

**Assisting K-12 Education through the  
National Center for Public and Private School Foundations**

**Dave Else, Director  
Institute for Educational Leadership  
University of Northern Iowa  
Schindler Education Center 629  
Cedar Falls, IA 50614-0614  
david.else@uni.edu**

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Schools in America are faced with increasing demands and diminishing resources. Rapid social change, increasing diversity, and demands for accountability characterize the education landscape. Schools are expected to change to meet new needs of society and the workplace. At the same time these schools have limited resources to apply to meet these new demands. Support from public sources is not likely to be sufficient to provide the resource base necessary to create and operate the schools of the future. It is, therefore, incumbent on schools throughout the nation to look for sources of funding to supplement those received from public sources or from tuition income raised to support private schools.

Increasingly, school districts and private schools across America are turning to foundations. Education foundations are “privately operated, nonprofit organizations established to assist public schools” (and private schools) and who qualify as charitable organizations, “different from school districts, public institutions or local governments” (Clay, Hughes, Seely, & Thayer, 1985, p. 1). Foundations are involved in three main activities: raising, handling, and redirecting money. A public school foundation “is designed to augment, supplement, or complement programs and activities currently being provided by the district” (McCormick, Bauer, & Ferguson, 2001, p. 2). Currently in the United States there are over 4,800 school foundations (McCormick, et al., 2001). They have their own board of directors and their own staff, both paid and volunteer. A foundation mainly provides for what a school district falls short to cover; however, in some cases, foundations help cover basic educational expenses. de Luna (1998, p. 385) notes that local school foundations are “the hottest fund-raising trend in public education.” Locally funded and operated, education foundations emerged during the 1980s -- particularly in states like California, Massachusetts, and Oregon, with voter-approved property tax limitation measures.

Foundations are “popping up all over the country,” says Howie Schaffer, a spokesperson for the Public Education Network, a national association of local education funds, based in Washington DC (Chmelynski, 1999, p. 2), “Shrinking tax revenues, budget cuts, a shift of state funds to poor districts, a fear of losing students to private schools, and parents’ rising expectations of what their children deserve are factors fueling the explosive growth of school foundations” (Chmelynski, p. 3).

Nationally, foundations are found in all types of schools and vary greatly in size. The average amount raised by most school foundations is only about .3% of a typical district’s budget.

Similarly the utilization of funds varies greatly. A 1995 study of school foundations conducted by Carol Merz, Dean of the School of Education at the University of Puget Sound in Tacoma, Washington, and Sheldon S. Frankel:

found those that raise less than \$10,000 annually, usually provide mini-grants and scholarships. Foundations that raise \$20,000 to \$50,000 a year tend to fund curriculum enrichment programs, teacher training, and teacher resources. And those that raise more than \$100,000 annually often underwrite teaching positions (Chmelynski, 1999, ¶ 6, 7)).

Rather than raising monies to replace public dollars, some school foundations stress systemic reform, working in “policy areas, such as school governance, school finance, educational leadership, and curriculum and assessment” (de Luna, 1998, p. 386). They also try to re-engage citizens and recapture financial support for education. A common question rises: How much money will make a difference? McCormick et al. (2001) answer that \$20 per student can have an impact and an extra \$20 can produce a change in education.

### **Literature Review and Research Findings**

The success of school foundations is well documented in California. In 2000, California school foundations raised more than \$30 million for public schools, impacting more than 3.5 million children. Additionally, more than 3,500 community volunteers served on the boards of school foundations (California Consortium of Education Foundations, 2001).

“The emerging view is that the number of school foundations is growing and school foundations are providing districts with more flexible funding” (Zimmer, Krop, Kaganoff, Ross, & Brewer, 2001, Appendix D, Study Results, p. 1). While there may be some indication that school foundations may lead to greater inequities between wealthy and poor districts, it has been argued that school foundations actually help close the gap between higher-income and lower-income districts (Zimmer). Crampton and Bauman (1998) did find that entrepreneurship activities, such as developing school foundations, did increase per pupil spending and led to inequities. Merz and Frankel (1995) found that the number of nonprofits did not differ much across economic communities (cited in Zimmer, et. al., 2001). Studies by McLaughlin (1988) and Brown and Rinehart (1991) suggest that most school foundations raise small amounts of money and therefore are more effective as public relations tools than revenue-raising mechanisms.

Analysis of a survey conducted by the New Jersey School Boards Association indicates that foundation fundraising activities enhance public school programs in five major areas: (a) innovation/teacher mini-grants, (b) enrichment/cultural arts activities, (c) school/community

equipment, (d) improved community-school relations, and (e) technology (NJSBA Policy and Library Resources Department, 1999)

### **Steps in Developing School Foundations**

The literature is clear that careful planning is essential to the establishment of a foundation. Determining the need for a foundation in the community, assessing the real level of giving, identifying donors, engaging initiators who have relevant experience in evaluation and fundraising, clarifying the scope of education to be served, defining the purpose of the foundation, and developing objectives that are the expression of purpose in specific terms are critical steps in planning (Clay et al., 1985).

The Internal Revenue Service (IRS) views education foundations as tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code. State laws must be investigated before forming a foundation and foundations should not start fundraising until tax exempt status is granted both for the foundation and its donors (Clay et al., 1985).

### **Fundraising Guidelines**

The funds acquired as donations can be unrestricted (the foundation board decides how to use them) or restricted (the donor specifies the way he/she wants the funds to be used), recurring (one can donate on a regular or a predictable basis) or non-recurring (the donation will not be repeated for a long time or at all) (Grace & Wendroff, 2001).

Fundraising activities can range from art projects, athletic events, auctions for students' services, book and craft fairs to Christmas cards, calendars, yearbooks and school symbols (Clay et al., 1985). Muro (1995) suggests a new and challenging approach to fundraising:

[...] your first task as a fund raiser is to forget the need approach to soliciting private funds. Your school district is not a problem, and you are not seeking funds to shore up a sagging curriculum or poor athletic field. Your school, and you, as a fundraiser, are the ones who provide solutions to society's problems

Thus, the donation is no longer charity, but an investment.

People who provide support...do not want to contribute to programs and activities that are perceived as problems. In the larger sense, the request for support for a project should be addressed in terms of an opportunity (p. 51).

Muro (1995) further suggests that a volunteer who solicits a peer is more likely to be successful than a paid professional person. In this case the solicitor and the prospective donor have a similar financial status, which facilitates the process. Donors need to see the donation

as an investment in quality education. He considers face-to-face solicitation more effective than telephone and mail soliciting. Planning is essential to fundraising.

The literature suggests that fundraising should apply the principle of proximity (those closer to the school or the foundation) are more likely to donate (McCormick et al., 2001; Muro, 1995). Thus, we can involve the members of the school staff, administrators, board members, parents, alumni, major donors, and businesses, any of the school district business partners. Outside the school district regional and national corporations can become allies.

Grace and Wendroff (2001) identify practices that could improve the relation between the donor and the foundation the former has dealt with. The donor should be given the opportunity to reinvest in a program if both parties consider that program worthwhile. Donors need to be informed on the impact their gift had. Foundations shouldn't just assume that a donor would not want to be contacted again. The foundation must cultivate the relation with its donors by frequent relevant feedback. Feedback includes:

- program brochures
- donor recognition events
- volunteer recognition events
- newsletters
- websites
- program proposals for new funding based on the successful investment of previous funding
- board-meeting presentations by program staff who have benefited from the funding (p.161)

### **Direction for Establishing a Board of Directors**

The literature identifies three types of foundation boards (Clay et al., 1985; McCormick et al., 2001):

1. *School board-controlled foundation* -- all foundation directors are appointed or controlled by the Board of Education.
2. *Autonomous foundation board* -- the foundation board is entirely separated from the school board; the school doesn't need to give its approval to the changes the foundation board may want to operate.
3. *The embedded model* -- the foundation is a separate, autonomous corporation. As members of the foundation board, school administrators represent the school's interest. Changes need to be approved unanimously by the school board representatives and the other members of the foundation board.

While deciding on the type of board that will be most appropriate for the foundation, the relationship between the foundation and the school or the school district must be envisioned.

The basic format of a board includes a chairman, a president, a vice-president, a treasurer, and a secretary.

The board must be able to:

- understand the needs of the school. In order to determine the school or the school district needs suggests looking at education programs, financial data (the local budget for education), external environmental factors (inflation, demographic changes); and
- involve the parents and community leaders (McCormick et al., 2001, pp. 25-26).

### **Findings on Foundation Leadership**

The Public Education Network Study on Local Education Foundation Leadership (Raphael & Anderson, 2001) revealed a number of findings:

- If school foundation executive directors had control over their time, they would focus more time on strategic planning.
- School foundation executive director leadership can best be described by a community collaborative model of leadership.
- School foundation leadership is likely to be a strong factor in the development of public capital.
- Some evidence pointed to a need on the part of executive directors for increased understanding of how to develop a board's autonomy.

### **Project Design**

To meet the needs of K-12 schools in the United States to raise funds from alternative sources, the University of Northern Iowa (UNI), through its College of Education, has established the "**National Center for Public and Private School Foundations,**" (NCPSPF) ([www.intime.uni.edu/foundationsK12NC/](http://www.intime.uni.edu/foundationsK12NC/)). The Center is housed in the Institute for Educational Leadership (IEL) and is supervised by Dr. David Else, Director of the IEL, and Associate Professor in the UNI College of Education. The Center will engage in a variety of initiatives to prepare local school personnel to establish and sustain foundations. Most, but not all, of the activities will be conducted electronically using a specially designed website.

The University of Northern Iowa is nationally known for its teacher education program, research, and leadership in educational innovations. In response to recognized needs, the IEL (a Division of the College of Education), at UNI, is committed to bringing educators and community leaders together to analyze and dialogue about fundamental issues related to pre-kindergarten through post-secondary education. The Institute's mission is to promote the improvements of elementary, secondary, and post-secondary education throughout the State of Iowa and the na-

tion. To fulfill this mission the Institute serves as a catalyst for informed dialogue on educational issues impacting the schools of Iowa, region, and nation; developing collaborative relationships with individuals and/or organizations external to schools; and education policy development.

The IEL at UNI is unique because of its focus on capturing the thinking of the nation's best practitioners who possess a knowledge base built on day-to-day experiences in a variety of school and non-school settings. The Institute strives to bring this knowledge base of practice into relationship with the knowledge base of the University resulting in stimulating interplay which addresses complex leadership and educational issues and results in fresh ideas and innovative perspectives.

### **Management Plan**

When establishing a center for public and private school foundations consideration needs to be given to collaborating with professional education associations within the state. The NCPPSF at the University of Northern Iowa has worked closely with the Iowa Association of School Boards (IASB) and School Administrators of Iowa (SAI) in identifying an advisory board. The Iowa State Education Association (a teachers professional organization) IASB and SAI all have association leaders on the advisory board. Others on the board include representatives from K-12 public and private schools, public and private colleges/universities, legal entities, banking and financial planning firms.

The purpose of the advisory board is to "provide recommendations, advice and assistance to NCPPSF." The function of the advisory board includes working with the project manager to clarify structure and content of a national working conference; identify legal and organizational contacts for the critical elements for the success of school foundations; serve as a link to practitioners, receive feedback and suggestions; provide direction for continuous development of the Center; and direct ongoing assessment of the impact of the Center on schools. Advisory Board By-laws clearly articulate objectives, offices, membership, officers, committees, and records of the Advisory Board.

### **Objectives of the National Center**

The objectives of the ***National Center for Public and Private School Foundations*** at the University of Northern Iowa are responsive to the rapid growth of school foundations and research findings on school foundations and are designed around the needs of local public school districts and private schools as they seek to build relationships, and impact the education of children by establishing and sustaining school foundations. The objectives of the NCPPSF are to:

1. Link people and organizations in their communities with public and private schools, developing awareness and support through school foundations.
2. Assist public and private schools, through the development of school foundations, in generating more flexible funding for education, closing the gap between higher-income and lower-income districts.
3. Assist public and private school personnel across the United States in designing, operating, and sustaining school foundations.
4. Provide direction and expertise to local foundations specifically in the areas critical to the development and management of school foundations: legal issues, foundation startup, the relationship of a school foundation to other organizations, organization and management, policies and procedures, and fundraising strategies.
5. Facilitate the professional development of school foundation leadership specifically in the areas of strategic planning and the ability to work effectively with the board.
6. Conduct on-going action research and assimilate existing research on school foundations and the critical elements for their success.
7. Increase the capacity for K-12 public and private schools in America to raise funding to allow them to meet emerging needs.

### **Activities to Meet Objectives**

Design of activities to meet objectives of the NCPPSF is an evolving process based on research and new knowledge on best practice. Initial activities are aligned with objectives of the Center:

- **Activity:** Identify one partner in each state to establish a ***National Network on School Foundations***. The Center will start with the Renaissance Group, a consortium of 42 institutions of higher education committed to the preparation of teachers. **Aligns with Objectives 1, 2, 3, 4, 5, 6.**
- **Activity:** Operate a clearinghouse/website on K-12 school foundations which includes a library of current literature; research findings; best practice; and key contacts relative to legal issues, foundation start-up, the relationship of school foundations to other organizations, organization and management, policies and procedures, and fundraising strategies. **Aligns with Objectives 2, 3, 5, 6.**
- **Activity:** Use the website to provide access to experts on the formation and operation of public and private school foundations. **Aligns with Objectives 1, 2, 4, 6, 7.**

- **Activity:** Develop an electronic “hot line” to answer questions about the formation and operation of a K-12 school foundation. **Aligns with Objectives 1, 2, 3, 4, 7.**
- **Activity:** Deliver a specially designed web-based course to prepare local school personnel to design and operate a school foundation and to teach them the intricacies involved in gift giving. **Aligns with Objectives 2, 3, 4, 6, 7.**
- **Activity:** Identify legal experts to provide legal counsel on fundraising issues. **Aligns with Objectives 2, 3, 4, 7.**
- **Activity:** Conduct a national working conference to identify critical issues in the formation of K-12 public and private school foundations and to identify an action agenda to address these issues. **Aligns with Objectives 1, 3, 4.**
- **Activity:** Conduct a series of web-based workshops on the critical issues in the formation of K-12 public and private school foundations and action steps schools can take to develop and sustain foundations. **Aligns with Objectives 2, 3, 4, 6, 7.**

### **Outcomes**

Because of the activities offered by the NCPPSF it is expected that:

- Public and private K-12 schools will view the NCPPSF as the preferred choice for information on school foundations.
- The number of school foundations will increase from the current 12-15% nation-wide to 18% by 2005 due in part to the NCPPSF.
- Use of the NCPPSF website will increase steadily to a minimum of 150 hits per day by 2004.
- An electronic monograph, which is a product of the National Working Conference on School Foundations, will be utilized by schools developing and sustaining school foundations.
- Executive directors of school foundations will utilize web-based workshops offered by the NCPPSF for professional development in the areas of strategic planning and director/board relations.

### **Management of Outcomes**

A very specific and intentional process will be used to measure the extent to which outcomes are realized.

- **Outcome: Public and private K-12 schools will view the NCPPSF as the preferred choice for information on school foundations.**  
**Measurement:** A questionnaire will be designed to assess the value of the NCPPSF website to those using the website. Additionally a random sampling of schools with foundations will be emailed a questionnaire to determine their use of the Center. Statistical treatments will be applied to responses from both questionnaires.

- **Outcome: The number of school foundations will increase from the current 12-15% nation-wide to 18% by 2005 due in part to the NCPPSF.**  
**Measurement:** Data from the Public Education Network housed in Washington, DC, which tracks school foundations, will be used to monitor the increase in school foundations.
- **Outcome: Use of the NCPPSF website will increase steadily to a minimum of 150 hits per day by 2004.**  
**Measurement:** The website will be designed to tabulate the number of “hits” daily, weekly, and monthly. It is expected there will be a steady increase in usage leading up to the 150 hits per day by 2004.
- **Outcome: An electronic monograph, which is a product of the National Working Conference on School Foundations, will be utilized by schools developing and sustaining school foundations.**  
**Measurement:** An electronic tracking system will be used to determine the number of schools “pulling up” the monograph or downloading it on their computers.
- **Outcome: Executive directors of school foundations will utilize web-based workshops offered by the NCPPSF for professional development in the areas of strategic planning and director/board relations.**  
**Measurement:** Records of registrations of executive directors for the Center’s professional development workshops will be maintained and analyzed.

### **Purpose of State Centers**

While the establishment of a state center for public and private school foundations may follow a similar design, hold like objectives, subscribe to common activities, and use a management plan modeled after the NCPPSF, the approach may change based upon the purpose of the state center. Rather than replicating services state centers may choose to supplement the work of the National Center.

The NCPPSF is seeking partners in each state to establish a National Network on School Foundations. The purpose of the state center then becomes that of serving as a partner with the National Center. As a partner the state center could:

- be a contact for schools within the state wishing to link with their communities in establishing and sustaining school foundations;
- clarify state specific and federal laws as they apply to school foundations;
- identify activities for the National Center that would meet the needs of its state;
- recognize schools in the state with successful foundations, encouraging them to share their expertise;
- assist in providing data on school foundations;
- share successful fundraising strategies with other states and the National Center;
- identify and conduct active research on school foundations within the state;

- collaborate with other states and the National Center in the development of web-based courses in establishing and sustaining school foundations to assist local schools and web-based training workshops for leaders of school foundations; and
- assist in constructing an action agenda to address critical issues in the development of K-12 public and private school foundations.

Depending upon the size and purpose of the state center, a technology coordinator and technology support team may be needed. The NCPSSF also has a Center director who leads the day-to-day operations. Working as a partner with the National Center, a state center will have much less technology and needs less technology support.

### **Summary**

Perhaps never before in recent history have economic conditions in states across the nation been so stressed. Such conditions have put added pressures on public schools receiving reduced state support or private schools that may have had to limit or curtail tuition increases.

Local school foundations may provide financial assistance that improves education at the local level. Developing and sustaining successful foundations require expertise, community support, strong school-community relationships, and common commitment. The ***National Center for Public and Private School Foundations*** in cooperation with state partners serves as a rich resource for schools and communities. Planning steps, legal guidelines, web-based courses and workshops, consultant support, fundraising ideas, and a library of current literature are just a few of mechanisms to be put in place to aid schools and communities foundation boards, and foundation directors. Characteristics of successful school foundations characterize the ***National Center for Public and Private School Foundations***; well informed and enthusiastic leaders, supports that meet the needs of schools and communities, objectives and action plans for implementation, and positive, supportive relationships with partners (Oklahoma Foundation for Excellence).

If you wish to become a state partner or if you wish to participate in the **National Working Conference**, contact Dave Else (david.else@uni.edu; 319-273-3358) or Les Huth (les.huth@uni.edu ,319-273-3838).

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