rhode Island.

As a boy, I felt a real sense of freedom being on the water. The fishery was strong. Haddock and cod were abundant. We caught a lot of winter flounder and whiting, too.

I was addicted early. I would lie about having Little League games and sneak out with my grandfather. He was always giving me life lessons about respecting the ocean, respecting the fish.

Sometimes, we'd haul up the net and it would be full of juvenile fish. My grandfather would look over and say, "Don't eat your seed corn, boy." That was him telling me it's not okay to catch juvenile fish. I learned to be a fisherman and conservationist from my grandfather.

Fishing is a privilege. I get to take my boat into the nation's strategic protein reserve and extract wealth. With privilege comes responsibility. My responsibility is to do no harm to that resource – to harvest responsibly. That is the goal of a sustainable fishery.

I fish out of Point Judith, the main port in Rhode Island. It's a good location. We are on the southern end of the northern fish stocks: Codfish, yellowtail flounder, winter flounder, mackerel and herring. And we're at the north end of the southern stocks: Scup, black sea bass, summer flounder and squid. It underscores why you need a healthy ecosystem. You can't rely on only one healthy stock.

Sometimes we fish just a couple miles from the harbor. Or we might be 50 or 60 miles offshore. We set the nets just prior to daylight, when there is a little pink showing in the sky. My entire 40-year career, I have been fishing the same waters I fished with my grandfather.

Today, the ocean is very different than it was in the 1960s. We're still successful, but it's because of our willingness to adapt. The fishery suffered from overfishing. Bad regulation encouraged waste. By the early 1990s, fish were incredibly scarce.

To save the fishery, we had to reverse the culture of disregard. We found a better way to fish. We can make money – and protect the fishery. We have a yearly

quota for a number of fish species. We can trade quota. We can buy quota. It diminishes the incentive to be wasteful. Stocks are rebounding, but there's more work to be done.

We have to increase accountability. We have to be more transparent about which fish we are catching, and how many we are catching. We need better monitoring. Our goal with Seafood Harvesters of

America is to develop sustainable fisheries, using accountability as the sword and shield.

We are the fishermen who rose out of the ashes of overfishing. We see a pathway to prosperity and environmental health. We have an obligation to make wild-caught fishing a viable, enduring, dependable source of food. Accountability leads to success over time.



Chris Brown was named a White House 'Champion of Change' for sustainable seafood in 2016.

The Walton Family Foundation supports the Seafood Harvesters of America's efforts to increase transparency and accountability in the nation's fisheries.



## Finding Conservation Solutions That Work for America's Heartland

### In Iowa's farm country, ideas for more sustainable crops grow at the grassroots level

By Moira McDonald, Senior Environment Program Officer

For Iowa farmer Mark Peterson, each new planting season brings with it a set of difficult choices. What type of crop should he seed? How much fertilizer should he apply? What farm practice should he use to produce the highest yield at harvest?

Each of these decisions impacts his bottom line. But with everything Mark does, he keeps an eye on the future, seeking ways to ensure the long-term health of his farm.

"I want to make certain that when I leave this earth, the ground is in better shape than when I got it," he says.

Mark's concern for the sustainability of his 500-acre farm, located near Stanton in southwest Iowa, is a prime reason he plants cool-season cover crops – including grains such as rye, oats and barley – in the fall and winter. He became interested in these small grain cover crops through Practical Farmers of Iowa (PFI), a farmer-led organization cultivating support for economically and environmentally sound agricultural practices.

For the last eight years, the Walton Family Foundation and PFI have partnered to help farmers adopt agricultural practices that promote conservation and boost their bottom line.

Corn and soybeans are the warm-season staples in Iowa. But cool-season cover crops are becoming more popular. In 2016, more than 500,000 acres were sowed to cover crops in Iowa, a five-fold increase from 2012.

Cover crops improve the quality of the soil and the land's ability to hold water, and reduce the amount of nutrients that wash into the Mississippi River basin. The recent interest in cool-season plants marks an important shift toward more sustainable farming. Forty years ago, most Midwestern farmers grew both warm and cool season crops.

Over time, changes in policy and technology led farmers to primarily grow corn and soybeans in the summer, while leaving the land bare the rest of the year. That contributed to a loss of nutrients such as nitrogen and phosphorous, which leak downstream.

The impacts in the Mississippi River basin have been significant. Since the late 1980s, nutrients in the river and Gulf of Mexico have grown steadily. Each summer the nutrients produce the Gulf's 'dead zone' – an area

of low oxygen deadly to marine life – that can reach 5,900 square miles, about the size of Connecticut.

The Walton Family Foundation believes the best way to improve the Mississippi River's health is to work with grassroots organizations to produce better environmental outcomes.

PFI stresses on-farm research and sharing of best practices among its 3,000-member network.

The organization hosts field days, workshops and farmer 'boot camps' that bring together thousands of cover crop experts and non-experts to discuss issues including how agricultural practices affect water quality, soil health and weed management.

Mark, who is board president at PFI, says farmers are more likely to grow small grain cover crops if their neighbors see benefits, such as increased soil fertility, improved weed control, lower input costs or new income opportunities.

"The work is being done by farmers on their farms, their way," Mark says.





HOME REGION  
\$48.6 million invested

## Building on success in Northwest Arkansas and the Delta



KAREN MINKEL  
Home Region Program Director

The foundation believes in innovative ideas that enhance quality of life and increase prosperity for residents of Northwest Arkansas and the Delta region of Arkansas and Mississippi.

In Northwest Arkansas, foundation investments are helping cement the area's reputation as a national leader in arts and culture, entrepreneurship and access to green spaces.

For two years running, U.S. News & World Report has ranked Northwest Arkansas as one of the best places to live in the country. A foundation-commissioned survey also showed that 95% of residents are happy with their life in the region, while more than seven in 10 rated overall quality of life as very good or excellent.

We are proud of those results. But we're not ready to settle. Now is the time to think bigger and work harder to make Northwest Arkansas the best place to live.

This requires bold action and a commitment to core beliefs about how to improve quality of life. The foundation is increasing access to world-class art that has established the region as a cultural destination in the nation's heartland.

Building on the success of the Crystal Bridges Museum of American Art, which has welcomed more than 2.7 million visitors in its five years of operation, the foundation announced it will support the transformation of a former cheese plant in Bentonville into a 63,000-square-foot contemporary art exhibition space.





Relevant forms of art that reflect the diversity in Northwest Arkansas are also strengthening the region's cultural ecosystem. Foundation grants helped increase access to activities that appeal to residents from all backgrounds – including performances by contemporary circus troupes and Spanish-language community theater productions.

Northwest Arkansas' distinctive natural and built environments add to the region's appeal. More than 900 acres of public greenspace has been preserved and over 12,000 feet of streambank restored through foundation grants. We're building soft-surface trails because they help preserve the beauty of our home region, while giving residents access to a great natural asset, the Ozark Mountains. To date, our grants have supported construction of 88 miles of soft-surface trails. Last year, the world took notice.

The International Mountain Bicycling Association World Summit, one of mountain biking's most prestigious events, drew nearly 600 cycling enthusiasts from across the globe to Northwest Arkansas.

In the Delta, the foundation is engaging young people and promoting long-term economic growth. After-school programming continues to expand – including a new Boys & Girls Club facility in Phillips County, Arkansas – to encourage positive behavior and offer kids a safe place to channel their energy.

In Clarksdale, Mississippi, the foundation partnered with the White House to support a summer mentorship program that gave high school students on-the-job experience in fields ranging from the arts to manufacturing. Of students enrolled in these after-school programs, 98% were promoted to the next grade.

To spur lasting economic opportunity, the foundation and other partners also invested in the restoration of a short-line railroad in Helena, Arkansas. The project created or maintained more than 60 jobs, with 30 more expected in 2017.

Throughout Northwest Arkansas, and in the Delta, we are proud of what has been accomplished. But we won't be satisfied until even greater heights are reached.

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“From trails that connect downtowns with nature to rail renovation that connects communities to jobs and commerce, the quality of life is improving across our home region.”

TOM WALTON  
Home Region Program Committee Chair



## Awakening Opportunity through the Gift of Creativity

### Clarksdale youth find healing, lifelong relationships at Griot Arts

by Cali Noland, Executive Director, Griot Arts

While growing up, I never entertained the idea of remaining in Clarksdale, Mississippi. I was going to get out and make a difference elsewhere – in a big city or, perhaps, even abroad. And, I was going to do so by tapping into the arts. I'd always felt the therapeutic power of immersing yourself in the arts, so the idea of using it to reach out to and connect with people in need was what motivated me.

As I ventured out, the more I realized the greatest opportunity to make a difference in people's lives wasn't halfway around the world. It was in my own back yard, right here in Clarksdale. There are a lot of kids here who have experienced such traumatic

incidents in their lives that they start to believe nothing good can happen to them. For some, it's physical abuse. For others, it's gangs, emotional instability, or the absence of a parent or role model.

Whatever the case, these kids need a reason for hope. So, armed with what I'd learned from an internship in New York and a Google search on how to start a nonprofit, I created Griot Arts. The whole idea was to tap into the rich history in the arts here in Clarksdale to build relationships, confidence and a sense of possibility. When you awaken the gift of creativity inside someone, they realize they have the power to create the world around them.

Four years later, and with the support of organizations like the Walton Family Foundation, Griot has grown from 12 students to 45. There's absolutely nothing more rewarding than seeing each one of them grow. I get chills watching Justin Zamm, who came to the Delta region as part of the Teach For America program, engage students in our Rock Band offering. He makes the most amazing music with the kids, and it's because of the relationships he builds with them.

In addition to providing academic support to students through tutoring, we tap working artists like Justin to expose fourth graders through high schoolers to alternate forms of artistic expression as part of our after-school and summer programming. That's where I believe we separate ourselves from the crowd. Offerings range from the visual arts, theater and choral, to instrumental music, various forms of dance and more.

There's a healing quality to picking up a guitar or writing a poem when you're having a difficult time in

life. When you add the power of relationships on top of that, the doors to possibility begin to open. But patience is key, because many of these kids are so scarred that it often takes them more than a year just to open up and trust the people around them. A lot of times, they come in looking for a safe place to hang out. When they finally get to the point where they can love and feel secure, they begin to explore and put themselves out there. They take control of shaping the world around them.

A lot of our kids who have graduated high school have gone on to college because they see an opportunity to do more with their lives. Many of them even come back to Griot to intern or help out wherever they can. And it's because this is where the light went on. They know the relationships they built here are forever. That's what they get, even if they didn't know they were looking for it.



“When you awaken the gift of creativity inside someone, they realize they have the power to create the world around them.”

CALI NOLAND  
Executive Director, Griot Arts



## Learning Practical Skills to Jump-start My Career

### Bentonville students gain real-world experience through Ignite Professional Studies

By Jim Cavness, Bentonville High School Student

Five years ago, my father was diagnosed with adenocarcinoma. My family had to travel 12 hours, from Bentonville, Arkansas, to MD Anderson in Houston for each of his treatments. The long trips were hard on us — both emotionally and financially.

But I remember his doctor told me, “If your dad does not give up, we will not give up,” and they didn’t.

I always had wanted to help people, and witnessing the passion and commitment of my father’s doctors made me realize I wanted to become a surgical oncologist.

In high school, I have done everything I can to prepare for this career. I have taken nine college level courses. I volunteered at Mercy Hospital in Northwest Arkansas over the summer. And when the Ignite

Professional Studies program launched in my school district last year, I knew it would allow me to gain more of the skills I will need to one day reach my goal.

Created by Bentonville Public Schools, Ignite helps high school juniors and seniors with career passions learn practical skills that can give us an early advantage in our careers or college studies. Whether you’re interested in construction, technology, filmmaking or, as in my case, medicine — the program provides real-world opportunities to learn what it means to work in a chosen field. It helps kids decide if the job we think we want is really the one that we want to spend our lives doing.

Here’s how the program’s director, Teresa Hudson, explains what she hopes students will get from Ignite:

“We want all of our students to leave with a real understanding — is this the career I want to pursue, and what’s the best way of getting where I want to go?”

In my first semester of Ignite, my classmates and I did clinical and hospital rotations, learning how hospitals tick. I learned how patients are admitted, and I was able to watch doctors perform surgeries. I have seen everything from an amputation to an ankle reconstruction to the removal of a tumor from a patient’s lung. It was eye opening to hear the patients’ experiences, to see how the doctors talked with them and to witness the operations up close.

In the second semester, we have the opportunity to focus on specialties that interest us.

I will be at Highlands Oncology Group in Bentonville learning skills that will help me in college and throughout my life.

Ignite is giving students like me a chance to decide where our true passions lie and to take early steps toward pursuing them.

My dream? I want to start a world-class cancer center in the Midwest — so that families like mine have greater access to the treatment they need.

The Ignite program has strengthened my confidence in my goals for the future. I believe I can make a real difference for people like my dad — and for our community.

Next fall, I’ll be heading to my first-choice college, University of Arkansas, where I want to study pre-med and then complete a dual doctorate in surgical oncology.

I know what I want to do with my life, and Ignite has given me a head start.

The Ignite Professional Studies program is a modern career and technical education program for high school juniors and seniors in Bentonville, Arkansas. The program, launched last year, is supported by the Walton Family Foundation.



“My dream? I want to start a world-class cancer center in the Midwest — so that families like mine have greater access to the treatment they need.”

JIM CAVNESS



## An Expanded Vision for TheatreSquared

### Northwest Arkansas Design Excellence Program propels emerging theatre forward with confidence

By Martin Miller, Executive Director, TheatreSquared

TheatreSquared's first decade has been remarkable. Ten years ago, we staged our first production. Today, we're an institution with 40,000 people in annual attendance, recognized by the American Theatre Wing among the nation's best emerging theatres. The pace of growth is rare for a venue of our size, but Northwest Arkansas has its share of unlikely stories. In this region, our ability to defy expectations has become a source of pride.

By early 2015, TheatreSquared's rapid expansion was forcing us to confront a number of facilities challenges. While our venue at the Walton Arts

Center's Nadine Baum Studios in Fayetteville, Arkansas, will always have a special resonance for us, it was never designed to house a permanent, year-round theatre company. We assembled a community task force to advise on next steps, and when Charcoalblue — a London-based firm that's established a reputation as one of the world's leading theatre consultancies — advised that there were few realistic options within our four walls, we knew it was time to look toward a new permanent home.

We had a sense of the final destination but, as a nonprofit with a lean budget, the path wasn't yet

defined. That's where the Northwest Arkansas Design Excellence Program sparked an opportunity. As one of the program's original three pilot projects, TheatreSquared was provided access to a select group of architects and funding for all phases of design work.

We suddenly found ourselves at the drawing table with the acclaimed New York-based design firm Marvel Architects, Charcoalblue, and every expert required to interpret our vision and put a new 50,000-square-foot theatre building to paper. The financial hurdle associated with design fell away, allowing us to focus on the purity of the process and begin our march forward with a sense of inevitability.

Sitting in the room with this world-class design team has taught us a lot about ourselves. It's opened our eyes to the fact that designing a building is not just about the logistics and engineering of such an undertaking. It's about envisioning who we'll be in 10 or even 50 years, imagining the millions of audience members who will experience our work in that time, and designing a building that makes manifest that vision.

TheatreSquared's new home will be a place of community — a place of access. As we near the opportunity to unveil the concepts to the public later



this year, the City of Fayetteville has now extended our company a 100-year lease on a parcel of land downtown, and the quiet phase of our fundraising campaign is gaining considerable momentum.

The wheels are in motion for TheatreSquared to deliver on its potential and redefine expectations, both regionally and nationally. With the backing of initiatives like the Northwest Arkansas Design Excellence Program, our vision of a permanent home is moving from dream to reality — and with a spirit of innovation — beyond what anyone could ever have imagined just 10 years ago.



# K-12 EDUCATION

\$190.9 million invested

## Supporting innovation for America's students, educators and schools



MARC STERNBERG  
K-12 Education Program Director

Education is a pathway to opportunity. For more than two decades, we have supported efforts that empower families to select the best school for their child.

We are building unique partnerships with people in cities across the country who have the power to make systemic change and share our commitment to innovation.

Foundation grantmaking reflects an optimism about the potential in America's schools.

In 2016, the foundation committed \$1 billion over five years to expand great schools so all children, regardless of background, can be prepared for success in college, career and life.

Resources alone cannot solve the challenges facing the education system. Schools succeed when educators are empowered to make decisions about

things like culture, curriculum and staffing that are in the best interest of children, while also being held accountable for student learning.

We believe leaders should empower educators, adopt these conditions and remove barriers that prevent great schools from flourishing.

By supporting diverse school models in cities such as Indianapolis, charter schools are flourishing as a network of in-district autonomous schools is growing. These in-district schools combine the freedom of charters with the resources and facilities of traditional district schools. So far, Indiana Public Schools has launched nine of these schools, with five more preparing to open in 2017. By this time next year, around 5,000 students will be enrolled in Innovation Network Schools. Within seven years, it is anticipated that 80% of children in Indianapolis will attend autonomous charter or district schools.



Lasting change to our education system also depends on strong school leaders and outstanding teachers. That is why we are investing in training programs to produce the next generation of great educators. Programs such as the Relay Graduate School of Education, which will recruit hundreds of candidates for their residency programs, build a pipeline of effective teachers in cities across the country, including Houston, Memphis and Denver.

In New Orleans, the foundation's grants are addressing a broad range of student needs that includes increasing support for special education and preparing high schoolers for life after graduation. The NOLA Special Education Project helped 175 students with a range of disabilities access needed behavioral, health, counseling and academic services through school-based programming. And through support for initiatives like Youth Force NOLA, up to 250 students

will participate in paid internships during the school year thanks to stronger partnerships between their high school and the city's business community.

We remain determined to clear obstacles that inhibit the growth of high-quality schools. That is why we made an unprecedented commitment to the construction and expansion of school facilities in 2016. The Building Equity Initiative will provide public charter schools with access to much-needed capital for new or renovated schools in up to 20 cities. By 2027, the effort will give 250,000 additional students access to great schools.

These investments underscore our resolve to support an education system that prepares our nation's most valuable resource – its children – for lives of opportunity and success.



“It is a privilege to learn from teachers, parents and school leaders who are rewriting the playbook of what’s possible for our nation’s children.”

ANNIE PROIETTI  
K-12 Education Program Committee Chair



## Parents Demand Access to High-Quality Schools

### African Leadership Group in Colorado speaks out for better schools

By Papa Dia, Founder and Director, African Leadership Group

The African immigrant community is the fastest growing population in Aurora and one of the fastest growing in Colorado. From Ethiopia to Ivory Coast, we came here to give our children the opportunity to live out the American dream. Fundamental to that dream is ensuring our children get a world-class education. That is why we are coming together as a community to demand better schools. We are growing in numbers. Politicians and policymakers in Colorado would be wise to hear us and heed us.

I moved here from Senegal and the longer I've been in this country, the more I realize how important it is to be a part of public policy debates. When you don't show up, when you aren't part of those debates, people decide for you and make choices for you. We must be involved. We must make our voices heard. When I arrived in Colorado in 1998, I barely spoke

any English. One of my first jobs was stocking books at the iconic Tattered Cover bookstore in Denver. It was there that I taught myself English using the audiobooks and literature around me.

After learning enough English to be conversational, I got a job as a bank teller. Word quickly spread among the African community that their African brother worked at the bank. Every day, lines would form out the door — and not because people needed my help in making a deposit or withdrawing cash. My fellow Africans needed help translating documents, dealing with immigration issues and finding good schools for their kids.

The conversations I had eventually led me to create the African Leadership Group. I wanted an organization that could help our growing community

settle in Colorado, feel at home and thrive in our new country.

In recent years, I've heard from parents who struggle to find and access good schools for their children. We Africans are a very education-focused community. In fact, according to recent census data, 43% of African immigrants hold bachelor's degrees.

This concern has motivated me and the African Leadership Group to become increasingly involved in the great debate around public education in Colorado. Members of our group have testified at the Capitol, spoken out at school board meetings and supported political candidates who prioritize reforming education.

As the expression goes, "If you're not at the table, you're on the menu."

Increasingly, ALG members and the broader African immigrant community are demanding a seat at the table.

I have sat on the board of Highline Academy Charter School in Denver, where my daughters attend, and am a founding board member of Vega Collegiate Academy,



a new charter school approved by the Aurora School Board last year.

Members of ALG have fought hard to bring high-performing schools to their neighborhoods. Others are considering running for office to ensure our community's voice is heard.

We are a proud people with a passion for giving our kids the opportunity for a great education. And we are at the table to stay.





## Finding Autonomy in District Schools

### A recipe for a new kind of school

By David Harris, Founder and CEO, The Mind Trust

In Indianapolis, we've come up with a recipe for a new kind of school. It isn't the traditional public school most Americans are familiar with — but it's also not a charter school. It combines the freedom and autonomy of charter schools with the resources and facilities of a traditional school district. These "Innovation Network Schools," are breathing life into Indianapolis Public Schools (IPS), our city's largest school district.

Innovation Network Schools are a new category of public school, created in 2014, that have greater autonomy than typical schools, giving building-level educators freedom to make daily management decisions that meet their students' specific needs and raise achievement. In exchange for this autonomy, the schools are held to the highest academic standards.

Once the law creating Innovation Schools passed, the organization I founded, The Mind Trust, partnered with IPS and the Mayor's Office of Education Innovation to incubate and launch Innovation Network Schools and cultivate leaders for these new schools. We created our Innovation School Fellowship, which recruits and empowers talented education innovators to design, build, and launch them.

Led by an innovation-minded superintendent and school board, IPS is the first district in Indiana to launch Innovation Network Schools. It's still early, but this new approach is showing signs it is working. One example is IPS' first Innovation School, Francis Scott Key School 103 on the city's far east side.

Prior to the 2015-16 school year, School 103 was the lowest performing school in IPS. Fewer than 10%

of its students passed state standardized testing. Enrollment plummeted. Fights in hallways and on playgrounds were the norm.

IPS decided to restart School 103 as an Innovation School. The IPS board selected the Phalen Leadership Academies (PLA), a nonprofit school network, to restart the school.

After partnering with The Mind Trust to incubate the school, School 103 opened in 2015 as PLA@103. In just one year, the changes have been dramatic. Scores on the state's third grade reading test doubled. Enrollment increased by 20% after one year. The school's climate has been transformed. One fourth grade student who'd been at 103 since kindergarten said this was the first year she's felt safe at school.

Why the change? It can be attributed to new leadership that was given the opportunity to launch a new school and the autonomy to run it unencumbered. PLA@103 has purpose again. New ideas and school leaders were welcomed. The school has become a magnet for talented teachers.

The Mind Trust also has incubated four other Innovation Network Schools. Many more Innovation Network Schools are in development, so more



families will have access to this unique educational opportunity.

What's most exciting about the innovation school portfolio is its diversity. Each school and each school leader is unique.

We believe this new model will help us provide opportunities to many students in Indianapolis. I am hopeful we'll be a model to other cities nationally looking to rethink and reform their own public schools.





## Dreaming the Dream in Harlem

### Rich Berlin built the first public school building in East Harlem in nearly 50 years

In 2015, Harlem RBI's DREAM Charter School became the first public school building to be built in East Harlem in nearly 50 years.

"Given the multitude of agencies involved, we knew it would be tough and complicated," Harlem RBI and DREAM Charter School Executive Director Richard Berlin said. "I had to become a real estate developer, construction manager and financing expert, raising money and aggregating financing from more than 500 individuals and institutions, including more than one dozen lenders."

Berlin's charter school initially opened in a temporary space in East Harlem in 2008 with startup funding from the Walton Family Foundation. He had a

five-year commitment from New York City to use the space, which he shared with another public school.

In early 2009, he sent his first email to a New York City Housing Authority official that put in place the deal that would eventually turn into his elementary and middle school building.

To get the job done, he needed to work with seven different city agencies; purchase land previously owned by the housing authority; and secure \$32.5 million in government funds from the New York City Department of Education School Construction Authority, as well as \$21 million in other loans or contributions. He also needed to commit to building 88 low-income housing units in addition to a school

building; create local jobs as part of the construction project; and give a permanent preference in admissions to his school for students living in New York City public housing.

Today, the school has a beautiful new facility where it serves a population that is about 32% African-American, 65% Hispanic and about 70% living in poverty.

Now, Berlin and his team are starting the process all over again: they want to build a high school building so that they will be able to educate their students all the way through the 12th grade. They are looking at private spaces where their students can go to school for 9th and 10th grades, and they are hoping to build another permanent school facility that will be ready by the time their students are in the 11th grade.

"Whenever people visit, they're shocked at how many obstacles public schools need to overcome simply

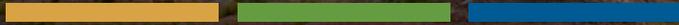
to get the spaces they need to educate kids," he said. "Now, walking through our hallways and sitting in our classrooms, seeing kids learning, it's really hard to believe we finally got here."

He said he advises fellow charter school leaders looking to secure facilities to start early; to build partnerships with city agencies, school district officials, funders and community groups; to build a knowledgeable real estate team like the team at Civic Builders who he worked with on his facilities project; and to understand up front that they'll need to be flexible in finding the best solution.

"Be prepared for a marathon, not a sprint," he said. "It isn't easy and there may be some occasions when you want to throw in the towel, but the end result and the look on your students' faces will make it absolutely worth every minute you put in."



# WALTON FAMILY FOUNDATION



[waltonfamilyfoundation.org](http://waltonfamilyfoundation.org)

