1. Introduction

The nation’s public schools have been under attack for much of the past three decades. A common criticism is that their performance, as measured by students’ standardized test scores, has been stagnant or declining. At the same time, schools have failed to close the gap in achievement between the lowest- and highest-performing students. These developments have occurred despite the increase in resources given to public schools and attempts to allocate those resources more equitably.

Real per-pupil expenditures nationwide increased from $1,973 to $6,146 between 1960 and 1996 (National Center for Education Statistics, 1999). In addition, since the 1970s, more than 34 states have faced legal challenges to their school funding systems in an effort to achieve greater equity in the distribution of education dollars (Dayton, 2000). Policymakers at the state level across the country have responded to these legal challenges by moving away from the traditional dependence on local property taxes for school funding toward greater dependence on state support.¹

Reforms in governance and finance have made raising private support an important activity of many public schools and school districts. A major wave of education reform over the past decade calls for improving the quality of education nationwide through changes in the governance structures of educational systems. This movement, which includes site-based management and charter school reforms, decentralizes public education decisionmaking to more-local levels of control. The governance reforms are based on the concept that education can be improved by allowing those closest to students to make policy decisions based on the characteristics of the local community.²

¹Most of the efforts at equalizing funding have focused on equalizing funding across districts in a state. Some more-recent efforts have focused on equalizing funding across schools in a district. For example, the Rodriguez consent degree operating in the Los Angeles Unified School District seeks to equalize educational opportunities across schools within the district.

²During the twentieth century, structural changes occurred in education provision that weakened the relationship between public schools and their local communities. During the Great Depression of the 1930s, budgets became tight and school districts and states began to look for ways to cut costs. One mechanism for cutting costs was the consolidation of public school districts (Pugh, 1994). For example, between 1940 and 1950, the number of school districts in the country dropped from 117,108 to 83,718. This trend continued, although at a slower pace, through the second half of the twentieth century, with the number of school districts nationwide dropping to just under 15,000 by 1997.
School finance reforms, on the other hand, have led to more education decision-making at the state level at a time when governance reforms call for more local control. State decisionmaking imposes a number of constraints on local decisionmaking. Schools become dependent on their state’s economy and must compete with other demands on state resources. In addition, state aid over time has shifted toward a greater reliance on categorical (that is, restricted) funds and a lesser reliance on general purpose (that is, flexible) funds.\(^3\)

Although the movement toward equalized funding across schools through funding from the state has lead to greater resources for some schools, state funding for other schools has been constrained due to the local taxpayers’ desire to keep funding for public education at a certain level. Some researchers have suggested that these fiscal constraints have forced schools to look for alternative sources of funding. One such alternative is found in private contributions (Brunner and Sonstelie, 1999; Addonizio, 1999).

While public schools and districts have always attracted private support, anecdotal reports and a limited body of documented research suggest they are pursuing private support with increased sophistication and aggressiveness. Public schools and school districts increasingly are looking to private support to maintain the quality of schooling during periods when public revenues are tight due to the current political climate.\(^4\)

Private funding also provides a way to increase flexibility in how educational funds are spent at the local level, and it allows families to match their demand for education (that is, their willingness to pay for education through taxes and other payments) to the preferred level of education for their children.\(^5\) However, if certain schools and districts are more successful than others in raising private support, any existing inequities may be exacerbated.

Private support of public education is an important policy issue that goes beyond matters of equity. It is likely that all school communities have both monetary and

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\(^3\)Evidence of this shift occurring in California is found in the Legislative Analyst’s Office (2000) document.

\(^4\)According to a recent study, diminishing tax receipts were the major reason that a majority of nonprofit local education foundations were formed in California, Massachusetts, Oregon, Illinois, and Washington (Merz and Frankel, 1995).

\(^5\)In response to the 1971 decision in *Serrano v. Priest*, California legislators assigned a spending cap across school districts to help equalize funding. Due to this spending limit, Fischel (1992) suggests that families are not able to achieve their individual preferences given the level of educational expenditures (that is, tax dollars). Traditionally, a family could satisfy its preferences for larger educational expenditures by locating in a district with a higher spending level for education. However, with spending caps, a family that has a strong preference for larger expenditures cannot achieve the educational level desired.
in-kind\textsuperscript{6} resources that can be leveraged in support of education; we simply may not have identified them yet, or figured out how to measure them. Presumably, practices exist to enlist private support that can and will transcend income levels and community differences. At the same time, it is likely that certain types of private support are more or less accessible in different types of communities. Identifying available monetary and in-kind resources, and the mechanisms that are available to gain private support, can be valuable information for education practitioners.

To explore some of the issues surrounding support of education, we conducted a study of private support of public education in Los Angeles County. This research is considered a pilot study because it is small in scale and has, in part, contributed to developing the tools, initial findings, and hypotheses needed to guide further analyses. Specifically, the study was designed to provide schools and districts with information on the types of public-private partnerships that have been developed in various communities and the mechanisms used to attract private resources. In addition, we are interested in documenting the types of monetary and in-kind resources that are most likely to be available to schools and districts with differing economic resources.

We set out to answer a number of questions with this study. For instance, who are the private givers to public education? Are they exclusively parents of schoolchildren and large corporations, or are other individuals and organizations significant supporters? In this regard, we documented the range of organizations and individuals from which private support originates.

In addition, what role do school and district organizations and individuals—such as Parent-Teacher Associations (PTAs), local education foundations (LEFs), and school and district staff—play in attracting private support? What is the range of mechanisms that organizations and individuals use to attract private support?

Do schools rely primarily on product sales, or are special events and business partnerships their primary means of attracting private support?

Finally, what is the ultimate use of both monetary and in-kind gifts? Do private contributions support payment of salaries, purchasing of school supplies, enhancement of school facilities, or support of special programs?

Taken together, all of the questions just posed can be summarized within three broad areas:

\textsuperscript{6}In-kind support includes volunteer time and donated materials, equipment, and supplies. Monetary support is financial support for a specified or unspecified purpose.
1. Who are the private givers to public education?

2. How do schools and districts attract private support—through school-based organizations or through school and district personnel—and what mechanisms do schools and districts use to attract private resources?

3. What types of support are provided, and how are the contributions used?

Current media reports and research studies provide a limited accounting of private support of public education and no systematic framework for thinking about such support.7 Media reports by and large provide anecdotal evidence of private support and document funding success stories. A large portion of the recent research literature focuses on private monetary support of public education by LEFs and any inequities that this type of support may create. Whereas LEFs are clearly an important component of private support, they represent only one type of private support available to public education.

In addition, national and state databases generally do not list the types and amounts of private giving in detail. When the data sets do account for private monetary donations, that information is typically lumped together under a category called “other revenues.” Furthermore, whereas Internal Revenue Service data do include some financial information on nonprofit organizations, such as LEFs or PTAs operating in conjunction with public schools, these data include only those organizations that secure relatively high levels of private monetary support.

To address our “who, how, and what” questions, we collected data through interviews with school principals and district superintendents and staff and questionnaires distributed to staff at ten elementary schools in six districts in Los Angeles County,8 and from an examination of the literature. We focused initially on elementary schools because previous research suggests that organizations associated with those schools tend to raise the most revenue per pupil, and because volunteer involvement is greatest at the elementary level (Merz and Frankel, 1995). Los Angeles County provides a field of richly diverse districts and schools. In addition, it includes urban areas that experience many of the problems typically faced by failing school districts. Within the county, we picked a sample of schools and districts operating under different governance structures in communities that differ socioeconomically, and we selected districts of different sizes.

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7See Chapter 2 for a review of this literature.
8In the interest of maintaining anonymity, the specific names of the schools and school districts that participated in our study are not listed in this report.
Our results suggest that a variety of school and district-based organizations are using various mechanisms to channel monetary and in-kind support to public education from a wide range of private givers. Differences exist in private giving at both the school and district level in general, with schools focusing more closely on parental support and districts focusing more closely on support from organized groups, including corporations.

Among schools, those that are located in the wealthier communities have a greater level of parental monetary and in-kind support. However, this does not necessarily translate into greater overall support. Oftentimes, because of their perceived need, districts and schools in lower-income areas have greater access to support from corporations and community-based and philanthropic organizations. Therefore, we did not find strong evidence that private contributions necessarily lead to greater inequities in the support of public schools.

In all districts and schools, gaining private support requires developing, maintaining, and engaging in reciprocal relationships with private sponsors, activities that take time and personal commitment. Currently, most of the responsibility for developing private support at the school level is assumed by the school principal, particularly in lower-income communities. Additionally, districts and schools that pursue private support may encounter a number of obstacles, including how to find the time to conduct efforts to gain support, and dealing with turnover of district and school staff or turnover at partnering organizations. To overcome these obstacles, districts and schools can institute a variety of measures, which we discuss in Chapter 5.

In Chapter 2, we highlight what we currently know, based on the existing literature, about who the givers are, what they give and why, and how districts and schools can gain support. Chapter 3 discusses our methodology for addressing the questions raised in Chapter 2. Chapter 4 provides the results of our analysis, and Chapter 5 offers our conclusions and the implications from our analysis.