
By

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ABSTRACT

In an increasingly challenging financial period for K-12 public education in Pennsylvania, more school districts are turning to school-supporting foundations to fill the funding gap. Initially spurred by reduced investments in public education in California in the 1970s, school foundations did not begin gaining traction in Pennsylvania until two decades later. In recent years, the number of foundations being launched in the state has grown significantly. To what degree was unknown, as an academic benchmark study did not exist. Using information gathered through the literature review phase, the researcher constructed a study to capture the number, location, operations, and fundraising capacity of Pennsylvania’s school-supporting foundations. The study examined their ability to raise money, differences based on factors such as community type and school district size, and how funds were spent. While school foundations in Pennsylvania are an emerging phenomenon, the study unearthed some critical findings. Among them: school foundations contribute more than $27 million annually to public education in Pennsylvania; school foundations with paid staff raise six times more money than those without staff; and foundations with larger boards are more effective at raising funds. Other attributes that played a role in fundraising ability included longevity of the foundation and community type. The study also determined that school foundation and school district leaders could benefit from additional education regarding best practices in nonprofit operations and fundraising, as most school foundations in Pennsylvania are volunteer-run organizations still in the early stages of the nonprofit lifecycle. With shifts in attitude, time, and attention, school foundations in Pennsylvania can become reliable partners for public education in providing students with resources and opportunities.
ACKNOWLEDGEMENTS

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Finally, thank you to Jeff Ammerman of the Pennsylvania Association of School Business Officials. Your willingness to explain the nuances of school funding and never ending supply of data were crucial to the completion of this project.
DEDICATION

This dissertation is dedicated to my dear friend Dr. Lorraine Nulton. Her vision of what I was capable of transformed my career, making it into a life of service to others. Without her, I would not be pursuing this doctoral degree. I continue to be inspired by the authentic person she is—full of integrity, compassion and kindness.
TABLE OF CONTENTS

Chapter One: ................................................................. 1
Introduction ............................................................... 1
Funding of Pennsylvania’s K-12 Public Schools ......................... 3
  Local funding ......................................................... 3
  State funding ......................................................... 5
  Federal funding ....................................................... 9
  Other factors ......................................................... 9
Problem Statement ..................................................... 11
Purpose of the Study ................................................... 12
Significance of the Study ............................................... 12
Conceptual Framework .................................................. 14
Research Questions .................................................... 16
Limitations of the Study ............................................... 16
Delimitations ............................................................. 17
Assumptions .............................................................. 19
Hypothesis ................................................................. 19
Definitions ................................................................. 20
  501(c)(3) nonprofit organization ..................................... 20
  Community foundation ................................................ 20
  Fundraising .............................................................. 20
  IRS Form 990 .......................................................... 20
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pennsylvania public school district</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>School-supporting foundation</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Organization of the Study</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Summary</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>Chapter Two: Review of Literature</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Fundraising for Education in the United States</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Private funds for public schools</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Foundations</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Individuals</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Corporations</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Legacy gifts</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Other sources</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>History of the K-12 School-Supporting Foundation Movement</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Characteristics of K-12 Public School-Supporting Foundations</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Contributions of K-12 Public School-Supporting Foundations</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>The Nonprofit, Board, and Fundraising Lifecycles</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>The Argument Against Private Contributions for Public Schools</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Other Considerations</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>The Future of the K-12 Public School-Supporting Foundation Movement</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Summary</td>
<td>60</td>
</tr>
<tr>
<td>3</td>
<td>Chapter Three: Methodology</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
<td>63</td>
</tr>
</tbody>
</table>
CHARACTERISTICS OF PENNSYLVANIA'S K-12 PUBLIC

Scope of the Study................................................................. 64
Purpose of the Study............................................................. 65
Methodology ........................................................................... 65
Geographical Analysis .......................................................... 68
Online Survey ........................................................................ 69
Document Analysis .............................................................. 71
Top Performers Questionnaire ............................................... 72
Results of the Study ............................................................. 73
Role of the Researcher .......................................................... 73
Data Collection Procedures .................................................. 73
Summary ................................................................................ 74

Chapter Four: ........................................................................ 75
Results of the Study ............................................................. 75
Phase One: Identifying Pennsylvania’s K-12 Public School-Supporting Foundations .. 76
   School foundations clusters ................................................. 77
   Founding dates .................................................................. 80
   K-12 school-supporting foundation voids. .......................... 81
Phase Two: School District Survey .......................................... 82
   School district characteristics ............................................. 83
   Operational characteristics .................................................. 86
   Fundraising practices ......................................................... 94
   Giving practices .................................................................. 101
Phase Three: Document Review of Pennsylvania School Foundation IRS Form 990s 103
   Collecting IRS Form 990s .................................................. 104
Pennsylvania K-12 school-supporting foundations’ fundraising, giving and net assets .......................................................... 107
Pennsylvania K-12 school-supporting foundations and community type .......... 109
Community type and fundraising ........................................... 110
Size of affiliated school district ............................................. 115
Level of poverty and fundraising .......................................... 117
Longevity and fundraising ability .......................................... 119
Foundation board size and fundraising .................................. 121
Employees, volunteers, and fundraising ability ......................... 123
Foundation mission statements .............................................. 126
Phase Four: Top Performers Questionnaire .................................. 130
Top performers and paid staff .............................................. 131
Top performers and founding dates ....................................... 131
Top performers and reason for being ..................................... 131
Top performers and foundation goals ..................................... 131
Top performers and organizational strengths ............................ 132
Top performers and fundraising activities ................................ 132
Top performers and success factors ....................................... 133
Top performers and organizational infrastructure ..................... 133
Top performers and impact on affiliated school districts ............... 134
Top performers and their relationships with the school districts they support .... 135
Top performers and future opportunities .................................. 135
Advice from top performers .................................................. 136
CHARACTERISTICS OF PENNSYLVANIA'S K-12 PUBLIC

Conclusion .................................................................................................................. 137
Chapter Five: ............................................................................................................. 139
Discussion .................................................................................................................. 139
Introduction ............................................................................................................... 139
Restatement of Purpose ............................................................................................ 140
Discussion .................................................................................................................. 141
Research question one findings ................................................................................. 141
Research question two findings .................................................................................. 143
Research question three findings ................................................................................. 146
Implications for Practice ............................................................................................ 147
Recommendations for Further Research ..................................................................... 150
Summary and Conclusion ........................................................................................... 152
References .................................................................................................................. 155
Appendix A: Informed Consent for Online Survey ....................................................... 169
Appendix B: Online Survey ......................................................................................... 171
Appendix C: IRS Form 990 ......................................................................................... 178
Appendix D: Informed Consent for Top Performer Questionnaire ............................... 180
Appendix E: Questionnaire Protocol .......................................................................... 182
Appendix F: IRB Approval Letter ................................................................................ 184
<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1.</td>
<td>PSERS current vs. proposed hybrid plan for new members</td>
<td>8</td>
</tr>
<tr>
<td>Figure 2.</td>
<td>The nonprofit organizational lifecycle model</td>
<td>46</td>
</tr>
<tr>
<td>Figure 3.</td>
<td>The Lifecycle Pyramid</td>
<td>48</td>
</tr>
<tr>
<td>Figure 4.</td>
<td>Pennsylvania’s education foundations</td>
<td>78</td>
</tr>
<tr>
<td>Figure 5.</td>
<td>Number of Pennsylvania K-12 school-supporting foundations started by year</td>
<td>80</td>
</tr>
<tr>
<td>Figure 6.</td>
<td>Types of outside school district funding sources</td>
<td>84</td>
</tr>
<tr>
<td>Figure 7.</td>
<td>Board configuration of Pennsylvania K-12 school-supporting foundations</td>
<td>86</td>
</tr>
<tr>
<td>Figure 8.</td>
<td>School administrators as voting board members</td>
<td>87</td>
</tr>
<tr>
<td>Figure 9.</td>
<td>Activity level of school foundations</td>
<td>88</td>
</tr>
<tr>
<td>Figure 10.</td>
<td>Management of foundation funds</td>
<td>89</td>
</tr>
<tr>
<td>Figure 11.</td>
<td>Staffing configurations of Pennsylvania K-12 school-supporting foundations</td>
<td>90</td>
</tr>
<tr>
<td>Figure 12.</td>
<td>Plans and policies of Pennsylvania’s K-12 school-supporting foundations</td>
<td>91</td>
</tr>
<tr>
<td>Figure 13.</td>
<td>Communications strategies used by Pennsylvania K-12 school-supporting</td>
<td>93</td>
</tr>
<tr>
<td>Figure 14.</td>
<td>Foundations</td>
<td></td>
</tr>
<tr>
<td>Figure 15.</td>
<td>Primary fundraising activities of Pennsylvania K-12 school-supporting</td>
<td>97</td>
</tr>
<tr>
<td>Figure 16.</td>
<td>Fundraising activities of K-12 school-supporting foundations</td>
<td>99</td>
</tr>
<tr>
<td>Figure 17.</td>
<td>Programs funded by Pennsylvania K-12 school-supporting foundations</td>
<td>102</td>
</tr>
<tr>
<td>Figure 18.</td>
<td>Communications strategies used by Pennsylvania K-12 school-supporting</td>
<td>108</td>
</tr>
<tr>
<td>Figure 19.</td>
<td>Money raised by Pennsylvania K-12 school-supporting foundations by school</td>
<td>109</td>
</tr>
<tr>
<td>Figure 20.</td>
<td>Community type of Pennsylvania K-12 school-supporting foundations</td>
<td></td>
</tr>
<tr>
<td>Figure 21.</td>
<td>Money raised by Pennsylvania K-12 school-supporting foundations by school</td>
<td></td>
</tr>
<tr>
<td>Figure 22.</td>
<td>Community type of Pennsylvania K-12 school-supporting foundations</td>
<td></td>
</tr>
<tr>
<td>Figure 23.</td>
<td>Money raised by Pennsylvania K-12 school-supporting foundations by school</td>
<td></td>
</tr>
<tr>
<td>Figure 24.</td>
<td>Community type of Pennsylvania K-12 school-supporting foundations</td>
<td></td>
</tr>
<tr>
<td>Figure 25.</td>
<td>Money raised by Pennsylvania K-12 school-supporting foundations by school</td>
<td></td>
</tr>
<tr>
<td>Figure 26.</td>
<td>Community type of Pennsylvania K-12 school-supporting foundations</td>
<td></td>
</tr>
</tbody>
</table>
Figure 20. Map of DCED regions of Pennsylvania

Figure 21. Poverty levels and dollars raised by Pennsylvania K-12 school-supporting foundations

Figure 22. The impact of longevity on Pennsylvania K-12 school-supporting foundations

Figure 23. Board size and fundraising ability of Pennsylvania K-12 school-supporting foundations

Figure 24. Employees, volunteers, and fundraising capacity of Pennsylvania K-12 school-supporting foundations
LIST OF TABLES

Table 1: Anticipated Cuts by Pennsylvania Public School Districts by Type of Program in 2016-17 (All Districts v. High Poverty) ........................................... 7

Table 2: Public School Revenue Per Student 2012-2013 .................................................. 9

Table 3: Percent Increases in Revenues Reported by School-Supporting Charities Compared to All U.S. Charities .................................................. 26

Table 4: How Funds are Raised by Pennsylvania’s K-12 School-Supporting Foundations .................................................. 94

Table 5: Top Funding Sources of Pennsylvania School-Supporting Foundations .................. 96

Table 6: Top Foundation Funding Sources by Community Type ........................................ 98

Table 7: Foundation Types and Average Amounts Raised .................................................. 111

Table 8: Differences in Fundraising Based on Community Type ...................................... 112

Table 9: Foundation Dollars Raised per Region ............................................................... 114

Table 10: Fundraising Amounts Based on School District Size ...................................... 115

Table 11: Fundraising Results Based on Size of District ................................................. 116

Table 12: Impact of Poverty Percentage on Fundraising .................................................. 117

Table 13: Longevity and Fundraising Success ................................................................. 118

Table 14: Fundraising Results of Pennsylvania K-12 School-Supporting Foundations Based on Board Size .................................................. 121

Table 15: The Impact of Employees on Fundraising Success of Pennsylvania’s K-12 School-Supporting Foundations ........................................... 123

Table 16: Employees, Volunteers, and Fundraising Capacity of Pennsylvania’s K-12 School-Supporting Foundations ........................................... 124

Table 17: What Pennsylvania’s K-12 School-Supporting Foundations Fund ................... 128
Chapter One:

Introduction

At first glance, Elizabeth Forward School District does not appear to be struggling financially. The small, suburban Pittsburgh school district offers a technology-rich learning environment where every student has an iPad and access to classes including Digital Fabrication and Computational Thinking. It is one of 73 future-thinking school districts nationally that make up the League of Innovative Schools. This selective group of technology-driven, forward-thinking learning organizations is focused on improving student outcomes and creating lifelong learners (Digital Promise, n.d.). Yet the district's shrinking population and growing poverty have made balancing the school budget a challenge. Superintendent Bart Rocco believes the heart of the problem is Pennsylvania's inequitable school funding system, which is based on local property taxes. Add in continually rising costs, and many Pennsylvania K-12 public schools struggle to fund the cost of education. In order to ensure his students do not suffer the consequences of tighter budgets, Rocco aggressively pursues private funding through partnerships with local foundations, as well as industry and universities (Pennsylvania Association of School Business Officials (PASBO) & Pennsylvania Association of School Administrators (PASA), 2016). At Elizabeth Forward, this strategy is working.

Rocco is not alone in his need to adequately fund his schools. Doing more with less is the ongoing challenge faced by public schools in Pennsylvania and across the nation. According to the Center on Budget and Policy Priorities, states are providing less per-pupil funding for K-12 education now than they did seven years ago - often far less (Leachman & Mai, 2014). Nelson and Gazley (2014) determined that state tax receipts, which are typically between 40 and
50 percent of public school revenue, have declined by about 12 percent in real dollars since the start of the Great Recession in 2008. This, they said, was the sharpest decline on record.

State funding cuts have a significant impact on school districts. Boards are left with little choice but to raise taxes at the local level. To complicate the matter, many states, including Pennsylvania, have capped the amount taxes can be raised. So how can schools fill the gap? One answer is increasing private support for public education. According to Dan Else (2004), director of the Institute for Educational Leadership at Northern Iowa University:

Support from public sources is not likely to be sufficient to provide the resource base necessary to create and operate 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. (p. 1)

Seeking supplemental private funding for public schools is gaining traction nationwide. A study of public education in California found that private money contributed to schools increased 62 percent from 1992 to 2001. Over a ten-year span, the average per-pupil revenue from private sources grew from $188 to $489 (Brunner & Imazeki, 2004). Statistics show this pattern continued into the first decade of the new century. Nelson and Gazley (2014) determined that nationally, the number of school-supporting nonprofits grew by 230 percent, from 3,475 organizations in 1995 to 11,453 organizations in 2010. There is evidence of the concept gaining momentum in Pennsylvania as well, spurred by school districts’ need to maintain the quality of education and fund required programs and services that cannot be fulfilled by bare bones budgets. Examining the broader context of the problem will shed light on the need for public schools in Pennsylvania to pursue external resources to preserve programs and continue to provide quality educational experiences for students.
Bob New (2012), the founder of the Pennsylvania Consortium of Education Foundations, proposed, “It’s time for every school district in the state to seek a new chapter in its history, reaching out to new diversified revenue streams to survive the reduction of resources coming in from the state” (para. 6). According to Nathan Mains, executive director of the Pennsylvania School Boards Association, about half of the school districts in Pennsylvania have already made an effort to establish a school foundation, some with greater success than others (personal communication, January 7, 2016). Mains reported that information on how to establish a school foundation is a frequent request from member districts. A few Pennsylvania school districts were early pioneers, launching school district-supporting foundations decades ago by adapting models from the K-12 private school sector and colleges and universities. While a school-supporting foundation may not make up the entire shortfall, a well-run foundation can raise enough money to support the work of a school district and provide extras for students that were cut from the budget.

**Funding of Pennsylvania’s K-12 Public Schools**

**Local funding.** Understanding the need for public schools in Pennsylvania to generate additional funding beyond what is provided through taxation begins with an examination of how the state’s schools are funded. In 1965, the Pennsylvania General Assembly enacted legislation requiring the state to pay for at least half of the total cost of public education in Pennsylvania (Education Law Center, 2011). A recent statistic showed state funds making up far less, at just 36 percent of the total cost (Pennsylvania School Funding Project (PSFP), 2016). Most of the funding for K-12 public education comes from local taxpayers, primarily through property taxes. Additional funds are allocated by the state, with the smallest portion of funds being contributed by the federal government.
A look at long-term funding trends reveals that in Pennsylvania, local taxpayers are contributing a larger portion of the revenue to fund schools while state and federal contributions continue to decline. From 1975 to 2006, the state share of local school district spending fell nearly every year, reaching a low of 36 percent in 2006 (Education Law Center, 2011). Most school districts have raised local taxes to make up the difference. Unfortunately, this problem is compounded by the ever-increasing costs of running schools. Local taxpayers shoulder the burden of the rising expenses, as well (PASA & PASBO, 2017).

To complicate the matter, in 2006, the Pennsylvania Legislature passed Act 1, limiting the ability of public schools to raise local taxes (Welton, 2015). According to Welton, the intention of Act 1 was to provide property tax relief by setting a threshold for schools, beyond which the school district must request permission from voters via referendum to increase the tax rate. Only schools meeting certain limited criteria can request a special exemption, which eliminates the need to gain approval from voters before increasing taxes above the threshold. In 2011, lawmakers further narrowed the exemption criteria, creating additional difficulty for schools trying to raise the necessary funds to educate students (Welton, 2015). While the Act 1 threshold varies by district, according to the Pennsylvania Department of Education (n.d.), it will range from 2 to 4 percent for the 2017-2018 school year.

Jeffrey Ammerman, director of member assistance for the Pennsylvania Association of School Business Officials (PASBO), described the impact of Act 1 for school districts:

Act 1 has limited the districts’ ability to raise taxes. Prior to Act 1, there was no limit and Boards could use their discretion to raise taxes to what they believed was necessary. Act 1 originally had quite a number of exceptions that could allow districts to go above the index without going to referendum. A few years ago, most of those were
eliminated. This made it difficult to upgrade buildings, as that was one of the exceptions that was eliminated. For the most part, two exceptions remain, one for special education costs and one for pension costs. There has been no referendum that has passed to raise taxes above the index for anything but building projects, and only two referenda have passed related to school building projects. (personal communication, September 23, 2016)

Schools receive fewer state and federal dollars. Voters can reject a property tax increase that would make up for the missing money. These factors, coupled with continually rising costs, create a conundrum for Pennsylvania’s public school leaders.

Another evident inequity results from the fact that there is great disparity among Pennsylvania school districts, with some spending $26,000 or more annually to educate a single student while others can barely afford $8,000 (Brown, 2015). Much of that difference can be attributed to the Commonwealth’s heavy reliance on property taxes to fund education.

According to an article on Pennsylvania’s inequitable public education system that appeared in The Washington Post, poor communities typically tax themselves at a greater rate than higher income communities, but their economic composition means they simply cannot raise as much money as their wealthier neighbors (Brown, 2015). Year after year, the funding gap between rich and poor school districts widens, resulting in vast differences in available resources. A new funding structure, discussed briefly in the next section, is aimed at correcting the problem.

State funding. Basic Education Funding (BEF) is the main source of state funds used by school districts to educate students (PASBO, 2014). It is a specific line item in the state budget that can be used to pay for teachers, curriculum, and other items as determined by school districts.
Pennsylvania schools receive a lower percent of state funding than schools in nearly every other state in the nation. In fact, schools in only five other states fare worse (Pennsylvania School Funding Project, 2016). On average nationwide, states fund 45 percent of the cost to educate students; Pennsylvania funds only 36 percent. According to the Pennsylvania School Funding Project (2016), local taxpayers underwrite 55 percent of all public education costs, compared with the national average of 44 percent. A more recent source lists the percentage funded locally in Pennsylvania at 58 percent (Welton, 2015). State funding of public education in Pennsylvania has been on the decline for decades. Since the early 1990s, Pennsylvania has shifted $9.9 billion in responsibility for education costs from the state education budget to local taxpayers (Pennsylvania State Education Association, n.d.).

An annual survey by the Pennsylvania Association of School Administrators (PASA) and the Pennsylvania Association of School Business Officials (PASBO) offered evidence of an increasingly negative view toward the inadequacy of state and federal funding by K-12 school leaders. A 2017 PASA/PASBO report on the perceptions of school administrators documented a grim attitude toward the future of public school funding. Participating districts projected continued increases in mandated expenses for pensions, health care, special education, and charter schools (PASA & PASBO, 2017). Administrators and chief financial officers in 72 percent of all Pennsylvania school districts completed the survey (PASA & PASBO, 2017). Of the districts responding, 70 percent said they planned to raise local property taxes in the upcoming year and 94 predicted the same or worsening financial conditions (PASA & PASBO, 2017). Districts indicated they planned to meet the continuing financial challenges by dipping into fund balances, reducing staff, and increasing class sizes. Responses to the 2016 survey indicated that 33 percent of districts had cut staff, 34 percent increased class sizes (mostly at the
elementary level) and 37 percent of school districts slashed academic programs (PASA & PASBO, 2017).

These cuts were predicted in a previous survey issued by PASA and PASBO (2016) prior to the start of the 2016-17 school year, where district leaders said they expected cuts in programs and services, with the impact falling more heavily on high poverty schools, as explained in Table 1 below.

Table 1

*Anticipated Cuts by Pennsylvania Public School Districts by Type of Program in 2016-17 (All Districts v. High Poverty)*

<table>
<thead>
<tr>
<th>Type of Program</th>
<th>All Districts</th>
<th>High Poverty Districts</th>
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<tbody>
<tr>
<td>Academic Programs</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Student Support Services</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>27%</td>
<td>36%</td>
</tr>
<tr>
<td>Purchase of Materials</td>
<td>37%</td>
<td>45%</td>
</tr>
<tr>
<td>Extracurricular Activities</td>
<td>20%</td>
<td>27%</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>22%</td>
<td>32%</td>
</tr>
<tr>
<td>Construction and Building Maintenance</td>
<td>29%</td>
<td>38%</td>
</tr>
</tbody>
</table>


In June 2016, the Pennsylvania Legislature adopted a new formula to fund basic education. It is aimed at more fairly distributing money to school districts based on their specific needs (Behrman, 2016). Administrators agree that a new formula is an important step toward equity for Pennsylvania’s students. The updated formula has limits, however, as it only applies to new increases in aid for schools, thereby locking in the disparities created over the last several decades (McCorry, 2016). Even with a new funding formula in place and a small boost in education funding for the 2016-17 school year, 96 percent of Pennsylvania’s school district
administrators predicted a similar or worse funding situation the following year (PASA & PASBO, 2017). Public education advocates say that unless policymakers address rising costs from pensions, health care, special education, and charter school tuition, expenses will continue to increase faster than state funding, further increasing school districts’ reliance on local taxpayers (PASA & PASBO, 2016). While the state legislature finally approved an iteration of pension reform in June 2017 (Murphy, 2017), the result likely will not offer relief for school districts in the immediate future, as demonstrated in Figure 1 below (Pennsylvania Public School Employees’ Retirement System (PSERS), 2017).

Figure 1. Pennsylvania Public School Employees’ Retirement System (PSERS) current vs. proposed hybrid plan for new members. Reprinted from https://www.pasr.org/pennsylvania-pension-bill-no-taxpayer-relief/

The Commonwealth Foundation, a self-described conservative think tank located in Pennsylvania, disagrees with the theory that schools are not sufficiently funded by the state. The
group says it is a matter of appearance. While local spending is higher than the national average, the foundation pointed out that state spending is at the national average, which creates an illusion of a small state share (Commonwealth Foundation, 2016). Table 2, located below, includes data from the Commonwealth Foundation’s 2016 report on Pennsylvania education spending trends.

Table 2

Public School Revenue Per Student 2012-2013

<table>
<thead>
<tr>
<th>Per Pupil Revenue</th>
<th>Total</th>
<th>Local</th>
<th>State</th>
<th>Federal</th>
</tr>
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<tbody>
<tr>
<td>United States</td>
<td>$12,130</td>
<td>$5,520</td>
<td>$5,487</td>
<td>$1,122</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$15,562</td>
<td>$8,743</td>
<td>$5,580</td>
<td>$1,240</td>
</tr>
<tr>
<td>PA Rank</td>
<td>10</td>
<td>6</td>
<td>24</td>
<td>16</td>
</tr>
</tbody>
</table>

Note. Reprinted from Pennsylvania Education Spending Trends, by the Commonwealth Foundation, retrieved from http://commonwealthfoundation.org Copyright 2016 by the Commonwealth Foundation.

**Federal funding.** At 11 percent, federal funding makes up the smallest portion of government funding for Pennsylvania schools (Mezzacappa, 2015). That is slightly higher than the national average of 10 percent (Center for Public Education, n.d.). According to the Center for Public Education (n.d.), federal money given to schools includes Title I dollars, which mostly support schools and districts with high percentages of children living in poverty; funding for the school lunch program; and special education funding. The Pennsylvania School Boards Association (PSBA) reported that for the 2013-2014 school year, federal sources represented less than 5 percent of funds received by school districts in the Commonwealth (Pennsylvania School Boards Association, n.d.-a).

**Other factors.** School leaders participating in the previously mentioned PASA/PASBO surveys said they expect several issues to impact their school budgets moving forward. In addition to declining state contributions to fund basic education, Pennsylvania K-12 public
schools also receive smaller amounts of state funding to support specific costs such as special education services, transportation, pension costs, social security, food service, and school construction (PASA & PASBO, 2016; PASBO, 2014).

In a follow up to the 2016 PASA-PASBO survey, schools reported back on actual costs for the 2016-17 school year. Every single survey respondent experienced rising pension costs, 83 percent paid more for special education students and health care, and 70 percent saw more money go to charter schools (PASA & PASBO, 2017).

The rising cost to fund state pensions is particularly difficult for schools to meet. The required payment stood at 30.03 percent of salary for the 2016-2017 school year and is projected to climb to a peak of 34.20 percent for the 2019-2020 school year (Pennsylvania School Boards Association, n.d.-b). To put the increase in perspective, just ten years ago, in the 2006-2007 school year, school districts’ pension obligation was less than six percent of salary (PSERS, 2016).

The pension crisis was caused by a combination of factors, including a 2001 vote by state lawmakers to boost pension benefits, bump up the payout rate, and reduce eligibility time (McCorry, 2015). The Great Recession of 2008 exacerbated the problem by eroding the value of the state pension fund. The Pennsylvania School Boards Association stated that if it was not addressed by the state legislature, the pension obligation schools are forced to meet would have a “crippling effect on the state’s economy and a devastating impact on local school district budgets” (PSBA, n.d.-b). While a pension reform bill was signed into law in June 2017, the Pennsylvania Public School Employees’ Retirement System (PSERS, 2017) projects school districts can expect increasing pension costs through 2035.
Rising health care costs pose another difficult challenge for school districts, with rate increases often outpacing the Act 1 Index (J. Ammerman, personal communication, September 26, 2016). Schools cannot raise local taxes enough to keep up with the additional costs. In addition, unpredictable special education and charter school costs impact school district budgets, often after a budget has already been enacted. By law, schools must pay for unexpected special education increases that occur when new students with special needs move into the district. They must also pay tuition for students living within the district who choose to enroll in a charter school. That number often varies from year to year and is out of the control of the school district. (J. Ammerman, personal communication, September 26, 2016).

The range of funding issues faced by school districts suggest a need for additional funding sources such as those contributed by K-12 public school-supporting foundations, which this study explores.

**Problem Statement**

Long-term funding challenges are impacting the quality of K-12 education in Pennsylvania. Escalating pension rates, rising insurance (among other costs), and declining state support are forcing schools to cut budgets, often at the expense of students (PASA & PASBO, 2016; PASA & PASBO, 2017). For schools, the current economic challenge means less money for technology, arts and music programs, enrichment experiences like school field trips, and athletic activities and facilities. In some cases, schools may even need outside help to fund essentials like curriculum and staff positions. During these difficult financial times, public school-supporting foundations are emerging as part of the solution to Pennsylvania’s school funding problem. However, few school leaders have the time, resources, or expertise to launch a school foundation or improve the capacity of an existing one.
Purpose of the Study

The purpose of this study was to assess the status of education foundations in Pennsylvania. Identifying the number and location of K-12 public school-supporting foundations, when they were founded, how much money they raised and contributed, and the programs they supported was the initial step. After collecting data, the researcher compared operations, including board composition; employee status; and the types of plans, policies, and procedures school foundations had in place. This study was exploratory in nature. It considered differences among the individual K-12 public school-supporting foundations based on geography, socioeconomics, years in operation, and the structure of the foundations themselves. It was also designed to gather data on trends including communications, types of fundraising, and level of involvement of the school district’s administrative team.

Understanding the structure and capacity of public school-supporting foundations in Pennsylvania will provide insight for school leaders. If they are considering launching a school foundation or want to grow an existing one, this research will be beneficial. It offers structural models and effective strategies relevant to a district’s location, socioeconomic makeup, and other factors. It can also inform the work of organizations that support Pennsylvania’s public school districts, such as the Pennsylvania School Boards Association (PSBA) and the Pennsylvania Association of School Administrators (PASA). Results of the study will provide guidance on the professional development needs of school leaders, school board members, school foundation staff, and community volunteers.

Significance of the Study

Although two organizations, the Association of Pennsylvania Education Foundations (APEF) and the Pennsylvania School Boards Association (PSBA), have a substantial interest in
the development and growth of school-supporting foundations in Pennsylvania, there was no comprehensive study investigating how many public school-supporting foundations exist, their differences and commonalities, or an assessment of how successful they are at providing funds for the schools they support. APEF is a mostly volunteer-led membership organization established to provide professional development and networking opportunities for school district and foundation staff and volunteers. Its status as a primarily volunteer organization limited its capacity to collect the data needed to fully understand the landscape of school foundations in the state.

PSBA also has a keen interest in school foundations. Its attention to the issue was relatively new at the time of this study, and was driven primarily by the organization’s executive director, Nathan Mains, who saw the benefits of helping school boards raise money to support the districts they serve. While PSBA runs two School Foundation Symposiums each year, staff members spend only a fraction of their time on these ventures (N. Mains, personal communication, January 7, 2016). Mains revealed that a comprehensive assessment of K-12 school foundations in Pennsylvania was needed to develop an understanding of how many exist, how much money they raise, and what types of information foundation staff and volunteers need to more effectively raise money for the schools they support.

This research study assessed the scope of school-supporting foundations in Pennsylvania. Its results will help foundation and school district staff and volunteers identify the full range of revenue sources available through school-supporting foundations, thus informing their work and shedding light on potential areas for growth. While some of the findings may be universally applied by school districts, others are relevant to only a few, as the compositions and needs of Pennsylvania’s 500 school districts vary greatly. There are lessons for school districts of all
sizes, socioeconomics, and geography. School leaders should pay careful attention to findings on school districts that are similar in nature to theirs. Additionally, while results of this study will likely have application outside of Pennsylvania, this work is focused solely on the challenges that are unique to K-12 public school districts within the Commonwealth.

Finally, this study considers the impact of the nonprofit organizational lifecycle on school-supporting foundations’ ability to raise funds. Nonprofit Organizational Lifecycle Theory identifies stages through which nonprofits move and how those stages impact organizational structure and performance (Barnett, 1988; Brothers & Sherman, 2012; Stevens, 2001). No previous study on K-12 public school-supporting foundations has considered this concept to any great degree.

Conceptual Framework

The ontological philosophical assumption guided this dissertation. Ontology asks the question, “What is the nature of reality?” (Creswell, 2013). In the case of this study, there were multiple realities, an idea embraced by ontology. The social constructivist framework is well aligned with the ontological philosophical assumption. This research was conducted through that lens. Social constructivism, also called interpretivism, seeks to uncover meaning, which may be complex, varied and multiple (Creswell, 2013). Those words are accurate when used to describe how public school-supporting foundations in Pennsylvania function. This is no surprise, given their diverse settings, objectives, and histories. Pennsylvania’s K-12 school-supporting foundations are as unique as the students, communities, and school districts they serve.

In addition to social constructivism, this study incorporated a pragmatic approach. Pragmatism seeks to understand actions, situations and consequences rather than antecedent conditions (Creswell, 2014). Supporting theories that factored into the study include
Government Failure Theory, Resource Dependence Theory, and Nonprofit Coproduction Theory, all of which help explain the decline in funding for public education and the response of communities to this issue (Gazley, 2015; Grand, 1991; Lecy & Van Slyke, 2013). As noted in the previous section, Nonprofit Organizational Lifecycle Theory was also used to describe the cycle through which a foundation progresses from birth to maturity. Understanding this cycle can help school foundation leaders make critical decisions related to next steps for growth and development.

This dissertation focuses on the outcomes of the research, with the goal of identifying factors that impact K-12 public school-supporting foundations in Pennsylvania. As expected with the pragmatic approach, multiple methods of data collection were used to best answer the identified research questions (Creswell, 2013). This study was mixed methods in nature, with an emphasis on qualitative research. Evidence was gathered and analyzed through the examination of survey results; document review, including Internal Revenue Service (IRS) reporting forms; and a questionnaire issued to leaders of top-performing school foundations.

A body of literature indicated school-supporting foundations exist because public schools need more money to maintain programs and facilities than they receive from government revenue sources. The literature also suggested that these types of foundations succeed or fail based on their structure and behaviors. This study gathered data to uncover the many elements that impact the ability of school-supporting foundations to raise and contribute funds to the school districts they support. It identified characteristics and behaviors that lead to success, so they can be replicated across the state. The outcomes of this study were intended to provide practical strategies that result in greater resources for Pennsylvania’s students and schools.
While private funds can never fully replace declining tax dollars, they can help make up the shortfall.

**Research Questions**

The following research questions guided this study:

1. What is the scope of the public school-supporting foundation movement within Pennsylvania, and are there variances among foundations based on the location, size and socioeconomics of the school districts they serve?

2. What are the characteristics of foundations affiliated with public school districts in Pennsylvania, such as board size and structure, employee status, longevity, region, community setting, and operational structure, and are any of these correlated with increased levels of fundraising?

3. How do public schools in Pennsylvania spend the revenue contributed by affiliated school-supporting foundations?

**Limitations of the Study**

This study had a possible sample size of 500, which represented the total number of school districts in the state as identified by the Pennsylvania Department of Education. The actual sample size was lower because not every school district had a school foundation. Other districts completed the legal work of establishing a foundation, but were not actively pursuing funds. Still others were in the emergent phase, where establishing a foundation was being discussed, but had not yet occurred. These foundations were the most challenging to find.

Contacting all 500 school districts in Pennsylvania to determine whether they have a school-supporting foundation was time consuming, and posed a challenge for completing the research and fully assessing the landscape of school foundations. In some cases, it was difficult to track
down the person in the school district who was informed about the status of an affiliated foundation.

Additionally, a contact person was identified for each existing foundation to for the purpose of completing a survey. This person needed to be well-versed in both the operations and finances of the foundation. Identifying such a representative for each foundation was an additional challenge. In cases where that individual was the superintendent of the school district, they were particularly difficult to reach.

Participation in the survey and questionnaire portions of this study was voluntary, and not all schools with a foundation opted to take part. Gathering a sufficient number of survey and questionnaire results took time and effort. A small sample size resulting from lack of participation can limit the generalizability of results.

School districts themselves occasionally had a different definition of a foundation than the researcher. In order to address this limitation, a definition of the term as it relates to this study was incorporated into research tools to help clarify the concept and improve consistency of survey or interview answers.

Finally, small school foundations, meaning those with limited assets and contributions, and school foundations affiliated with a community foundation often did not complete the required reporting forms that are required of independent or larger, more established school foundations. Without IRS reporting forms available for viewing, it was more difficult to assess fundraising trends of the smallest school foundations.

**Delimitations**

While school-supporting foundations exist across the nation, this study was limited only to those in Pennsylvania. Its focus was further narrowed to examine only the 500 public school
districts identified by the Pennsylvania Department of Education. Charter schools and cyber charter schools, both of which are publically funded school entities, were not included in this group, nor are the numerous K-12 private and parochial schools in Pennsylvania.

School districts traditionally have several types of volunteer, parent, and alumni organizations that provide the district with support for programs, facilities, and scholarships for students. These include alumni associations, parent/teacher organizations, and activity booster groups. Even though these types of school-supporting organizations often provide significant assistance, they were not included in this study, beyond assessing the types of non-tax revenue that supported schools participating in the survey component of the study. These groups are not usually established as independent, 501(c)(3) nonprofit entities, so collecting data on their financial resources and contributions to schools would have been difficult. Sometimes school districts themselves are unable to assess how much money these types of groups raise.

The researcher attempted to contact all 500 school districts in Pennsylvania by telephone or email. Only those who self-identified as having a school-supporting foundation that aligned with the researcher’s definition of the phrase were included in the research. School districts that stated they did not have a school foundation were tallied separately, but were not investigated beyond gathering preliminary information from the district, including whether the district was considering the establishment of a foundation, or if it previously was supported by a foundation that is no longer active.

The literature review portion of the dissertation was limited to public school-supporting foundations and fundraising for educational entities within the United States. Examples from other nations with different structures for funding public schools may have offered unique
perspectives, but were not deemed relevant to this study. A significant body of research dating back to the 1980s within the US provided sufficient context for this study.

Assumptions

It was assumed that the information shared in response to the survey or questionnaire by the foundation leaders or school district administrators was accurate, and that the individual who conveyed information on behalf of the foundation had sufficient knowledge of its operations to do so. It was also assumed that information included on school foundation and school district websites and social media profiles was accurate, and that information included in IRS Form 990 documents was correct.

Hypothesis

Given the diverse nature of the school districts within Pennsylvania, it was likely that the attributes of school foundations supporting them would vary too. The researcher believed the differences hinged on school districts’ size, location, setting and socioeconomics. Additionally, the structure of the foundation, age of the foundation, the type of relationship it had with the district it served, and whether it had paid staff were considered to be factors that might impact a foundation’s fundraising ability.

While there were many variances among the education foundations included in this study, the researcher believed there would also be similarities. The literature pointed to commonalities among foundations across the nation in how they fundraise, how they are structured, who sits on their boards, and how they support the school districts with which they are affiliated. The researcher thought that patterns related to how education foundations function in Pennsylvania would emerge from this research study as well.
Additionally, the researcher hypothesized that some of the differences among school-supporting foundations would depend on where the foundations were within the nonprofit lifecycle. As nonprofits move from start-up to maturity they take on different forms, both in operations and structure (Brothers & Sherman, 2012; Stevens, 2001). This impacts many factors, including quality of board members, relationship with the community, and ability to raise funds.

**Definitions**

*501(c)(3) nonprofit organization.* An organization with a charitable mission that has been granted tax-exempt status from the IRS. Most nonprofits, including K-12 public school-supporting foundations, fall under this category of the IRS code.

*Community foundation.* A foundation focused on a specific community or region developed for the purpose of supporting charitable giving in the area it serves (Hansen, Hall, Brewer, & Hannaway, 2015). It also acts as a conduit for smaller organizations with a charitable mission, allowing them to affiliate and have the benefits of a 501(c)(3) designation without having to apply for tax-exempt status themselves.

*Fundraising.* Any activity conducted for the purposes of raising money for a school-supporting foundation or other nonprofit charitable endeavor.

*IRS Form 990.* The annual tax reporting form filed with the Internal Revenue Service by nonprofit organizations that meet a certain threshold for revenue. The IRS Form 990 is a public document available for viewing.

*Pennsylvania public school district.* A traditionally-organized public school district in Pennsylvania that serves K-12 students from a defined geographical area. In some cases, it may also serve students in prekindergarten. This definition does not include charter schools.
School-supporting foundation. A foundation affiliated with a public school district that exists for the sole purpose of raising money to support the district and its students. This term is interchangeable with local education foundation (LEF) (Abzug, Olbrecht, Sabrin & DeLeon, 2016), or simply “education foundation.”

Organization of the Study

Chapter One introduces readers to the concept of public school-supporting foundations, research related to recent growth of the movement nationally, and a summary of public school funding struggles in Pennsylvania. Chapter One is comprised of a problem statement, purpose of the study, a conceptual framework, research questions, design of the research, limitations, delimitations, a hypothesis, definitions of key terms, and an explanation as to how the study is organized.

Chapter Two is focused on the literature review, which presents information on the history of private fundraising for public schools; the public school-supporting foundation movement; how school-supporting foundations have contributed in areas outside of Pennsylvania; characteristics of successful school-supporting foundations; arguments against raising private funds to support public education; and an examination of strategies used in fundraising for K-12 private schools, colleges, and universities.

Chapter Three is a review of the methodology of this study, including context, boundaries, identification of participants, investigation tools, measures, and data analysis procedures, as well as a discussion of the types of questions used in the survey and questionnaire, and items used for document review.

Chapter Four is a presentation of the results of the electronic surveys, a document review and follow-up questionnaires. It identifies the number of public school-supporting foundations
in Pennsylvania, where they are located, and their characteristics. It uncovers trends in structure, composition, fundraising activities, and support provided to schools with which they are affiliated. This chapter identifies strategies public school districts may want to consider when establishing a foundation or further developing an existing one.

Chapter Five is an analysis of the results of the study. It discusses the strategies school-supporting foundations can employ in raising resources to support programs and fund facilities. It also makes recommendations for future study including whether coursework in fundraising would benefit public school leaders. References, appendices, and tables follow this chapter.

Summary

Long-term funding challenges are impacting the quality of K-12 education in Pennsylvania. Escalating pension rates, rising insurance and other costs, and a tighter state budget has forced schools to limit expenditures (PASA & PASBO, 2016, PASA & PASBO, 2017). In December 2016, the board that oversees the state’s Public School Employees’ Retirement System (PSERS) voted to increase the rate of districts’ pension contribution for employees from 30.03 percent to 32.57 percent for the 2017-18 school year, an 8.5 percent rate hike (Bocella, 2016). Moving forward, the financial picture for the state budget does not look any better, either. A report by the Pennsylvania Department of Revenue indicated a $1 billion funding shortfall for Pennsylvania in 2016-17 was the largest since the recession (Levy, 2017). The nonpartisan arm of the state’s government that offers revenue projections and financial analysis also noted that Pennsylvania was on track for an even larger gap for the 2017-18 fiscal year (Langley, 2016). This will likely have negative impact on funding for K-12 education in the state.
Less money for schools often translates into cost-cutting, resulting in fewer resources for technology, arts and music programs, enrichment experiences like school field trips, and athletic activities and facilities. In some cases, these cuts force schools to seek grants and other outside help to fund essentials like curriculum and staff positions. During difficult financial times, school district foundations have emerged as part of the solution to Pennsylvania’s school funding problem.

Adequately funding public education is our responsibility as a society. When the system is broken, schools are left without the resources they need to educate students. This calls for school leaders to consider alternate methods to generate funds to preserve programs, maintain facilities and provide students with rich educational experiences. Chapter Two is a review of the literature on fundraising for education, including fundraising efforts by colleges and universities, private schools, and K-12 public schools. It also examines the history of public school-supporting foundations, including those in Pennsylvania, and considers the positives and negatives of raising money to support public education.
Chapter Two:

Review of Literature

Introduction

In 2014, the Coronado Schools Foundation mailed a fundraising letter to every family in the school district asking for a donation of $1,200 per student to make up for a decline in state funding. The district, which is located outside of San Diego, California, serves 3,200 students in five schools. In addition to the mail appeal, the foundation raises hundreds of thousands of additional dollars each year through an annual dinner auction and telethon (Rich, 2014). Mokoto Rich (2014) of the New York Times reported that the donations paid for arts and music classes, a sports medicine course for high school students, a digital media academy where middle school students learn animation, and 3-D printers.

According to the Coronado Schools Foundation’s IRS Form 990 for the fiscal year ending June 30, 2015, its mission is "to fundraise in order to fund the highest academic needs at each school campus within the Coronado Unified School District" (Internal Revenue Service, 2015-a). It is effective at meeting this mission. During the 2014-15 school year, the IRS Form 990 reports the foundation generated total revenue of $1.1 million. Additionally, it holds a robust $6.1 million in net assets, including a nearly $1.3 million endowment fund. In 2014-15, these investments generated interest income of $273,254—almost a quarter of the foundation’s revenue for the year. Of the money raised, the foundation paid out $851,830 in grants to the school district it supports (Internal Revenue Service, 2015-a). The annual budget for the school district is just shy of $26 million (Coronado Unified School District, 2016). The amount contributed by the foundation, while only a fraction of the size of the school district’s budget, is substantial enough to make a difference.
Founded in 1981, the Coronado School Foundation has the advantage of time. For 35 years, it has been building relationships with donors and growing assets. Since its founding, hundreds, if not thousands, of other school districts across the nation have launched education foundations. School-supporting foundations are becoming a common strategy used by public school districts to raise funds to supplement increasingly limited district budgets. However, long before the school foundation movement existed, private citizens were contributing support to local schools in other ways.

Research on the scope and impact of K-12 public school-supporting organizations like the Coronado Schools Foundation is limited. Therefore, this literature review incorporates not only academic research, but noteworthy articles from practitioner journals, non-academic writings of experts in the field, media coverage related to the school foundation movement, and relevant, credible web-based sources. The most recent comprehensive research study released on private donations for public schools, which included school-supporting foundations, was published in 2014. It was based on information gathered from 1995-2010 (Nelson & Gazley, 2014). Not specifically focused on school-supporting foundations, it also incorporated data on parent-teacher groups, booster clubs, and alumni associations, as Table 3 below demonstrates.
Table 3

*Increases in Revenues Reported by School-Supporting Charities Compared to All U.S. Charities*

<table>
<thead>
<tr>
<th>Type</th>
<th>1995 Revenues</th>
<th>2010 Revenues</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTOs</td>
<td>$21,966,242</td>
<td>$137,713,636</td>
<td>526.9%</td>
</tr>
<tr>
<td>Education</td>
<td>$50,766,059</td>
<td>$296,959,231</td>
<td>485.0%</td>
</tr>
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<td>Foundations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boosters</td>
<td>$31,078,895</td>
<td>$148,900,391</td>
<td>379.1%</td>
</tr>
<tr>
<td>PTAs</td>
<td>$87,578,215</td>
<td>$287,860,297</td>
<td>228.7%</td>
</tr>
<tr>
<td>Other</td>
<td>$2,763,032</td>
<td>$5,545,986</td>
<td>100.7%</td>
</tr>
<tr>
<td>Endowments</td>
<td>$2,452,346</td>
<td>$3,146,526</td>
<td>28.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$196,604,789</td>
<td>$880,126,067</td>
<td>347.7%</td>
</tr>
<tr>
<td>Comparison to all U.S. filing charities</td>
<td>$573,318,600,000</td>
<td>$1,514,153,000,000</td>
<td>264.0%</td>
</tr>
</tbody>
</table>

*Note. Incomplete data; uses only registered and filing charities via 990 forms. Reprinted from How Philanthropy Props up Public Services and Why We Should Care, Beth Gazley, retrieved from http://nonprofitquarterly.org Copyright 2015 by Nonprofit Quarterly.*

As evidenced above, private fundraising to support public education is a rapidly developing field and is outpacing giving to the charitable sector as a whole. Existing literature indicates the growth is likely spurred by shortcomings in how schools are funded (Addonizio, 2000; Coleman, 2014; Carlson, 2011; Else, 2004; Rich, 2014).

**Fundraising for Education in the United States**

Fundraising to support education has a long history in the United States - longer, in fact, than the nation itself. The first major effort to raise money for a school occurred in 1641, with a campaign to fund the launch of Harvard College (Worth, 1993). The establishment of charitable foundations came much later, with the earliest emerging in 1914, in response to the first income
tax collections (Woodworth, 2007). In the field of education, colleges and universities were the first to adopt foundations as a vehicle for raising money, with private schools leading the charge. State-funded universities embraced the model later, as public funding for higher education began to dwindle (Worth, 1993). For the last 50 years, universities and colleges have built development programs, many with great success (Woodworth, 2007). As with higher education, fundraising in K-12 education first took root in the private sector. Independent and religious schools that needed capital beyond the dollars brought in through tuition payments first adopted the fundraising model. Carlson (2011) states that the foundation fundraising model is now taking hold in K-12 public education as well, as school leaders recognize the limitations of their current funding sources and search for possible solutions.

Donors like to give to education. Education-based organizations in the United States receive the second largest share of all charitable contributions (Khodakarami, Petersen, & Venkatesan, 2015). Much of it goes to higher education, likely because colleges and universities ask for gifts of money. Khodakarami, Petersen, and Venkatesan (2015) also found that a donor’s ties to an organization strongly influence donations. Donors, they explain, prefer to give to charities they can relate to or have personal experience with. For public schools with an eye on raising funds from private sources, this bodes well. Considering 90 percent of the population attended a K-12 public school, the potential donor pool is large (Council for American Private Education, n.d.). Additionally, a poll of American voters found that 55 percent of respondents would be willing to raise money for a local school (Public Education Network, 2004).

Private funds for public schools. Public schools in the United States have long attempted to identify non-traditional sources of revenue to supplement taxpayer dollars (Addonizio, 2000; Woodworth, 2007). For many years, public schools have engaged in private
fundraising, relying on the work of volunteers (Woodworth, 2007). Groups with a history of contributing to public education include parent associations, alumni associations, booster groups, and school-supporting foundations (Hansen et al., 2015; Zimmer, Kopp & Brewer, 2003). While examining the types of private funding available to schools, Addonizio (2000) found nontraditional funds were often the result of three strategies: asking for goods, services, and money; revenue-generating activities like selling advertising; and shared or cooperative agreements, where schools save money by pooling resources with other groups. The potential impact for a school, he stated, could be as much as seven to nine percent above their annual budget. Coleman (2014) stated that alternative revenue sources not only supplement school districts’ traditional funding streams, but reduced the need to raise taxes and provide more flexible funding for schools.

Nelson and Gazley (2014) agree that private money for public schools can make a difference and that schools have many sources from which to solicit support. They include nonprofit and for-profit entities such as booster groups, a variety of foundation types, and local businesses and corporations. Individuals should not be overlooked either, as they make up the single largest contributor to charitable organizations, nor should competitive grants from government entities (Levenson, 2007). Combined, these sources provide significant and growing support for schools. Nelson and Gazley (2014) determined that the revenues of school-supporting nonprofits increased 348 percent, from $197 million in 1995 to $880 million in 2010 among the sample they studied. The growth was especially strong for PTOs and school foundations. For PTOs, total revenues increased by 527 percent over those 15 years (Nelson & Gazley, 2014). Total revenue for school-supporting foundations increased 485 percent (Nelson & Gazley, 2014).
Foundations. Both corporate and private foundations have emerged as significant contributors to public education. Statistics from the Foundation Center pinpointed the dollar amount of gifts from corporate foundations to K-12 education in the United States at $1.8 billion in 2013 (as cited in Morsy, 2015). Morsy (2015) also found that corporate foundations tend to give at the local or state level, and are focused on making investments that build a strong workforce or improve community relations in areas where they are located. Examples include funding Science, Technology, Engineering and Math (STEM) programs, curriculum and instruction, and teacher recruitment and retention efforts (Morsy, 2015). This is in direct contrast to the giving strategy used by most private foundations.

Reckhow and Snyder (2014) reviewed grants made by the 15 largest private foundations in the nation to K-12 education. In 2000, they funded 1,200 grants totaling $486 million (Reckhow & Snyder, 2014). The Bill and Melinda Gates Foundation is a prime example of how private foundations invest in public education (Greene, 2005). In 2000, the couple’s foundation gave $400 million for teacher professional development (Green, 2005). The grant was intended to have national impact and paved the way for later investments by the foundation, targeted at reforming American high schools (Green, 2005). Between 2002 and 2005, the Gates Foundation funded $1.2 billion in grants to increase academic achievement and better engage learners in hopes of raising high school graduation rates (Green, 2005). Nationally, large foundations like Gates are increasingly focused on funding policy reform and alternatives to the traditional K-12 public education model, which they view as having wider impact than funding an initiative in a single district or school (Reckhow & Snyder, 2014).

Simply put, large foundations are not particularly interested in funding the nuts and bolts of K-12 public education. They prefer a more conceptual approach. According to Tompkins-
Stange (2013), many private foundations see funding advocacy as a better return on investment than supporting traditional “program” grants, because advocacy influences how public dollars are spent. Additionally, supporting advocacy is viewed as having an impact on many, rather than a few schools. Carlson’s (2011) findings indicated that when not funding advocacy or policy reform, foundations finance enhancement activities, and avoid providing funds for items typically supported by tax dollars, such as teacher salaries or facilities. Similarly, Lecy and Van Slyke (2013) determined that “foundations can be fickle patrons as they may prefer to support new organizations, new programs, and themes that evolve over time in a community” (p. 206).

While larger foundations with more giving power appear to prefer funding education reform initiatives at a higher level, thousands of smaller foundations with a narrow geographic focus exist in communities across the nation. These local foundations are more likely to fund initiatives in community schools, making a difference at the building or classroom level. They include family foundations and community foundations, which gather donations from individuals of all income levels, then redistribute the money to worthy causes like education within the region they serve (Levenson, 2007).

**Individuals.** In 2010, Facebook founder Mark Zuckerberg stunned the nation. He made a donation of $100 million to remake education for students attending public schools in Newark, NJ (Associated Press, 2015). The gift was intended to increase graduation rates in Newark and fund the establishment of successful charter schools (Associated Press, 2015). Five years after making the gift, Zuckerberg admitted that his charity taught him a lesson and, in a post on Facebook, he stated that it is important to understand what a community wants before making a gift (Green, 2005). He also noted that it takes years to build the support that cements the changes needed to provide every student with a high quality education (AP, 2015).
Zuckerberg has since refocused his attention on San Francisco public schools, where he is infusing $120 million to improve education for low-income students (AP, 2015). This gift, announced in 2014, is beyond the capacity of most donors. Even so, individuals should be considered worthy prospects for school fundraising - especially those with links to the district such as parents, alumni, and former and current teachers and administrators. While they may not be able to give at the level of Zuckerberg, there is power in numbers (Levinson, 2007), and those numbers may be growing. Stark (2010) wrote of the increasing willingness and capacity of parents to provide financial support for their children’s public school.

Raising money comes at a cost. Nonprofits spend substantial resources to acquire donors. About half of all newly acquired donors are lost after the first donation (Khodakarami et al., 2015). School foundations have a competitive advantage if they target donors who are alumni or have children attending a school the foundation serves. Khodakarami et al. (2015) report that donors with ties to an organization are more likely to donate and that:

[D]onors often prefer to give to charities they can inherently relate to. Personal experience with a charity, whether a donor has benefited from a cause in the past or believes that (s)he will benefit from it in the future, motivates giving to that charity. (p. 79)

Public schools fit this profile.

Corporations. While corporate support is a worthwhile target for schools, the body of academic research focused on determining the impact of corporate dollars in public education is limited. Some corporate support is provided through corporate foundations. Other gifts are given directly by corporations to schools (Hansen et al., 2015). Hansen, Hall, Brewer & Hannaway (2015) described four trends in corporate giving: (a) supporting existing school programs
through donations of tangible goods and services; (b) funds aimed at improving one particular program or school; (c) joint efforts of several businesses working together toward a common initiative; and (d) contributing toward efforts aimed at policy change. Hansen et al. (2015) add that one particular type of corporate support grew so significantly that it has been scrutinized by the federal government. In 2000, the General Accounting Office (GAO) noticed that product placements in schools nationally, such as beverage vending machines and advertisements, increased due to waning school budgets and the rising purchasing power of teens (Hansen et al., 2015). However, there is no indication that the GAO’s examination of product placements led to any recommendations for public schools.

Corporations have a long history of giving to public schools, and their contributions to K-12 public education may be on the rise. Levenson (2007) reported that in 2004, K-12 schools received more grant money from corporations and foundations than higher education. To gain access to more corporate dollars, Levenson (2007) suggested schools focus on corporations with a giving philosophy that matches the project for which they are seeking funds. For example, a technology company would be likely to support a school’s technology-related initiatives. Levenson (2007) also recommended that schools not limit themselves to cash, but target in-kind gifts, as well. As Hansen et al. (2015) also noted, corporations will often consider donations of professional services, equipment, or other items.

Legacy gifts. Levenson (2007), a nationally-known school fundraising expert, identified another factor that may benefit school foundations in the future - the impending transfer of wealth in America. His research shows that over the next 50 years, $40.6 trillion will be inherited by people living today, and the recipients of that wealth will be looking for causes to support
(Levenson, 2007). He believes the wealth transfer is one of the biggest boons in the history of philanthropy and should be harnessed to benefit public schools. According to Levenson (2007):

> Many men and women who will be inheriting millions of dollars in cash, equities, real estate, and insurance are products of public schools. They want to help the schools as never before. We need to learn how to involve these people in our schools and learn how to ask for big gifts. (p. 5)

**Other sources.** Beyond soliciting charitable funds, some school districts have turned to enterprise activities to close the funding gap. Strategies include “user fees” such as paid parking passes, tuition for specialized opportunities like driver education and swimming instruction, and fees for supplies, athletics, and student transportation. While some of these pay-to-play activities have been challenged in the courts, policies are largely a matter of state law (Addonizio, 2000). Coleman (2014) suggested that implementation fees and user charges are a predictable supplemental source of funding for education. While fees currently account for only a modest amount of public school funding, their potential to play a much larger role is significant.

Additionally, public school districts are increasingly considering the option of launching their own school-supporting foundation for the primary purpose of raising funds to supplement taxpayer dollars (Nelson & Gazley, 2014). These stand-alone organizations have the ability to raise money from many sources. An increasingly popular venture for public school districts, they may be run as a part of the district or organized as an independent body with a board of directors that is separate from the school administrative team and school board. With time, foundations can become proficient at fundraising, like the Coronado Schools Foundation, and make substantial and ongoing contributions to the school districts they support.
History of the K-12 School-Supporting Foundation Movement

Shrinking tax revenues, growing expenses, budget cuts, shifting state funding levels and priorities, and increased expectations of lawmakers and parents have created a funding crisis for public schools (Coleman, 2014; Else, 2004). Addonizio (2000) reported that from 1890 to 1990, the public education expenditure per student increased 3.5 percent year over year, with total expenditures rising from $2 billion to more than $187 billion, in constant 1990 dollars. While that trend leveled off in the 1990s, the cost to educate students continues to rise faster than taxpayers’ ability to pay for it (Else, 2004).

Elected officials who are reluctant to raise taxes, compounded by tax and expenditure limits, are raising serious concerns about how public education in the United States will be funded in the future (Coleman, 2014). Government Failure Theory (Grand, 1991) contextualizes the problem. Based on the theory of market failure, it suggests that governments, like markets, sometimes fail at providing, funding, and regulating government-sponsored initiatives such as education (Grand, 1991). Often, that failure has unintended consequences and sets off a chain of unanticipated events. In the case of public education in the United States, the response of schools and communities to the government’s failure to sufficiently fund education is explained by two additional theories: Resource Dependence Theory and the Theory of Nonprofit Coproduction.

Resource Dependence Theory (Abzug et al., 2016; Carlson, 2011; Pfeffer & Salancik, 1978) proposes that as educational institutions become more constrained by diminishing public funds, they begin to change their organizational behavior and structure to attract new revenue. This is demonstrated in the growing interest of public schools to attract nontraditional resources and establish fundraising entities such as school-supporting foundations. According to Carlson
(2011), because of the uncertainty of revenue sources for schools, Resource Dependence Theory is another appropriate lens through which to examine the work of school-supporting foundations. Carlson (2011) stated the creation of these foundations was driven by school districts’ shrinking revenue and increased needs. Posey-Maddox (2016) took the idea a step further:

Although funds from foundations and independent parent fundraising groups still comprise a small share of school budgets in the United States, the fact that schools are relying upon these funds to sustain core academic programs suggests a shift in the relationship between the state and its citizens in the realm of public education. (p. 179)

The Theory of Nonprofit Coproduction describes the role of the community in this phenomenon. According to Paarlberg and Gen (2009), in communities where service levels or quality are not sufficient to satisfy the needs of the public, community members step up to coordinate the donation of time and dollars to improve the level of service. Nonprofit coproduction may even have some non-monetary benefit, as it allows parents and other community members to express their preferences and participate in the political process of funding schools (Paarlberg & Gen). Together, Resource Dependence Theory and Nonprofit Coproduction Theory help to frame the birth and growth of the school-supporting foundation movement.

Education foundations initially emerged in California in 1978, as a response to state legislation Proposition 13, which reduced property taxes, and subsequently, funding for schools, by about 57 percent (Allen, 2014; Else, 2004). Proposition 13 essentially starved schools of needed funds and sparked the beginning of the quest to supplement public school budgets with private dollars (Allen, 2014; Else, 2004). K-12 public school-supporting foundations continued to gain popularity through the 1980s as several other states, including Massachusetts and
Oregon, approved similar legislation that limited the ability of schools to raise local taxes (Abzug et al., 2016; Brunner & Imazeki, 2004; Else, 2004; McCormick, Bauer & Ferguson, 2001; Woodworth, 2007). The movement received an additional boost in 1983 when seed money from the Ford Foundation helped launch 53 local education foundations across the nation (Abzug et al., 2016).

In the almost 40 years since the founding of the initial K-12 public school-supporting foundations, the numbers have grown exponentially. In 1982, just a few years after the first foundations launched, only 100 were in existence across the US. A decade later, the number had grown to 1,500. By 2001, there were an estimated 3,000 K-12 public school-supporting foundations in the United States. In 2015, the American Schools Foundation Alliance (ASFA) reported that at least 7,000 public school-supporting foundations existed in the US (Hansen et al., 2015).

National School Foundation Association (NSFA) Executive Director Robin Callihan believes that new school foundations continue to be established, but the number is nearly impossible to benchmark, as the last comprehensive nationwide study focused solely on public school-supporting foundations occurred in 2006 (personal communication, December 14, 2016). Statistics from the federal government support her assertion. According to 2007 data from the National Center for Charitable Statistics, 19,000 nonprofit organizations were devoted to supporting public education, double the number counted in 1997 (Fleming, 2012).

While individuals and organizations have long provided financial support to local schools, as noted earlier in this chapter, the concept is evolving. The Caruthers Institute (2016) suggested that most people are unaware of the extent to which K-12 education foundations are enhancing public education. Yet, contributions are growing and school districts are becoming
more sophisticated in how they raise funds (Hansen et al., 2015). Brunner and Imazeki (2004) reported that private contributions to public schools in California increased significantly from 1992 to 2001, rising from $123 million to $238 million. As they noted in their narrative, a separate study by the Public Policy Institute of California suggested that $1.3 billion was donated to public schools in California in 2007 through a combination of booster clubs, parent-teacher organizations, and school foundations (Brunner & Imazeki, 2004). Booster groups and parent-teacher organizations typically donate at the school level or to a specific program, whereas school foundations are focused on the school district as a whole (Brunner & Imazeki, 2004). The true scope of private giving to public schools is hard to determine, as some groups are not open about the success of their fundraising efforts for fear of budgetary or other consequences they prefer to avoid (Paarlberg & Gen, 2009).

Gazley (2015) reported that school-supporting foundations are part of a larger trend in charitable giving. In another demonstration of nonprofit coproduction, private funds are increasingly supplementing the budgets of publically-funded organizations of all kinds. Gazley (2015) wrote, “Philanthropic support for public services is growing rapidly, outpacing the growth of the charitable sector overall. The rate of growth is seen especially in K-12 education” (p. 2). As evidence, she pointed to federal data, which indicates that over the last 40 years, as many as a third of all charities filing under the National Taxonomy of Exempt Entities (NTEE) “educational” classification were created for the primary purpose of providing financial support to public schools (Gazley, 2015). The time period studied coincides with the birth and growth of the U.S. K-12 public school-supporting foundation movement.

The growth of these foundations has been most notable in populous states such as California, Texas, and New York (Fleming, 2012). In California, school foundations infused
approximately $300 million into K-12 public education in 2010, as reported via their IRS Form 990s (Gazley, 2015). However, foundation growth is not just limited to the most populous states. As of 2012, Florida was home to 57 district-level K-12 public school-supporting foundations, with 85 percent of the state’s school districts having an affiliated foundation formed for the sole purpose of generating revenue to assist the school district with educating students (Fleming, 2012). In Indiana, the number of public school-supporting foundations grew six-fold from 1985 to 2010, from 10 to more than 60, with the state’s most capable foundations contributing more than $1 million a year to the school districts they support (Cruser, 2012). Similar patterns occurred in New Jersey and Virginia (Abzug et al., 2016; Allen, 2014).

The issues surrounding the operations of K-12 public school-supporting foundations have become common enough to warrant attention at the national level. In 2016, the National School Boards Association (NSBA) offered legal guidance on creative revenue streaming and public schools:

Across the nation, public school districts are facing tremendous financial crises. Because of this, they are forced and often highly motivated to explore new and innovative ways to raise funds. Each potential revenue source, however, presents its own set of costs, risks, and liabilities. (as cited in Gilsbach, 2016, p. 4)

Gilsbach (2016) advocated that public school districts establish policies to help manage risks for all outside revenue streams including school-supporting foundations and follow those policies consistently to avoid any possible legal repercussions.

Beyond money, school foundations can offer other benefits to schools. Carlson (2011) reported that researchers see advantages to K-12 education from school-supporting foundations, such as building community commitment to public education, leveraging business leadership
expertise, and creating important community relationships. Joachim (2003) concurred. While
documenting the successful fundraising program at P.S. 87 in New York City’s Upper West
Side, Joachim (2003) told the story of how school fundraising helped build a sense of
community. The school’s principal reinforced that conclusion and said that school fundraising
“brings together families and staff and provides vehicles for parents to be part of and contribute
to their children’s education” (Joachim, 2003, p. 1).

Literature regarding K-12 public school-supporting foundations in Pennsylvania is
virtually nonexistent. On its website, the National School Foundation Association (NSFA) (n.d.)
lists 112 district-affiliated foundations in the state, although the number proved to be almost
triple that number. An estimate by Nathan Mains of PSBA put it closer to 250, meaning
approximately half of Pennsylvania school districts might have a school-supporting foundation
in some form or another (personal communication, January 7, 2016). As it turns out, the number
was even higher than Main’s estimate. School foundations are hard to track, as the school
foundation movement in Pennsylvania is not yet well organized. While PSBA and APEF offer
professional development workshops for school foundation staff and volunteers, neither
organization knew for sure how many school foundations existed and to what degree they
contributed to the schools with which they are affiliated.

Characteristics of K-12 Public School-Supporting Foundations

This chapter began with the story of the Coronado Schools Foundation, which
contributed more than $850,000 to the school district it supports during the 2014-15 school year.
A substantial amount of money, while small in comparison to the school district’s budget, was
large enough to make a difference for students and teachers (Rich, 2014). What makes a
foundation succeed to such a degree? The literature points to multiple factors including
organizational structure and the nature of its fundraising activities (Allen, 2014; Cruser, 2012). However, K-12 public school-supporting foundations are not equal in their ability to contribute to the schools they support.

In a research study on Indiana school-supporting foundations, Cruser (2012) determined that the most successful foundations contributed $1 million or more to affiliated school districts. Annual contributions ranged from $0 to $1.3 million (Cruser, 2012). Allen (2014) came to a similar conclusion in her study focused on Virginia-based school-supporting foundations. She determined that the number of foundations had increased steadily in the state over the last 30 years, with two-thirds of school districts at the time of the study being supported by a foundation (Allen, 2014). The first was established in 1983 and, by 2014, Allen (2014) identified 80 foundations, with a significant range in their effectiveness. Some barely functioned, while others contributed a million or more dollars annually. Fund balances of the school-supporting foundations followed the same pattern, with some having as little as $2,600 in assets, and others holding millions. The largest foundation in Virginia, Allen (2014) reported, had $2.5 million in assets.

There are similarities in how foundations raise funds, as well. Cruser (2012) reported on the top five revenue sources in Indiana: (a) donations from individuals (52%), (b) donations from businesses (42%), (c) corporate sponsorships (24%), (d) endowment gifts (21%), and (e) special event revenue (24%). Again, Allen (2014) found similar results. The types of funding identified by Cruser (2012) were raised through a variety of methods, including special events, direct mail appeals, grant writing, and corporate matching gifts programs. Culbertson (2008), in a study of school-supporting foundations in Texas, found many of the same activities, but also noted that phone solicitation and payroll deduction were common ways of raising money. Zimmer, Kopp
and Brewer (2003) add endowments and bequests to the list of funding sources. School-supporting foundations could raise more money, according to Cruser (2012), if they tapped into an often forgotten donor segment - alumni. Cruser (2012) stated that while private schools and universities do an excellent job of keeping in touch with graduates, it is not common for K-12 public schools to do so.

Allen (2014) noted some similarities among the Virginia foundations that contributed the most to affiliated school districts:

- Longevity appeared to be an indicator that a foundation would have greater net assets.
- Foundations with the highest fund balances were also the state’s oldest.
- School districts with a larger student body were more likely to be supported by a school foundation.
- School foundations with the highest revenue had full-time, paid staff and larger boards to support their work and connect them to donors in the community.

Abzug, Olbrecht, Sabrin and DeLeon (2016) confirmed several of these in a study of public education foundations in New Jersey. The patterns are useful in informing the work of school-supporting organizations.

An additional study of school foundations in Florida by Carlson (2011) revealed other characteristics that may lead to success. In Florida, a state that was an early adopters of the movement, nearly every school district is supported by an affiliated foundation. Carlson (2011) found that two factors appeared to have the greatest influence on revenue generation by a foundation: (a) the total number of board members; and (b) the fundraising behavior of the executive director. In order to build revenue, Carlson (2011) recommended education foundations focus efforts in these areas: board recruitment, involvement, and retention;
superintendent engagement; and employing an executive director. Carlson (2011) added that board members must be prominent individuals in the community who are willing to fundraise and are dedicated to the mission of the organization.

Composition and size of the board has been considered in several other studies. Allen (2014) found that in Virginia, governing boards of school foundations averaged 10 members, with at least one member being either a school district employee or school board member. Nationally, the number is slightly higher. Using a sample drawn from school foundations across the United States, Christner (2006) determined most boards ranged from 12 to 57 members. In a document published by the NSBA offering guidance on launching a school foundation, it identifies the board as being essential in gaining community support and raising funds (Coventry, 2004). Coventry (2004) stated that most boards number between 11 and 21 members and warned against creating a board that is too large or too small. Coventry (2004) also advocated that founding boards define their expectations, create job descriptions for board members, and designate the number of committees that board members must serve on and number of meetings they must attend.

The relationship between the school-supporting foundation and the school district’s leadership is a theme that appears less often, but is critical. Specifically, the superintendent helps set the stage for fundraising and should become a prominent supporter and fundraiser for the foundation. The Indiana Association of Public Education Foundations (INAPEF) (n.d.) echoed this message. In a document developed to guide foundation start-up, it conveys that one of the most critical steps in the process is to build a positive relationship with the school district’s superintendent (INAPEF, n.d.). Superintendents lend credibility to the fundraising effort and can help ensure funds are used in ways that best support a district’s students and teachers. According
to Zimmer et al. (2003), building principals should also be viewed as an important part of fundraising efforts, as they often spend much of their time making personal contacts and building relationships. Both are essential to the fundraising process.

In terms of structure, school foundations take many forms. Some are large, professionally organized operations that raise money from a variety of sources. As noted by Carlson (2011), foundations adopting this model appear to fare better with fundraising. Others are smaller ventures that rely solely on the support of local donors. There is some indication from the literature that many foundations begin small and become larger and more organized over time, although this does not appear to be universal (Abzug et al., 2016; Allen, 2014; Woodworth, 2007). School superintendents or school boards typically initiate the founding of school-supporting foundations with the purpose of raising money for the school district or specific schools (Woodworth, 2007).

From a governance perspective, the literature identifies three types of foundation boards: (a) a school-board controlled foundation, meaning all foundation directors are appointed or controlled by the Board of Education; (b) an autonomous foundation board, meaning the foundation board is entirely separate from the school board; and (c) the embedded model, meaning the foundation is a separate, autonomous corporation (Culbertson, 2008; Else, 2004; McCormick et al., 2001). While any of these structures appears to work, it is critical to acknowledge that the quality of the relationship between the school foundation and the school district itself is of the utmost importance.

While school-supporting foundations can control many of the factors that lead to success, elements beyond their control may impact the ability to raise and contribute money. Nelson and Gazley (2014) determined that communities with higher median incomes were more likely to
have a school-supporting nonprofit organization, such as a school-supporting foundation, and those organizations raised more money per student than organizations in less affluent neighborhoods. A separate study by Gazley (2015) found most of the philanthropy directed toward public schools is local, and that wealthy school districts have an advantage when it comes to raising funds. In another study that examined ten years of private giving to public education in California, Brunner and Imazeki (2004) drew a similar conclusion. Further, they found that the wealthier the community, the more likely it was to establish an organization for the purpose of raising money to support schools (Brunner & Imazeki, 2004). For school leaders considering the launch of a foundation, serious thought needs to be given as to whether the community has the means to support it.

Interestingly, in one of the earliest studies on school-supporting foundations, Tunnison (1991) came to the opposite conclusion. His research on Nebraska school foundations found that the location and size of the school had little effect on fundraising efforts (Tunnison, 1991). The results may have been impacted by the timeframe in which the study was conducted and the small sample size. Tunnison (1991) included only five foundations in his research. He identified several factors that seem to lead to fundraising success for schools, including active board members and paid staff, an appropriate purpose statement, well-designed marketing materials, sound investment strategies and recognizing the contributions of donors (Tunnison, 1991). The age of the foundation, the size of the school district and its location, according to Tunnison (1991), did not seem to matter much. Like other authors, Tunnison (1991) recommended that public school foundation boards work collaboratively with the local school board to enhance the positioning of the foundation. By working collaboratively with the school, the foundation will be viewed as an integral part of the school environment. Tunnison (1991)
added that districts without a school foundation risk losing a significant amount of charitable donations and will limit their ability to maximize opportunities for students.

**Contributions of K-12 Public School-Supporting Foundations**

Just as there are similarities in how school foundations are structured and operate, there seems to be a pattern to their giving habits and overall impact on the school districts they support, as well. According to Zimmer et al. (2003), foundations’ support of schools is almost always targeted to specific programs or purposes. Frequently funded items include operations, technology, and capital improvements. At the building level, donations from a school-supporting foundation tend to fund enrichment activities like school field trips and after school programs, supplies and equipment, and non-teacher staff salaries. Else (2004) stated that education foundations focus on funding five major areas: (a) classroom grants for teachers, (b) enrichment or cultural activities, (c) equipment purchases, (d) improved school-community relations, and (e) technology.

Woodworth (2007) said that giving patterns are predicated by how much a school foundation is able to raise. Those raising $10,000 or less per year usually fund classroom grants for teachers and scholarships for graduating students; those that raise $20,000 to $50,000 often fund curriculum enrichment programs, teacher training, and teacher resources; those raising $100,000 or more per year underwrote teaching positions (Woodworth, 2007). Culbertson (2008) found that school foundations sometimes funded facilities renovations in addition to supplementing teacher salaries when districts’ operational budgets could not meet the need. Unfortunately, much of this information dates from the late 1990s and early 2000s. Future research is needed to determine if giving trends have changed.
In some cases, school foundations are contributing substantial funds to the schools they support. In California, the Hillsborough School Foundation gave $3.45 million to district schools in the 2013-14 school year, increasing the school district budget by 17 percent (Hansen et al., 2015). The foundation supporting Denver Public Schools raised more than $10 million in 2011 - roughly $123 for each of the 81,000 students enrolled in the district. Denver schools used the money to fund after school programs, in-school health services, and math and science programs for students in the district (Hansen et al., 2015). While amounts of money raised by school-supporting foundations are relatively small, usually two to three percent when compared with the size of school district budgets, the foundation contributions seem to make a difference for the students and teachers who benefit from them (Cruser, 2012; Hansen et al., 2015).

Beyond money, K-12 public school-supporting foundations provide other benefits to schools as well. Woodworth (2007) concluded that they reenergize communities by increasing volunteerism and providing opportunities for individuals to become more engaged with schools. Muro (1995) concurred, explaining that establishing a school foundation broadens community support for public education, better informs the community of issues facing public education, and helps to restore and build confidence in public schools. Sherry (1995) viewed school-supporting foundations as a public relations tool for schools. She stated that the mere existence of a school foundation boosts teacher and student morale and leads to positive attitudes toward public education and improved communication between the school and community (Sherry, 1995).

The Nonprofit, Board, and Fundraising Lifecycles

Several of the research studies included in this literature review found a link between the age of a school-supporting foundation and its ability to raise money (Abzug et al., 2016; Allen,
Abzug et al. (2016) reported that established school-supporting foundations are better able to attract resources than younger foundations, and that fundraising success seems to be most consistently correlated with how much money the organization has previously raised. Experience and longevity matter. Like other nonprofit organizations, school-supporting foundations have a lifecycle. How effective a foundation is at meeting its mission of raising money is often tied to its lifecycle stage.

Developing an understanding of the nonprofit lifecycle and at what stage an organization falls in that cycle is beneficial for school leaders, foundation staff, and volunteers. This knowledge can help guide the management of a school foundation’s operations. The stage of the organization even dictates where its work should be focused (Barnett, 1988; Brothers & Sherman, 2012; Stevens, 2001). In her work on the lifecycles of nonprofit organizations, Stevens (2001) identified seven stages, beginning with the idea phase, which is prior to start-up, and progressing to the terminal stage, when a nonprofit ceases to operate. While there is no specific timeframe tied to the stages of the lifecycle, Stevens (2001) found that most nonprofit organizations progress through them in a similar way. They begin with an idea, start operations, move toward adolescence, and finally mature (Stevens, 2001). Figure 2 on the next page offers a visual representation of how a nonprofit organization moves through the process.
According to Stevens' (2001) model, during the start-up phase, staff and volunteers should be primarily focused on determining how the organization will meet its mission. In other words, what types of programs and services will the nonprofit offer to accomplish what it set out to do? Once initial programs or services are established, the organization moves toward adolescence (Stevens, 2001). During this stage, in the case of a school-supporting foundation, it should be focused on managing initial fundraising activities as well as building infrastructure to better support them. This may be the period of time when the first executive director is hired, fundraising policies and procedures are established, and the organization begins using technology to manage the donor development process. It is here that the work of the foundation takes hold. It begins to raise more money and is able to work with the school district it supports to fund larger, more impactful projects. This may include creating an endowment or launching a first-time capital campaign to help fund a renovation or building project.

After a period of time building infrastructure, demonstrating value, and attracting skilled staff and board members, a school-supporting foundation reaches maturity (Stevens, 2001). The foundation's fundraising program is well established. It has forged strong relationships with
donors and school leaders. A core group of donors supports the work of the organization year after year. Examples of success abound, though what success looks like may differ from district to district. The school foundation is valued by both the school it supports and the wider community. It is viewed as a way to meet the needs of students and teachers. This is the stage where the organization is functioning at its best (Stevens, 2001).

According to Brothers and Sherman (2012), “a fully actualized, mature organization should remain vital and increasingly improve the quality of its programs - so as to make significant progress in fulfilling the defined need for which it exists” (p. 5). To do this, the school-supporting foundation might work collaboratively with school leaders to align fundraising priorities with the strategic goals of the school district. Thus, it will avoid decline by renewing focus and re-energizing staff and volunteers.

The Lifecycle Pyramid (Brothers & Sherman, 2012) offers another model to guide the advancement of school-supporting foundations. The base of the pyramid is core program development (Brothers & Sherman, 2012). It is here that the school foundation will identify what it wants to accomplish. This may include grants to support classroom teachers, small facilities improvements, scholarships, or any other project deemed relevant by those working on behalf of the foundation. Once this base is firmly in place, staff and volunteers should turn to infrastructure development (Brothers & Sherman, 2012). In this phase, the foundation builds the supports to help it grow. This should include policies and procedures, an articulated organizational structure, and an annual development plan. Once infrastructure issues have been addressed, the foundation moves on to impact expansion - raising more money and better meeting the needs of the school district it supports (Brothers & Sherman, 2012). School
foundations’ staff and volunteers can use the Lifecycle Pyramid, found below in Figure 3, as a guide to focus their work.

![Lifecycle Pyramid Diagram]

Figure 3. The Lifecycle Pyramid. Adapted from *Building Nonprofit Capacity: A Guide to Managing Change Through Organizational Lifecycles*, by John Brothers & Anne Sherman. Copyright 2012 by John Wiley & Sons.

Just as nonprofit organizations, including school foundations, cycle through stages, so do their boards (Barnett, 1988; Mathiasen, 1990). Mathiasen (1990) identified the three key stages of the nonprofit board lifecycle as the organizing board, the governing board, and the institutional board. Barnett (1988) added that each stage of the nonprofit lifecycle requires different skills on the part of the board and executive director. All nonprofit organizations start at the first stage. An organizational board begins when members are either invited to join at the request of a founder, or a group of people rallies around a cause and forms an organization. While board members may be exhilarated to be part of something new, eventually the organization needs a more defined structure, and organizing boards move toward the governing phase. While timeframes differ, Mathiasen (1990) stated that transitioning from the first to the second phase is often difficult for an organization and its volunteers.
The governing phase begins as an organization moves out of start-up (Mathiasen, 1990; Stevens, 2001). At this stage, many boards consider hiring a staff member to handle the growing work of the organization. For a school-supporting foundation, this may be the point at which the board considers hiring its first executive director. Depending on the level of support provided by the school district affiliated with the foundation, or the success of the board at raising funds, the executive director may be part-time or full-time. This is also a period when the school foundation may begin raising more money, as a paid staff member is assigned to the task. During the governing stage, staff and volunteers work collaboratively toward meeting the organization's goals. Mathiasen (1990) noted that the transition to a governing board is often a period of renewal for the board, with some founding board members departing. He added that some boards never move beyond the governing board stage or remain in the governing stage for many years (Mathiasen, 1990).

Well-established school-supporting foundations may ultimately arrive at the institutional stage. Mathiasen (1990) described this as the stage where the organization is well established, and board seats are held by high profile community members. At this stage, the board is larger and more focused on fundraising. This, Mathiasen (1990) suggested, is when committees become essential, with the most important being the board nominating committee. In other words, who is selected for a seat on the board matters. For school-supporting foundations, the size of the board, the individuals selected for board seats, and how connected they are all impact the ability to raise money. As noted previously, a larger board, within reason, is likely to lead to greater success (Allen, 2014; Carlson, 2011).

In addition to the nonprofit and board lifecycles, a fundraising lifecycle dictates the process through which a school foundation establishes its fundraising program, acquires donors
and moves them up the development pyramid from first-time, small donors to long-time, large supporters (Worth, 1993). A development program would typically begin with an annual campaign and only once a sufficient number of donors demonstrated consistent interest in supporting the foundation, would those individuals be asked for larger gifts, the next step in the development process (Worth, 1993). After success at this level, cultivation would begin for the next phase in development work - planned giving. The three lifecycles discussed here work together, roughly following the same trajectory, providing insight for foundation staff and volunteers on where to focus efforts (Worth, 1993). This roadmap, closely followed, should lead to positive outcomes in operations and fundraising.

While there are concrete actions school foundation staff and volunteers can take to pave the way to future success, not all literature supports the concept of school-supporting foundations. In fact, there are critics who see the work of school foundations as troublesome, taking away from what they believe the main focus should be - sufficient government funding for public education.

**The Argument Against Private Contributions for Public Schools**

K-12 school-supporting foundations are part of a larger phenomenon. Private dollars are increasingly being invested into public education. The rise of school-supporting nonprofit organizations has been described as “meteoric,” with contributions to public schools by these organizations growing from $197 million in 1995 to $880 million in 2010 (Nelson & Gazley, 2014). These numbers do not include gifts given directly to school districts by private and corporate foundations and other funders. While many welcome the additional funds to support a critical need in our nation, others view the trend as a danger to the public education system.
Critics of education foundations and other private donations to public schools give a number of reasons for their concern. Much of the literature centers on the concept that private money can only go so far. The Gates Foundation's notable investment of $1.2 billion into high school reform attracted a substantial amount of capital from foundation peers. Colvin (2005) reports that 13 other foundations pitched in to fund additional reform efforts. However, even this level of investment was not sufficient to alter the high school experience for large numbers of students. For real change to happen, public money must be invested. According to critics of the concept, the bulk of education dollars must come from federal, state and local government sources because there simply is not enough private funding available to take the place of taxpayer money.

Greene's (2005) research supported this position. He studied IRS Form 990 data from the 30 largest K-12 independent foundations, plus survey data from the 100 largest U.S. public school districts. He found that philanthropic contributions accounted for between $1.5 and $2 billion in 2002, as compared with overall spending on K-12 public education of $427 billion (Greene, 2005). As Greene (2005) said, "education philanthropy is just dumping buckets of water into the ocean of public school spending" (p. 74). He added that private contributions to public schools are "simply too small to significantly raise the level of resources available to schools" (Greene, 2015, p. 49).

Another concern is that when public schools seek private funding, some children gain more than others. Several research studies revealed evidence of this disparity (Brunner & Imazeki, 2004; Schwartz, Bel Hadj Amor, & Fruchter, 2002; Woodworth, 2007). Schwartz, Bel Hadj Amor and Fruchter (2002) suggested that some schools may be better able to raise revenues from private sources than others, and the resulting distribution of resources may not serve all
students equally. Such was the case in New York City, where parents with children attending a Greenwich Village elementary school learned of an impending staff reduction and, in response, they raised enough money to fund a salary so that one of their teachers would not be reassigned (Schwartz et al., 2002). Ultimately, the district chose not to accept the funds. It did not want to set a precedent of allowing parents to fund core functions of the district, thus ensuring equitable services for all students (Schwartz et al., 2002). The incident spurred the New York City Board of Education to establish reporting requirements so it could better monitor private contributions to the city’s schools (Schwartz et al., 2002).

According to Nelson and Gazley (2014), similar stories play out across the nation. School districts with greater community resources - as measured by property tax revenues per pupil, the share of individuals with a bachelor’s degree or more, median household income, and relatively low unemployment rates - have higher probabilities of being served by at least one school-supporting nonprofit (Nelson & Gazley, 2014). They also have higher levels of per-pupil contributions. It appears that school districts in wealthier communities generate higher revenues from taxes but also raise more money from donations.

Greene (2005) argued that philanthropy can only really help K-12 education by supporting advocacy and research efforts that inform education policy and create new types of schools and school administrative structures. Most K-12 education philanthropy, according to Greene (2005), funds “lower-leverage” activities such as the purchase of materials or underwriting new programs that schools could have funded themselves. Greene (2005) viewed the quest for private funding by public schools as a distraction. Amanda Broun, a former senior vice president of the Public Education Network, stated, “Our focus should be on how we can ensure we are using the public resources we have well and properly funding public education
with them” (as cited in Fleming, 2012, p. 4). Public education, she added, is a public responsibility. Woodworth’s (2007) study uncovered similar sentiments from school leaders, who fear that raising private money could spark an adverse reaction from the community regarding the regular school budget. This is a clue as to why not all school superintendents embrace the education foundation model.

An additional concern is that establishing an education foundation takes work and initially may raise a disappointingly small amount of money (Woodworth, 2007). Carlson (2011) reported that many K-12 education foundations struggle to gain the traction necessary to join higher education in securing major gifts and more significant contributions from individuals, the largest donor base in philanthropy. If schools are lucky enough to strike it rich from private dollars, a new dilemma appears. According to Stark (2010), the question for schools that succeed at fundraising is determining what private money should be allowed to fund.

A final criticism is that it is difficult to discern the amount of actual private support schools receive, as some contributing organizations, such as booster groups, may not file annual reporting forms because they are not officially organized as public charities or do not meet the $50,000 filing threshold for nonprofits. Parent-teacher groups and booster clubs often function independently of a school, choosing how the money they raise is spent. Since public school districts also do not complete a federal tax reporting form, information on the level of support provided by these groups is hard to measure. Additionally, Schwartz et al. (2002) determined that some schools and school-based organizations may not be motivated to share information about fundraising efforts out of concern that there may be consequences, such as reduced funding from traditional sources.
Other Considerations

A Homestead, Pennsylvania native, Bill Campbell never forgot where he came from (Niederberger, 2013). As chairman of the software firm Intuit, Campbell ensured the school district he grew up in was outfitted in the latest technology, building athletic facilities named for his brother and father and contributing $4.5 million to fund an addition to an elementary school (Niederberger, 2013). From 2000 to 2010, Campbell donated nearly $10 million to the Steel Valley School District. Generous checks from Campbell himself and the Campbell Family Foundation were written to the Steel Valley Foundation for Education, an entity formed with the intent of supporting the school district (Niederberger, 2013). Unfortunately for the school district and its students, there was little control of how money was spent. The foundation also repeatedly failed to file required tax reporting forms, which landed the foundation and school district in the news (Niederberger, 2013). The foundation eventually lost its tax exempt status, but not before exposing the school district to repeated negative publicity.

An expose in the Pittsburgh Post-Gazette reported that foundation members did not adhere to the organization’s bylaws, foundation money was spent at businesses owned by a foundation board member and a school board member, and there was virtually no oversight of how charitable gifts were used (Neiderberger, 2013). In 2012, the Steel Valley School Board voted to no longer accept or approve financial reports from the foundation because of a lack of bidding and having no input into how dollars were spent (Neiderberger, 2013). While this is an extreme case of what can go wrong when a foundation is poorly managed, it is a lesson from which school leaders should learn. If for no other reason than to protect the school districts they serve, superintendents, business managers, board presidents, and other responsible parties need
to know enough about the proper operation of a school foundation to avoid mismanagement and poor publicity.

Another concern is that often school districts that need supplemental revenue the most have a more challenging road to establishing a school foundation. These types of school districts include those that are small in size, rural, or have little community wealth. School leaders, foundation staff, and volunteers may have to work harder and longer to gain the momentum that their more affluent and larger neighbors achieve more easily. According to the Rural Schools Partnership (n. d.), a national organization focused on helping rural schools overcome challenges, the effort pays off. The organization reported that a thriving school foundation not only engages community members and alumni in the school, but also develops important school partnerships while providing additional resources (Rural Schools Partnership, n.d.). As Else (2004) noted earlier, every school likely has the capacity to raise some money.

The Future of the K-12 Public School-supporting Foundation Movement

With a 40-year history of steady growth, school-supporting foundations are becoming the norm. K-12 education charities are growing 30 percent faster than the nonprofit sector overall (Gazley, 2015). Gazley (2015) stated that this increasing involvement of private donors in public education creates a “virtual Pandora’s Box of potential ripple effects, including reduced public accountability and citizen access, less donor transparency, more challenging power dynamics, and less stable public services” (p. 5). It is imperative that schools develop policies to clarify their relationships with school-supporting foundations and other private donors, and establish guidelines for fundraising activities and the types of gifts they will accept. According to Gazley (2015), Tennessee is leading the charge on this issue.
In 2007, Tennessee adopted the School Support Organization Financial Accountability Act (SSOFAA), which requires school boards to enact policies concerning school groups that participate in fundraising, thus enabling them to regulate financial accountability and spending. In Tennessee, these policies must be in place before a school-supporting foundation can be started. When enacting policies, school leaders may also want to ask the question raised by Stark (2010): "Where - on the spectrum from playground equipment to computers to teacher’s aides to half-time art or language teachers to full-time grade-level teachers - should we draw the line as to what private money should be allowed to fund?" (p. 59).

Gilbsch’s (2016) work on creative revenue streams for schools is also worthwhile to consider. Gilbsch, a Pennsylvania attorney experienced in public education law, offers guidance for schools in establishing policies related to nearly every conceivable type of alternative revenue. In her guide for school solicitors, she incorporated discussions of revenue sources not yet widely found in academic literature, such as crowdfunding and seeking donations through social media (Gilbsch, 2016). Online donations are growing and will be more commonplace as young, tech-savvy individuals become donors. Public schools and their affiliated foundations must be in position to capture these emerging donors before they are attracted to other causes. Gilbsch (2016) recommended schools approach crowdfunding with caution and develop policies to manage the process before the idea takes hold in their district.

It is likely the concept already has taken hold. According to the practitioner magazine, *District Administration*, teachers at 71 percent of public schools in the United States have posted a fundraising request on a crowdfunding platform such as DonorsChoose, AdoptaClassroom.org or GoFundMe.org (Fink, 2016). Without a policy in place to monitor fundraising efforts, teachers may be requesting items not needed or not aligned with school district priorities. There
may also be too many competing requests from within the same district or those posting the request may unintentionally show the school district in a negative light (Fink, 2016). Appropriate policies might address who owns the crowdfunded items, what types of requests are allowed, how often donations can be solicited, and who is responsible for assuring proper oversight of donated goods or cash (Fink, 2016; Gilsbach, 2016). This is an area where school foundations can be leveraged, as they have the potential to relieve some of the administrative burden on school districts.

School foundations must begin the process of professionalizing, as well. As detailed in the examination of the nonprofit lifecycle, organizations become more capable as they mature. Volunteer-run organizations rarely raise the level of donations brought in by nonprofit organizations with staff, especially those with experienced and skilled fundraisers. As evidenced by one of the studies discussed earlier, foundations with paid staff raise more money (Allen, 2014). As that is the primary function of a school-supporting foundation, it is logical that most should make an effort to move in that direction. Cruser (2012) also suggested school-supporting foundations spend time developing a strategic plan and training board members. Completion of these kinds of tasks is more likely when a staff person is in place to make them happen.

A few efforts are aimed at helping school-supporting foundations improve their operations and fundraising capability. In 2011, the Indiana Association of Public Education Foundations launched a professional development program for school foundation staff and volunteers (Cruser, 2012). Called INFUSE, its objective was to help school foundations build capacity in the areas of organizational structure, leadership, and fundraising. The NSFA, in partnership with National University’s Sanford Institute of Philanthropy, also recently debuted an online certification program specifically for leaders of school-supporting foundations.
(Sanford Education Programs, 2015). Curriculum for the program is centered on building and sustaining a well-connected and engaged board, fundraising techniques, financial management, and developing a positive relationship with the school district (Sanford Education Programs, 2015).

Padover and Elder (2007) promote that school administrators be trained in the basics of fundraising to better understand their role in the development process. In order to make a case for this type of education, they proposed opening up a dialogue with those responsible for training today's school leaders (2007). This will ensure that resource development is not only taught, but considered a critical element of leading schools. Padover and Elder (2007) suggested a shift needs to be made in K-12 education, and that superintendents should view securing resources as part of their role, just as administrators in higher education. Currently, Northwestern University's Kellogg School of Business offers a fundraising course specifically for school leaders. It aims to teach participants how to identify donors, create a fundraising plan, and leverage appropriate fundraising tools (Northwestern University, 2017).

Summary

Research supports the notion that voluntary contributions are a poor replacement for tax revenue. Nelson and Gazely's (2014) study of more than 16,000 school-supporting nonprofits concluded that voluntary contributions are not an efficient or stable substitute for government support of K-12 public education. Coleman (2014) added that private taxes will likely remain the centerpiece of public school funding for the foreseeable future, but that nontraditional revenue sources have the potential to play a supporting role. Compared with the average cost of $10,615 to educate a K-12 student, contributed support typically represents a tiny fraction of the funds needed (Dixon, 2012).
Although charitable dollars have little impact on K-12 funding in the nation as a whole, they can be meaningful at the local level. The success of the Coronado Schools Foundation is not totally unique. As public schools continue to work toward diversifying their revenue base, additional success stories will emerge. The quest for private dollars in support of public education is a worthwhile endeavor. While philanthropy can never replace taxpayer dollars as a primary funding source for public education, it can help schools fill the gap left by shrinking public funds. In reality, nearly all public schools are already involved in fundraising of some type. PTOs and booster groups have been supporting students in public schools for decades. In some school districts, school foundations complement their efforts, sometimes with great success.

Instead of ignoring this dynamic, much of the research suggests that it should be harnessed. School leaders must face the reality that the cost to fund schools is escalating at a higher rate than taxpayers can support (Else, 2004). School foundations can be part of the solution, but it will take a shift in mindset as well as additional education and initiative on the part of public school leaders for them to be successful in raising funds. Else (2004) indicated that while some may be more capable than others, every school can raise at least some private funds. According to Zimmer et al. (2003), districts that pursue private support are likely to encounter obstacles, such as finding time to conduct fundraising efforts and weathering turnover of school district and foundation staff. That said, the evidence overwhelmingly demonstrates that these obstacles can be overcome. Public school leaders need to look no further than their peers in K-12 private education and colleges and universities to see how private dollars can supplement public school budgets. In Pennsylvania, where the K-12 public school-supporting foundation movement is not as mature or well organized as in states like California, Texas, and
Florida, the impact of school foundations remains to be seen. However, there is tremendous opportunity for school districts who see the potential of foundations to support students’ needs.

This study is the first of its kind in Pennsylvania. Its results will inform state-level organizations such as PSBA, PASBO, PASA, APEF, and other interested parties, as they develop tools to support education and school-supporting foundations in Pennsylvania. It is also intended to help Pennsylvania K-12 school district and foundation leaders and volunteers gain a better understanding of how school foundations can best serve their districts. To achieve these goals, we must assess where we are. The next chapter will focus on the methodology and other details of this study, which were designed to create a comprehensive picture of K-12 public school-supporting foundations in Pennsylvania and their relationships with the school districts and communities they serve.
Chapter Three:
Methodology

Introduction

In December 2015, State College Area School District (SCASD) announced a fundraising initiative aimed at supporting programs, projects, and learning opportunities that were outside of the district’s formal budget (Rosenburg, 2015). SCASD’s initiative was meant to breathe new life into an already established organization, the SCASD Education Foundation (Rosenburg, 2015). The foundation, leaders said, could help fund extracurricular activities, start-up costs for new curricular programs, and improve student access to mental health care, among other things (Rosenburg, 2015). Superintendent Bob O’Donnell made an effort to engage community members in the process, hiring a local consulting firm to conduct interviews and survey parents and alumni of the district; the input would be used to create fundraising priorities and inform the development of a strategic plan (Rosenburg, 2015).

State College is one of an increasing number of districts across Pennsylvania that have turned to school foundations to provide some relief from ever-tightening budgets, funding programs for students that schools can no longer afford. In another example, the Wyoming Valley School District in Luzerne County filed paperwork to obtain federal tax exempt status for a school-supporting foundation in 2015 with the intent of identifying projects within the district private donors could fund (Guydish, 2015). About the same time, just a few counties away, the East Penn School District, in Emmaus, was forming an education foundation (Wagaman, 2016). According to a media report, the East Penn Foundation’s stated purpose was to provide students with greater learning opportunities in the areas of science, technology, engineering, arts and math
as well as offer grants to teachers and fund new programs and educational resources for the district (Wagaman, 2016).

Many examples in the mainstream media point to the growth of the school foundation movement in Pennsylvania. PSBA Executive Director Nathan Mains agrees that school foundations are gaining momentum (personal communication, January 7, 2016). He estimated about half of Pennsylvania school districts had established education foundations, with varying degrees of success (personal communication, January 7, 2016). As state pension payments and other costs to operate schools continue rise, schools will likely persist in the search for nontraditional funding to support public education. School-supporting foundations help meet the additional funding needs of schools, as demonstrated by early adopters of the concept in other parts of the nation (Abzug et al., 2016; Allen, 2014; Brunner & Imazeki, 2004; Carlson, 2011; Coleman, 2014; Cruser, 2012; Culbertson, 2008; Else, 2004; Fleming, 2012; Hansen et al., 2015; Nelson & Gazley, 2014; Posey-Maddox, 2016; Tunnison, 1991; Woodworth, 2007; Zimmer et al., 2003).

Scope of the Study

This study focused only on K-12 school-supporting foundations affiliated with public school districts in Pennsylvania. While fashioned after similar dissertation studies in other states (Allen, 2014; Carlson, 2011; Cruser, 2012; Culbertson, 2008; Tunnison, 1991; Woodworth, 2007), the large number of school districts in Pennsylvania posed a challenge. Only nine states have more than Pennsylvania’s 500 school districts, and most have far fewer (School District Data Analysis, 2016). States with fewer school districts where school-supporting foundations have already been studied include Virginia (Allen, 2013), with 132 school districts and Florida (Carlson, 2011), with 67 school districts. The current investigation was further narrowed to
include only school foundations associated with traditionally defined school districts. It did not include charter schools. Additionally, it examined only organizations clearly identified as education foundations, and did not include other fundraising entities associated with public schools, such as parent organizations or activity booster groups.

**Purpose of the Study**

Since no comprehensive study on K-12 public school-supporting foundations in Pennsylvania was previously conducted, this research was greatly needed. Its goal was to establish a baseline. At the most basic level, it cataloged existing school foundations, determined if they are equally distributed across the state, clustered around larger communities, or existed in some other undetermined pattern. This knowledge is beneficial to the school foundation community, as well as the organizations providing support to them.

This study also closely examined school foundations' structure, operations, and other attributes, and identified trends related to revenue generation. The results will inform the work of school and foundation leaders. In addition, the study documented the successes and struggles of school foundations in Pennsylvania. This rich picture of the school foundation movement within the Commonwealth makes clear that there are many opportunities for future growth of foundations. The information can be used to develop a plan for moving forward - with the intent of helping school foundations improve operations to better support the schools they serve.

**Methodology**

Yin (1984), a definitive expert on the subject of case studies, describes the type of research sought in this study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between the phenomenon and context are not clearly evident; and in which multiple sources of evidence are used" (p. 23).
Because of the modern nature and real-life context of this topic, the case study was an appropriate choice for this dissertation. It allowed for not only exploration but also understanding of a highly complex issue.

Zainal (2007) noted case studies are especially well-suited for research in government, management and education. The study of school foundations could logically fit into any of these categories. Baxter and Jack (2008) proposed that one of the strengths of case study research is that it ensures an issue is explored through various lenses that reveal multiple facets of a phenomenon. Descriptive case studies are even more narrowly focused on describing an occurrence and its real-life context (Baxter & Jack, 2008; Yin, 1984).

A descriptive mixed-methods case study, this research was conducted in four phases:

1. First, the researcher attempted to determine the number of school foundations in Pennsylvania, their locations, and contact information through website review and reaching out to school districts by email or telephone.

2. A survey was issued to all Pennsylvania school districts to determine whether they have an affiliated foundation. If a school district was supported by a foundation, the survey requested additional data including a description of the foundation’s relationship with the school district, how the foundation raised funds, what funds donated to the district supported, a description of the foundation board’s structure, and whether the foundation had paid staff.

3. A third phase of the study centered on reviewing data from Pennsylvania foundations’ most recently filed IRS Form 990. The IRS Form 990 offers relevant data, including the founding year of a school foundation, its mission statement, a summary of
activities, annual income and expenses, net assets, and number of board members and paid staff.

4. Finally, a questionnaire was issued to the leaders of 19 of the top performing foundations, as identified by annual revenue, assets, and funds contributed to affiliated school districts as reported on the IRS Form 990. Those completing the questionnaire represented a variety of locations, school district sizes, community types, and organizational structures. This phase sought to uncover commonalities among Pennsylvania’s most successful school-supporting education foundations, with hope these strategies might be replicable by newer and smaller foundations.

The varied methods of data collection produced a detailed narrative of the K-12 school-supporting foundation movement. Each phase of the study built upon the previous one, ultimately telling the story of school-supporting foundations in Pennsylvania and their relationships with the districts they support.

Yin (1984) called attention to three criticisms of case study research: (a) case studies may lack in rigor; (b) they provide little basis for scientific generalization; and (c) they are often too long, producing so much documentation that it is difficult to analyze. In order to address these concerns, the researcher initially focused only on Pennsylvania. As the study progressed, the lens narrowed to school-supporting foundations that raised sufficient funds to file an IRS Form 990. As noted previously, the filing threshold is $50,000 in annual revenue. The IRS documents examined were limited to the most recently filed form. Finally, the last step of the research process focused on a small group of the best performing school-supporting foundations as determined through money raised and given and assets held. Data were triangulated throughout
the process, with additional clarification made through examination of foundation and school
district websites, annual reports, and other types of documentation.

Since the characteristics of school districts in Pennsylvania fall into a limited number of
categories such as school district size, socioeconomics, and geographical factors, those interested
in using this study in order to generalize its results should be able to do so. In other words, what
works for one suburban school district of a particular size and income bracket should be
applicable to similar districts.

Geographical Analysis

This study began with an effort to document every K-12 public school-supporting
foundation in Pennsylvania. The researcher worked with a previously developed database of
school foundations put together by volunteers from the Association of Pennsylvania Education
Foundations (APEF). These data were gathered several years ago and much of them are
outdated. Working together with APEF, the researcher verified the information in the database
and updated information that had changed. This initial phase of the research study also included
an attempt at identifying new or emerging foundations. Information was collected via the
Internet through school district, school foundation, and news media websites as well as social
media sites. In cases where no contact information was provided or it was unclear as to whether
a school district had an affiliated foundation, the researcher contacted the school district via
email or telephone to determine whether a school-supporting foundation existed.

This first round of data collection was time consuming but critical. It not only served as a
basis for the next phase of research, but assisted with the triangulation of data, ensuring
reliability of the information collected throughout the process. Items documented in this phase
included the name of the school-supporting foundation, the name of the school district served, a
contact person for the foundation, his or her title and email address, the physical address and telephone number of the foundation, a web address, and the county in which the foundation was located. This type of data is widely available on the Internet. As public information, there is no requirement to guard the privacy of this data. It is stored in a shared Google Drive spreadsheet that is maintained by APEF.

**Online Survey**

In the second phase of the study, the researcher worked collaboratively with the Pennsylvania School Boards Association (PSBA) to administer an online survey to all 500 school districts in Pennsylvania. It was developed by the researcher and reviewed by an expert-level survey author for structure and mechanics. It was also reviewed by a retired superintendent and school foundation executive director for content and language prior to being issued in the summer of 2017. Since every school district in Pennsylvania had the opportunity to answer the survey, there were no problems related to random sampling representation. However, self-selection bias could have occurred, and survey results should be considered in that light. School districts experiencing greater success with school foundations may have been more likely to respond, while those not interested in the school foundation concept may have had little motivation to participate.

In addition to documenting facts such as school district size, free/reduced lunch rates, and community type, the survey asked a series of multiple choice questions. The questions ascertained the types of private funding the school districts benefited from, whether a school foundation existed in the district, how money was raised, what foundation funding supported within the school district, perceptions about the school district’s relationship with the school foundation, a description of the foundation board’s structure, whether the foundation had paid
staff, perceived benefits the school district received through the foundation, and an assessment of
the school foundation’s stage in the nonprofit lifecycle.

Participation in the survey was voluntary. This was clearly stated in the email to PSBA
member school districts that included the survey link. This same email stated the purpose of the
survey and encouraged readers to respond. The voluntary nature of the survey was reiterated in
an introductory paragraph in the survey tool itself. Because it was voluntary, not all school
districts completed it, although distribution through PBSA to its member school districts may
have increased the number of responses. The survey was issued via SurveyMonkey, a password
protected electronic survey tool. Results are stored online and accessible only by the researcher
and the member of the PSBA team holding the password privileges for the site. Responses were
aggregated by SurveyMonkey and used to help answer the author’s identified research questions.
Two $50 gift cards were offered as incentive for completing the survey, with winners selected in
a random drawing of all districts in which someone participated and provided an email contact.

The survey data collection phase of the research study provided a substantial amount of
the data used for results of the study. The raw survey data were stored online until the
completion of this dissertation project and then deleted, with a paper copy of the results
maintained for the required number of years. In the survey results, the names of individuals
completing the survey and school districts were not identified, as survey data are only presented
in aggregate. Any paper copies of survey results used by the researcher during analysis were
kept in a locked file cabinet in the researcher’s office, with identifying information blacked out
after analysis was complete.
Document Analysis

Document analysis made up the third phase of the study. Document analysis is a time-tested technique for the triangulation of data. It is frequently used in combination with other qualitative research methods (Bowen, 2009). An especially effective tool in qualitative case studies, it helps produce rich descriptions of a phenomenon being examined (Bowen, 2009). This study analyzed public documents filed by school-supporting foundations in Pennsylvania during a composite year, meaning that the most recently filed document was selected for the foundations included in this phase. Specifically, the researcher reviewed the IRS Form 990 filed by foundations at the close of their most recent operating year. A reliable and consistent tool, the IRS Form 990 is typically completed by a certified public accountant or similarly trained professional during a school foundation’s audit process. This fact ensured the dependability of the information collected. These documents are public records accessible to anyone through the Foundation Center and a number of other nonprofit watchdog websites. As not all foundations met the $50,000 filing threshold, the number of 990s available for review was lower than the actual number of existing foundations, which was initially estimated as 250. A more limited number of documents for review made this phase of the research manageable.

A variety of information was gleaned from the 990s and recorded on an Excel spreadsheet, from which the data were compared. Quantitative data gathered from the IRS Form 990 included annual income and expenses as well as net assets. Other relevant information contained in the form included date founded, number of board members, and number of paid staff. Careful analysis of this information revealed trends related to age of the foundations, size of their boards, number of paid staff members, and fundraising capacity. At the suggestion of the researcher’s dissertation committee, data from other sources augmented the IRS data. This
included school districts’ annual budgets; number of students in the 2014-15 school year; and whether the school district was identified as rural, urban or suburban.

The IRS Form 990 also provided crucial qualitative data, including the organization’s mission statement and primary programs supported by foundation contributions. The mission statements of the foundations, as documented on the IRS Form 990, were recorded and analyzed for key themes. The primary areas of support noted on the IRS Form 990 were also documented and used to develop a comprehensive list of ways K-12 public education foundations in Pennsylvania financially support the school districts with which they are affiliated. Once again, the information was compared with age of the foundation and a range of other differentiating factors mentioned above.

**Top Performers Questionnaire**

Upon completion of the third phase of the study, the top performing foundations in Pennsylvania, as determined by annual revenue, support given, and net assets, were identified for further study. Upon completing Phase Three, the researcher contacted leaders of top performing foundations via email to request the completion of a questionnaire. The questionnaire sought to uncover commonalities among the state’s most accomplished public education foundations, as well as identify their successes and ongoing challenges. The responses were analyzed for themes. The goal for this final phase of the research study was to uncover similarities and strategies for success that could be replicated by less experienced, newer foundations. Knowing what strategies work can help avoid years of trial and error, thus advancing the capacity of education foundations to raise money for the students and school districts they support. Finally, data from all four phases of the study were synthesized and used to answer the research questions.
Results of the Study

Research results are first presented in chronological order beginning with the first phase of the study and progressing as the focus narrowed through each step of the process. This initial presentation of data was synthesized and analyzed based on statistical data and qualitative themes, allowing the reader to develop a deep understanding of the characteristics of K-12 public school-supporting foundations in Pennsylvania. Findings of the study are presented in this dissertation, and will be published either as a special interest publication of PSBA or as articles in PSBA's *School Leader* magazine, making them available to all member school districts. The researcher also hoped to present the data in professional development sessions for school leaders and at the National School Foundation Association's annual conference. The information contained herein has value. For a school superintendent considering whether a school foundation is a worthwhile effort, this information provides insight. For a foundation leader trying to raise more money, the results reveal what works for others.

Role of the Researcher

As executive director of a nonprofit organization working in the arena of public education, the researcher helps Pennsylvania public school districts to identify private funding sources, develop funding priorities, and complete grant applications; she does not work directly with any school foundations. Therefore, potential conflicts of interest were avoided. Additionally, survey distribution was spearheaded by PSBA, which furthered guarded against any perceived relationships between the researcher and school leaders completing the survey.

Data Collection Procedures

As a four-phase study, data collection procedures varied across segments of the project. Initial contact information was gathered via the Internet and clarified through electronic and
telephone communication. Phase Two of the study involved use of an electronic survey tool, with data aggregated and stored on the site’s cloud-based storage capacity. During the third phase, data were collected from documents publicly available through the Internet. Specific quantitative and qualitative data were culled from these documents and stored on an Excel spreadsheet. Numeric calculations were completed using Excel, with additional testing through the Statistical Package for the Social Sciences (SPSS). Qualitative data were coded and analyzed by the researcher using Microsoft Word to help organize the data and identify themes.

Summary

Based on the work of previous researchers who examined the topic of school-supporting foundations in other regions of the United States, outcomes were projected to include correlations between the age of a foundation and how much money it raised, the size of the board, and fundraising capacity, whether the foundation was supported by paid staff and fundraising capacity, and the nature of the relationship between the foundation and the school districts it supports. A positive, supportive relationship between the two entities was expected to impact fundraising success.

For public schools, raising private dollars is a relatively new concept. In the past, government support of public education was sufficient to operate schools. Evidence indicates that may no longer be that case (Else, 2004). The end goal of this study was to determine if some Pennsylvania school-supporting foundations are more successful than others and develop a best practices blueprint that all school districts can use as a guide to increase their ability to raise private dollars and better meet the needs of students. The results of this study, which are key to developing a framework for schools, are examined next in Chapter Four.
Chapter Four:

Results of the Study

In January of 2017, Slippery Rock Area School District (SRASD) announced the formation of a foundation to raise money from businesses and community members to support innovative educational programs within the district. In a press release, foundation president and school board member Patrick Boylan said:

Our district is faced with the increasing challenge of funding public education. Our goal is to serve as a resource to help offset escalating costs and demands in order to maintain and expand excellent educational programs for every student in our district. (Slippery Rock Area School District (SRASD), 2017, p. 1)

The release noted that Boylan had met with existing educational foundations from other school districts to gain insight into best practices. Dr. Alfonso Angelucci, superintendent of Slippery Rock Area School District, also quoted in the release, stated that the school board was supportive of the foundation, and Boylan’s participation demonstrates a commitment by the board to the effort (SRASD, 2017).

The Slippery Rock Area School District Education Foundation is one of the newest additions to Pennsylvania’s K-12 public school-supporting foundation community. According to data collected for this research study, foundations exist, in some form or another, in 312 of Pennsylvania’s 499 operating school districts. While the Pennsylvania Department of Education (2016) recognizes 500 school districts, one, Bryn Athyn, does not conduct educational activities. Instead, it contracts services from a neighboring district. In the years since Bob New (2012) estimated there were about 200 operating foundations in the state, the number has increased dramatically. This four-phase research study focused not only on identifying the school
foundations that are operating in Pennsylvania, but assessing their structure, operations, fundraising efforts and contributions to the school districts they support.

**Phase One: Identifying Pennsylvania’s K-12 Public School-supporting Foundations**

Phase One of this research study centered on collecting basic data related to the existence of education foundations across the Commonwealth. The process began with a partial list of school foundations shared with the researcher by the Association of Pennsylvania Education Foundations (APEF). Information provided by APEF was confirmed or updated. A number of newly identified foundations as well as several fields of data were added to the existing spreadsheet. These fields included mailing address, the county in which the foundation was located, and when available, a founding date.

When possible, the information was collected from the school district, school foundation, or other website accessible via the Internet. Sometimes, the online information provided was incomplete or appeared outdated. When information appeared to be incorrect or the existence of a school foundation was in question, the researcher contacted the school district administrative office directly to collect the necessary data. In the few cases where the foundation did not have a close relationship with the district it serves, contact was instead made through an email or telephone number provided on the school foundation's website.

Through dozens of telephone calls with school support staff, business managers, superintendents, and foundation staff and volunteers, it became clear that the functionality of school foundations in Pennsylvania varies greatly from school district to school district. At least eight school districts previously operated foundations, but have disbanded them including: Jenkintown, Monessen City, Montour, New Castle, Octorara, Rose Tree Media, Sto-Rox, and Susquenita school districts. Additionally, Fleetwood Area, Southeast Delco, and Hermitage
school districts are in the process of dissolving their foundations. Meanwhile, the school districts of State College Area, Southern Columbia and Central Fulton are working toward restarting foundations that became inactive over time.

Even collection of this most basic data revealed some trends relevant to how school foundations function across Pennsylvania. There appear to be four regions where school foundations have firmly taken hold. They include Philadelphia and its suburbs; Cumberland, Dauphin, and Lancaster counties and surrounding areas in central Pennsylvania; Pittsburgh and its suburbs; and Erie County. Fifty-four of the state’s 312 school-supporting foundations are located in Philadelphia and the nearby counties of Bucks, Chester, Delaware and Montgomery. Perhaps the highest concentration of education foundations in the state can be found in the Harrisburg region, including the counties of Berks, Cumberland, Dauphin, Lancaster, Lebanon, and York. Sixty-four, or 20 percent of all foundations in the state, are located there. Pittsburgh, in Allegheny County, and the five neighboring counties are home to 56 foundations. Finally, a cluster of 12 foundations are located in Erie County, where strong support from the area community foundation may have played a role in their formation and development (Erie Community Foundation, n.d.).

**School foundations clusters.** School-supporting foundations in Pennsylvania appear to exist mostly in areas with higher population density and are often in proximity to a larger city. Of the nine counties with the highest number of school-supporting foundations, five have a population size of 500,000 or more, and all but one have a population greater than 300,000, as noted in Table 4 below. This information is valuable to organizations that support school districts and education foundations in Pennsylvania, as it sheds light on where foundations are
most prevalent, and professional development opportunities for school and foundation staff
would likely be well-attended.

Table 4

| Pennsylvania Counties with the Highest Number of the K-12 School-supporting Foundations |
|---------------------------------|--------------------------------|----------------|----------------|
| County                          | Number of Foundations | Number of School Districts | % of Districts with Foundation | Population Size |
| Allegheny                       | 21                   | 43                        | 49%                        | 1,223,348       |
| Montgomery                      | 19                   | 22                        | 86%                        | 799,874         |
| Lancaster                       | 16                   | 16                        | 100%                       | 519,445         |
| Berks                           | 14                   | 18                        | 77%                        | 411,442         |
| Bucks                            | 12                   | 13                        | 92%                        | 625,249         |
| Delaware                        | 12                   | 15                        | 80%                        | 558,979         |
| Erie                             | 12                   | 13                        | 92%                        | 280,566         |
| York                             | 12                   | 16                        | 75%                        | 434,972         |
| Westmoreland                     | 11                   | 17                        | 65%                        | 365,169         |
| Chester                         | 10                   | 12                        | 83%                        | 498,886         |

Note. Population size from “Community Facts” by U.S. Census Bureau, retrieved from https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

In nine of Pennsylvania’s 67 counties, implementation of the school foundation model is universal, meaning every school district benefits from an education foundation. They include Armstrong, Cumberland, Franklin, Lancaster, Lebanon, Lycoming, and Union. Both Philadelphia and Clinton counties also made this list, but each is served by only one school district. Among this group, Lancaster County stands out, as the county is comprised of 16 school districts, each with its own foundation. Other counties of note include Erie and Bucks, in both of which 12 of 13 school districts have affiliated education foundations. Similar trends appear in Montgomery County, where school foundations exist in 19 of 22 districts and Chester County where foundations exist in 10 out of 12 school districts. In Delaware County 12 of 15 school
districts have education foundations, and Berks demonstrates similar numbers with 14 of 18 school districts having education foundations.

Conversely, a dozen Pennsylvania counties have no school-supporting foundations, and another 8 counties have only one, excluding Philadelphia and Clinton counties. The map below, Figure 4, reveals the northern tier of Pennsylvania is lacking in school-supporting foundations, as are other more rural regions in the central part of the state. Areas without school foundations are not shaded. Interestingly, of the counties with no K-12 school-supporting foundations, all but one are home to fewer than 50,000 residents.

Not surprisingly, a closer look at where Pennsylvania school foundations exist confirms the previously presented data. Of the 227 suburban districts as identified by PSBA (2017), 72 percent, or 163, have school-supporting foundations. The numbers are fairly similar for the 28 school districts identified as urban. Nineteen of the 28, or 68 percent, have education foundations. In rural areas, though, adoption of the school foundation model is less universal. Only 130 of the 245 school districts identified as rural have an education foundation, which is 53 percent. School-supporting foundations are less likely to support rural school districts than school districts in any other locale.

**Founding dates.** Of the 312 identified K-12 school-supporting foundations, founding dates for 290 of them were located. The education foundation affiliated with Quaker Valley School District in Allegheny County dates to 1977, and appears to be the first in the state. No other foundation claims a founding date in that decade. Fifteen of the state’s school foundations began operations in the 1980s. The effort gained momentum in the 1990s, with 78 of the identified foundations launching in that time period. Growth continued into the 2000s, which saw the formation of 98 education foundations. The trend persists. Thus far in the current decade, 98 foundations have been launched, with the bulk of them starting in the time period of 2011 to 2015, as detailed in Figure 5. This timeframe happened to coincide with the administration of Governor Tom Corbett and a particularly difficult period for school funding in Pennsylvania.
Figure 5. Number of Pennsylvania K-12 school-supporting foundations started by year.

**K-12 school-supporting foundation voids.** Phase One of the study also documented school districts without K-12 school-supporting foundations, of which there are 188. Notably absent were a number of large, urban school districts across Pennsylvania such as Pittsburgh, Greater Johnstown, Scranton, Reading and Uniontown. Also lacking foundations were wealthier suburban school districts including Upper Saint Clair, Hampton Township, West Jefferson Hills, and Moon Area in the western region and Avon Grove, Penn-Delco, Rose Tree Media, Springfield Township, and Jenkintown in the eastern part of the state. Based on the relative wealth of the communities they serve, these school districts have the potential to raise significant funds from private donors but have not chosen to do so. In the case of Jenkintown School District in Montgomery County, and at least seven others on this list, the district established a foundation at some point in time, but it is no longer operating.

Finally, the group without school-supporting foundations also included dozens of small school districts and those in rural areas, which likely face not only staffing challenges but also a
limited number of potential donors; hence, launching a school foundation may not be a top priority. The next three phases of this study sought clues as to why the school foundation concept works well in some communities, but not in others.

**Phase Two: School District Survey**

In Phase Two of the research study, a four-part survey on education foundations was developed and administered electronically through the SurveyMonkey online survey tool. Development of the survey was guided by the research questions. It asked 39 questions across four sections. The sections included: a) School District Characteristics; b) Operational Characteristics; c) Fundraising Practices; and d) Giving Practices. Prior to issuing, the survey structure and language was reviewed by John McGrath, Ph.D., an experienced survey developer and professor of marketing at the University of Pittsburgh at Johnstown. The survey was also reviewed for content and clarity by Robin Jones, executive director of the Association of Pennsylvania Education Foundations, and Connie Kindler, a retired superintendent and avid education foundation supporter. Once suggested edits were made, the survey was reviewed again by staff members of the Pennsylvania School Boards Association.

After incorporating edits, the survey was input into SurveyMonkey by a member of PSBA’s staff and distributed to school foundation leaders as identified by the researcher and school business managers as identified by PSBA. The survey was issued via email on May 30, 2017, with an initial completion deadline of June 16, 2017. The week of June 16, the researcher and Laura Huggins, Senior Director of Business and Partnership Services for PSBA, determined more responses were needed. The survey was emailed again with an end date of June 23, 2017.
While the survey was accessed by 59 people, only 43, or 72.8 percent of those who clicked on the survey link, answered most or all of the questions. Those who did not complete the survey fell into the following five categories:

- Four did not qualify as Pennsylvania K-12 school-supporting foundations as defined by the study;
- One indicated the district did not have a foundation and exited the survey after Section 1;
- Seven stated their school districts had an affiliated foundation but did not complete the survey beyond question five, which asked for the name of the school district;
- One respondent indicated his or her school district intended to start a foundation, but could not answer questions in Sections 2 through 4; and
- Three surveys were both incomplete and duplicates of other responses.

Participants who completed most or all of the survey came from education foundations and school districts across Pennsylvania. No one particular county or region was heavily represented, although many of the participants indicated they were from foundations or school districts in the southeastern, south central or southwestern parts of Pennsylvania. Northern school districts and foundations were not as well represented in the survey results. Of the 59 individuals who accessed the survey, 54 opted into the drawing for two $50 Amazon gift cards. Five respondents chose not to register for the gift cards.

**School district characteristics.** The first section of the survey, which was comprised of 11 questions, captured basic demographic information about the participating school districts, including location, community type, size and level of poverty. Of the 43 respondents, 18, or
nearly 42 percent, described their districts as rural. The same number described their districts as suburban. Only seven, about 16 percent, described their districts as urban. Individuals representing school districts and school foundations in 25 of Pennsylvania’s 67 counties responded, with Allegheny and Somerset counties having the most respondents, at three each. Other items of note from Section 1 of the survey responses include:

- Average school district budget size of $74 million, with a high of $315 million and a low of $9 million (36 responses)
- Average free/reduced lunch rate of 46.2 percent, with a high of 100 percent and a low of 8 percent (29 responses)
- Average number of students was 4,161, with a high of 17,106 and a low of 750 (43 responses)
- Average number of school buildings was 6.68, with a high of 25 and a low of two (43 responses)

The final question of Section 1 asked what types of outside funding supported the respondents’ school districts. Forty-one survey takers answered, with grants and booster clubs being selected by 38, or 92.68 percent of the respondents. School foundations were a close third, with 37 responses, followed by PTO/PTA funds, with 33 responses. Rounding out the top five was donations received through Pennsylvania’s Educational Improvement Credit Program, with 70 percent of survey takers indicating this as a funding source for their school district. Figure 6 below details responses for all funding sources listed.
Q12 What types of outside funding support your school district?  
(check all that apply)

<table>
<thead>
<tr>
<th>Source</th>
<th>Answered</th>
<th>Skipped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>41</td>
<td>14</td>
</tr>
<tr>
<td>Alumna group</td>
<td>45</td>
<td>19</td>
</tr>
<tr>
<td>Booster clubs</td>
<td>38</td>
<td>30</td>
</tr>
<tr>
<td>Corporate contributions</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td>Education Improvement Tax Credit (ERTC)</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Grants</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td>In-kind contributions (donations of goods or services)</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>PTO/PTA funds</td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Sales of merchandise</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td>School foundation</td>
<td>37</td>
<td>14</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>54.39%</td>
<td>10</td>
</tr>
<tr>
<td>Alumna group</td>
<td>46.34%</td>
<td>19</td>
</tr>
<tr>
<td>Booster clubs</td>
<td>92.66%</td>
<td>30</td>
</tr>
<tr>
<td>Corporate contributions</td>
<td>41.66%</td>
<td>17</td>
</tr>
<tr>
<td>Education Improvement Tax Credit (ERTC)</td>
<td>70.73%</td>
<td>28</td>
</tr>
<tr>
<td>Grants</td>
<td>32.56%</td>
<td>38</td>
</tr>
<tr>
<td>In-kind contributions (donations of goods or services)</td>
<td>51.22%</td>
<td>21</td>
</tr>
<tr>
<td>PTO/PTA funds</td>
<td>39.02%</td>
<td>16</td>
</tr>
<tr>
<td>Sales of merchandise</td>
<td>39.02%</td>
<td>16</td>
</tr>
<tr>
<td>School foundation</td>
<td>90.24%</td>
<td>37</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>0.00%</td>
<td>0</td>
</tr>
</tbody>
</table>

Total Resondents: 41

Figure 6. Types of outside school district funding sources.
Operational characteristics. The second section of the survey focused on operational traits of participating school districts and foundations. Not including the four surveys that did not meet the criteria to be included in the data, 42 survey takers, or 95.24 percent, indicated they had an affiliated school foundation, and two did not. A follow up question asked if those without a foundation planned to start one. Of the three responses to the question, two indicated they had plans to do so, and one respondent did not. The foundations represented in the survey results had an average founding year of 2003, with the oldest being established in 1994, and the newest in 2013, not including those in the process of start-up. Of the 40 survey takers who answered the question, all indicated that their foundation was incorporated as a 501(c)(3) nonprofit organization, and 38 of those said that they filed the IRS Form 990 annually.

The next group of questions was targeted at better understanding how Pennsylvania education foundations are governed. The average board size of the 40 school foundations that answered the question was 14.7, with a high of 26 and a low of seven. This question was skipped by 15 survey takers. When describing board composition, survey takers were offered four options: a) all board members are independent of the school district; b) the board is made up of community members that are independent of the school district and employees of the school district; c) the board is made up of community members that are independent of the school district, employees of the school district and school board members; d) and the board is made up of community members that are independent of the school district and school board members, with no school district employees on the board. This question was answered by 44 respondents, with 15 skipping the question. Of those who replied, a majority of them, nearly 57.5 percent, selected the third scenario, as noted in Figure 7 below.
**Figure 7.** Board configuration of Pennsylvania K-12 school-supporting foundations.

When answers two and three are combined, nearly three-quarters of the school foundations represented in this survey included a paid employee of the school district on the board of the school-supporting foundation. The remaining 27.5 percent had members that were independent of the school district or were a mix of community members and elected school directors.
A follow-up question sought to determine if a school administrator sat on the board, whether he or she was a voting member. Thirty-eight respondents answered the question, with the results split nearly down the middle, as evidenced by Figure 8 below.

**Q20 If a school administrator sits on your board, is he or she a voting member?**

![Bar chart showing responses to Q20]

- **Yes**
- **No**

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47.57%</td>
</tr>
<tr>
<td>No</td>
<td>52.63%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Figure 8. School administrators as voting board members.*

The next group of questions focused on both school foundations’ level of activity as well as who was doing the work. Survey takers were offered the choice of five statements, and asked to select the one that best described the foundation with which they were affiliated. The choices included: a) Active and contributing funds; b) Very active and contributing a meaningful amount of funds to the district; c) Established previously, but no longer active; d) Recently established and just getting off the ground; and e) Money is held by the local community foundation. Forty individuals answered this question and 15 skipped it. Of those responding, “active and contributing funds” was the single largest response, chosen by 47.5 percent of respondents. Together, the first two choices were selected by 80 percent of those who answered this question, meaning they considered their foundations to be active and contributing, as demonstrated in
Figure 9 below. Just over 10 percent of those answering this question identified their foundation as being new and just getting off the ground.

**Q21 How would you describe your school district's foundation?**
(Select the description that best fits your foundation)

![Chart showing distribution of answers]

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active and contributing funds</td>
<td>47.50%</td>
</tr>
<tr>
<td>Very active and contributing a meaningful amount of funds to the district</td>
<td>32.50%</td>
</tr>
<tr>
<td>Established previously but no longer active</td>
<td>0.00%</td>
</tr>
<tr>
<td>Recently established and just getting off the ground</td>
<td>12.50%</td>
</tr>
<tr>
<td>Money is held by the local community foundation</td>
<td>7.50%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 9.** Activity level of school foundations.

The next four questions delved into management of school foundations, beginning with finances. Of the 40 foundations that answered, 21, or 52.5 percent, relied on the treasurer of the board or another volunteer to manage the foundation’s finances, while 22.5 percent had their money managed by a paid staff member. Only five, or 12.5 percent, relied on the school district’s business office to maintain the books, and even fewer used a community foundation or accounting firm to manage money. The researcher suspects these results may be skewed by the
fact that new or less-organized foundations may not have made it this far in the survey, so the answers are more representative of those who were operating in a fairly organized manner.

**Q22 Who handles daily management of your foundation’s funds? (Select the description that best describes your foundation)**

![Answer choices and responses](image)

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>The funds are managed by the treasurer of the foundation or another volunteer</td>
<td>52.50% 21</td>
</tr>
<tr>
<td>The funds are managed by the school district’s business office</td>
<td>12.50% 5</td>
</tr>
<tr>
<td>The funds are managed by the local Community Foundation</td>
<td>7.50% 3</td>
</tr>
<tr>
<td>The funds are managed by a paid foundation staff member</td>
<td>22.50% 9</td>
</tr>
<tr>
<td>The funds are managed by an accounting firm</td>
<td>5.00% 2</td>
</tr>
<tr>
<td>Total</td>
<td>100.00% 40</td>
</tr>
</tbody>
</table>

*Figure 10. Management of foundation funds.*

The responses to Question 23 demonstrated that Pennsylvania’s education foundations are largely volunteer endeavors. Half of those responding to the survey indicated they had no paid staff, while 32.5 percent were supported by part-time staff. Only two of the 40 foundations that answered this question indicated they had one or more paid full-time staff members, as demonstrated in Figure 11, below.
Q23 Does your school foundation have paid staff? (Check the item that best describes you situation)

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>No paid staff</td>
<td>50.00%</td>
</tr>
<tr>
<td>Part-time paid staff</td>
<td>32.80%</td>
</tr>
<tr>
<td>Full-time paid staff</td>
<td>2.50%</td>
</tr>
<tr>
<td>A mix of part-time and full-time staff</td>
<td>2.50%</td>
</tr>
<tr>
<td>School district employee supports the school foundation as part of his/her role in the district</td>
<td>5.00%</td>
</tr>
<tr>
<td>School district employee supports the school foundation as his/her primary role within the district</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>7.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

*Figure 11. Staffing configurations of Pennsylvania K-12 school-supporting foundations.*

When asked about the status of an executive director or other lead employee, 40 percent of responding foundations indicated having a part-time executive director, and only 7.5 percent reported having a full-time executive director. Forty-five percent reported either having no executive director or a volunteer executive director. Three of the responding foundations, or 7.5 percent, reported that the superintendent or another school district employee acted as the executive director of the school foundation. These findings support that school foundations
Pennsylvania are largely an emerging phenomenon, and many of them are likely still in the early stages of the nonprofit lifecycle and have yet to make the commitment to fund paid staff.

Responses to the next survey question corroborate this conclusion. The question asked about the types of plans and policies the school foundation had adopted. About half of the 40 foundations that responded indicated they had critical policies and planning documents in place, including gift acceptance, investment, and fund distribution policies, as well as a strategic plan and development or fundraising plan, as demonstrated in Figure 12 below.

**Q25 What types of plans, policies and procedures does your school foundation have in place? (Check all items that apply)**

![Graph showing percentages of different policies](image)

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift acceptance policies</td>
<td>63.89%</td>
</tr>
<tr>
<td>Investment policy</td>
<td>50.00%</td>
</tr>
<tr>
<td>Strategic plan</td>
<td>52.78%</td>
</tr>
<tr>
<td>Development or fundraising plan</td>
<td>52.78%</td>
</tr>
<tr>
<td>Fund distribution policy</td>
<td>92.78%</td>
</tr>
</tbody>
</table>

**Total Respondents: 30**

*Figure 12. Plans and policies of Pennsylvania’s K-12 school-supporting foundations.*

Having these items in place is representative of an organization that has moved or is in the process of moving from an emerging organization to a mature one. Because more
established school foundations tend to do better at fundraising (Allen, 2014), policies and planning documents are necessary infrastructure that school foundation leadership may want to consider implementing as their foundation moves forward.

From a communications perspective, a vast majority of the foundations represented in the survey relied heavily on digital media to communicate their message. Nearly all of them reported having a website and 82.5 percent were using the social media site Facebook to communicate with donors and other community members. Interestingly, while foundations appeared to be focused primarily on electronic communications, less than a third of those responding to the survey used e-newsletters. Electronic newsletters ranked far lower than printed brochures and annual reports, as noted in Figure 13 below. Other communications tools noted in survey responses included print newsletters, billboards, media releases, the social media platforms Twitter and LinkedIn, a link on the school district’s website, Google forms, participating in community events, and giving presentations.
Q26 What types of external communication methods are used by your school foundation? (Check all items that apply)

![Chart showing communication methods]

**Figure 13.** Communications strategies used by Pennsylvania K-12 school-supporting foundations.

**Fundraising practices.** The third section of the survey was perhaps the most important of this phase of study. It centered on the fundraising practices of Pennsylvania’s education foundations. Based on the results, there appear to be similarities in how foundations raise money. The top five sources of school foundation revenue, beginning with the largest, included (a) individual donors, (b) special events, (c) contributions from businesses, (d) contributions through Pennsylvania’s Educational Improvement Tax Credit Program, and (e) annual appeal. Funding sources on the lowest end of the spectrum included sales of merchandise, memberships,
capital campaigns, grants from federated funders such as the United Way, grants from
government funders, and advertising. Other possible funding sources reported by foundations in
the “other” category included fee-based after school and summer programs, blood screenings,
dress down days in which employees would pay a set amount to wear casual clothes to work for
the day, and payroll deduction donations given by school district staff. Table 4 below details the
fundraising activities of Pennsylvania’s K-12 school-supporting foundations.

Table 4

| How Funds are Raised by Pennsylvania’s K-12 School-Supporting Foundations |
|-----------------------------|----------|----------|
| Answer Choice               | n        | %        |
| Advertising                 | 6        | 15.00    |
| Annual appeal               | 24       | 60.00    |
| Business contributions      | 28       | 70.00    |
| Capital campaign            | 6        | 15.00    |
| Corporate sponsorships      | 20       | 50.00    |
| Education Improvement Tax Credit (EITC) program | 29 | 72.50 |
| Endowment or other investment income | 19 | 47.50 |
| Grants from government sources | 7     | 17.50    |
| Grants from federated funders such as the United Way | 6   | 15.00 |
| Grants from other foundations | 18 | 45.00    |
| In-kind contributions (Donations of goods or services) | 21 | 52.50 |
| Individual donors           | 37       | 92.50    |
| Interest income             | 20       | 50.00    |
| Membership salaries         | 3        | 7.50     |
| Naming rights for facilities or programs | 10 | 25.00 |
| Online gifts                | 14       | 35.00    |
| Sales of merchandise        | 5        | 12.50    |
| Special events              | 34       | 85.00    |
| Trusts or bequests from individuals | 14 | 35.00 |
| Other (please specify)      | 4        | 10.00    |
| Total responses             | 40       |          |
Of the 40 survey takers who responded to this question, the average listed eight funding streams supporting their foundations, with a high of 15 revenue streams and a low of two.

When asked which three funding sources raised the most money, special events ranked first, with 64.1 percent of survey takers listing it as a top funding source, followed by contributions through the EITC program, which was selected by 56.41 percent. Gifts from individual donors rounded out the top three, having been selected by 46.15 percent of respondents. These three types of contributed support were greatly favored over other funding sources, including business contributions, which was selected by fewer than a quarter of survey takers, and corporate sponsorships, a top choice of only 15.38 percent of those taking part. No survey respondents selected the following choices as a major source of money: advertising, naming rights for facilities, online gifts, or sales of merchandise, and few selected grants, in-kind contributions, or memberships as a top revenue source. Detailed responses are listed below in Table 5. Other top funding sources noted by respondents included dress down days, payroll deduction donations, after school and summer enrichment programs, endowments established through a community foundation, a golf tournament, and a Kentucky Derby party. The last two activities listed should be considered special events.
Table 5

*Top Funding Sources of Pennsylvania School Foundations*

<table>
<thead>
<tr>
<th>Answer Choice</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Annual appeal</td>
<td>7</td>
<td>17.95</td>
</tr>
<tr>
<td>Business contributions</td>
<td>9</td>
<td>23.08</td>
</tr>
<tr>
<td>Capital campaign</td>
<td>4</td>
<td>10.26</td>
</tr>
<tr>
<td>Corporate sponsorships</td>
<td>6</td>
<td>15.38</td>
</tr>
<tr>
<td>Education Improvement Tax Credit (EITC) program</td>
<td>22</td>
<td>56.41</td>
</tr>
<tr>
<td>Endowment or other investment income</td>
<td>4</td>
<td>10.26</td>
</tr>
<tr>
<td>Grants from government sources</td>
<td>1</td>
<td>2.56</td>
</tr>
<tr>
<td>Grants from federated funders such as the United Way</td>
<td>2</td>
<td>5.13</td>
</tr>
<tr>
<td>Grants from other foundations</td>
<td>4</td>
<td>10.26</td>
</tr>
<tr>
<td>In-kind contributions (Donations of goods or services)</td>
<td>1</td>
<td>2.56</td>
</tr>
<tr>
<td>Individual donors</td>
<td>18</td>
<td>46.15</td>
</tr>
<tr>
<td>Interest income</td>
<td>2</td>
<td>5.13</td>
</tr>
<tr>
<td>Membership fees</td>
<td>1</td>
<td>2.56</td>
</tr>
<tr>
<td>Naming rights for facilities or programs</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Online gifts</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Sales of merchandise</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Special events</td>
<td>25</td>
<td>64.10</td>
</tr>
<tr>
<td>Trusts or bequests from individuals</td>
<td>2</td>
<td>5.13</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>4</td>
<td>10.26</td>
</tr>
<tr>
<td>Total responses</td>
<td>39</td>
<td></td>
</tr>
</tbody>
</table>

The following question asked which fundraising activities the foundations participated in.

By far, the most common response was special events, with 90 percent selecting this option. A distant second was annual campaign, followed by corporate sponsorships, payroll deduction, and mail campaigns. Less than half, or 42.5 percent of the responding foundations, said that they
wrote grants to fund foundation initiatives. In spite of websites and social media being the primary way in which school foundations communicate, only one listed online fundraising as a strategy for raising money, as noted in Figure 14 below.

**Q29 Which of the following fundraising activities does your foundation take part in? (Please check all that apply.)**

*Figure 14. Primary fundraising activities of Pennsylvania K-12 school-supporting foundations.*
The special event category was again the top choice when foundations were asked which single fundraising activity brought in the most net income, meaning revenue after expenses. Special events were selected as the single biggest money maker by 52.5 percent of survey takers. The next closest was a three-way tie between capital campaigns, corporate sponsorships and grant writing, with each receiving 12.5 percent of the vote, or five votes each. Special events were clearly the top choice for generating revenue by Pennsylvania school foundations. This may support the theory that Pennsylvania K-12 school-supporting foundations are still in the early stages of the nonprofit lifecycle, as more sophisticated organizations typically focus on major gift campaigns, rather than special events because of the higher return on investment (Olshansk, n.d.). Categories that received no votes as top fundraisers included mail campaigns, alumni memberships, online fundraising, and sales of merchandise.

When sorted by locale, an interesting pattern emerged. Of the 43 foundations that responded to this question, six identified as urban, 17 as suburban, and 20 as rural. While special events and EITC gifts appeared in the top three for all community types, but urban foundations also listed grants as a main funding source. Annual appeal made the top three for suburban foundations, while rural respondents listed individual donors the top funding source, as demonstrated in Table 6 below. This may suggest certain types of fundraising efforts are more suited to one kind of community over another. Further study is needed to clarify these results.

Table 6

*Top Foundation Funding Sources by Community Type*

<table>
<thead>
<tr>
<th>Urban Foundations (n=6)</th>
<th>Suburban Foundations (n=17)</th>
<th>Rural Foundations (n=20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EITC contributions</td>
<td>EITC contributions</td>
<td>Individual donors</td>
</tr>
<tr>
<td>Grants</td>
<td>Special events</td>
<td>Special events</td>
</tr>
<tr>
<td>Special events</td>
<td>Annual appeal</td>
<td>EITC contributions</td>
</tr>
</tbody>
</table>
The next group of questions gauged fundraising success. Nearly 30 percent of those responding said they raise between $10,001 and $25,000 per year, followed by those raising $25,001-$50,000 and $50,001 to $100,000, respectively. None indicated they raised $500,000 or more per year, as noted in Figure 15 below.

**Q31 How much money does your school foundation raise on an annual basis, including interest income?**

![Bar chart showing fundraising results](Image)

*Figure 15. Fundraising result of K-12 school-supporting foundation survey takers.*

The responses indicate that the Pennsylvania school-supporting foundations participating in this phase of the study are still learning to fundraise, as nearly 80 percent of them raise $100,000 or less per year. There is much opportunity for these foundations to build on their early successes and increase fundraising capacity.

In terms of single largest gift to date, 53.85 percent of foundations responded that their largest gift was $25,000 or below. Just two reported gifts of $500,000 or above. Thirty-six foundations responded to the question asking about net assets. The average net assets listed was
$607,423, with a high of $9.5 million and a low of zero. Responses to this question again demonstrated opportunity for school foundations to increase assets through major gifts, including planned gifts, also called bequests.

The final question in the fundraising practices section of the survey asked how engaged board members are in the fundraising process. When it comes to board members supporting fundraising efforts, 45 percent of respondents reported that board members are “active” or “very active” in fundraising. “Board members are sometimes active in fundraising” was the most common response, with 36.36 percent of survey takers selecting this answer. Another 20 percent of survey takers selected “board members are rarely active in fundraising activities.” This indicates that more than half of the board members of Pennsylvania’s K-12 school-supporting foundations represented here could do a better job assisting with the fundraising process, ultimately generating more funds for schools. These results show a clear need for school foundations to improve the board selection process and better engage their boards in fundraising, perhaps by providing clearer expectations and additional training.

**Giving practices.** The final section of the four-part survey honed in on the giving practices of Pennsylvania’s education foundations. Of the foundations participating in the survey, only five said they provided $100,000 or more in revenue to the school district they supported. Nearly 90 percent gave $100,000 or less, with the most popular responses being $10,001 to $25,000 and $50,001 to $100,000.

Finally, the last group of questions were aimed at assessing how revenue generated by school foundations in Pennsylvania was spent and who made decisions related to spending. When asked who determines how money raised by the school-supporting foundation is spent, the single most common response, selected by nearly half of the 39 survey takers who answered the
question, was “all board members.” “A committee of the board” came in second. Only seven, or 17.95 percent, of the survey respondents replied that spending decisions are made by a group that includes school district administrators or other employees of the district. It should be noted that in a previous question asking about who makes up the foundation’s board of directors, more than half of survey respondents indicated that school board members and school district employees were part of the board. It is possible that school priorities are communicated to the foundation in this way.

School foundations listed classroom or teacher grants as the initiative most often supported, followed by arts and music programs, science and technology programs, technology purchases, and scholarships, as detailed in Figure 16 below.

### Q37 What do foundation funds given to the school district support? (Please check all that apply.)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and music programs</td>
<td>40%</td>
</tr>
<tr>
<td>Athletics</td>
<td>15%</td>
</tr>
<tr>
<td>Classroom or teacher</td>
<td>90%</td>
</tr>
<tr>
<td>Curriculum</td>
<td>85%</td>
</tr>
<tr>
<td>Facilities</td>
<td>5%</td>
</tr>
<tr>
<td>Scholarships for graduate students</td>
<td>65%</td>
</tr>
<tr>
<td>Science and technology</td>
<td>75%</td>
</tr>
<tr>
<td>Support for school purchasing</td>
<td>30%</td>
</tr>
<tr>
<td>Support for programs</td>
<td>25%</td>
</tr>
<tr>
<td>Technology purchases</td>
<td>60%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Figure 16. Programs funded by Pennsylvania K-12 school-supporting foundations.*
Other items funded by participating foundations included athletics, curriculum, facilities, support for school-day and extracurricular programs. In the “other category” survey takers said they also funded community-related projects that benefit families, financial assistance for families in the school district, educational grants for staff, special projects within the school district, and landscaping. One foundation said it funded a student-led committee that supported programs for underprivileged peers.

A vast majority of the participating education foundations, 93.18 percent, reported they do not support teacher or other school district staff positions. In fact, only three of the 40 that answered this question reported that they do. One stated it spent $20,000 per year on this, another spent only $200, and the third did not list how much money was allocated to fund positions within the district. Clearly, most participating school foundations are funding what might be considered extras, rather than items that would normally be funded through the school district’s budget.

Phase Three: Document Review of Pennsylvania School Foundation IRS Form 990s

Phase One of this research study determined that as of June 2017, there were 312 K-12 school-supporting foundations functioning in some capacity in Pennsylvania. Of those, only 169, or 54 percent, recently filed the annual reporting form required by the Internal Revenue Service for nonprofits that raise $50,000 or more in revenue. The document, called the IRS Form 990 or IRS Form 990 EZ, is typically completed as part of an organization’s yearly audit process. It becomes public record through a database maintained by the IRS and is accessible on the Internet through a number of portals, including one managed by the Foundation Center. The 143 remaining school-supporting foundations that are not filing annually are likely partnering with a local community foundation that reports receipts on their behalf, or are raising such limited
amounts of money that they are not required to file, or they file a scaled down postcard version of the form. A third possibility is that those working on behalf of the organization are unaware of the filing requirement, as was the case with the education foundation supporting Steel Valley School District, conveyed in Chapter Two. Even though it was successful at fundraising, it was eventually disbanded, partially because it was not following legal requirements, including the annual filing of necessary tax reporting forms (Niederberger, 2013).

Telephone calls conducted to gather information for Phase One revealed that at least 15 of the foundations not filing an IRS Form 990 are affiliated with local community foundations. The assets of the school foundation, as well as income and expense information, are maintained by the community foundation and submitted as part of each community foundation’s annual reporting data. While internal accounting documents of these community foundations would reveal the amount of money being raised by school foundations using this model, the numbers cannot be determined from the IRS Form 990 itself. This makes it impossible to assess how much these school foundations are raising or spending on their district’s behalf without requesting financial records from the groups themselves. As such, K-12 school-supporting foundations in this category are not represented in this phase of the study.

Collecting IRS Form 990s. The process to determine which education foundations had recently filed IRS reporting forms began by locating the Employer Identification Number (EIN) for every K-12 school-supporting foundation found in Phase One. The EIN is assigned by the federal government to an organization when founders file paperwork to begin operations. The EIN, also called the Federal Tax Identification Number, is a unique nine-digit code assigned by the IRS to business entities operating in the United States for purposes of identification (IRS, 2017). Just as schools are assigned an Administrative Unit Number (AUN), and individuals a
Social Security Number, formally operating organizations are given an EIN. The EIN is not only documented on a nonprofit’s IRS Form 990, it is used to catalog the reporting forms and can be used to find them.

To locate the EINs for the school foundations included in this phase of the study, the researcher combed through records on GuideStar, a free online information service that specializes in reporting on U.S. nonprofit organizations. The website contains information on more than 2.5 million nonprofits. The GuideStar website is accessible at www.guidestar.org. In addition to collecting EINs, the researcher also noted the founding year for each school-supporting foundation identified in Phase One using the GuideStar site. Once this information was gathered, the researcher then looked up the tax reporting forms through the Foundation Center website.

The Foundation Center is a nonprofit organization which maintains records that include tax reporting documents for U.S. nonprofits. The forms can be retrieved through a web portal called the 990 Finder. The 990 Finder is free and accessible at www.foundationcenter.org. It pulls its information from a public information database populated by the federal government. By inputting the EIN for the 312 school foundations documented in Phase One, the researcher tracked down IRS Form 990 records for 200 K-12 public school-supporting foundations. Some of those downloaded were outdated, meaning the foundation had not filed an IRS Form 990 in several years. Organizations that had not filed since 2014 were eliminated from this part of the study, as the information provided on the form would be out of date.

It is important to note that the 169 IRS Form 990s that make up this part of the study represent a composite year, meaning forms collected may have been filed in 2017, 2016 or 2015, depending on when the foundation’s fiscal year ended, the timing of its financial audit, and how
quickly the information was published to the Internet. Only the most recent IRS Form 990 for each foundation was downloaded, but the year of the form and filing date varied. To limit the data collection to one calendar year would have greatly reduced the number of organizations included in this part of the study, as well as the amount of data available for analysis.

Once the IRS Form 990s were cataloged, the researcher was able to eliminate those that had not filed recently, as well as those not operating as K-12 school-supporting foundations as defined by this study. Of the remaining 169 education foundations included in this phase, 112 of them, or 66 percent, generated $50,000 or more in revenue in the year examined. The remaining 57 foundations raised less than $50,000, and some of those far less than that, with 26 organizations raising $25,000 or less. Two raised no money at all, including the Roller Education Foundation, which serves Steelton-Highspire School District in Dauphin County, and the Wellsboro Area Education Foundation in Tioga County. The Roller Foundation is new, having been organized in 2014, and is just beginning operations. In contrast, the ten school foundations raising the most money brought in a half million dollars or more in revenue in the composite year examined.

Several data points from the IRS Form 990s were used for this analysis. In addition to confirming founding data, when listed, the forms provided annual revenue, amount given to the school district and students, net assets, number of employees, number of board members, programs supported, and foundation mission. In order to make the data more meaningful, it was supplemented by information tracked by PDE, PASBO and PSBA, including total school district expenditure, number of students, school district expenditure per student, percent of students living in poverty, county, and whether the school was located in a rural, urban or suburban setting.
Pennsylvania K-12 school-supporting foundations’ fundraising, giving and net assets. The raw data collected in Phase Three revealed a wealth of information. Together, the 169 K-12 school-supporting foundations raised a combined $27,455,785 in the composite year, bringing in on average $162,460 per foundation. The highest earning foundation, The Fund for the School District of Philadelphia, generated more than $3 million in support for the district and its students. The ten highest earning foundations in the category of total revenue are listed in Figure 17 below. Together, they raised a combined $11,017,374, with an average of $1,101,737. Conversely, the ten lowest earners together raised $21,686, with an average of $2,169. Two foundations, the Roller Education Foundation and the Wellsboro Area Education Foundation, reported no income at all. As previously noted, the Roller Foundation was just beginning operations at this time of this report, had not started fundraising. Clearly, there are wide differences in fundraising capability among Pennsylvania’s K-12 school-supporting foundations.

Similar trends emerged for support given to affiliated school districts and foundations’ net assets. Together, the 169 foundations provided nearly $19.7 million to schools and students, with the average amount being $116,476. However, some foundations provided significantly more support than others. Again the top contributor in this area was The Fund for the School District of Philadelphia, which gave $3.1 million dollars. The top ten most generous foundations collectively gave their affiliated school districts just under $8.2 million, with an average amount of $816,802. Those contributing the least gave a combined $39,732 with an average amount of $3,973.

When considering the contributions of school foundations per student, the amount of support given was a tiny fraction of school districts’ per pupil expenditures. In the sample year, the most generous foundation, the Chester Education Foundation, gave its affiliated school
district $312.77 per student. While that added up to more than $1.1 million, when compared with the school district's per student cost of $17,982, the amount represented .017 percent of the expenditure per student. Of the 169 foundations included in the IRS Form 990 review, only seven provided $100 or more per student, and the average foundation gift per student was much lower, $28.05. In fact, 58 of the 169 foundations gave less than $10 per student in the composite year.

For net assets, the foundation affiliated with a small, suburban school district topped the list. The Lion Foundation, which serves Camp Hill School District in Cumberland County, reported net assets of nearly $9.7 million. The Fund for the School District of Philadelphia came in second, with just under $3 million in holdings. Together, the ten foundations with the most net assets held just shy of $28 million, with an average amount of just under $2.8 million. At the bottom of the list, the ten foundations with the fewest assets held a collective $81,220, with an average of $8,122. Again, a large gap exists between Pennsylvania’s top-tier education foundations and those lower on the list. Two foundations not included in these calculations were the Wellsboro Area Education Foundation and the Central Columbia Education Foundation. Both reported net assets as negative amounts, possibly related to gifts to the district, the details of which were not made clear on their IRS Form 990s.

To assess the overall financial capacity of K-12 school-supporting foundations, the researcher used an Excel formula to add annual revenue, support given, and net assets. The Lion Foundation and The Fund for the School District of Philadelphia topped the list. Together, the top ten school foundation powerhouses raised, held and gave $42.6 million in support of K-12 public education in Pennsylvania in the composite year. Five of the foundations with the greatest financial capacity serve urban school districts, four support suburban schools, while only one
rural foundation made the top ten list—the South Butler County School District Foundation, primarily due to net assets totaling nearly $2.9 million.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Total Revenue</th>
<th>Support Given to SD</th>
<th>Net Assets</th>
<th>*Overall Financial Power</th>
</tr>
</thead>
</table>

**Figure 17.** Pennsylvania’s top performing education foundations.

**Pennsylvania K-12 school-supporting foundations and community type.** A closer examination of the 18 school foundations that appeared on a top ten list revealed that seven are located in suburban areas, six serve urban school districts, and five support school districts in rural communities, indicating that school foundations may be more likely to thrive in suburban and urban communities. Further investigation of the data may support this theory. Of the 169 school foundations included in this phase of the study, 101 of them, or 60 percent, were affiliated with suburban districts, 53 of them, or 32 percent, with rural school districts, and 14, or eight percent, were urban as shown in Figure 18 below.
Comparatively, of the 500 school districts in Pennsylvania, 49 percent are identified as rural, 45 percent as suburban, and six percent as urban. In a publication titled *2016-17 State of Education Report*, PSBA (2017) identified 227 school districts as suburban. Of those, 45 percent had an affiliated school foundation that filed an IRS Form 990. It labeled 28 as urban school districts, of which 14, or 50 percent, had an affiliated foundation that filed a reporting form. In rural areas, the number was lower. Of the 245 school districts in Pennsylvania identified as rural, only 22 percent had an affiliated foundation that filed an IRS Form 990.

**Community type and fundraising.** The type of community in which a school foundation is located matters, as it seems to impact the ability to raise funds. Of the $27.5 million dollars raised by the 169 K-12 school-supporting foundations included in Phase Three in the composite year studied, $14.3 million, or 52 percent of all funds, were brought in by those located in suburban areas. Urban school foundations generated $7.8 million, or 28 percent of the
total. Rural foundations came in last, raising $5.4 million, or 20 percent of the funds, as demonstrated in Figure 19. While Pennsylvania is home to more rural school districts than any other type, the majority of money raised by school foundations supports schools in suburban and urban areas.

![Pie chart showing distribution of funds raised by school district supporting foundations by community type.]

Figure 19. Money raised by Pennsylvania K-12 school-supporting foundations by school district community type.

The picture is somewhat different when the top-performing foundation in each community type, or locale, is eliminated from the calculation. Because The Fund for the School District of Philadelphia raised so much more in the composite year studied than any other school foundation, its fundraising total impacted results. Without Philadelphia (urban), the Central Valley Education Foundation (suburban) and the Green Dragon Foundation (rural), rural foundations still raised about 20 percent of the total revenue. But the share raised by urban foundations decreased to 20 percent and the share raised by suburban foundations increased to 60 percent. Removing just three foundations changed the fundraising landscape.
While suburban schools appear to lead fundraising efforts, a deeper assessment of the data reveals that, on an individual level, urban foundations raised about four times more than those in suburban areas, and five times more than those located in rural areas. The 14 urban school-supporting foundations raised an average $557,768 in the composite year, while their suburban counterparts brought in an average of $139,822. Once again, school foundations in rural areas generated comparatively smaller amounts, with an average of $101,607 per foundation. These results may be related to population density, the comparatively larger size of urban school districts, or the existence of more individual and corporate donors as well as private foundations in urban areas. Rural communities typically have both smaller school districts and fewer potential donors available to them. These findings should not dissuade leaders of rural school districts from considering the worth of a school foundation. When fundraising totals are measured against number of students, rural foundations actually generated the most money per pupil. On average, the 53 rural education foundations included here raised $39.87 per student, while urban schools raised $32.75 per student and suburban schools, $30.10, as noted in Table 7 below.

Table 7

<table>
<thead>
<tr>
<th>Foundation Type</th>
<th>Average Amount Raised</th>
<th>Average Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural (53)</td>
<td>$101,607</td>
<td>$39.87</td>
</tr>
<tr>
<td>Urban (14)</td>
<td>$557,768</td>
<td>$32.75</td>
</tr>
<tr>
<td>Suburban (102)</td>
<td>$139,822</td>
<td>$30.10</td>
</tr>
</tbody>
</table>

Results of the mathematical calculations were verified using a one-way ANOVA means test. It found statistical significance in the amounts raised by foundations based on community type. A Tukey’s HSD post hoc test was used to determine the nature of the difference among
community types. The results show that school foundations located in rural communities raised significantly less money than those in urban communities ($M = -456160.86$), as did those in suburban communities ($M = -417945.07$). However, there was not a significant difference between funds raised by suburban foundations compared with their rural peers, as demonstrated in Table 8 below.

Table 8

Differences in Fundraising Based on Community Type

<table>
<thead>
<tr>
<th>(L) Geo Type</th>
<th>(J) Geo Type</th>
<th>Mean Difference (L-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>Urban</td>
<td>-456160.8585*</td>
<td>88756.8423</td>
<td>.000</td>
<td>-666064.264 -246257.453</td>
</tr>
<tr>
<td></td>
<td>Suburban</td>
<td>-38215.7899</td>
<td>50014.3032</td>
<td>.726</td>
<td>-156495.940 80064.360</td>
</tr>
<tr>
<td>Urban</td>
<td>Rural</td>
<td>456160.8585*</td>
<td>88756.8423</td>
<td>.000</td>
<td>246257.453 666064.264</td>
</tr>
<tr>
<td></td>
<td>Suburban</td>
<td>417945.0686*</td>
<td>84184.3349</td>
<td>.000</td>
<td>218855.307 617034.831</td>
</tr>
<tr>
<td>Suburban</td>
<td>Rural</td>
<td>38215.7899</td>
<td>50014.3032</td>
<td>.726</td>
<td>-80064.360 156495.940</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>-417945.0686*</td>
<td>84184.3349</td>
<td>.000</td>
<td>-617034.831 -218855.307</td>
</tr>
</tbody>
</table>

* The mean difference is significant at the 0.05 level.

In addition to community type, Phase Three considered whether foundations in some parts of the state raised more money than those in other areas. An analysis of fundraising success at the regional level began with selecting an established format for dividing the state into sections. A map called DCED Regions in Pennsylvania was used to assign a number to six regions. DCED is an acronym for the Department of Community and Economic Development, a state governmental agency. The map is based on American Community Survey Public Use Microdata Areas (ACS PUMAs), which are commonly used by researchers in gathering and interpreting data based on geography. The map of regions can be found in Figure 20 below.
Using an Excel spreadsheet, each school foundation represented in this phase of the study was assigned an identifying region code based on its location. The spreadsheet was then sorted by code, and total foundation revenue averaged by region. Based upon these figures, K-12 school-supporting foundations in the southeastern region, Region 1, significantly outperformed peers across the state. Foundations located in the northern tier, comprised of Regions 2 and 6, performed least well, as noted in Table 9 below. There were differences in amounts raised per student as well, with foundations in the central region of the state raising more money per student than foundations located elsewhere.
Table 9

*Foundation Dollars Raised per Region*

<table>
<thead>
<tr>
<th>DCED Region</th>
<th>Average Raised per Foundation</th>
<th>Total Raised by all Foundations</th>
<th>Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1</td>
<td>$253,495</td>
<td>$9,886,295</td>
<td>$31.02</td>
</tr>
<tr>
<td>(39 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region 2</td>
<td>$84,039</td>
<td>$2,689,279</td>
<td>$15.39</td>
</tr>
<tr>
<td>(32 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region 3</td>
<td>$166,233</td>
<td>$7,480,505</td>
<td>$28.92</td>
</tr>
<tr>
<td>(45 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region 4</td>
<td>$194,581</td>
<td>$2,918,724</td>
<td>$49.36</td>
</tr>
<tr>
<td>(15 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region 5</td>
<td>$124,443</td>
<td>$3,484,395</td>
<td>$25.20</td>
</tr>
<tr>
<td>(28 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region 6</td>
<td>$99,659</td>
<td>$996,587</td>
<td>$28.77</td>
</tr>
<tr>
<td>(10 foundations)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Not surprisingly, foundations located in Region 1, the Philadelphia area, raised the largest amounts of money per foundation and overall. However, those located in Region 4, an area in the central part of the state comprised mostly of small and rural schools, raised the most money per student. This supports earlier findings related to rural schools raising more money per student than foundations located in other types of communities. It also offers insight into the value of K-12 school-supporting foundations for leaders of small and rural school districts.

While there appears to be a large difference in amounts raised based on this numerical analysis, a one-way ANOVA test followed by a post hoc Tukey’s HSD test indicated no statistically significant difference in amounts raised by foundations based on region. Additional research would be warranted to identify what other factors may be contributing to this outcome.

**Size of affiliated school district.** Another factor that may impact the fundraising ability of a school foundation is the size of the district with which it is affiliated. Logic would suggest that larger school districts would have a bigger potential donor pool, which could lead to higher
fundraising revenue. An initial analysis of the numbers indicated this may be true. The 169
school foundations included in Phase Three of the study were divided into thirds based on size of
the school district’s annual budget. School foundations associated with the 56 smallest school
districts raised an average of $120,851; the 56 school foundations associated with mid-size
districts raised $113,312; while 57 foundations affiliated with the largest foundations raised
$251,626, as noted in Table 10, below. A noteworthy finding - while foundations associated
with the smallest third of school districts raised less than half the amount of those in the top third
of school districts based on size, foundations supporting smaller school districts raised 35 percent
more per student. This finding is again consistent with data comparing the fundraising results of
rural, urban and suburban foundations, as many of the rural school districts also fall into the
smallest school districts category.

Table 10

<table>
<thead>
<tr>
<th>Size of District</th>
<th>Average Raised per Foundation</th>
<th>Total Raised by all Foundations</th>
<th>Average Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smallest (SD budget up to</td>
<td>$120,851</td>
<td>$6,767,657</td>
<td>$35</td>
</tr>
<tr>
<td>$40 million) (56)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium (SD budget $40,000,001-</td>
<td>$113,312</td>
<td>$6,345,458</td>
<td>$23.98</td>
</tr>
<tr>
<td>$80 million) (56)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Largest (SD budget $80,000,001+)</td>
<td>$251,626</td>
<td>$14,342,670</td>
<td>$25.23</td>
</tr>
</tbody>
</table>

A one-way ANOVA test on the impact of a school district’s size on a foundation’s ability
to raise funds initially indicated a statistically significant difference of .032. However, a post hoc
Tukey’s HSD test put the number at .052, just outside of the statistically significant range, but
only when comparing the fundraising results of large districts with those of medium size, as
demonstrated in Table 11 below. Given these mixed results, further research is needed to determine what other factors may be at play.

Table 11

<table>
<thead>
<tr>
<th>(I) SD Size Code</th>
<th>(J) SD Size Code</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Medium</td>
<td>7539.27</td>
<td>59097.66</td>
<td>.991</td>
<td>-132222.35</td>
</tr>
<tr>
<td>Small</td>
<td>Large</td>
<td>-130774.77</td>
<td>58837.89</td>
<td>.070</td>
<td>-269922.06</td>
</tr>
<tr>
<td>Medium</td>
<td>Small</td>
<td>-7539.27</td>
<td>59097.66</td>
<td>.991</td>
<td>-147300.89</td>
</tr>
<tr>
<td>Large</td>
<td>Large</td>
<td>-138314.04</td>
<td>58837.89</td>
<td>.052</td>
<td>-277461.32</td>
</tr>
<tr>
<td>Large</td>
<td>Small</td>
<td>130774.77</td>
<td>58837.89</td>
<td>.070</td>
<td>-8372.51</td>
</tr>
</tbody>
</table>

**Level of poverty and fundraising.** Literature reviewed in Chapter Two raised concern that fundraising activities on behalf of public schools would largely benefit students in the wealthiest communities (Greene, 2005; Nelson & Gazley, 2014). Data collected from the IRS Form 990s of the Pennsylvania school-supporting foundations included in Phase Three of this study appears to demonstrate the exact opposite. In order to gather results, total revenue listed on the IRS Form 990 was compared with the school district poverty rate used by the Pennsylvania Department of Education to calculate Basic Education Funding (BEF). Of the 169 foundations reviewed, those raising the most per student had the neediest students. School foundations in the wealthiest 25 percent of schools raised half as much per student than those with poverty rates higher than 25 percent, as detailed in Table 12 below.
Table 12

*Impact of Poverty Percentage on Fundraising*

<table>
<thead>
<tr>
<th>Percent Poverty</th>
<th>Total Raised</th>
<th>Average Amount Raised</th>
<th>Number of Students</th>
<th>Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-25% (84 foundations)</td>
<td>$9,232,138</td>
<td>$109,906</td>
<td>394,311</td>
<td>$23.41</td>
</tr>
<tr>
<td>25.01-50% (69 foundations)</td>
<td>$9,678,499</td>
<td>$140,268</td>
<td>233,796</td>
<td>$41.40</td>
</tr>
<tr>
<td>50.10-75% (15 foundations)</td>
<td>$8,099,350</td>
<td>$539,957</td>
<td>212,621</td>
<td>$38.09</td>
</tr>
<tr>
<td>75.01%+ (1 foundation)</td>
<td>$445,798</td>
<td>$455,798</td>
<td>6,518</td>
<td>$68.39</td>
</tr>
</tbody>
</table>

In Pennsylvania, it appears that students who need the most support are in fact getting it when it comes to money raised by K-12 school-supporting foundations. A one-way ANOVA test followed by a post hoc Tukey’s HSD test confirmed there is in fact a statistically significant difference in favor of higher poverty schools, as demonstrated in the Figure 21 below.

![Figure 21](image-url)  
*Figure 21. Poverty levels and dollars raised by Pennsylvania K-12 school-supporting foundations.*
Longevity and fundraising ability. While the school foundations gained traction in other regions of the country in the 1980s, it took another decade for the concept to become popularized in Pennsylvania, as noted in the narrative of Phase One of this study. Of the foundations included in Phase Three, only one, Quaker Valley Education Foundation, dates from the 1970s. Eleven more began in the 1980s. The launch rate increased significantly in the 1990s, when 49 of the foundations included here were established. The numbers grew in the 2000s, which saw the start of 67 of the school foundations that are part of Phase Three. The pattern continues into the current decade, with 41 of the foundations filing IRS Form 990s listing founding dates of 2010 or later. If the trend holds steady, more than 60 K-12 school-supporting foundations will be launched in this decade.

As we know from Phase One, K-12 public school-supporting foundations continue to emerge. Some of the newest include Sharpsville Area School District Education Foundation in Mercer County, Southern Columbia Community Foundation in Columbia County, and an as yet unnamed foundation affiliated with Jeanette City School District in Westmoreland County.

Investing in school foundations can benefit school districts, and for those willing to make a long term commitment, there appears to be a real payoff, as noted in Table 13 below.

Table 13
Longevity and Fundraising Success

<table>
<thead>
<tr>
<th>Decade Founded</th>
<th>Number of Foundations</th>
<th>Total Amount Raised by all Foundations</th>
<th>Average Amount Raised per Foundation</th>
<th>Average Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970s</td>
<td>1</td>
<td>$214,950</td>
<td>$214,950</td>
<td>$114.76</td>
</tr>
<tr>
<td>1980s</td>
<td>11</td>
<td>$4,413,341</td>
<td>$401,213</td>
<td>$56.40</td>
</tr>
<tr>
<td>1990s</td>
<td>49</td>
<td>$5,718,486</td>
<td>$116,703</td>
<td>$22.47</td>
</tr>
<tr>
<td>2000s</td>
<td>67</td>
<td>$13,807,137</td>
<td>$206,076</td>
<td>$35.01</td>
</tr>
<tr>
<td>2010s</td>
<td>41</td>
<td>$3,301,871</td>
<td>$80,533</td>
<td>$15.89</td>
</tr>
<tr>
<td>All Foundations</td>
<td>169</td>
<td>$27,455,785</td>
<td>$162,460</td>
<td>$32.41</td>
</tr>
</tbody>
</table>
When analyzed as a whole, the Pennsylvania K-12 public school-supporting foundations included in Phase Three raised nearly $27.5 million in the composite year. They served a combined 847,246 students, bringing in an average of $32.41 in revenue per student. From a distribution standpoint, half of the funds were raised by school foundations founded in the 2000s, followed by those launched in the 1990s. However, when examined from a per pupil standpoint, a different story is revealed. The oldest foundations, those founded in the 1970s and 1980s, brought in significantly more per student than newer foundations. The youngest foundations examined here, those founded in the 2010s, brought in the least per student.

A one-way ANOVA test examining the longevity of a foundation compared with amount of money raised concluded that longevity is a statistically significant factor (.022) when it comes to fundraising. A post hoc Tukey’s HSD test could not be conducted to further consider the findings, as one category contained fewer than two cases. Still, it appears that older foundations have an advantage when it comes to raising money, as noted in Figure 21, below. This is logical, in that an older foundation would have had more time to establish a formal fundraising programs.
Figure 22. The impact of longevity on a Pennsylvania K-12 school-supporting foundation.

**Foundation board size and fundraising.** Another factor that appears to impact fundraising ability of Pennsylvania’s K-12 school-supporting foundations is size of the board. Overall, the average board size of school foundations included in Phase Three was 13.72, with most foundations having between 9 and 17 board members. These results are not largely different from the numbers presented in the survey phase, in which the average board numbered 14.7 members. In order to compare fundraising results based on board size, three categories were defined. Small boards were considered to be those with zero to eight members, although the smallest board included here had two members. Medium size boards were those with nine to 16 members. Large boards had 17 or more members, with the largest having 46 members. The findings demonstrate that foundations with large boards raised more than four times on average
the amounts raised by foundations with small boards and nearly twice as much as foundations with medium size boards. Additionally, large boards raised nearly twice as much money per student as those with small boards and about 25 percent more than those with medium size boards, as detailed in Table 14 below.

Table 14

*Fundraising Results of Pennsylvania's K-12 School-Supporting Foundations Based on Board Size*

<table>
<thead>
<tr>
<th>Board Size</th>
<th>Total Revenue</th>
<th>Average Amount Raised per Foundation</th>
<th>Average Amount Raised per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (0-8 members) - 12 foundations</td>
<td>$625,172</td>
<td>$52,098</td>
<td>$24.08</td>
</tr>
<tr>
<td>Medium (9-16 members) - 121 foundations</td>
<td>$16,092,355</td>
<td>$132,945</td>
<td>$31.52</td>
</tr>
<tr>
<td>Large (17+ members) - 36 foundations</td>
<td>$10,738,258</td>
<td>$298,285</td>
<td>$34.54</td>
</tr>
<tr>
<td>All foundations - (13.72 average members)</td>
<td>$27,455,785</td>
<td>$162,460</td>
<td>$32.73</td>
</tr>
</tbody>
</table>

A one-way ANOVA test supported a statistically significant difference (.030) in fundraising based on board size, with larger boards having an advantage, as demonstrated in Figure 23 below.
However, the results of a post hoc Tukey’s HSD was nearly statistically significant when comparing the fundraising ability of small with large boards (.076) and medium with large boards (.051), but were not lower than the .05 threshold to be considered such.

**Employees, volunteers, and fundraising ability.** Pennsylvania’s K-12 school-supporting foundations are overwhelmingly a volunteer endeavor. Information for this section of the study was gathered from page one of the IRS Form 990. In cases where foundations filed a version of this form that did not include number of employees, the information was gathered from page two, which listed key officers and employees, or an attachment, if the list was too long.
to be documented on page two. Of the 169 foundations included in this phase, 123 were entirely volunteer organizations. Thirty-one had part-time staff and only 15 listed one or more full-time staff members. A look at foundation financials, though, indicates that paying people to do the work of the foundation pays off. Education foundations with at least one full-time staff member raised six times as much money as foundations with no employees. Those with a part-time staff member raised two and a half times as much as volunteer-run organizations. The numbers showed similar trends for amounts given to affiliated school districts, as well as foundation net assets, as detailed in Table 15 below.

Table 15

*The Impact of Employees on Fundraising Success of Pennsylvania’s K-12 School-Supporting Foundations*

<table>
<thead>
<tr>
<th>Employees</th>
<th>Average Raised</th>
<th>Average Amount of Support Given to SD</th>
<th>Average Amount of Support Given Per Students</th>
<th>Average Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time 1+</td>
<td>$588,237</td>
<td>$444,537</td>
<td>$60.60</td>
<td>$780,634</td>
</tr>
<tr>
<td>Part-time</td>
<td>$236,412</td>
<td>$174,671</td>
<td>$42.96</td>
<td>$883,517</td>
</tr>
<tr>
<td>Volunteer</td>
<td>$91,898</td>
<td>$61,797</td>
<td>$20.32</td>
<td>$262,123</td>
</tr>
</tbody>
</table>

Urban school foundations appeared to be most willing to invest in paid staff. Five of 14, or 36 percent of the urban foundations included here had a full-time employee, and two-thirds of urban foundations had at least one part-time employee. Suburban foundations were less likely to commit to paid staff. Of the 102 suburban foundations studied, less than a third, or 29 percent, had paid staff, and only nine percent had a full-time staff member. Education foundations located in rural communities were least likely to have staff. Eighty-seven percent of rural foundations had no paid staff, and only one of the 53 rural foundations included in this phase of the research had a full-time employee. The numbers above show a direct relationship between
paid staff and ability to raise funds - helpful information for foundations and school districts seeking to increase fundraising capacity.

A one-way ANOVA test followed by Tukey’s HSD test confirmed a statistically significant difference exists between foundations with paid staff and no paid staff, and those with full-time paid staff versus part-time staff, as detailed in Table 16 and Figure 24, which are presented below.

Table 16

**Employees, Volunteers, and Fundraising Capacity of Pennsylvania’s K-12 School-Supporting Foundations**

<table>
<thead>
<tr>
<th>(I) Emp Code</th>
<th>(J) Emp Code</th>
<th>Mean Difference (I-J)</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>No employees</td>
<td>Part-time only</td>
<td>-144513.98*</td>
<td>57135.76</td>
<td>.033</td>
<td>-279635.85</td>
<td>-9392.10</td>
</tr>
<tr>
<td></td>
<td>Full-time +</td>
<td>-496339.04*</td>
<td>77753.94</td>
<td>.000</td>
<td>-680221.40</td>
<td>-312456.69</td>
</tr>
<tr>
<td>Part-time only</td>
<td>No employees</td>
<td>144513.98*</td>
<td>57135.76</td>
<td>.033</td>
<td>9392.10</td>
<td>279635.85</td>
</tr>
<tr>
<td></td>
<td>Full-time +</td>
<td>-351825.07*</td>
<td>89419.76</td>
<td>.000</td>
<td>-563296.22</td>
<td>-140353.91</td>
</tr>
<tr>
<td></td>
<td>No employees</td>
<td>496339.04*</td>
<td>77753.94</td>
<td>.000</td>
<td>312456.69</td>
<td>680221.40</td>
</tr>
<tr>
<td>Full-time +</td>
<td>Part-time only</td>
<td>351825.07*</td>
<td>89419.76</td>
<td>.000</td>
<td>140353.91</td>
<td>563296.22</td>
</tr>
</tbody>
</table>

* The mean difference is significant at the 0.05 level.
Figure 24. Employees, volunteers and fundraising capacity of Pennsylvania's K-12 school-supporting foundations.

Foundation mission statements. In addition to gathering numeric data, the researcher documented and compared the mission statements and programs supported by the 169 school foundations included in this phase of the study. An analysis of mission statements provided on the IRS Form 990s revealed that school foundations adopted one of three approaches. Foundations using the first approach either did not list a mission statement or listed one that was so vague that it was not clear what the organization was set up to do. Twenty-two, or 13 percent of the foundations fell into this category. Examples of unclear mission statements included
“education support,” “public education foundation,” and “support education.” Seven foundations listed no mission statement at all.

A second approach, which appeared to be the most common, was a simple statement that clearly explained the foundation’s intentions. Ninety-three foundations, or 55 percent, adopted this format. Examples included, “To encourage, promote and support innovative educational experiences for students in the Allentown School District” (IRS, 2016-a, p. 1) and “To secure financial and in-kind resources from individuals, alumni, businesses, community organizations and other sources, to expand and enhance the educational opportunities for residents of Exeter School District” (IRS, 2014-a, p.1).

Aspirational mission statements were adopted by 54 of the foundations, or 32 percent of those included in Phase Three. They not only communicated what the foundation was set up to do, but created a vision for an outcome the foundation hoped to achieve. Many of these statements were inspiring. Examples included:

Encourage community-wide participation and philanthropy in order to enhance and expand educational enrichment for all students in the Penn-Trafford School District area to ensure the highest level of educational innovation supporting students and schools, and community involvement in a partnership of lifelong learning (IRS, 2015-b, p. 16)

and “Engages in strategic philanthropy to purposefully connect parents, alumni, and businesses to invest in the future of the greater Wilson community” (IRS, 2014-b, p. 1).

A few of the mission statements specifically addressed the challenging financial situation faced by many of Pennsylvania’s school districts. Examples of those included: “To relieve some of the financial burden on the Northern York School District Community while still providing exciting opportunities for the students of the school district” (IRS, 2015-c, p. 1), and “To bridge
the gap between funding Downingtown Area School District's basic educational needs and funding the district's innovative educational initiatives” (IRS, 2015-d, p.1).

Similarities appeared in the types of programs supported by Pennsylvania’s education foundations as well. This information was gathered from either page two of the IRS Form 990 or on separate section of the form titled “Schedule O.” Scholarships were the single most common initiative supported by school foundations included in Phase Three, followed by classroom teacher grants, enrichment programs and STEM/Robotics. The programs that appeared on the IRS 990 forms were largely consistent with those noted in Phase Two of this study. Although in Phase Two, teacher/classroom grants was the most frequently selected response, followed by arts and music programs and science and technology programs. Scholarships came in fourth.

It should be noted that Phase Three considered data from a sample size that was more than three times larger than Phase Two. Additionally, all of the foundations included in Phase Three filed an IRS Form 990, whereas only 38 of those taking part in Phase Two said they filed the form. Foundations involved in Phase Three might be those that are better established or are more active, which could impact their choices as to what they fund. Additionally, the researcher believes the purpose of school foundations may have evolved over time. Those founded in the early years of the movement might be more focused on funding post-secondary scholarships for students, while foundations launched during a difficult financial period for public schools would be more likely to focus on making up funding shortfalls. Table 17 below lists the items funded by school foundations according to IRS Form 990s gathered for this phase of study.
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Number of Responses</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>66</td>
<td>39.05</td>
</tr>
<tr>
<td>Classroom Teacher Grants</td>
<td>54</td>
<td>31.95</td>
</tr>
<tr>
<td>Enrichment</td>
<td>27</td>
<td>15.97</td>
</tr>
<tr>
<td>STEM/Robotics</td>
<td>24</td>
<td>14.20</td>
</tr>
<tr>
<td>Athletics &amp; Community Recreation</td>
<td>20</td>
<td>11.83</td>
</tr>
<tr>
<td>Extracurricular activities</td>
<td>19</td>
<td>11.24</td>
</tr>
<tr>
<td>Facilities</td>
<td>18</td>
<td>10.65</td>
</tr>
<tr>
<td>Arts &amp; Music</td>
<td>16</td>
<td>9.46</td>
</tr>
<tr>
<td>Curriculum Support</td>
<td>15</td>
<td>8.87</td>
</tr>
<tr>
<td>Technology Purchases</td>
<td>13</td>
<td>7.69</td>
</tr>
<tr>
<td>Literacy Initiatives</td>
<td>11</td>
<td>6.5</td>
</tr>
<tr>
<td>Student Awards</td>
<td>9</td>
<td>5.32</td>
</tr>
<tr>
<td>Special Projects</td>
<td>8</td>
<td>4.73</td>
</tr>
<tr>
<td>Summer Programs</td>
<td>7</td>
<td>4.14</td>
</tr>
<tr>
<td>Career &amp; Tech Ed</td>
<td>6</td>
<td>3.55</td>
</tr>
<tr>
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Phase Four: Top Performers Questionnaire

Phase Four of the research study was designed to support the results of the survey and document review phases of the study. Initially conceptualized as interviews with leaders of top-performing K-12 public school foundations in Pennsylvania, the researcher instead distributed the questions to the same audience electronically. This provided the opportunity for participants to reflect on the questions and refer to foundation documents, when needed. The questions were emailed to a group of ten foundations of varying location, size, socioeconomic status, and community type. After reaching out to a representative of each foundation first by email and then by telephone, it became clear that the number of responses would be limited due to job changes or individuals stating they were too busy to participate.

The researcher then expanded the number of foundations included, ultimately contacting 16 of the top performers, and three who just missed top ten list, but represented important regions and community types. Of those invited, 14 completed the questionnaire by a deadline of Friday, August 11, 2017. Leaders who submitted the questionnaire were fairly well distributed by locale, with six suburban, four rural, and five urban leaders participating. Geographically, in spite of efforts to include foundations from across the Commonwealth, the bulk of respondents represented those located in central Pennsylvania. The western and eastern regions of the state were each represented by only three respondents.

Ten of the individuals completing the questionnaire described themselves as the executive director of the foundation. Others listed development director, alumni director, president, or foundation coordinator as their titles. Every single participant stated that the foundation with which they were affiliated had paid staff that either served in the capacity of executive director or a similar role. This supports the findings in Phase Three, which indicated
that foundations with paid staff are likely to raise more money than those without, hence their appearance on the list of best performing foundations.

**Top performers and paid staff.** Among the top performers, the foundations themselves were most likely to pay staff, with ten respondents noting that they were paid by the foundation. The remaining four were paid by the school district, with foundation duties most frequently being part of their work assignment as the school district’s public relations manager. In two cases, the wages and benefits were split between the school district and foundation.

**Top performers and founding dates.** The school foundations represented here have founding dates ranging from 1985 to 2012. School administrators were catalysts for the formation of half of them. Three stated that they were founded at the behest of the school board, and another three stated that community members were the drivers of the foundation’s launch.

**Top performers and reason for being.** The reasons the foundations came into existence varied, with two saying they were started to accept a specific gift from a donor, and six indicating their founding purpose was to support the district’s educational programs. Other reasons given included to provide post-secondary scholarships; feasibility study recommendation; to offset the need to raise taxes; and to increase communication with alumni and provide a vehicle for grants and tax credit gifts.

**Top performers and foundation goals.** Themes also emerged related to the education foundations’ goals, with 12 of 14 stating their primary purpose was to enhance the educational experience for students in the district or support innovation or excellence in education. Another common answer related to the financial challenges faced by Pennsylvania’s school districts. Six foundations indicated a primary purpose of preserving educational and athletic programs the district could no longer afford, or providing financial flexibility for the district. Other goals
listed included encouraging community-wide participation in public education, enriching the community, and providing post-secondary support for the school district’s graduates.

As for who sets these goals, three patterns appeared and were fairly equally distributed among the responding foundations. Goals were set either by the foundation board alone, the foundation board working together with the executive director, or a team comprised of the foundation board and school leaders or other employees of the district.

**Top performers and organizational strengths.** When leaders were asked about their foundation’s greatest strengths, a few themes dominated. Nine of the 14 answers centered on human elements, such as consistency in leadership within the school district and foundation and having dedicated staff, board members, and volunteers. Half of the respondents touted the quality of their relationship with the school district leadership team and community as strengths. A few answers focused more on the technical aspects of managing a foundation, including a strong organizational structure, a self-sustaining business model, thoughtful investment policies, careful stewardship of donors, and having a well-crafted planned giving strategy. Finally, two foundations believed their biggest strengths were the opportunities they provided to students, which included an early college program and mini-grants for classroom teachers.

**Top performers and fundraising activities.** In terms of fundraising practices, the responses to the questionnaire supported findings from other phases of this study. Special events were again the most frequently documented fundraising strategy, with seven of the 14 foundations listing this as a primary tool for raising money. The types of special events varied by district. They included golf tournaments, galas, and smaller grassroots fundraising events. Other fundraising strategies that appeared frequently included major gifts solicitation, annual campaign, and EITC contributions, with three mentions each; and payroll deduction and direct
mail appeals, with two mentions each. Corporate sponsorships, naming opportunities, capital campaign, endowment income, direct mail, and planned giving were also listed. While special events dominated many foundations’ fundraising efforts, there did not appear to be one specific path to fundraising success. However, knowing what has worked for others is helpful when planning for future foundation growth.

**Top performers and success factors.** When asked about factors most important to a school foundation’s success, responses supported research presented in the literature review of this study. Five foundation leaders stated that a committed, active board of directors was the single most important factor leading to success. As one foundation leader expressed, “It begins with the board of directors. People that have the capacity to give can solicit gifts and understand how a school district functions and why nonprofits are needed to support them.” An additional four respondents noted that having an executive director or other paid staff was critical, and three foundation leaders said that having a strong, positive working relationship with the district was necessary. Other responses included the ability to demonstrate impact, forming relationships with the community and alumni of the district, a focus on growth, alignment with school district goals, building a sustainable business model, having investment and fund distribution policies, encouraging faculty buy-in, and having a strategy for planned giving.

**Top performers and organizational infrastructure.** When school foundation leaders were asked what type of infrastructure is necessary for a school-supporting foundation to succeed, the researcher expected answers focused on policies, procedures, and tools to better manage daily operations. But leaders seemed to interpret the question differently. The most common response was again a strong working board, which was listed by five individuals, followed by a dedicated staff person, an answer offered by four respondents. The words
“policies” and “bylaws” appeared in only two responses each. Other items noted included a
good working relationship with the district; an understanding of the financial requirements of
nonprofit organizations; technology; web presence; and open communication. One foundation
executive director stated a foundation:

...needs to have all the infrastructure that a typical nonprofit has to have... to grow into
a strong organization capable of facilitating strong, passionate philanthropy. I believe
many of the top-performing foundations provided with this questionnaire have or are
professionalizing their organizations, which is why, I believe, their performance has
made the ranking.

Top performers and impact on affiliated school districts. When considering the
impact of education foundations on the districts and communities they serve, more than a third of
all foundation leaders included here described their impact as bridging the funding gap by
providing support for initiatives the school district is no longer able to pay for. A close second
was the ability to provide teachers an opportunity to innovate in the classroom, as well as
offering students enriching opportunities outside of the school building or school day.

Three of the participating foundation leaders talked about their foundation’s visible
impact on the school district by underwriting capital projects that included construction of a
performing arts center; renovating athletic facilities; creating outdoor classrooms; and funding
fitness trails, parks, and playgrounds. Many of the projects described had far-reaching impact on
the community as a whole. As one foundation leader replied, “We changed the landscape of our
high school campus with our capital campaign to support renovation of a deteriorating stadium,
which reignited school spirit and reinvigorated community pride.” Yet another foundation leader
cited increased test scores due to the foundation’s purchase of equipment to support inquiry-based science curriculum.

While the success stories are many, raising funds on a large scale is challenging. As the executive director of a foundation affiliated with a large school district in an urban, high-poverty community described, “The needs of the district are immense. I think of the African proverb about eating an elephant - one bite at a time. Anything else would be discouraging, if not impossible.” Another leader noted that her foundation was currently undergoing a study in order to assess both the impact of funds, but also whether foundation dollars were being spent in ways that best addressed the needs of the district.

**Top performers and their relationships with the school districts they support.**

Excellent, great, strong, close, very positive - these are words used by the leaders of high performing education foundations to describe their organization’s relationship with the school district they support. Some even defined the connection between the two as synergistic, symbiotic, or as a partnership. Three of the respondents were careful in their word choice, indicating that while there was a positive relationship between the two groups, the foundation was an independent entity. One leader expressed a need to do a better job informing school staff, the school board, and community of the foundation’s work. Another leader, while describing his relationship with the district as positive, offered a warning: “However, due to personnel turnover, it does take some time to build those relationships and understand various processes and procedures.”

**Top performers and future opportunities.** Looking to their futures, a few themes emerged from the group as well. About a third viewed building relationships with alumni as their biggest opportunity moving forward. Another third considered increasing the number of
programs supported by the foundation as an important endeavor. This was followed by better
telling the story about the foundation’s successes to donors and the community and building
partnerships with the community, which were each identified as opportunities by two foundation
leaders. Other items that appeared in response to a question about opportunities for the future
primarily centered on fundraising activities: segmenting the donor base by generation, growing
the amount of funds raised, planning for the long-term sustainability of the foundation,
increasing the scale of fundraising projects, expanding major gifts and planned gifts, and
completing a new strategic plan to better identify the needs of the community and school district.

Advice from top performers. When asked for guidance they would give to groups
considering the launch of a K-12 school-supporting foundation, the answers reinforced themes
that emerged throughout Chapter Four. Namely, building a diverse, strong and active board and
hiring an executive director or other paid staff member to ensure the work of the foundation is
carried out. One foundation leader explained:

Board members have good intentions but are not able to focus their attention on
achieving the goals and moving the ball forward as much as a staff member could. It is
their job to ‘make things happen’. They are accountable on a daily basis.

Other advice included building relationships with community members and school
district leaders, aligning foundation goals with those of the school district, building
infrastructure, taking part in opportunities offered by foundation associations, professional
development for the staff and foundation board, creating an alumni group, and spending more
time on major gifts than special events. In light of the success of the foundations included in this
phase of the study, those in the initial period of starting a foundation would be wise to heed their
words.
Conclusion

The K-12 school-supporting foundation movement has gained traction in Pennsylvania, with 312 of the state’s 500 school districts having an affiliated foundation in some form. Together, K-12 school-supporting foundations raise $27.5 million annually and contribute $19.7 million to schools in Pennsylvania. There are variances among foundations based on location, school district size, and the socioeconomics of the communities they are located in. Those in urban areas raise more per foundation, while suburban foundations raise more money collectively. Small and rural schools raise the most money per student. The school foundation movement itself is clustered in urban and suburban areas, with rural districts being the least likely to be supported by an education foundation, especially those in the northern tier of Pennsylvania.

Education foundations in Pennsylvania are mostly a community-based, volunteer endeavor. No two foundations are exactly the same. While school foundations cannot change things like socioeconomic status, school district size, or location, there are factors within their control that lead to success. They include having a large, active board and paid staff who are responsible for the foundation’s efforts. A majority of foundations appearing on the top performers list invest in paid staff.

From a fundraising perspective, education foundations in Pennsylvania rely on special events, the EITC program and other business contributions, and gifts from individual donors as their main sources of income. Future opportunities for them include a focus on developing relationships with alumni and spending more time on major gifts and planned giving campaigns. This will likely happen as education foundations in Pennsylvania progress along the nonprofit lifecycle, build infrastructure, donor numbers, and hire employees who understand the
development process. In some cases, this has already happened. Education foundations launched in the early years of the movement in Pennsylvania, mainly the 1980s and 1990s, are raising more money per student than newer foundations. Success takes time.

The dollars raised by Pennsylvania’s school foundations thus far are making a difference. The most successful school foundations are contributing hundreds of thousands of dollars each year to the districts they support. While the dollars given are a small when compared with school districts’ annual budgets, the results are meaningful, and often very visible. Foundation dollars are put to use daily in the form of classroom grants, funding for after school and summer programs, art and music and STEM opportunities, technology purchases, preschool, facilities improvements, and scholarships for graduates. Students would undoubtedly suffer if this money were not available.

Chapter Five will revisit the purpose of the study and review the data through the lens of the research questions. Also included will be implications of the study as they relate to theory and practice. The chapter will conclude with suggestions for future research.
Chapter Five:

Discussion

Introduction

When Council Rock School District in suburban Philadelphia launched an ambitious science program designed to teach 800 fourth graders about the stages of embryonic development, the district turned to the Council Rock Education Foundation (CREF) for funding. A donation of $12,000 gave students the opportunity to incubate and observe eggs, record data and ultimately watch chicks hatch in their classrooms (Acosta, 2017). According to its leaders, since 2007, the education foundation has:

[D]irectly impacted thousands of students by awarding more than 85 Innovative Learning Grants totaling more than $200,000 to Council Rock teachers and classrooms. These projects, not covered by the annual budget, engage, educate and inspire young minds through experiential learning, igniting their passion for continued education. (Acosta, 2017, p. 1)

The Council Rock Education Foundation, founded in 1995, serves a high income community in Bucks County. The school district it supports educates nearly 11,000 students with an annual budget of more than $220 million. Yet, students benefit immensely from the comparatively small contributions made by the education foundation. According to its most recently filed IRS Form 990, CREF raised $65,679 in 2015 and provided $40,962 to the school district for educational initiatives (IRS, 2016-b).

CREF’s track record of success and rich community resources position it well to raise more money and make larger contributions to the district it supports. With 22 board members, significantly higher than the statewide average, CREF has the advocates it needs to hoist the
organization to the next level. However, managing an all-volunteer organization is challenging. If the foundation’s goal is to increase support of programs to benefit the district’s students and schools, it may be time to consider investing in staff to supercharge fundraising efforts. As the data suggest in Chapter Four, education foundations in Pennsylvania with paid staff members raise significantly more money than those with only volunteers, and they contribute six times as much money to the schools they support. By applying this finding and others from this study, CREF can grow its impact.

Restatement of Purpose

The intent of this study was to determine the state of K-12 school-supporting foundations in Pennsylvania. It verified the number and location of foundations across the Commonwealth, identified common characteristics, assessed operations and fundraising practices, and considered school foundations’ relationships with the school districts they support. It also investigated how much money education foundations contribute and cataloged how the dollars are spent. Additionally, the study documented differences based on community type, region, socioeconomics, years in operation, board size, and employee status. Some of those differences are noteworthy.

A lengthy, four-phase study, the results paint a fairly complete picture of how school foundations in Pennsylvania function. The outcomes were intended to inform the work of public education and school foundation leaders. The material contained herein is valuable not only to groups already managing a school foundation, but those discussing the launch of one, or in the process of rebuilding a faltering organization. The results indicate there is not one single path to success. Many factors play a role in how much money a school foundation raises and is able to contribute to its affiliated school district. Some of those factors cannot be changed - such as
community type and region or a school district’s economic composition and size. However, others factors are very much within the control of school foundation leaders. They include fundraising practices, infrastructure, foundation board size, whether the foundation employs staff, and the relationship between the foundation staff and volunteers and the district’s leadership. By using the research presented here, school foundations can better position themselves for fundraising success.

Discussion

Research question one findings. Research question one assessed the status of school foundations in Pennsylvania. Specifically, the question asked: What is the scope of the public-school-supporting foundation movement in Pennsylvania, and are there variances among foundations based on the location, size and socioeconomics of the school district they serve?

The K-12 public school-supporting foundation movement in Pennsylvania is evolving. There are 312 K-12 school-supporting foundations in Pennsylvania, meaning foundations exist in some form or another in 63 percent of the state’s school districts. The earliest began operations in 1977, but the concept did not gain traction until the mid-1990s. Since then, the number of school districts launching a foundation has built steadily, with increased activity occurring in 2012 and 2014, which saw the start of 23 and 18 new foundations, respectively. Some foundations have experienced consistent growth, while others have had more modest outcomes. Others still stalled out, and have since dissolved. A small few are in the process of being rekindled. From a geographic perspective, school foundations tend to be clustered in more populated areas of the state, especially in the counties surrounding Philadelphia, Harrisburg, Pittsburgh and Erie. School districts in the most northern rural counties, and a swath of rural counties in the central area of the state are least likely to have an affiliated foundation.
Locale plays a role in fundraising results. School foundations in urban communities raise more money, while as a group, school foundations in suburban areas raised the most money overall. This finding is logical, considering there are 102 suburban school foundations, and only 14 urban ones. A particularly interesting outcome is that school foundations in rural communities actually raised the most money per student, raising nearly 25 percent more per student than their suburban and urban peers. In terms of region, foundations serving Philadelphia and its suburbs raised more per foundation, and more as a group, than any other region of the state. However, the 15 foundations in the central and southwest central areas of Pennsylvania raised substantially more per student than foundations in any other region. Many of these foundations are affiliated with small or rural school districts. These data support the previously mentioned finding related to rural schools.

When considering size of the district, foundations serving the largest school districts raised the most money. In fact, they raised more than twice the average amount raised by foundations serving small and medium size school districts. A silver lining for small school districts: they raised the most per student - $35 per year, compared with $24 for medium size school districts and just over $25 for the largest school districts. Again, this finding and the one noted just above related to rural schools suggest that school foundations are beneficial to any type of school district, which may be contrary to popular thinking.

Pennsylvania’s low-income school districts fare better at fundraising. A review of the literature presented in Chapter Two brought up the concern that education foundations would provide more resources for students living in well-funded school districts, thus increasing the disparity between rich and poor schools (Greene, 2005). The findings of this study seem to support that the opposite is occurring in Pennsylvania. The dollars are largely going to the
students who need it the most. In fact, school foundations serving the poorest schools raised about three times as much per student as those affiliated with affluent schools. Not only did school foundations in lower income communities raise more per student, they raised more money, on average, overall, when compared with more affluent districts, and the difference was statistically significant.

**Research question two findings.** Research question two was designed to determine how school foundations can better raise money. Specifically, the question asked: What are the characteristics of foundations affiliated with public school districts in Pennsylvania and are any of these correlated with increased levels of fundraising?

There are factors that impact a school foundation’s ability to raise money. Fortunately, several of them are within a foundation’s control. The two factors that appear to make the biggest difference are the size of the foundation’s board and whether the foundation is supported by paid staff. While the bulk of school foundations in Pennsylvania have medium-sized boards, numbering between nine and 16 members, it is the school foundations with the largest boards that raise the most money. School foundations with large boards raised on average almost five times as much as those with small boards, and $100,000 more on average than those with medium size boards. The trend continued when looking at dollars raised per student. School foundations with large boards raised almost twice as much per student as those with small boards, and about 35 percent more per student than those with medium-sized boards.

**Board composition.** Leaders of top performing school foundations concur. They identify the foundation board as a key to success. In the questionnaire portion of the study, the board was mentioned more times than any other factor in terms of building a well-functioning school foundation. In addition to board size, those responding to the questionnaire suggest that
emerging foundations build a strong, active board for best results. As one foundation executive advised, “Build a board of directors that will make a commitment to go the extra mile in all things needed.” Another foundation leader described his ideal board as a combination of “doers, dreamers and donors.” It should be noted that not all boards are equal, regardless of size. A board of committed members who actively promote the foundation and participate in the fundraising process is ideal.

*Foundation staff.* A second factor that has proven to have significant impact on the ability of a school foundation to raise funds is having paid staff. According to the results of the IRS Form 990 review of school foundations in Pennsylvania, those with at least one full-time paid staff member raised six times as much money as volunteer-run foundations, and twice as much as those with part-time staff. Foundations with one full-time employee raised on average nearly $600,000 in the year studied. They also gave substantially more money to the school districts they supported and raised more money per student than those staffed on a part-time basis or with volunteers only. The difference was statistically significant, and this may be one of the study’s most important findings.

The value of paid staff was again confirmed by the questionnaire results in two ways. First, a majority of the foundations appearing on the Top Performers list employ staff. Specifically, 13 of the 18 foundations included in this group have part-time or full-time staff paid by the foundation, or a school district employee assigned to oversee the foundation. This speaks for itself. Secondly, when questioned about factors that lead to a school foundation’s success, paid staff was a top response. Paid staff are accountable in a way that volunteer board members are not. They ensure the work of the foundation is done. One foundation leader noted that not only is hiring critical; the person selected needs to have the skills and drive to do the job.
Individuals who do not like fundraising, do not see the value in the work they were hired to do, or are not aligned with the foundation’s mission and vision would not likely be good candidates for the work.

_Longevity._ Longevity also has an impact on a foundation’s ability to raise funds, as those established in the 1970s and 1980s outperform newer foundations, both in terms of average amount raised by the foundations and amount raised per student. There is some logic to this finding, as older foundations have had more time to form relationships with donors, build infrastructure, and demonstrate their value. However, longevity does not appear to guarantee success, as there were many examples of school foundations launched in prior decades, only to be abandoned by the volunteers and school districts with which they were affiliated. There were also many examples of foundations that have been in existence for decades but do not raise much money. Longevity is, to some degree, within the control of the foundations and its staff and volunteers. Making an effort to build a strong organization increases the chances that it will continue to grow and develop, raising more money for the school district it was founded to support.

_Relationship with the school district._ A strong, collaborative relationship with the school district was also considered essential by the foundation leaders who responded to the Phase Three questionnaire, and is well within the control of foundation staff and volunteers. Half of the questionnaire participants, or seven of 14, considered the positive relationship with the school district to be one of their foundation’s greatest strengths. Because most school foundations appear to have either school district employees or school board members who sit on the foundation board, those ties may not be difficult to establish. However, this is not always the
case. Even among top performers, a small number of foundations viewed their independence from the school district as being beneficial.

Specific fundraising strategies. Finally, a few fundraising strategies appear to be most successful for school foundations in Pennsylvania. They include special events, EITC contributions, and campaigns targeting individual donors. School foundations engage in these fundraising strategies far more than any others. The nature of the community does appear to play somewhat of a role in what types of fundraising are successful. Urban foundations listed grants as a preferred source of fundraising, while suburban foundations considered annual appeals to be a top strategy and rural communities were more focused on gifts from individual donors.

Research question three findings. Research question three examined how dollars contributed by school foundations are spent. Specifically, the question asked: How do school foundations in Pennsylvania spend the revenue contributed by affiliated school-supporting foundations?

In this study, we learned that in the composite year examined, education foundations filing an IRS Form 990 raised a collective $27.5 million in support of K-12 public education in Pennsylvania, with an average fundraising total of $162,420 per foundation. While that number pales in comparison to total spending by Pennsylvania's school districts, the best-performing foundations raised impactful amounts of money. The ten top foundations at revenue generation together raised more than $11 million. All told, the foundations included in Phase Three gave $19.7 to support affiliated school districts. The numbers are likely higher than presented here, as the study included financial information on only the 169 foundations that filed reporting forms. The revenue raised and given by the remaining 143 school foundations is not included here.
The kinds of activities funded by Pennsylvania foundations range from facilities improvements to dental care. The IRS Form 990 review identified 30 types of programs supported by school foundations in the state, with some programs being funded more frequently than others. Initiatives most often paid for by school foundations included classroom grants, arts and music programs, STEM programs, technology purchases, scholarships for graduating students, and athletic programs. Classroom teacher grants topped the list in the survey portion of the study, and scholarships were the number one item funded by foundations included in Phase Three.

Several leaders of the top performing foundations said they viewed their impact as bridging the gap by raising funds for programs the school district is no longer able to support and providing teachers the opportunity to bring innovative ideas into their classrooms. In some cases, the impact of the school foundations was much more visible and permanent. This was especially true of those foundations that had engaged in capital campaigns to fund construction or renovation of facilities such as performing arts centers, athletic venues, outdoor classrooms, and playgrounds.

Some of the impact of the school foundations studied here is not tangible, but includes reenergizing communities through innovative programs and updated facilities, engaging alumni, and building support for public education in the wider community. School foundation funding campaigns offer a meaningful opportunity for citizens to work alongside students, teachers, and school leaders to achieve a goal that is beneficial for everyone.

Implications for Practice

As the first comprehensive study of its type in Pennsylvania, this research can be used as a baseline. The information included here has never previously been gathered or analyzed. The
process identified model organizations, common operational and fundraising practices, and strategies for success. Future study, if constructed using a similar study model, will be able to assess the growth and development of school foundation movement in Pennsylvania from this point forward. This would be useful to both school and foundation leaders. It can also shape the work of state-level organizations that provide professional development for these individuals, including PASA, PASBO, PSBA and APEF.

If considered thoughtfully, the study’s results also can be a guide for school district and foundation leaders, allowing them to make changes within the district and school foundation itself to more effectively support public education. The bottom line is that when school foundations raise more money, they can provide more for students and schools. What we know now, however, is that most foundations in Pennsylvania are not functioning at the optimal level, as they are still in the development stage. School foundations in the state are a largely volunteer endeavor that will not gain serious traction until they begin the maturation process. This includes hiring staff, building a donor base, refining the board recruitment process, adopting critical policies and procedures, and putting in place the infrastructure needed to increase fundraising capacity. This takes time and work.

As discussed in Chapter Two, K-12 school-supporting foundations follow a similar growth and development process as other nonprofit organizations. The nonprofit lifecycle, and companion board and fundraising lifecycles, provide insight into how advanced school foundations are in Pennsylvania (Barnett, 1988; Brothers & Sherman, 2012; Mathiasen, 1990; Stevens, 2001). The results of this study show that a vast majority of school foundations in Pennsylvania are in either the start-up or growth stages, meaning they have not reached a high level of operational or fundraising capacity. This is demonstrated by the following findings:
• The number of school foundations is growing rapidly, with 98 new foundations being established from 2000-2009, with growth continuing at the same pace from 2010 to 2016, when data for this study was collected;

• Half of the survey respondents in Phase Two indicated they had no paid staff, and 123 of the 169 foundations included in Phase Three were volunteer organizations;

• Only half of the foundations participating in the Phase Two survey had critical plans, policies and procedures in place, including a gift acceptance policy, investment policy, a strategic plan, a fundraising plan, or a fund distribution policy;

• Special events were a primary fundraising strategy, whereas more mature organizations typically choose fundraising activities with a greater return on investment;

• 143 foundations were not filing an IRS Form 990, which may indicate they did not meet the $50,000 revenue threshold, and 57 of the 169 foundations that filed the form generated less than $50,000 in revenue in the composite year studied; and

• Only about a third of the school foundations in Pennsylvania generated $50,000 or more per year in revenue.

If using a strengths-based approach, this means the future holds great opportunity for the school foundations that are able to move through the lifecycle by using roadmap provided in Chapter Two. With time, they will grow, build strong infrastructures and relationships with donors, and raise much more money for the school districts they support.
The handful of school foundations in Pennsylvania that seem to have reached a level of maturity can point the way for their less-mature peer organizations. While not all of those on the top performers list are fully mature, they have made strides to move in that direction. Their efforts to recruit talented, committed board members, invest in staff, and build infrastructure have paid off with increasing contributions that benefit students and schools.

Pennsylvania’s emerging K-12 school-supporting foundations do not need to travel this path alone. There are many examples of strong foundations within the state. Strategies can also be borrowed from the fundraising practices K-12 private schools and college development offices. Both groups are much further along in the nonprofit lifecycle and can provide examples to guide public school-supporting foundations. With a willingness to move forward, school foundations will become valued partners in public education in Pennsylvania.

Recommendations for Further Research

As with many research endeavors, this study generated more questions than it answered. First, what will the K-12 school-supporting foundation movement in Pennsylvania look like in five years? Will it mature, with foundations professionalizing and adopting the fundraising and management strategies of more established nonprofits? An additional study structured similarly to this one would answer the question.

Another area of potential study relates to public school leaders’ attitudes toward fundraising for public education and establishing school foundations. As the researcher conducted her work, she spoke with dozens of school district administrators about this topic. While some were intrigued by the potential of school foundations or already participating in them on some level, others were abhorred by the concept and concerned that successful fundraising efforts by public schools would lead to reduced taxpayer funding. Closer study of
the attitudes of school leaders is warranted, as support from administrators is key to the success of school foundations in their fundraising efforts. Along those lines, another area of study might include an assessment of the relationships between school leaders and education foundation board and staff, and how the quality of that relationship impacts fundraising results.

Also worth considering is how much school leaders know about fundraising. The researcher suspects not much. Fundraising is a highly sophisticated field with many nuances. College development offices are masters of the process. With some training, could school leaders drive the establishment of college-like development offices for public school systems? Assessing this question would require a carefully constructed study. If school leaders lack understanding of the development process, would training such as the *Fundraising for School Leaders* courses offered by Northwestern University (2017) either build skills or change mindsets when it comes to engaging in fundraising activities? If research indicates these types of programs make a difference, efforts could be made to make them accessible in Pennsylvania. Based on outcomes from new research, there may also be the potential to add a course on fundraising to superintendent training or continuing education programs, so those filling the role better understand the development process and revenue streams available to schools through fundraising efforts.

Similarly, what is the efficacy of training programs already available? The school foundation leader certification program offered by the National School Foundation Association can be completed online. How many foundation leaders have completed this certification, and has it translated into improved operations and fundraising capacity for the foundations with which they are affiliated? If the training is found to be effective, it might be more widely adopted by both school leaders and those working on behalf of school foundations.
In Pennsylvania, it appears school foundations engage in certain kinds of fundraising more often than others. One of the most frequently mentioned fundraising strategies is the Educational Improvement Tax Credit Program. While this program is primarily targeted at providing scholarships for children to attend private schools, a small portion of the money is set aside to underwrite innovative programs in the public school setting. A closer examination of this may be worthwhile. How do school foundations go about raising this money, how much do they raise, and what is the impact of those dollars on students and schools? Further study into the fundraising differences among rural, suburban and urban schools may also be beneficial.

Finally, some school foundations in Pennsylvania initially got off the ground but later sputtered out. What are the contributing causes to the failure of school foundations? Does the departure of a committed volunteer or staff member have an impact? What about transition in the superintendent's office? By identifying these factors, school and foundation leaders will know what pitfalls to avoid, which may be equally helpful as knowing what strategies lead to success and sustainability.

**Summary and Conclusion**

K-12 public school-supporting foundations have the ability to play an increasing role in providing resources for students and schools across Pennsylvania. In some cases, their impact is already improving the quality of education in an increasingly difficult financial environment for school districts. In order for additional progress to be made, and funds generated, the school foundation community must look to its own top performers, as well as the more established development offices at K-12 private schools and universities. By consciously adopting those models and building a high-functioning development offices from the ground up, public school students can benefit tremendously.
This process must begin with school district leaders recognizing the value and potential of school foundations and private fundraising efforts to supplement tax revenue, and that school foundations can thrive in any type of community. Only when this happens will school foundations gain the administrative and community support they need to realize their full potential. Changing the mindset of naysayers may actually be the greatest challenge school foundations face. To help address the issue, superintendents and those in training for the role would benefit from a better understanding of the fundraising capabilities of well-run foundations. Very few school superintendents would turn down an extra million dollars or more in revenue to support their school district. Additionally, some basic education about the development process would be helpful, so school leaders understand fundraising concepts such as donor development, major gifts solicitation, and planned giving. This suggestion may be met with resistance, as school leaders are already tasked with so many mandates. However, understanding the potential impact of strong school-supporting foundations may negate this resistance.

With a few exceptions, school foundation staff and volunteers would also benefit from additional education focused on helping them build the infrastructure needed to propel their foundations forward. While there are many factors out of their control, there are things they can do to garner success. Foundation leaders can learn the fundamentals of managing a nonprofit organization, establishing fundraising policies and procedures, and building a development office. While a small number of Pennsylvania’s school-supporting foundations are already traveling this path, the majority are not.

Perhaps the most valuable lessons learned through this study are yet unrecognized by many school district and foundation leaders. Paid staff pays off, generating six times as much for the school districts they support than foundations managed solely by volunteers. Secondly,
carefully selected boards with sufficient numbers of committed and active board members who are passionate about the cause significantly impact a foundation’s ability to raise money. Both of these findings are well within the reach of every K-12 school-supporting foundation in Pennsylvania. Even committing to paid staff for a few hours a week and increasing the hours over time builds the momentum needed to raise more money.

While these steps sound simple, they take effort, time, and a shift in mindset. It may take time as well for the majority of those connected with school foundations in Pennsylvania to recognize the need to move in this direction. Once on board, school and foundation leaders will be pleasantly surprised with the progress that can be made in relatively short order. For school foundations in Pennsylvania, there is great opportunity that has yet to be appreciated.
References


http://www.huffingtonpost.com/entry/mark-zuckerberg-newark_5640bebeec4b0411d3071a8a5


http://www.managementassistance.org


http://www.keystonecrossroads.org


doi:10.1007/s11266-014-9774-x


Appendix A: Informed Consent for Online Survey

Dear Educator,

Thank you for considering taking part in this online survey on K-12 school-supporting foundations in Pennsylvania.

Introduction and Purpose
My name is Leah Spangler. I am a doctoral student in administration and leadership at Point Park University in Pittsburgh, PA. I am conducting this research in partnership with the Pennsylvania School Boards Association. The purpose of the survey is to benchmark the K-12 school-supporting foundation movement in Pennsylvania, as well as identifying characteristics of the foundations themselves.

Procedures
If you agree to take the survey, you will be asked to answer a series of questions related to the education foundation that supports your school district. Even if your school district does not have an affiliated foundation, please consider completing the first section. Your responses will help us assess the future of school foundations in Pennsylvania.

Benefits
While there is no direct benefit to you from taking part in this study, the information gathered will be useful to school-supporting foundations as a whole.

Confidentiality
Your participation in this research will remain confidential, with records stored on a password protected server or password protected cloud-based storage. Notes will be maintained in a locked filing cabinet. In the event of any publication or presentation resulting from the research, no personally identifiable information will be shared without your prior approval.

Compensation
To thank you for participating, you will be entered into a drawing for one of two $50 Amazon gift cards. If you are a winner, you will be contacted at the email address you provide when taking the survey. Email addresses will be deleted after prizes have been distributed.

Questions
If you have any questions about this research, please feel free to contact me. I can be reached at:

Telephone Number: Office – (814) 262-0732 ext. 223 or Mobile – (814) 244-6128

Email address: lspangler@thelearninglamp.org

If you have questions about your rights or treatment as a research participant in this study, please contact the Point Park University Institutional Review Board (IRB) at:

Institutional Review Board
c/o Point Park University
201 Wood Street
Pittsburgh, PA 15522
412-392-8183

Consent
Your participation implies your voluntary consent to participate in this research. Please save this document for your records or future reference.

TAKE SURVEY NOW

Thank you for your consideration and time,

Leah Spangler
Doctoral Student, Leadership and Administration
Point Park University
Pittsburgh, PA
Appendix B: Online Survey

K-12 Public School-Supporting Foundation Survey
This survey is a joint effort of the Pennsylvania School Boards Association (PSBA) and Leah Spangler, a Point Park University doctoral student. Ms. Spangler is completing her dissertation research on K-12 public school-supporting foundations in Pennsylvania. Your participation in this research is voluntary and involves completing this survey about the education foundation affiliated with your school district, if one exists. The survey will take 15-20 minutes to complete.

Your input will provide valuable insight into how education foundations operate in Pennsylvania.

Section 1 – School District Characteristics

1. I agree to participate in the survey. Yes/No

2. I would like to be entered into the drawing for one of two $50 Amazon gift cards. Enter email address: ________________________________

3. Does your school district have an affiliated foundation that provides monetary support to the district? Yes/No

4. What is the name of your school district? ________________________________

5. How would you describe your school district?
   □ Urban
   □ Suburban
   □ Rural

6. What is your school district’s annual budget? ______

7. What is your school district’s free and reduced lunch rate? ______

8. Approximately how many students attend your school district? ______

9. How many school buildings are in your district? ______

10. What region of the state are you located in?
    □ Northeast
    □ Southeast
    □ North Central
    □ South Central
    □ Northwest
    □ Southwest
11. What types of outside funding supports your school district? (Check all that apply)
   □ School foundation
   □ PTO/PTA funds
   □ Alumni group
   □ Foundation grants
   □ Booster clubs
   □ Corporate contributions
   □ Advertising
   □ Sales of merchandise
   □ Education Improvement Tax Credit (EITC) program
   □ In-kind contributions (Donations of goods or services)
   □ Other: __________________________ (Please list)

Section 2 – Operational Characteristics

12. Does your school district have an affiliated education foundation that provides financial support to the district? Yes/No

13. If no, does your school district have plans to start a school-supporting foundation? Yes/No

   - If your school district does not have a school foundation, you may exit the survey here.-

14. What year was your foundation founded? ________

15. Is your foundation a 501(c)(3) nonprofit organization? Yes/No

16. If your foundation is a 501(c)(3), does it file an annual IRS Form 990? Yes/No

17. How many members make up your school foundation board? ______

18. Please choose the description that best fits your board composition:
   □ All board members are independent of the school district
   □ The board is comprised of community members that are independent of the school district and employees of the school district
   □ The board is comprised of community members that are independent of the school district, employees of the school district and elected school board members
   □ The board is comprised of community members that are independent of the school district and elected school board members. There are no school district employees on the board.

19. If a school administrator sits on your board, is he or she a voting member? Yes/No
14. How would you describe your school district’s education foundation? (Select the description that best describes your foundation)
   □ Active and contributing funds
   □ Very active and contributing a meaningful amount of funds to the district
   □ Established previously but no longer active
   □ Recently established and just getting off the ground
   □ Money is held by the local community foundation

19. Who manages your foundation’s funds? (Select the description that best describes your foundation)
   □ The funds are managed by the treasurer of the foundation or another volunteer
   □ The funds are managed by the school district’s business office
   □ The funds are managed by the local community foundation
   □ The funds are managed by a paid foundation staff member
   □ The funds are managed by an accounting firm

20. Does your school foundation have paid staff? (Check the item that best describes your situation)
   □ No paid staff
   □ Part-time paid staff
   □ Full-time paid staff
   □ A mix of part-time and full-time staff
   □ School district employee supports school foundation as part of his or her role in the district
   □ School district employee supports the school foundation as his or her primary role within the district
   □ Other________________________(Please describe)

21. Does your school foundation have an executive director or other lead employee? (Check the item that best describes your situation)
   □ No executive director
   □ Volunteer executive director
   □ Part-time executive director
   □ Full-time executive director
   □ School district employee fills the role of executive director with most of his or her time working in this capacity
   □ School district employee fills the role of executive director with some of his or her time working in this capacity
   □ Superintendent or other administrator fills the role of foundation executive director

22. What types of plans, policies and procedures does your school foundation have in place? (Check all items that apply).
   □ Gift acceptance policies
   □ Investment policy
23. What types of external communication methods are used by your school foundation? (Check all items that apply).
- Website
- Facebook
- Brochures
- Annual report
- E-newsletters
- Paid advertisements
- Other __________________________ (Please describe)

Section 3 – Fundraising Practices

24. How does your education foundation raise funds? (Check all that apply)
- Individual donors
- Business contributions
- Corporate sponsorships
- Education Improvement Tax Credit (EITC) program
- Special events
- Sales of merchandise
- Grants from other foundations
- Government grants
- Grants from federated funders such as the United Way
- Capital campaign
- Annual appeal
- Online gifts
- Trusts or bequests from individuals
- Endowment or other investment income
- Naming rights for facilities or programs
- Advertising
- In-kind contributions (Donations of goods or services)
- Other (Please specify) __________________________

25. Of the following sources, which three generate the most funds? (Check only three)
- Individual donors
- Business contributions
- Corporate sponsorships
- Education Improvement Tax Credit (EITC) program
- Special events
- Sales of merchandise
- Grants from other foundations
Government grants
Grants from federated funders such as the United Way
Capital campaign
Annual appeal
Online gifts
Trusts or bequests from individuals
Endowment or other investment income
Naming rights for facilities or programs
Advertising
In-kind contributions (Donations of goods or services)
Other (Please specify)

26. Which of the following fundraising activities does your foundation take part in? (Please check all that apply)
- Direct mail campaigns
- Payroll deduction
- Online fundraising campaigns such as Go Fund Me
- Corporate matching gifts programs
- Corporate sponsorships
- Grant writing
- Planned giving
- Special events
- Sales of merchandise
- Scrip programs, e.g. discount cards or pre-paid gift cards
- Capital campaigns
- Other (Please describe)

27. Of these fundraising activities, which brings in the highest net income for your foundation? (Check one.)
- Direct mail campaigns
- Payroll deduction
- Online fundraising campaigns such as Go Fund Me
- Corporate matching gifts programs
- Corporate sponsorships
- Grant writing
- Planned giving
- Special events
- Sales of merchandise
- Scrip programs, e.g. discount cards or pre-paid gift cards
- Other (Please describe)

28. How much money does your school foundation raise on an annual basis?
- $0 - $10,000
29. How much money does a school foundation contribute to your school district on an annual basis?
   □ $0 - $10,000
   □ $10,001 - $25,000
   □ $25,001 - $50,000
   □ $50,001 - $100,000
   □ $100,001 - $250,000
   □ $250,001 - $500,000
   □ $500,001 - $1,000,000
   □ $1,000,000 or more

30. What is your largest gift to date?
   □ $0 - $10,000
   □ $10,001 - $25,000
   □ $25,001 - $50,000
   □ $50,001 - $100,000
   □ $100,001 - $250,000
   □ $250,001 - $500,000
   □ $500,001 - $1,000,000
   □ $1,000,000 or more

31. What is the amount of your school foundation’s net assets? _________

32. How would you describe the participation level of board members in the fundraising process?
   □ Board members are very active in fundraising activities
   □ Board members are frequently active in fundraising
   □ Board members are sometimes active in fundraising
   □ Board members are rarely active in fundraising
   □ Board members never participate in fundraising activities

Section 4 – Giving Practices

33. How much money does your school foundation give to the district you support on an annual basis?
   □ $0 - $10,000
□ $10,001 - $25,000  
□ $25,001 - $50,000  
□ $50,001 - $100,000  
□ $100,001 - $250,000  
□ $250,001 - $500,000  
□ $500,001 - $1,000,000  
□ $1,000,000 or more

34. What is the primary way the foundation determines what contributions support?  
□ All board members decide  
□ A committee of the board decides  
□ Board members and foundation staff decide  
□ Board members, foundation staff and school district administrators or other employees of the district decide  
□ Contributions are given based on an established fund distribution policy

35. How are funds given to the school district by the foundation spent?  
□ Classroom mini-grants  
□ Scholarships for graduating students  
□ Support for school-day programs  
□ Support for programs outside of the school day  
□ Arts and music programs  
□ Science and technology program  
□ Staff  
□ Curriculum  
□ Facilities  
□ Other______________ (If so, please list)

36. Is any funding from your foundation supporting teacher or other school district staff positions? Yes/No

37. If so, how much money is spent on this item? __________

Thank you for taking the time to complete this survey. As noted in the introductory email, two randomly drawn survey participants will be selected to win a $25 Amazon gift card. The drawing will occur one month after the survey link is emailed. If you have any questions related to this, please contact Leah Spangler at Ispangler@thelearninglamp.org.
**Appendix C: IRS Form 990**

### Form 990

**Return of Organization Exempt From Income Tax**

**2016**

**Open to Public Inspection**

**For the 2016 calendar year, or tax year beginning** 2016, and ending 2016.

<table>
<thead>
<tr>
<th>Name of organization</th>
<th>Employer identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B**

**Check if applicable:**

- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] First return (incintroductory return)
- [ ] Extended

**City or town, state or province, country, and ZIP or foreign postal code**

**Gross receipts**

**Highly informed program beneficiary?**

- [ ] Yes
- [ ] No

**Are all subordinates included?**

- [ ] Yes
- [ ] No

**J**

**Website:**

- [ ] Highly informed group exomet number:

**K**

**Form of organization:**

- [ ] Corporation
- [ ] Trust
- [ ] Association
- [ ] Other

**Year of formation:**

**M**

**State of legal domicile:**

### Part I: Summary

1. Briefly describe the organization's mission or most significant activities:

2. Check this box [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3. Number of voting members of the governing body (Part VII, line 1a)

4. Number of independent voting members of the governing body (Part VII, line 1b)

5. Total number of individuals employed in calendar year 2016 (Part VII, line 2a)

6. Total number of volunteers (estimate if necessary)

7. Total unrelated business revenue from Part VIII, column (C), line 12

8. Net unrelated business taxable income from Form 990-T, line 34

### Revenue

<table>
<thead>
<tr>
<th>Prior Year</th>
<th>Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Contributions and grants (Part VIII, line 1h)</td>
<td></td>
</tr>
<tr>
<td>9 Program service revenue (Part VIII, line 2a)</td>
<td></td>
</tr>
<tr>
<td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td>
<td></td>
</tr>
<tr>
<td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8a, 9a, 10a, and 11e)</td>
<td></td>
</tr>
<tr>
<td>12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td>
<td></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Beginning of Current Year</th>
<th>End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 Grants and similar amounts paid (Part IX, column (A), lines 1–5)</td>
<td></td>
</tr>
<tr>
<td>14 Benefits paid to or for members (Part IX, column (A), line 4)</td>
<td></td>
</tr>
<tr>
<td>15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td>
<td></td>
</tr>
<tr>
<td>16 Professional fundraising fees (Part IX, column (A), line 10d)</td>
<td></td>
</tr>
<tr>
<td>17 Total fundraising expenses (Part IX, column (C), line 25)</td>
<td></td>
</tr>
<tr>
<td>18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)</td>
<td></td>
</tr>
<tr>
<td>19 Revenue less expenses. Subtract line 18 from line 12</td>
<td></td>
</tr>
</tbody>
</table>

### Net Assets or Fund Balances

<table>
<thead>
<tr>
<th>Beginning of Current Year</th>
<th>End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Total assets (Part X, line 16)</td>
<td></td>
</tr>
<tr>
<td>21 Total liabilities (Part X, line 28)</td>
<td></td>
</tr>
<tr>
<td>22 Net assets or fund balances. Subtract line 21 from line 20</td>
<td></td>
</tr>
</tbody>
</table>

### Part II: Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Signature Here**

**Name**

**Type or print name and title**

**Paid Preparer Use Only**

**Preparer’s name**

**Preparer’s signature**

**Date**

**Check if preparer is self-employed**

**Firm’s name**

**Firm’s EIN**

**Firm’s address**

**Phone number**

**May the IRS discuss this return with the preparer shown above?** (see instructions)

**Yes [ ] No [ ]**

For Paperwork Reduction Act Notice, see the separate instructions.
### Part III  Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1. Briefly describe the organization's mission:

2. Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  
   - Yes  
   - No
   
3. Did the organization cease conducting, or make significant changes in how it conducts, any program services?  
   - Yes  
   - No

   If "Yes," describe these new services on Schedule O.

4. Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a**  
(Code: _________) (Expenses $ ______________ including grants of $ ______________ ) (Revenue $ ______________)

**4b**  
(Code: _________) (Expenses $ ______________ including grants of $ ______________ ) (Revenue $ ______________)

**4c**  
(Code: _________) (Expenses $ ______________ including grants of $ ______________ ) (Revenue $ ______________)

**4d**  
Other program services (Describe in Schedule O.)

(Expenses $ ______________ including grants of $ ______________ ) (Revenue $ ______________)

**4e**  
Total program service expenses ➪

Form 990 (2016)
Appendix D: Informed Consent for Top Performer Questionnaire

Consent for Exempt Research


Dear School Foundation Leader,

Thank you for your consideration of taking part in my research on K-12 school-supporting foundations in Pennsylvania.

Introduction and Purpose
My name is Leah Spangler. I am a doctoral student in administration and leadership at Point Park University in Pittsburgh, PA. The purpose of my study is to identify the characteristics of Pennsylvania’s K-12 public school-supporting foundations. More specifically, it aims to discover the strengths, fundraising best practices, operational factors, and opportunities for future growth for the Commonwealth’s top performing educational foundations. Additionally, it seeks to uncover strategies emerging school-supporting foundations can use to develop and grow.

Procedures
If you agree to take part in my research study, you will be asked to answer a short series of questions related to the education foundation you lead. The research will be conducted via email in the form of a questionnaire. Your responses will be aggregated with those of your peer school foundations. I have particular interest in determining the major factors contributing to your organization’s success, as well as guidance you may have for emerging K-12 public school-supporting foundations.

Benefits
While there is no direct benefit to you from taking part in this study. The information gathered will be useful to school-supporting foundations as a whole. It will identify peer organizations and uncover the strategies for success used by other K-12 public school-supporting foundations in Pennsylvania.

Risks/Discomforts
I do not anticipate that answering these written questions will cause any discomfort for you. However, if you deem a question as being too sensitive to answer, you may decline responding to it. Your participation in this study is voluntary and you may withdraw your participation at any time without penalty.

Confidentiality
Your participation in this research will remain confidential, with records stored on in password protected server storage or password protected cloud-based storage. Notes will be maintained in a locked filing cabinet. In the event of any publication or presentation resulting from the research, no personally identifiable information will be shared without your prior approval.
Questions
If you have any questions about this research, please feel free to contact me. I can be reached at:

Telephone Number: Office – (814) 262-0732 ext. 223 or Mobile – (814) 244-6128

Email address: lspanler@thelearninglamp.org

If you have questions about your rights or treatment as a research participant in this study, please contact the Point Park University Institutional Review Board (IRB) at:

Institutional Review Board
c/o Point Park University
201 Wood Street
Pittsburgh, PA 15222
412-392-8183

Consent
Your participation implies your voluntary consent to participate in the research. Please keep this document for your records or future reference.

Thank you for your consideration and time,

Leah Spangler
Doctoral Student, Leadership and Administration
Point Park University
Pittsburgh, PA
Appendix E: Questionnaire Protocol

Email template for contacting a foundation leader:

Hello, my name is Leah Spangler. I am a doctoral student at Point Park University in Pittsburgh. My dissertation study is focused on K-12 school-supporting foundations in Pennsylvania. Through research examining public records, your organization was identified as one of Pennsylvania’s top performing school-supporting foundations. I am writing today to ask if you would be willing to complete a questionnaire related to your school foundation.

For this project, you will be asked to answer a series of questions about your foundation and why you believe it is effective at raising funds for the school district it supports. It will take about 30 minutes to complete. Your responses are confidential and no identifying information, such as names, will appear in the publication or presentation of this data. While responding to the questions, you may choose not to answer any question that makes you feel uncomfortable and you may choose to withdraw from the study at any time."

Your participation in this study is entirely voluntary. You are free to withdraw your permission at any time for any reason without penalty. Please feel free to ask any questions of the investigator before consenting to continue with the questionnaire. For questions about your rights as a research subject, please refer to the informed consent document attached to this email. You may also contact the Institutional Review Board at Point Park University. I can provide you with their contact upon request, or you can refer to the attached document.

If you are not interested in participating, there is no need to respond, or you may respond stating that you are not interested.

If the foundation leader responds by stating that he or she prefers not to participate, the email reply will be worded: Thank you for taking the time to respond to me. Best wishes in your future work with the school foundation.

If the foundation leader by stating that her or she will participate: The questionnaire will be emailed to you shortly. Thank you for agreeing to participate. Please contact me if you need additional explanation or instruction.

Questionnaire:

1. Do you agree to participate in this study? Yes/No

2. What is the title of the position you hold?

3. Is it a paid position?

4. If yes, are you paid by the foundation or the school district with which you are affiliated?

5. Why was your foundation established and who initiated that?

6. What are the primary goals of your education foundation?
7. Who is involved with setting these goals?
8. What do you consider to be your foundation’s greatest strengths?
9. What types of fundraising activities have been most successful for you?
10. What do you see as the most important factors in your school foundation’s success?
11. What type of infrastructure do you view as necessary for a school-supporting foundation to succeed?
12. What type of impact do you believe your foundation has on the school district it supports?
13. How would you describe your foundation’s relationship with the school district?
14. What do you consider to be your foundation’s greatest opportunities moving forward?
15. What guidance would you give a newly formed K-12 school-supporting foundation?
May 4, 2017

Ms. Leah Spangler  
539 Luzerne Street  
Johnstown, PA 15905

Dear Leah:

The IRB Committee has reviewed your proposal to conduct research under the title, "Characteristics of Pennsylvania's K-12 Public School-Supporting Foundation." I am pleased to report that the IRB has approved your study, and you may begin to recruit participants to collect data for analysis. At this time you are approved to recruit participants and collect data for up to one year.

If at any time you decide to change your methodology or any other aspects of your IRB-approved proposal, please contact the IRB for review of any such revisions before moving forward with the changes.

We wish you the best of luck with your research.

Best Wishes,

[Signature]

Brent Dean Robbins, Ph.D.  
Chair, Institutional Review Board

BDR:jmr

c: Dr. Ron Dufalla