

AN ABSTRACT OF THE ESSAY OF

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Title: Publicly Funded, Privately Assisted: The Role of Giving in Oregon K-12 Education.

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In Oregon, property tax revolts and school equalization measures have led to increasingly unstable and more non-discretionary public funding for schools. As a result, public schools are turning to private donations to provide both basic and supplemental educational opportunities. Some schools and districts are raising hundreds of thousands of dollars, while others are raising significantly less. This study uses qualitative interviews and the financial data of nonprofit school foundations to analyze how parent roles, district differences, and local policies contribute to efforts to supplement public education with private dollars. Has the increased reliance on private assistance recreated funding inequality that circumvents state efforts to equalize per pupil funding? This study provides a crucial examination of the potential impacts of private donations on funding equality as a result of and through the reproduction of cultural capital. This study not only contributes to the sociological discussion surrounding community differences in fundraising capacity, but also offers districts and foundations a set of issues to consider when making their fundraising decisions.

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Publicly Funded, Privately Assisted:
The Role of Giving in Oregon K-12 Education

by
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I understand that my essay will become part of the permanent collection of Oregon State University libraries. My signature below authorizes release of my essay to any reader upon request.

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Introduction

School finance has grown increasingly complex and controversial over the last several decades as funding sources have shifted and states implemented school equalization reforms. Traditionally schools have been funded through property taxes, sales taxes, and other local tax revenues, but the 1990s saw new limitations on school finance by way of restrictions on revenues, expenditures, and property tax rates (Addonizio 1999). Additionally, state and federal aid became more restricted with a lower reliance on general purpose funds to be used at the district's or school's discretion (Zimmer et al. 2001).

While states face legal challenges that attempt to equalize school funding and tax revolts that restrict their ability to raise revenue, per pupil funding is decreasing at the same time per pupil expenses are increasing (Addonizio 1999, Hanushek and Rivkin 1997). This pattern is mirrored by a growing movement in education philanthropy. Schools facing funding shortfalls and budget cuts are increasingly turning to nontraditional and private funding sources. Anecdotal evidence suggests that parents, raising tens of thousand of dollars for individual schools, are able to fund positions and support programs that would otherwise be eliminated (Ayala 2006, Hill 2005, Brunner and Imazeki 2003, Levenson 2003, Blankenship 2000, De Luna 1998).

It is estimated that giving and fundraising comprise less than one percent of total K-12 spending in the United States, but "the realities of school budgeting and public policy mean that this money can have a vastly disproportionate impact on the direction of America's schools" (Hess 2005, pg. 1). As districts and schools draw in larger amounts

of money through fundraising, the use of this funding is shifting from field trips and band uniforms to salaries and supplemental programs. These new sources of revenue come in spite of state equalization efforts and are not taken into account in state funding formulas. Rubenstein and Freeman (2002) warn that “increasing reliance on unequally distributed local revenue bases runs the inherent risk of increasing inequalities in fiscal capacity across districts.” Previous evidence, along with the newest trends in supplementing school budgets with private funds, lead to questions about how private donations impact both educational and funding inequality.

Merz and Frankel (1995) found that in Oregon, California, and Washington, shrinking budgets and diminishing revenue from property taxes led to an increase in the formation of nonprofit, local education foundations. However, research documenting the disparities in fundraising and giving across districts and within districts is limited and complicated by data challenges, including inconsistencies in accounting and requirements for financial reporting (Zimmer et al. 2001, Born and Wilson 2000). This paper documents the fundraising landscape in K-12 education within the state of Oregon. Based on qualitative interviews, public records and archival data, this study analyzes the impact of giving and fundraising on funding inequalities. An in-depth look at school district policies, foundation documentation, contributions to school districts, and demographic data provides a crucial examination of the impacts of private donations on educational opportunity and resources. This study contributes to the discussion surrounding community differences in fundraising capacity and will offer districts and foundations issues to consider in their fundraising decisions.

Background: School Funding in Oregon

It is impossible to talk about school finance issues in Oregon without mention of Ballot Measure 5 which shifted the education finance landscape in the state. Voters passed Measure 5 in 1990 enacting limits on local property taxes in response to tax rates that were some of the highest in the country. Ballot Measure 5 limited property taxes to 1.5 percent of assessed value eventually reducing property taxes by 45 percent (Steel and Lunch 2005). Lost revenue was to be replaced by state government, but districts and schools, who before relied primarily on local property taxes, were hit hard by the new limits and the decreasing revenues that followed.

In 1990-1991, prior to Measure 5 cuts, the average K-12 property tax rate was \$16.53 per \$1,000 of assessed value. By 2003-2004, it was only \$4.59 (Oregon Quality Education Commission 2006). During this time, the responsibility for school funding shifted from local governments to state government. The state's share of school funding was less than 30 percent before Measure 5. By 2003-2004, the state's share was 70 percent, and the local share was just 30 percent (McComb 2004).

The decade after Measure 5 is "characterized as one in which Oregon transitioned from an above average spender on K-12 education to an average spender" (ECONorthwest 2007). While total personal income in Oregon grew at an annual rate of about six percent from 1989 to 2002, school spending did not match that growth. Education spending grew only slightly in the 1990s before falling again. By 2000, Oregon was spending just over \$8,000 per pupil, adjusted for inflation in 2004 dollars, but fell to \$7,618 per student in 2003-2004. This drop in funding left Oregon just below

average in education spending (ECONorthwest 2005b). When adjusted for inflation, Oregon's spending per pupil increased just \$600 between the 1990-1991 school year and the 2003-2004 school year despite increasing education costs during the same time period. This trend in education spending did not reflect a growing Oregon economy, and the extensive education cuts resulted in losses statewide in art and music programs, classroom teachers, and instructional time.

Measure 5 also marked the transition from local control to state control. As the state became responsible for a larger percentage of education funding, it shifted per pupil allocation to an equalization formula. The weighted formula accounted for district cost differences and student characteristics, recognizing that location will vary costs and that not all students require the same level of educational resources (McComb 2004). The equalization system impacted schools very differently. Those districts that were benefiting from high property tax rates or high property tax valuations faced declining revenues, while those districts that had low per pupil expenditures received a boost in state funding.

Income taxes became the primary tax revenue source for education, replacing property taxes. The income tax has proven to be more volatile, creating additional funding worries for schools (ECONorthwest 2005b). Most recently, Oregon gained national attention with the largest annual decline in educational expenditures per pupil in 2002-2003 school year as expenditures fell by over 6 percent in one year (ECONorthwest 2005b). Primarily the result of an economic downturn and the decline in corporate

and individual income taxes that followed, the recent funding problems illustrated how unstable school funding is in Oregon.

The debate in Oregon shifted from equality to adequacy once the state implemented its equalization formula. Wiener and Pristoop (2006), in a report for The Education Trust, find that Oregon's equalization formula closed the gap in funding between the highest poverty and the lowest poverty schools. In 2004, the difference in funding between the highest poverty and lowest poverty districts was \$579, in favor of the lowest poverty districts (Wiener and Pristoop 2006). In addition, the state appointed the Quality Education Commission (QEC) in 1999 to analyze and identify how much money is needed to adequately fund education. Adequacy is primarily a subjective measure of educational funding and resources but the movement has begun to define and measure adequacy as the ability to provide sufficient resources to help teachers and students meet state educational standards. The QEC developed Oregon's Quality Education Model (QEM). The QEM is a set of research-based recommendations on educational inputs and performance measures meant to help determine costs associated with implementing a model for what constitutes adequate funding in Oregon.

Communities who lost revenue as the state moved to ensure adequate and equal education resources for all students were left to reconcile the funding differences pre and post Measure 5 with few formal options for generating revenue. That changed in 1999 when the state legislature established the School Local Option Property Tax, giving school districts new means for increasing revenue lost through Measure 5 and Measure 50. Measure 50 had created additional limits beyond Measure 5 by limiting how fast

assessed value could grow and by limiting taxes on assessed value. Measure 5 limited property taxes on real market value. The Local Option tax allowed districts to make up the gap in value between Measure 5 and Measure 50, but limits were set in place to maintain some level of equalization between districts. Though only a few districts have elected to vote on and implement the local option property tax, it gave districts with higher standards for education spending an alternative stream of revenue. The new process recognized that even with equalization efforts “local communities have different opinions about the adequacy of state-distributed funding” (ECONorthwest 2005a).

Statewide, budget cuts resulted in the loss of music, art, athletics, and most notable, a cut in the length of the school year by some districts (Blankenship 2000). Those districts losing money became the first and the most likely to form school foundations typically as a way to circumvent per pupil funding restrictions from the state. They transferred their willingness to pay higher property taxes to a willingness to contribute to local nonprofits supporting educational programs (Brunner and Imazeki 2004, Born and Wilson 2000). Communities reacted by effectively raising additional funds to offset potential funding cuts, some more successfully than others. In Oregon, Measure 5 and the subsequent move towards equalization clearly led to an increasing number of education foundations, formal 501(c)3 nonprofit organizations charged with raising private money to “augment, supplement and complement academic and extracurricular programs” in local schools (Public Education Network 2005b, McCormick, Bauer, & Ferguson 2001). In Oregon and elsewhere, these foundations first

appeared in more affluent districts, and slowly over time, they became essential to the budget in a wide range of districts (Brunner and Imazeki 2004, Born and Wilson 2000).

Foundations are becoming a significant source of revenue for some districts as they are increasingly able to raise large amounts of money in support of schools; this research will document total school foundation revenues and per pupil fundraising in Oregon. Wide disparities exist in the ability of districts and schools to raise private funds for public schools. This growing trend in Oregon begs the question of how wide those disparities are and how it impacts access to and provision of educational services and resources.

Fundraising Options in Education

It is important to first explain some of the fundraising options available to schools along with the differences that exist between the models. Many people are very familiar with the most common fundraising streams in education. The Parent Teacher Organizations (PTOs) and Parent Teacher Associations (PTAs) have been around for decades raising money through bake sales, spring carnivals, and raffles. In recent years, the news media began to document the growing revenue of these organizations and their increasingly sophisticated fundraising campaigns (Ayala 2006, Hill 2005, Levenson 2003, De Luna 1998). Booster Clubs and other athletic or extracurricular associations have been successful in raising funds for extracurricular activities such as band and athletic teams. School foundations have grown along side these organizations, and in many districts and schools, the foundations are able to raise significant amounts of money in addition to that raised by parent organizations for separate and distinct purposes.

In addition to parent organizations and athletic booster clubs, two types of nonprofit foundations exist in this movement. While Local Education Funds (LEFs) and school foundations share nonprofit status and a commitment to supporting education within their communities, they have two different organizational models with different missions, goals, and activities. LEFs, part of the Public Education Network, differ in several important ways from the more common school foundation. They are often located in larger school districts with larger low income populations. Their specific mission is often advocacy for change, achievement, and access for all. LEFs are more often involved in larger school reform efforts and pursue civic engagement in the school reform movement. LEFs are also always completely autonomous and independent of the school district with which they work (Public Education Network 2005b, The Urban Institute 2003). The distinctness and the role of an LEF is illustrated clearly by the mission of the Portland Schools Foundation (PSF). PSF, Oregon's only local education fund, describes the organization as "an independent, community-based organization that mobilizes ideas, leadership, political support, and money necessary to ensure a first-rate education for every child in every public school, in every Portland neighborhood.

Whatever it takes." (PSF Annual Report 2006, emphasis their own).

On the other hand, school foundations generally have a closer relationship with the school district they support. Foundation staff are sometimes school employees, and the school district leadership plays an important role in foundation decisions and funding choices (Public Education Network 2005b, The Urban Institute 2003). School foundations vary in size, fundraising capacity, and structure. Overall, they are less likely

than LEFs to have paid staff, more likely to rely on volunteer efforts, and on the whole have much smaller revenues (Public Education Network 2005b, The Urban Institute 2003). While often much smaller than LEFs, they are more common. There are over 4,800 school foundations in the United States, but the numbers continue to grow (McCormick et al. 2001). More than 80% of those foundations were established between 1982 and 1997, but from 1991 to 2001, the growth rate of school foundations was 290% (The Urban Institute 2003).

Both foundation models exist within Oregon; however, the Portland Schools Foundation is the only Local Education Fund. Portland is unique in several other ways because of the size and capacity of its foundation. Within Portland, each local school has its own individual foundation to raise money for staffing needs. Portland has become a model for districts across the country for its consideration of equity in making fundraising decisions. The model, which takes a portion of money raised from each school, is unique within the state and within the country. Portland Schools Foundation will be the focus of some discussion within this paper as a potential policy option for districts seeking ways to make giving equitable across schools within a single district. In this paper, the term “school foundation” will be used to refer to district-level foundations while “local education foundation” or “LEF” will refer to individual school foundations within the Portland district.

Literature Review

The current body of literature regarding private donations to public schools is limited in quantity, depth, scope and perspective. Only a few individuals have undertaken the complicated task of analyzing donations to public education on a local level, and the research is contained within states or large urban areas (Downes 2007, Brunner and Imazecki 2003, Zimmer et. al. 2001, Born and Wilson 2000). In addition, this prior research primarily incorporates an economic perspective in discussing voluntary and private contributions to schools. This paper, on the other hand, approaches the issue from a sociological perspective. The issue must go beyond funding models and discussion of free riders to include concern over how the distribution of funds contributes to social reproduction of the status quo. While there is much to gain from an economic understanding within this framework, we must also consider the social impacts on the levels of cultural and social capital for students, families, and communities.

Private donations have a long tradition in public education, as does the question of inequality surrounding those donations. Early education was only funded through private and charitable funds as state and local governments had little control over educational decisions. Parents and communities pooled resources to establish local community schools before compulsory education laws existed. Because funding was handled at the most local level, with no government intervention, communities who placed a higher value on education provided better educational opportunities, and parents with the financial means paid tuition for private schools. This concentration on private community schools and local funding meant that parents and communities could design an education

system within their own vision. Through this system, wealthier communities were more likely to provide education in the classics while farming communities often focused on the basic foundations of education like math and reading (Kober 2007). This disjointed system of funding and access created obvious inequalities in the education that was provided in wealthy communities versus lower income communities.

By the 1830s, public schooling became mandatory along with public funding and local control. This movement toward compulsory public education reflected a reform movement focused on education as the “great equalizer.” In the eyes of reformers, education became the way to solve social problems through democratic and moral education (Stevens et al. 2000). Focusing on education as an equalizer between low income and their wealthier counterpart implies the intention to provide an education that is comparable across communities. Schools represent an extension of community and the values espoused by them. As long as education remained under local control, community values influenced willingness to provide education and that continued to differ significantly across communities (Kober 2007, Stevens et. al. 2000).

Local control of education flourished in communities where property taxes became the main source of local funding. By the 1970s and 1980s, documented cases of very striking discrepancies in per pupil funding led to questions about funding systems and educational equality. Education finance became a controversial issue as parents and communities in low spending districts challenged the large per pupil funding and spending disparities between districts within the same state. Funding formulas for education first came under attack in the 1970s with lawsuits eventually challenging the

policies and procedures in 45 states (Public Education Network 2005a). The first round of lawsuits in school finance focused on the issue of equity where the plaintiffs argued that differences in per pupil funding led to unequal educational opportunities.

The equity argument, unsuccessful in some venues, shifted toward an argument for adequacy in the 1980s. Plaintiffs were more successful in arguing that funding streams led to a denial of an adequate education that interfered with students being able to meet educational standards in the new standards-based reform efforts (Public Education Network 2005a). Following litigation, many states shifted primary responsibility for funding from the local level to the state level in order to equalize the formula of per pupil funding.

Equalization impacted some districts far more than others. Higher spending districts, those typically placing a high value on education with matching high dollar funding, were those that were forced to cut spending as per pupil funding dropped to bring it in line with other districts. Lower spending districts received a boost in education funding (Zimmer et al. 2001). The foundation movement, really started in California in response to *Serrano v. Priest* in 1971 and Proposition 13 in 1978, grew out of state efforts to equalize funding. Communities and families with a higher demand for education and a greater willingness to fund education created a means to supplement state revenue, essentially circumventing equalization efforts (Brunner and Sonstelie 2003, Born and Wilson 2000).

Few people dispute that school foundations across the country are raising millions of dollars in support of public education (Greene 2005, Hess 2005, The Urban

Institute 2003). However, there remains no accurate picture of just how much money is given privately to public schools. For example, in 2004, a *New York Times* article reported donations to public schools amounted to approximately \$9 billion a year, or about 2% of total education spending (Greene 2005, Winter 1994). In the same year, the National PTA estimated that it donated \$10 billion to schools (Greene 2005, Hess 2005). The first estimate is said to include the second, creating stark contrasts in the estimates of private donations. The failure to gather a full picture of private donations to schools leaves open an unseen funding stream into public schools with the potential for undoing state efforts to equalize educational funding (Brunner and Sonstelie 2003, Rubenstein and Freeman 2000).

In academic research, accounting of school donations has proven equally difficult. Green (2005), using averages gathered from a variety of school and foundation financial reports, estimates that schools receive approximately \$27 per student each year in donations. This would amount to approximately \$1.3 billion a year in private donations to schools, far below the estimates stated above. Brunner and Sonstelie (2003), Brunner and Imazecki (2003) and Addonizio (1999) all also conclude that the amount of money raised per pupil is insignificant. Therefore, they argue, it has a minimal impact on overall equity, adequacy and equality. However, when Rubenstein and Freeman (2002) studied local sales tax initiatives in Georgia, they concluded that allowing education funding to come from unequally distributed revenue potentially recreates funding inequalities, especially if they are not accounted for in state equalization formulas. Downes and Steinman (2007) agree. They find policy choices and community characteristics create

incentives to donate to public schools, and those choices vary widely by community, resulting in wide differences.

It is important to recognize that even with minimal per pupil dollars raised on the aggregate level, within this picture are significant differences in the capacity and dollar amount that communities raise. Previous research shows conflicting relationships between fundraising and income. Downes and Steinman (2007) have found the correlation between family income and per pupil fundraising to be insignificant. Zimmer et al. (2001) concluded that although wealthier districts raised more money, middle and lower income schools could generate substantial amounts of in-kind support and donations. Brunner and Imazeki (2003), on the other hand, found that large donations and more successful giving campaigns are more concentrated in the smaller and wealthier districts. Downes and Steinman (2007) did find a connection between school enrollment and size of community in relation to a willingness to give. Larger districts raise less per pupil than small communities, but increasing property wealth, despite community size, increases private donations.

The questions of inequality in private donations are often written off because of the relatively small per pupil differences. While the sometimes small amount of private donations may not matter a great deal to levels of inequalities between districts or schools, research suggests they matter more for a certain student demographic (Brunner and Imazecki 2003, Born and Wilson 2000). The idea that “money doesn’t matter” has been perpetuated since the Coleman report of 1966 with additional empirical studies reporting no significant increase in student achievement from increases in resources

(Grissmer et al. 1997, Hanushek 1996 and 1994). More recent research has altered the original theory, suggesting that minority and disadvantaged students do in fact benefit from additional resources while those same resources directed at advantaged students will have a smaller, less noticeable effect (Grissmer et al. 1997). When this holds true in combination with lower levels of private donations in higher minority, higher poverty schools, the impact of fundraising is not adequately measured by a simple per pupil comparison.

When districts face funding shortfalls, the extracurricular programs, fine arts, physical education, and specialists in areas of reading and math are often the first to go (Hill 2005, Levenson 2003, Blankenship 2000, Van Tassel 1995). Consequently, as schools raise increasing amounts of money, they are able to provide schools and districts with funds to prevent the loss of valuable school programs. Larger fundraising balances are associated with increasingly supplemental educational dollars for things such as curriculum development, professional development and salaries (Merz and Frankel 1995). As district and school funds are increasingly earmarked for personnel and specific educational programs, discretionary funding for innovation and local reform efforts are limited (Zimmer et al. 2001), but they can also be the most important.

Questions of inequality must also consider the use of those private funds and the discretionary value to districts. Education, long considered the “great equalizer” for the potential to provide students the opportunity to overcome poverty and oppression, comes under criticism from some researchers for its tendency to reproduce class and social inequality (MacLeod 1995, Lareau 2003, Bourdieu 1977). Bourdieu (1977) finds that

schools contribute to the reproduction of class and inequality through the acquisition, or not, of cultural capital. Cultural capital is defined within this context as “general cultural background, knowledge, disposition, and skills that are passed from one generation to the next” (MacLeod 1995). The middle class upbringing and family structure instill in children the cultural competencies that are rewarded by society and transformed into academic success.

The cultural competencies to which Bourdieu (1977) refers are things like music, art, classical literature, and other academic disciplines not within the traditional realm of a general, “basic” education, but it also encompasses knowledge of institutions (Bourdieu and Passeron 1977). Bourdieu suggests that this type of cultural capital, available to middle and upper class individuals, is important because of the value society places on these forms of cultural knowledge. Cultural capital is inherent in individuals, acquired through experience and background, but never directly taught.

Lareau (2003, 1987) connects cultural capital to lower educational achievement and decreased levels of parental involvement. This results from schools operating within the values of the middle class, and specifically within its neighborhood. By valuing the norms and expectations of the middle class, schools are institutionalizing discrimination and alienating those individuals not ingrained with the cultural capital valued by society (Lareau 2003, MacLeod 1995). This returns then to the idea of the reproduction of inequality through a cycle of the failure to offer students the opportunity to acquire the cultural competencies but in turn valuing those individuals with inherent knowledge of the socially desired knowledge and understanding that comes from that education.

Educational fundraising, as it begins to replace lost funding in the areas beyond basic education, becomes a concern in terms of both parents and students within the framework of cultural capital. This framework explains potential obstacles for low income and minority schools to reach the fundraising capacity of other more successful schools in the fundraising realm. Zimmer et al. (2001) found parent engagement in fundraising to be highest in wealthier schools where parent connections and resources lead to increased in-kind and monetary donations. Heavy reliance on strong parental involvement in fundraising activities puts some communities at a greater disadvantage. Not only are low income parents the least likely to be actively involved in their child's education (Eccles 1996, Dauber and Epstein 1993), these parents face cultural obstacles in participating in school activities and fundraising responsibilities (Lareau 2003).

At the student level, the more successful foundations, raising hundreds of thousands of dollars, are beginning to fund programs that offer increased opportunity in things such as arts, language, and extracurricular activities (Levenson 2003, De Luna 1998). These choices reflect the values of the neighborhood and the social class of its residents (Kober 2007), and they offer very important "hidden advantages" to some students (Lareau 2003). Lareau (2003) suggests that those lessons students receive through the enhanced educational opportunities, and also reinforced at home, translate into success in primary and secondary education, college, and again later in their career through higher self esteem, a greater sense of entitlement, better communication, and increased understanding of institutions. Lareau (2003) argues that low income students, without such extracurricular and cultural opportunities, do not see the same benefits.

Data and Methods

Researchers have found the relationship between private donations to K-12 education and funding equity hard to measure, primarily as a result of inconsistent and inaccurate reporting due to widespread misunderstanding of how to account for private donations in school budget reports. Researchers have faced multiple accounting obstacles when trying to gather information on the full scope of private donations (Hess 2005, Greene 2005, Jenkins and McAdams 2005, Brunner and Imazecki 2003, Born and Wilson 2000). Support from larger foundations is easier to account for because of tax reporting requirements; however, the lack of detail required within their disclosure forms makes a true determination of the use of the funds difficult (Hess 2005). Moreover, schools and districts account for private donations differently. Revenue from PTOs and PTAs are usually distinct and outside of district accounting procedures (Born and Wilson 2000).

Design and Sample Selection

This researcher, as well as others embarking on this topic, found that different methods, policies, and accounting practices interfere with attempts to accurately compare financial data from district to district (Brunner and Imazecki 2003, Born and Wilson 2000). As a result, this study consists of a multi-method, case study approach in which the primary data comes from qualitative interviews. The secondary data consists of financial data from school foundations. This approach allows for a more distinct and descriptive picture of the philanthropic landscape in education in Oregon than quantitative analysis alone. The use of qualitative interviews ‘optimizes understanding’ of giving in the Oregon K-12 education system and offers a more exploratory approach

that allows for thick description and rich detail (Stake 2005, Zimmer et al. 2001). As a result, this method allowed the researcher to triangulate the findings, comparing insights from interviews with each other and with observations from archival data (Stake 2005).

Data collection spanned four months beginning in January of 2007. Qualitative interviews ($n=12$) were conducted with key education and foundation officials from a handful of Oregon school districts and their affiliated foundations. Initial interviews included district superintendents, school board members, school principals, foundation executive directors, and foundation board members. A third set of district interviews were conducted in a school district without a local school foundation. Several interviews were conducted with state level officials to supplement district level interviews and to provide richer detail for context.

In each district, interviews were conducted with at least two representatives. Semi-structured interviews included a questionnaire to guide the discussion. In-depth interviews allowed the researcher to delve into sources of donations and district/foundation policies for the distribution and allocation of funds. Questions also included general questions about the relationships between the school foundation and the school district leaders and/or school board. See Appendix A for a list of interview questions.

For interviews, a sample of four school districts and their affiliated foundations were selected to represent the diversity of location and size within Oregon school districts. Table 2 shows district characteristics of those in the qualitative sample. Districts were given pseudonyms to protect their identity and allow participants to talk openly

about district policies. Some school foundations are very small with a limited number of staff. Revealing the identity of districts in this sample could compromise the identity of the representatives from these small foundations. The identity of Portland Schools is revealed because, as the largest district in Oregon's, its identity would be difficult to conceal. The large size of the foundation and the district allows for confidentiality of participants. Additionally, this research will discuss extensively some of the policies unique to Portland that contribute to the discussion of equality in educational fundraising. While the district's identity is openly discussed within this research, individual schools and individuals participating in interviews are not identified.

Districts ranged in size from about 2,700 students to 48,000 students. Two of the districts represent large, urban districts within the state. They were chosen because of the large diversity in neighborhoods and schools within the school districts. One was chosen because its foundation is one of the oldest in the state of Oregon, and the second was chosen because of its well developed policies toward fundraising and equity. In addition to urban districts, the study includes one suburban district in the Central Willamette Valley with a medium sized school population. The final district was selected because it did not, at the time of this study, have a school foundation. This specific district was chosen as a small district that shares characteristics with other districts of its size that have a school foundation. It is also located in the Central Willamette Valley with close proximity to larger communities with an established business and support base. Other districts were contacted but chose not to participate in interviews or did not respond to requests for communication.

Table 1: Profile of Districts in Qualitative Sample in the 2003-2004 School Year

District ID	Enrollment	Percent Minority	% Free and Reduced Lunch	Amount Raised by Foundation	Amount Raised Per Student
Portland	48,344	40.3%	41.3%	\$4,930,395	\$101.99
Cascade	37,877	39%	44.6%	\$54,814	\$1.45
Willamette	7,063	21%	26.8%	\$830,644	\$117.60
Valley	2,649	39.1%	58.6%	\$0	\$0

After sample districts were selected for qualitative interviews, initial participants were recruited through direct contact based on their professional position within the school district or affiliated school foundation. Additional interviews were conducted within the districts based on snowball sampling. Initial participants referred the researcher to other representatives.

In addition to those districts in the interview sample, other qualitative data was collected from all Oregon school foundations when available. Public records, websites, and local newspaper articles were all used in this research but are not explicitly identified in order to protect the anonymity of schools, districts, and individuals in the study. This includes mission statements and goals, foundation annual reports, websites, requests for proposals, newspaper articles, and other publicity materials. All collected materials are publicly available information. These materials were coded by theme to identify common policies and activities in K-12 giving and fundraising.

In addition to qualitative interviews, this study also uses financial data to illustrate general trends in giving to K-12 schools in Oregon. All financial information gathered on Oregon school foundations is publicly available information. At the district level, the researcher collected financial information from known education foundations within the state. Searches were performed on school district websites and on Guidestar, a national

online database of nonprofits. Key word searches on Guidestar included known nonprofit names, “school and foundation,” “education and foundation,” “education and fund,” “school and fund,” and “educational and foundation.” This research does not include Parent Teacher Organizations, Parent Teacher Associations, Booster Clubs, or other nonprofits affiliated with individual schools.

Nonprofit organizations are required to report financial information to the IRS only if their revenues exceed \$25,000. As a result, this data excludes some smaller foundations. It does include those smaller foundations that report their revenues despite the \$25,000 limit and are available through Guidestar. Financial data was collected through 2003-2004 Federal 990 forms submitted to the IRS and available via Guidestar. The researcher chose this fiscal year because of the availability of information for a majority of the foundations in the sample. The researcher collected total 2003-2004 revenues (line 9), total 2003-2004 expenses (line 17), and 2003-2004 net assets or fund balance (line 27).

District information was added to the Foundation database in order to examine trends in giving according to district demographics. Demographic information came from the Database Initiative of the Oregon Department of Education. The researcher used 2003-2004 district information to coincide with the chosen fundraising year. District information collected included district enrollment, demographic statistics, and direct classroom expenses per student. With foundation dollars raised and total district enrollment, the researcher calculated dollars raised and dollars spent per student by each

Foundation in 2003-2004. A summary table of financial information from Oregon foundations is provided in Appendix B.

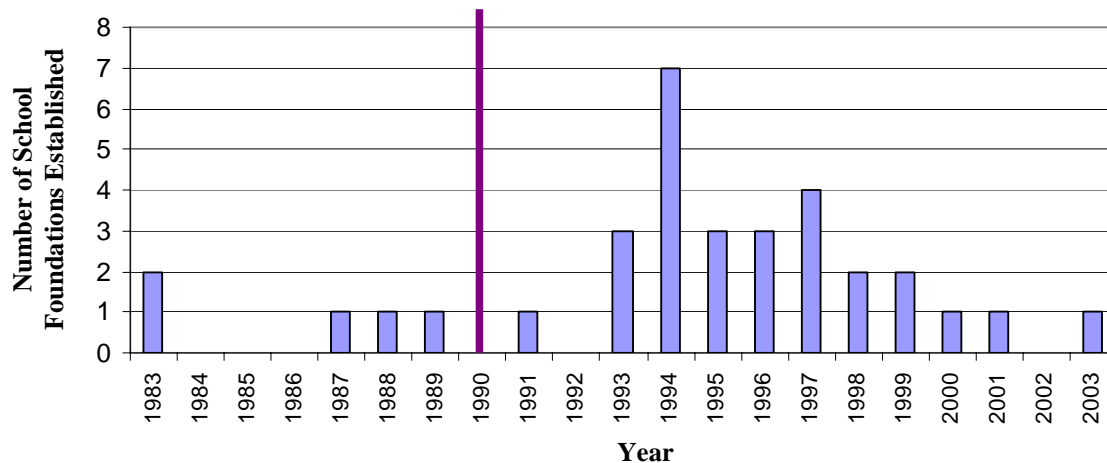
This research uses the Free and Reduced Lunch Rate of the school districts as a poverty measure. Eligibility for free and reduced lunch is determined by formulas distributed to schools by the U.S. Department of Agriculture. Families who have an income at or below 130% of the poverty level are eligible to receive free lunches. Those families at or below 185% of the poverty line are eligible for reduced-price meals (USDA 2005). Using free and reduced lunch numbers as a measure of poverty has the potential to leave out students who are eligible, and do fall under the poverty line, but have not applied for assistance. This potential undercounting of the poverty level of a school has minor drawbacks, but it is considered the best measurement of poverty within a school. It is the common measure of poverty in educational research (Howley 2002).

This study also includes school level information from Oregon's largest school district, Portland Public Schools 1J. The Portland Schools Foundation provided their accounting records of how much money each individual school ($n=58$) reported to the Foundation. The information includes total dollars raised in 2004-2005, the amount contributed, if any, to the equity fund totaling one third of total dollars raised, and the net amount each school received in 2004-2005. Using this information, the researcher added school demographic information from school year 2004-2005 obtained from the Database Initiative of the Oregon Department of Education. The researcher was then able to calculate total dollars raised and net per student in each school in 2004-2005. A summary table of the school level dollars raised is provided in Appendix C.

Quantitative Findings

In 2003-2004, Oregon had 199 school districts with 555,315 total students (Oregon Report Card 2004). School districts ranged in size from 3 students in the small, rural district of Brothers to over 48,000 students in Portland, Oregon's largest urban school district. In 1990 just before Measure 5 passed, only five school foundations existed in Oregon. By 2005, there were approximately 33, a growth of 560% in just 15 years. Figure 1 below illustrates the growth of school foundations in Oregon over the past 25 years. The oldest school foundation in Oregon was founded in 1983, and as recently as 2003, communities were still recognizing the potential benefits of establishing a school foundation.

Figure 1: Establishing School Foundations by Year, Oregon

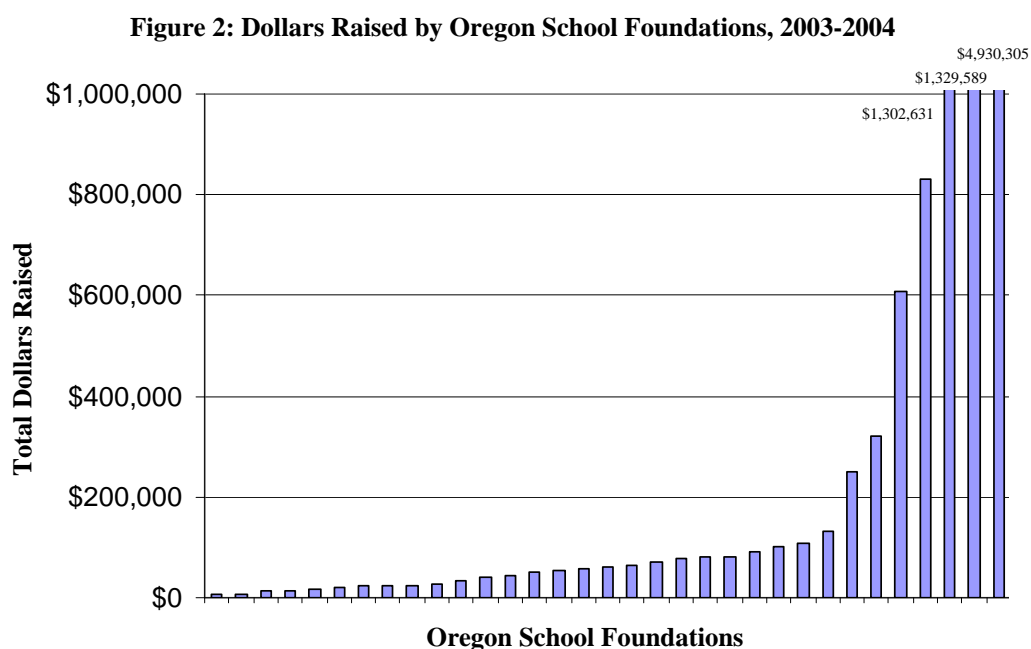


*The line at 1990 represents the passage of Ballot Measure 5.

In 1989 – 1990, school districts in Oregon became increasingly aware of the coming impact from the passage of Measure 5. The threat of falling revenue and the subsequent school budget cuts spurred parents into action across Oregon. As Figure 1 above shows, the wave of establishment of school foundations followed the passage of

Measure 5 in 1990. Only 5 existed before Measure 5 was passed, and one of those foundations established itself in 1989 in anticipation of the coming impact. “School Board members and the superintendent anticipated the drastic effects a statewide revolt against property taxes could have on local schools. Inspired by the community’s heritage of support for public education, they conceived a local remedy to the threat of reduced state funding for K-12 public education” (School Foundation Website).

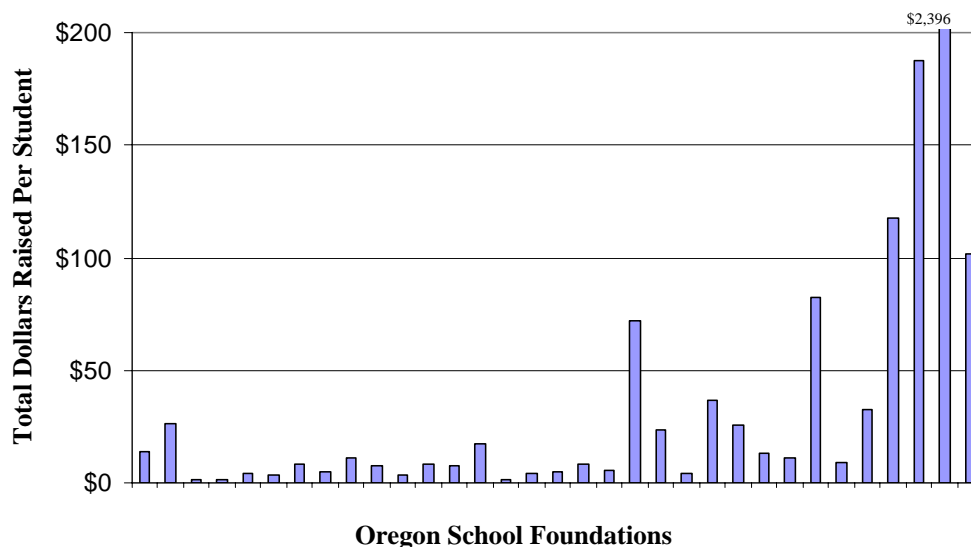
By 2003-2004, school foundations were raising almost \$11 million for Oregon schools with foundations raising anywhere from just under \$6,000 during the year to almost \$5 million. School foundations in Oregon raised on average \$330,161 in 2003-2004. The median, however, was just \$61,108. Figure 2 illustrates the total dollars raised by school foundations in Oregon in 2003-2004. In order to show the differences in total dollars raised at the lowest level, the graph had to be scaled to show fundraising only to the \$1 million mark. This cut off the three school foundations in Oregon raising more than \$1 million in 2003-2004. Their corresponding total dollars raised are shown.



Per Pupil Fundraising

The difference in school foundation fundraising at first glance appears very significant, but it does not take into account the number of students enrolled in the district. A more appropriate comparison beyond total dollars raised is dollars raised per pupil. Calculating per pupil fundraising takes into account large districts raising larger dollar amounts and smaller districts raising a proportionate amount of money based on their smaller enrollment. However, per pupil fundraising in Oregon still appears relatively unequal, ranging from just over a dollar per student to almost \$2,400 per student (Figure 3). On average, school foundations in Oregon raised \$98.64 per student, but the median is just \$9.07.

Figure 3: Dollars Raised Per Student by Oregon School Foundations, 2003-2004

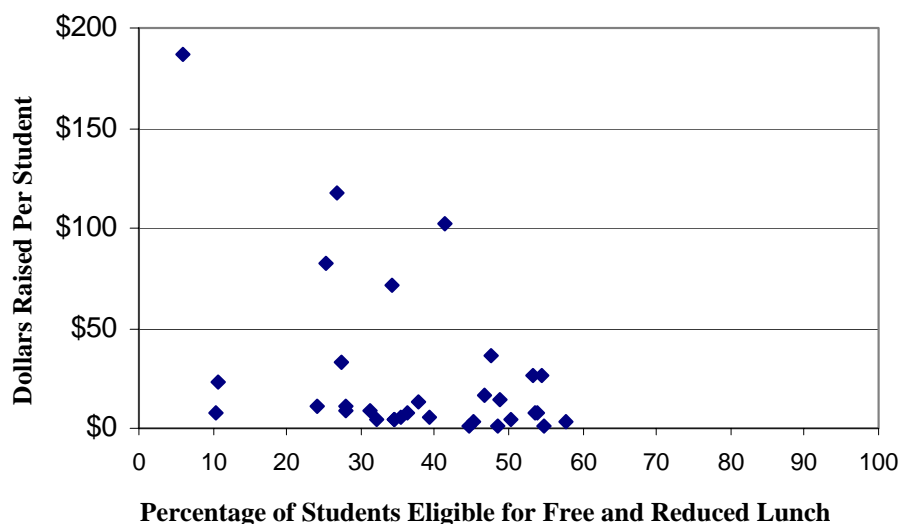


It is important to also recognize that foundations do not spend every dollar of revenue brought in annually. Several school foundations have established endowments or conduct capital campaigns to raise funds for construction or other long term projects. Dollars raised per student are calculated only on the amount of money raised during

2003-2004. It does not include money currently held in endowments; however, some of the money raised during the 2003-2004 school year would be deposited into endowments. Therefore, the researcher also calculated the dollars *spent* per pupil by Oregon school foundations in 2003-2004. Foundations spent between \$0.84 and \$240.59 per student with an average expense of \$61.96 per student and a median of \$8.47 per student.

Figure 4 shows the dollars raised per student by the 33 Oregon school foundations according to their respective free and reduced lunch rate. There is a clear cluster of foundations at the low end of the revenue scale with between 20% and 60% of the student population in the district eligible for free or reduced lunch. The graph indicates that the five most successful fundraising foundations in Oregon all have a free and reduced lunch rate below 50%. However, this data does not allow us to make firm conclusions about the relationship in Oregon between income or poverty and a district's fundraising capacity.

Figure 4: Dollars Raised Per Student by Percent of Students Eligible for Free and Reduced Lunch



Within-District Differences

Data provided by the Portland Schools Foundation allows the researcher to analyze data within Oregon's largest urban district revealing some trends that are masked by the aggregated data within the school foundation financial data. The data includes 58 schools at all levels. Because the local education foundations (LEFs) operate distinctly from PTOs, PTAs, and Booster Clubs, the funds raised do not reflect any distinct differences because of athletics, band, or extracurricular activities available at the high school level. LEFs in Portland raise money strictly for personnel through separate fundraising campaigns. Figure 5 illustrates the total net dollars raised by schools within the Portland Public Schools district in 2004-2005. In order to show the range at the lowest levels, the maximum dollar amount on the scale was set to \$100,000, cutting off the three most successful schools. Total dollars raised by Portland School ranges from a loss of \$0.51 to a net of \$390,916. After one third of that is given to the equity fund, schools received between zero dollars and \$366.63 per student to use for school staffing needs.

There are some very stark differences in dollars raised by schools within the Portland Public Schools. Of the 58 schools in the sample, 11 net over \$50,000 to be used for staffing, the equivalent of less than 1 full time equivalent (FTE) teaching position in Portland Public Schools. Three raised over \$100,000. When comparing the final use for these funds, the top school in fundraising per student with an enrollment of about 500 students received about 5 FTEs to be used for positions at the principal's discretion.

Figure 5: Net Dollars Raised by Portland Public Schools LEFs in 2004-2005

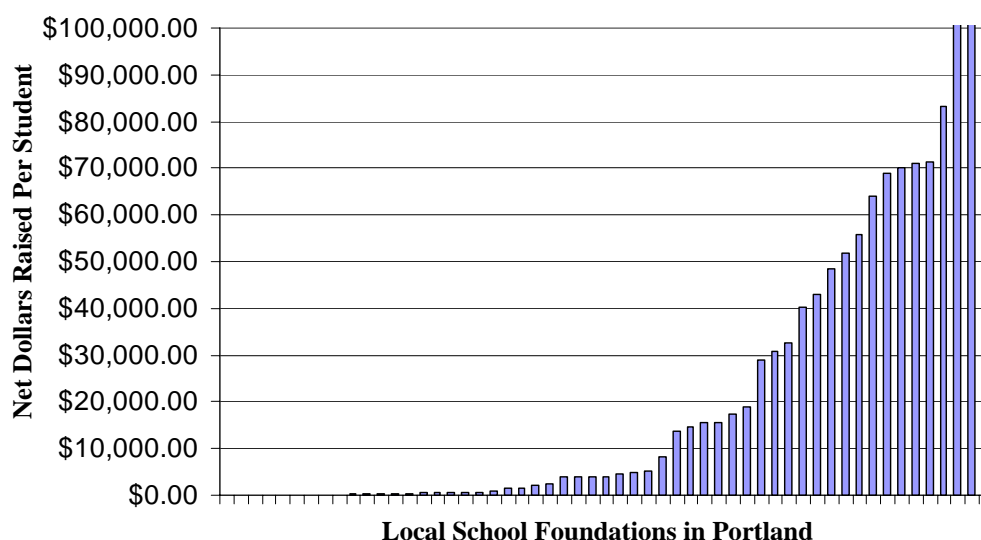
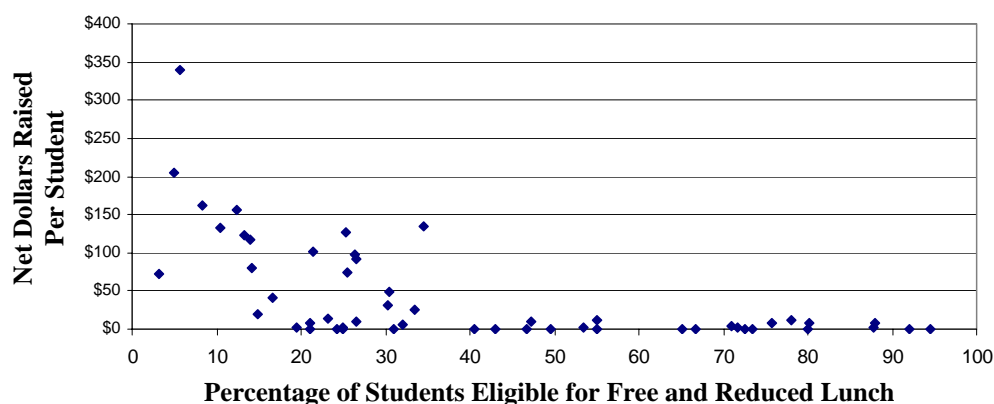


Figure 6 illustrates per pupil net dollars raised in 2004-2005 among schools' local education foundations according to free and reduced lunch rates. Schools that net the highest amount of money are clustered among the lowest levels of students eligible for free and reduced lunch. Schools with a free and reduced lunch rate over 40% are not netting more than \$12 a student while the average is \$88.04 a student. Schools below the 40% rate are netting anywhere from \$0.10 to \$366.63 a student with an average of \$3.16 per student.

Figure 6: Total Dollars Net per Student by LEF's Free and Reduced Lunch Rate in 2004-2005



Overall, the purpose of these foundations is to enhance public education and preserve or restore educational programs, but as the quantitative data from Oregon school foundations and local education foundations show above, stark differences can occur in fundraising. Patterns do appear when the data is analyzed by school or district free and reduced lunch rates. Figure 6 reveals that students in poorer schools do not benefit equally from school foundations, and overall, they are the least likely to raise foundation funds. Data limitations prevent the researcher from drawing firm conclusions about the relationship between free and reduced lunch rates and the level of fundraising, but the findings do indicate a need to further investigate fundraising inequalities among schools and districts. This research combines the quantitative findings with qualitative interviews in the following section to analyze how the above discussion of differences in dollars raised can impact funding inequalities.

Qualitative Findings

In order to provide a richer picture of the context within which fundraising occurs in Oregon, this research also included discussions with Foundation leaders, parent leaders in school foundations, and district and school leaders. Analysis of public records, websites, and newspapers provided information on patterns within districts not included in the interview sample. Conversations and additional qualitative analysis delved into Foundation and district policies on fundraising and giving, policies on expenditures, parent roles, and differences across districts and within districts. The themes that emerged include a shift in fundraising and in types of expenditures, the growing importance of parents, the impact of state, district, and foundation policies, and emerging questions of inequality.

The school districts represented in the qualitative piece of this research were chosen to represent several important aspects of the school foundation movement in Oregon. Portland Public Schools, Oregon's largest and most diverse urban district, is well-known for its progressive foundation. The Portland Schools Foundation (PSF) is unique within Oregon and has some policies that are of particular interest in this study. The Portland Schools Foundation was established in 1995 at the urging of parents and community leaders in response to state budget cuts. Parents from five of the wealthiest neighborhoods approached the school district to request permission to raise private donations for their schools. This immediately concerned some community leaders who realized that school and neighborhood differences would create differences in the ability to fundraise. In response, the School Board created the equity fund which receives one

third of the money each individual education foundation raises above \$5,000. The equity fund is disbursed among schools through several grant programs focusing on student achievement and increasing parent involvement. The equity fund does not allow recipient schools to use those funds for staffing, which remains the primary use for foundation funds raised at each campus. Instead the equity fund is geared toward schools trying to close the achievement gap through new and innovative ideas.

Portland Schools Foundation stands apart from other foundations in Oregon because of its very independent role in the community, apart from the school district. They move beyond solely providing financial support to the school district and serve as a “critical friend,” one who monitors district policies and performance especially in terms of funding equality and student achievement. While they do maintain a relationship with the school district and try to align their funding priorities with priorities of the District, the PSF also maintains autonomy and pursues an agenda that promotes adequate, equal, and transparent education. They have become part of a political movement as well, mobilizing the community to support ballot initiatives increasing funding for Portland and area schools.

The second district represented is called Cascade for the purpose of anonymity in this study. It is also located in a large urban community, but its foundation differs significantly from Portland. Serving a community of about 200,000 residents, this district foundation was established in 1983 by parents trying to prevent the closure of a neighborhood school. It is Oregon’s oldest school foundation but ranks low in overall fundraising. Only in 2004-2005 did the foundation move from an all volunteer staff to

hiring its first executive director. Revenue has grown since that move, but it still has a relatively small revenue base compared to other communities similar in size. In twenty years, the foundation's growth as an organization has matched the growth of the foundation movement. The major fundraising event started as an all-youth fun run with 350 participants its first year to over 3,000 in its most recent. Foundation dollars support classroom grants, district-wide curriculum initiatives, and district professional development.

The Willamette district is located in a community of about 50,000 people with a student population of roughly 7,000. Its per pupil fundraising ranks third in the state of Oregon. Located in a community well known for the value it places on quality education, the foundation was established during the peak growth period of school foundations in Oregon. Community leaders rallied behind schools during funding cuts and pursued private dollars to "save valued educational programs" (School Foundation website). Willamette funds classroom grants, student scholarships, and special projects. This foundation has several endowments and also allows restricted giving, where the donor gives money that is designated for a specific purpose, school, or classroom.

The final district represented in the qualitative interviews is referred to as Valley, serving a rapidly expanding community of about 15,000 residents with a student population of about 2,700. It is located within 20 miles of an urban center in Oregon. Valley is of interest in this research because it shares characteristics with other districts that have chosen to establish school foundations but has not followed suit. The

community is very ethically and economically diverse, and it also includes individuals who commute to professional jobs in the neighboring city.

School Foundations in the Beginning

The school foundation movement has never been considered a way to replace public funding of schools. Foundation mission statements reinforce this idea. For example, the purpose behind one Oregon foundation is, “to increase the range of educational opportunities available to students and to encourage innovation and creativity in our schools.” Parents and community members realize the value of bringing additional funds to schools. It allows them to provide supplemental funds in order to ensure the schools provide the types of education programs they desire for their children. One school foundation website describes it this way, “The founders envisioned the Foundation generating local funds to enhance the quality of public education that school patrons have demanded throughout the city’s history.”

It is clear that many leaders in school foundations see supporting public education, beyond state funding, as an investment in children and community. Website and foundation materials describe education as an “investment in children” or “a cornerstone of our entire community.” They also promote support for education as a community investment in economic development, higher real estate values, and lower crime rates. The solicitation for donations from one foundation includes this quote, “Business support enriches schools and schools enrich the community.”

Communities that prized education and were willing to invest more money through higher property tax rates were the hardest hit by the passage of Measure 5. The

equalization movement meant communities putting more money into schools lost those funds, while those that were less willing to raise funds through additional property taxes gained education funding. One foundation executive pointed out that the communities most willing to invest in education found an alternative to higher property tax rates through school foundations, a tax-deductible investment in their children and community. They are some of the first school districts to establish foundations in Oregon and are also those raising the most money in annual donations.

In some communities the first suggestion for change came from within the school district, either through district leadership or school board leadership. In other communities, the movement was inspired and led by prominent local community members, but in most cases, these individuals worked closely with school district leaders to coordinate the movement together. This early leadership in establishing the foundation also appears to play a significant role in the relationship between foundation and school district. While most school foundations have a close and collaborative relationship with their associated school district, some are considerably more connected and influenced by district leadership.

Shifts in Fundraising and in Types of Expenditures

Cascade, one of the oldest school foundations in Oregon, recently celebrated its 25th anniversary. In the 25 years of school foundations in Oregon, there have been shifts in the ways foundations raise money and the use of those funds. While not all foundations in Oregon have shifted their use of funds, a significant number have moved beyond funding field trips, small teacher grants, and band equipment. In the older, more

established school foundations, trends appear to be moving towards expenses for endowments, staff development, and personnel.

Before foundations parent organizations were the primary source of fundraising, and in many schools, they remain the primary source of fundraising. They have long been the major component of giving and fundraising activities of schools. Still, as their fundraising becomes more sophisticated and much larger in terms of revenue, their mission and chosen expenditures have not changed. These organizations, whose accounting usually remains completely separate from school accounts, often face restrictions from schools and districts on what private donations can fund. The districts in this study all rely on parent organizations, especially at the school level, where they are still extremely important for providing additional resources for classrooms, libraries, field trips, and school activities, but school foundations have become important for much larger fundraising campaigns and initiatives.

School foundations have more formal relationships and agreements with districts to provide a greater level of resources with the purpose of impacting student learning and achievement. They look to district academic goals and objectives to make decisions about their educational support. They also seek input from school district administrators. These close ties take several forms. For example, the director of Willamette's school foundation is a district employee and has an office in the district's central office. In addition, each of the foundations interviewed have some district representation on the foundation board of directors. So while school foundations exist alongside parent organizations, their sophistication and their relationships suggest potential for greater district and school

impacts. Never intended to supplement public funding, school foundations have become an important part of education funding through private assistance.

As foundations grow and their financial situation improves, they are moving towards more targeted and direct giving that focuses on student achievement. The numerous small district foundations in Oregon most often fund teacher grants, scholarships, and special initiatives. Teacher grants range from several hundred dollars to several thousand. They are disbursed through a competitive process and are used for special projects that teachers design to enhance their curriculum. Several of the smallest foundations exist only to fund college scholarships for district seniors, but others also include scholarships as just one of their funding priorities. Special initiatives include anything from rebuilding a school playground to professional development for teachers. Foundations are also creating endowments, a donation that is invested so that the principal grows while its interest is disbursed. These endowments, ranging from very small to very large, are used to fund teaching positions, scholarships, and special programs that vary by district. Foundations raising the largest amount of money are those that have moved beyond small classroom grants to endowments, school-wide grants and personnel. These are examples of foundations that have moved toward providing more money for district operating expenses in addition to supplementing educational programs.

Several school foundations supporting small to medium districts stand out for raising large amounts of money with large per pupil revenues. Most significant is the district with just below six hundred students yet raising over \$1.3 million in 2003-2004. Located in a small, wealthy community in the Portland metropolitan area, this particular

foundation has taken a very unique approach among school foundations in Oregon toward fundraising campaigns. It conducts an annual campaign to “fill the significant gap between available funding from state and local option revenues and the annual operating budget of the district.” The foundation raises approximately 18% of the district’s operating budget and in 2003-2004 funded 16 of 41, or almost 40%, of licensed teaching positions. Its annual campaign, which raised over one million dollars in 2005-2006, provides “suggested giving” levels for families of between \$1,000 and \$3,000 according to the connection with the district. This schedule of suggested giving also includes recommendations of donation levels for households with no children in the district. Although this district is an outlier relative to most other schools foundations (Figures 2 and 3 above), it is significant, and it illustrates what is possible for parents and districts to raise.

The shift in how school districts and foundations use private donations is perhaps best illustrated by Cascade school district. Its long history allows us to see the change over time in fundraising methods and in fundraising capacity. Cascade’s foundation has not drifted far from its roots in fundraising or the programs it funds, but it has grown more sophisticated in donor relations, event planning, marketing, and fund distribution. In the 1980s, one of its first classroom grants provided \$19 to a teacher for film to capture classroom projects. Now, its average classroom grant is \$2000. One of its most recent classroom grants brings Japanese culture to students through hands-on storytelling and art projects designed by the high school students and shared with elementary students.

A new executive director at Cascade has not only helped the foundation to more than double its annual fundraising revenues but has also helped them to align foundations goals and initiatives with the priorities of the district. Rather than fund small, separate and distinct projects, they have shifted to thoughtful and directed giving that spreads the money throughout the district. This is also the result of a close relationship between the Foundation's executive director and district's school board.

As school foundations raise more money and shift their focus to student learning and achievement, the potential for inequality is greater. Previous research finds that wealthier districts and wealthier neighborhoods have more successful foundations. The pattern in Oregon is similar. Grissmer et al. (1997) and Oregon's own Quality Education Commission (2006) both suggest that students receive unequal benefits from educational funding. The additional funds poured into wealthier schools, through public dollars or private donations, have a smaller impact on students in those schools than it would on students in lower income neighborhoods. A state education official discussing this issue agreed that "to some students that extra few dollars means a little, to others it is everything." Lee and Smith (1997) found that small school size is most important for minority and disadvantaged students. In addition to smaller school enrollment, small class sizes also have positive impacts on achievement. The patterns show that lower income students, who perform better in smaller schools and in smaller class sizes, are in schools without the capacity to raise private dollars to lower class size or add additional curriculum specialists in areas such as reading and math. In this case, the donations, made

with the best of intentions by parents, are perpetuating inequality that already exists by continuing to boost the academic achievement of students who are already ahead.

Parent Leadership

One of the most influential components of successful fundraising for schools lies with community members and parents who have a personal interest in raising money for schools. Most foundations within Oregon developed at the urging of parents and community leaders, and parents remain the most loyal supporters of school foundations through the donation of both time and money (Zimmer et al. 2001). This reliance on parent volunteers and community ties immediately places some schools, especially low income, at a disadvantage in fundraising capacity. As Lareau (2003) and others (Wuthnow 1998) point out, lower levels of social and cultural capital among low income parents translates into lower levels of school engagement. It is also likely to contribute to the different levels of fundraising capacity evident in Portland schools, shown in Figure 6 on page 33.

It was clear through interviews with foundation leaders, school leaders, and parents that the initiative of one individual makes a clear difference in the ability of schools to raise significant, or even modest, amounts of money. The individual that sparks the initial idea is not always a parent, but it is most often the parent that moves the idea forward. Parents take on several roles in school foundations, and most often they are volunteer, non-paid positions. At one Portland middle school, a parent leader of the local foundation discussed her role in establishing its presence on campus. All schools in Portland are immediately eligible to start raising funds through PSF's accounts, yet the

middle school her son attended had never attempted to fundraise beyond the local parent organization. She described her situation,

I had never thought of myself in this position, but one day the principal sent out a letter asking parents if they were interested in helping to get the local school foundation started. I would not have done it without the request of the principal, I don't really agree in funding schools this way. Its just that I saw the budget cuts and I felt like the school really needed it.

Principals find parents to be very valuable to the fundraising efforts on their campuses, with or without a formal foundation. In the Willamette district, the foundation holds a few formal events each year, but most of their donations come through campus events. Because the foundation allows for restricted donations, they raise money on campus through the parent organization that is then routed through foundation accounts. The foundation helps campuses with their fundraising campaigns, but parents do most of the work to solicit donations and staff fundraising events. It is a unique approach to account for all private donations to district schools, but it also means that the foundation, with a small staff, can rely on parents at each campus to boost fundraising efforts. Allowing restricted donations to go to their child's campus also motivates parents' self interest.

One principal, in Willamette, described parents as a stable and motivating factor. They can appeal to other parents' desire to improve educational resources while also providing a strong connection to the school that allows for the growth of fundraising from year to year. He said, "We always hope for that one parent who has at least three kids pretty spread out. Then we have them here for at least a decade." Being on a campus over several years, parents can work with seasoned volunteers before taking over a leadership

role. The principal also points out that this “on-the-job training” develops better parent leaders with better skills.

The parent leaders, as well as foundation executive directors, are also important because they provide continuity over time. The foundations in Oregon raising the most amount of money have a paid executive director, but that is not a definitive indication that the executive director increases revenue. It may be the case that as the foundation brings in more revenue, it needs to hire an individual to manage it. However, the director or parent leader maintains connections and important historical perspective that allows for constant evaluation of what works to bring in the most money. In the years they spend fundraising, they develop a keen understanding of the community, of parents, and of the most effective fundraising strategies.

Parents must be extremely motivated and take initiative in order to raise funds. One of Portland’s elementary schools, raising approximately \$355,000 a year, funds 5.5 FTEs. When one FTE is worth approximately \$64,500, only eight of Portland’s schools were able to fund 1 full time teaching position. Several individuals, both parents and district leaders, reiterated that, in the words of one Portland elementary parent, “this takes a lot of time and energy for such a small payoff.” At a Portland middle school, one parent estimated that the time devoted to a school auction could be as much as .75 FTE but raise barely enough to fund the equivalent for a staff member at her child’s school. Parents, however, did not choose to volunteer their time .75 FTE to other efforts that could also impact student achievement. In either case, lower income schools, where parents are the least likely to be engaged because of time constraints and other commitments (Wuthnow

1998), have an immediate disadvantage. Not only can they not put in the large time commitment to raise the dollars, but they also cannot put in the volunteer time.

If parents see such little payoff, where do they get their motivation? Some of it is self interest and a desire to provide additional funding for the child's school, but some find it to be as much of a personal challenge as well. A middle school parent in Portland described it that way.

Sometimes I just want to prove that I can raise that much money. I mean, I want the money so my child benefits, but wow, there is this desire to set out to just prove that I can raise more money this year than last.

The heavy reliance on parent involvement in school fundraising means that those schools and districts with lower levels of parent engagement are less likely to have a school foundation or a LEF. In Valley, school district leaders also pointed to parents as part of the reason they do not currently have a school foundation. While the district has not initiated a call for a foundation, they have not had parents express much interest in establishing one. Almost 40% of the student population is minority, and almost 60% of students qualify for free and reduced lunch. There is a large working-class population, and in many households, both middle class and working class, parents commute to nearby cities for employment. A member of the administrative team suggested that parents might not even know it is an option. One of Valley's school board members opened our discussion with the question "How do we get a school foundation?" The interview started with as many questions for the researcher as for the participant. Even as a school board member with a college degree and professional job, she had no previous knowledge of what other districts were doing or how successful they had been with

fundraising. However, even without a school foundation, campuses in Valley do rely on parent organizations and are able to supplement some district funding with private donations. Valley's school board member and district leaders indicated that private donations provide principals with a significant portion of the discretionary funds in their budget, the funds that allow them the most flexibility to be innovative and diverse in curricular options.

Fundraising Equality

Most of the district and foundation leaders participating in this study recognized the discrepancies in fundraising between districts and between schools. Some districts, like Portland, have taken steps to address the differences within neighborhoods while others have pointed to relatively small per pupil differences to write off any questions of inequality. School district and foundation policies can impact the ability of schools or the foundation to raise and equally allocate funds.

Willamette raises a relatively large amount of money each year per pupil, but some of the district and foundation policies leave some neighborhood schools at a disadvantage. The district allows some level of choice, where parents can request that their children attend a particular school. One principal describes the result as a "popularity contest." He says,

It becomes a situation where parents want to send their children to the schools that have the resources to provide more, but what happens is that the parents with the resources to contribute take those resources to the schools that are already raising large amounts of money.

In addition, Willamette is one of the district foundations that allows restricted or earmarked donations. These donations are made with the understanding that they will go

to a particular campus, teacher, or program. While it allows community members to donate money for specific programs of interest and ensure that the district provides things such as art or music, it also allows parents to write a check for several hundred dollars for a specific classroom. Parents, who see their donation as an investment in their child's education, want their money to benefit their children. In some districts parents have offered to 'purchase' a specific class or program within a school. Such policies contribute to the differences between schools, but in some cases it also means that the disparities sometimes reach the classroom or program level. One district that passed a policy to end restricted donations did so because, in the words of their executive director, "We are very careful not to pit the schools... We operate as a whole."

Fundraising that is handled on a school to school basis leaves schools in competition with each other when it comes to seeking community support and donations. In Portland, middle school parents describe approaching neighborhood businesses who have already been asked to contribute to the auction for the elementary school and the high school. While almost always supportive, businesses receive multiple requests, and schools worry about being the first, not the last, to request support. In Willamette, its also about finding creative ways to fundraise while not stepping on the toes of another school. A principal at an elementary school pointed to the example of one of the wealthiest schools auctioning off student art work in a local, upscale restaurant. "We want to try something like that, but they [referring to another district school] already do."

Parents too have thoughts about inequality in fundraising, but for foundation, district, and school representatives, along with parents, opinions of inequality are

influenced by position and the level of fundraising. When approached about differences in fundraising, some parents and school leaders are often quick to point out that higher income schools do not receive some federal and state funds that are available to low income, high poverty schools.

In 1965, in the midst of President Johnson's War on Poverty, the U.S. Department of Education began disbursing funds to states for low income schools through Title I of the Elementary and Secondary Education Act. Title I legislation includes two provisions that are meant to ensure that funds are used to ensure that higher poverty, lower income schools receive an extra level of services beyond an already equitable distribution of services within the district. The comparability provision requires that districts provide an equal level of services with state and local funds. Title I funds are then to be disbursed to eligible schools to supplement, not supplant, state and local funds. There are also very specific provisions for Title I funds that restrict them to academic programs in math and reading. These funds have been a significant source of income for low income schools during the last forty years, but schools have little discretion over how they are used (Roza, Miller and Hill 2005).

In my discussions with parents and school leaders, multiple individuals suggested that Title I funds are significant enough at some schools to account for discrepancies in fundraising capacity. A school board member in Cascade describes the situation as this, "These schools sometimes get more money than they can spend. Even if they can't raise additional funds, they are receiving them through grants that schools in more affluent neighborhoods are never eligible for." This attitude is well documented by researchers

who have found many school leaders and parents convinced that low income schools receive too much money (Roza, Miller and Hill 2005).

This appears to be a common misunderstanding of federal funding for schools. State officials are quick to point out that Title I funds are directed at schools to address issues of poverty and low student achievement. A state official working with Title I policies at the state level and previously at the district level recognizes the misunderstanding but says,

These funds will never be able to make up for the difference in a low income school's inability to raise as much money as others. These funds are not allowed to be used outside of very specific purposes. They are intended to make up for the learning gaps that already exist between more affluent schools and low income schools.

Schools vary widely in how much parent input is involved in the allocation of private donations. At most campuses, leaders found that parents responsible for raising a portion of a school's operating budget expect to be informed about exactly how that money is allocated within the budget. Campus leadership will often request parent input on which positions or programs are a priority. Principals at several of the Portland schools in the qualitative sample send out annual surveys requesting parent input on preferences for allocation of funds. Parental preferences are not always followed if they do not align with academic goals and priorities, but many principals make a concerted effort to obtain and follow parental input.

This parent input does at times create conflict between principals and parents, especially when parental wishes are not followed. An elementary parent in Portland

explained it as an academic decision that parents should not be involved in. Publicizing the exact positions puts both principals and teachers in a precarious situation.

Our school foundation chooses not to exert any influence with the principal. Part of that is her preference but we also understand that the principal knows what the school needs. Plus then teachers do not feel vulnerable because their position is paid for through grant funds.

On other Portland campuses, where the principal does indicate where foundation funds are spent, parents raise objections to the allocation of funds. A middle school parent explained a recent battle over funded positions. She describes the transparent budgeting as informative but vague. Principals find themselves using district appropriations of FTEs for higher salaries and foundation funds for lower salaried staff members. Last year, as parents found out that some of the funds went to a support position rather than a teacher, parents raised concerns about where their money is appropriated.

One primary difference between Title I funds and those funds raised through private sources is the discretion schools have in how to use the money. Because Title I funds have very specific uses, parents have little input on where that money goes. When parents help bring in private donations, they have begun to expect some influence in the use of those funds. One Foundation representative in Willamette said of the differences between Title I and non Title I funds,

One thing we see is that parents in these schools raising a lot of money play a very influential role in how that money is spent. The additional funds from Title I at low income schools are already directed to specific things. We see a different culture of parent engagement in these schools because they have less input in how to allocate funds.

Research shows that low income parents are less likely to volunteer with schools (McBride 2006, Lareau 1987) and more likely to defer educational decisions to principals

and teachers (Lareau 1994). Middle class parents have stronger ties to school leadership and are active in school activities and decision making (Lareau 1987). The already lower involvement of low income parents is not increased then in the budgeting process for those schools receiving more Title I funds than private donations.

Moving Toward Fundraising Equality

The fundraising gap that exists between districts and between schools is clearly evident to most individuals, as evidenced in interviews and some documentation. While recognizing the differences, strategies to address the gap differ. Some foundations, like Cascade, are choosing a more systematic, directed giving strategy that no longer helps individual schools. Instead Cascade funds programs district-wide without consciously intending to address equity but clearly redirecting funds from projects that would help only a class of 30 to a program that will indirectly improve education for students in an entire school or district. Some examples include reading, math, and science initiatives, district-wide professional development, and curriculum development.

Willamette is an example of a district choosing a strategy of empowerment by giving schools and parents the tools to raise money. A foundation leader likened it to teaching a man to fish. Within the sociological perspective, this approach is also about building social and cultural capital in lower income schools whereby the parents are given the tools to build a successful fundraising campaign. By providing parents and campus leaders the tools to improve fundraising capacity, the foundation improves one school without taking money from another. Networks for foundations have proven successful in Portland where the Foundation convenes a network of individual school

foundation leaders to share ideas and resources. This is where new leaders obtain successful strategies for fundraising success. One parent and her school foundation benefited in the beginning from the network. “I got brochures, forms, and tips. I didn’t have to start from scratch. We would not be where we are in just two years without that.” For parents new to the fundraising scene, connections with other foundation leaders initiate them into their new role and build social capital through networking. Representatives from low income schools can tap into an already existing network of fundraisers that opens doors to the personal connections that are so important in building fundraising capacity.

Most notable among strategies to build equality is that of the Portland Schools Foundation. They have been the model in both Oregon and across the country for foundations looking to address inequalities in fundraising between district schools. In the early 1990s, after Measure 5 caused numerous budget cuts and the loss of educational programs, parent threats to pull students out of public schools gave them leverage in their fight to supplement public funds with private dollars. “If the district had refused parents this option, they would have lost a lot of upper income, white families to private schools” said a leader in the Portland Schools Foundation movement. District and community leaders were well aware of the potential for fundraising disparities among schools, and the Equity Fund was established to address those concerns. This is another example of how cultural capital and knowledge of the institutional structures gives some families and neighborhoods an advantage. Not only can upper income families afford to remove their children from public schools and pay private school tuition, they are aware of how to use

this threat as leverage. Allowing wealthier communities to fundraise for schools kept upper income families in public schools. These neighborhoods could ensure that their local schools maintained some of the academic programs expected by these parents. At the same time, the compromise with the school board creating the equity funds ensured that low income schools could benefit from the community support for education.

Discussions with parents leading fundraising efforts at Portland schools revealed some surprising insights from parents about the existence of inequalities in fundraising. While they recognize that inequalities exist between schools, parents had not really thought about it unless they were involved in some of the outreach efforts of the Portland Schools Foundation. Newspaper articles and discussions with foundations leaders left an impression that at times many parents have been opposed to giving a third of their money to an equity fund. However, parents indicated that they and most of the individuals they work with in fundraising do not object to the Equity Fund. A middle school parent in Portland said that she heard few complaints about giving up a third of their donations, but she did recognize that opinions vary by individual. Some parents, she said, probably did not realize that it is happening, and she pointed out that “you probably hear more complaints from elementary parents who are just encountering equity in this way for the first time. By the time parents reach middle school, we have become used to giving away that one third.”

A parent of elementary children and a leader at one of Portland’s most successful school foundations clearly recognizes objections to the equity fund really depend on how much money is given and how much is left over. As a school foundation that raises well

over \$100,000 a year, they also give in excess of \$30,000 to Portland's Equity Fund, but they still have enough remaining to fund more than one full time teaching position.

"I think this is an issue more for those schools that aren't raising a lot of money. For a school raising \$60,000 a year, giving \$20,000 to the equity fund seems like a lot. Taking a third of our money still leaves us with a significant amount of money."

The Equity Fund receives one third of revenue above \$5,000 with the remaining two thirds used for campus priorities such as staffing, extended day, and 'educational enhancements.' In addition, grants from the Portland Schools Foundation will not pay for staffing even though they come through fundraising drives where the primary purpose is to raise money for personnel. While this does seem like a double standard or a failure to allow some schools to benefit from additional personnel funds, a survey of school administrators, conducted by the Portland Schools Foundation, revealed that principals valued extra innovative and discretionary funds. The funds are disbursed through a grant process for programs directed at closing the achievement gap between white and minority and low income students. They are also available to schools that are raising funds through their school foundation.

While the grant program is well-intentioned, the researcher heard several common criticisms of the process Portland Schools Foundation uses to redistribute the equity fund. The primary issue that arises is the grant process schools go through to access the equity funds. People, in general, support the purpose of the fund and were always quick to point to the good that it does in the small grants, but requiring low income and low resource schools to compete for grant funds adds another obstacle to obtaining private dollars. One

parent, who applied for a New Vision grant from the equity fund, summed up the point many had.

I have a Masters degree in education and applying for that grant wasn't even easy for me. I spent a lot of time preparing it and talking to people at the foundation about what they were looking for. I don't see how a school without the parents or staff with the resources or the time would be able to go through that process.

The Portland Schools Foundation does attempt to help schools who are applying for these grants by connecting them with district or pro bono grant writers, but the grants must clarify new, innovative ideas that will impact student achievement. One Foundation official pointed out that the grant process helps to ensure that funds are used effectively and go to the projects with the most potential. This allows them to target specific goals and special initiatives while maximizing their value. For example, most recently grants targeted collaborative projects between teachers and schools that demonstrate future sustainability through the sharing of ideas, methods, and information.

Portland's system does not create perfect equality in fundraising, but most leaders recognize that perfect equality is not possible, nor is it the ultimate goal. Foundation and school leaders must balance the needs of high income and low income students, while also maintaining parents' self interest in giving. A parent at one of Portland's most successful fundraising campuses spoke in depth about the loss in educational options since she was a student in Portland Public Schools. Despite recent fundraising successes, over \$200,000 at a single school auction, the school lost its reading specialist. She described the loss as "devastating to students." She also points out that "When you lose things, it always hurts no matter what school you are in."

Middle class parents maintain some power over the ability to fundraise in several ways. Not only will they always be able to threaten to pull their children out of public schools and send them to better funded private schools with more resources, better offerings, and increased opportunities, but they will also remain the biggest resource schools have in securing private donations. An elementary school parent responded,

If you took all of the funds that a school raised and distributed it equally among Portland schools, you would not find the parent initiative there to raise those funds. Parents put a lot of time and effort into fundraising, and there is no incentive to raise it if it doesn't all go to their child's school.

In addition, distributing the equity fund across the schools equally would leave very little money for those individual schools. Using it for a few teaching positions also depletes the equity fund quickly. The grant process allows the Foundation to make strategic decisions about fundraising to ensure that the equity funds have the biggest possible impact.

Portland has found an equation that works within their community. Despite objections in the beginning and moderate grumblings now, most people accept giving at least part of their money away especially when there is full disclosure on how that money is spent. Another parent says, "The equity fund, for some people, makes foundation giving more palatable. If we can attempt to make up for some disparities in giving, we can sort of accept the inequality. It never takes care of it completely, but we are doing something."

Discussion and Implications

Schools turn to communities and private donations for supplementing programs, avoiding cuts, and providing additional options at a time of decreasing discretionary funding and increasing budget instability. In a recent column in a school newsletter, titled “I Hate Fund Raising!,” a Willamette principal commented on the dilemma facing schools and parents. Despite dread for the time, effort, and constant barrage of donation requests that go into fundraising, there is a need for private dollars. The principal says they make up for the “little room for creativity or flexibility, and [lack of] funds for the kinds of enrichments and additional staff parents say they want.”

Private donations have long been a part of public education, but only in the last several decades have they started to become an important part of school operating budgets. They remain relatively small in proportion to the overall school budget (Greene 2005, Hess 2005), but as district operating funds become less discretionary and directed at more significant expenditures, questions are reemerging about funding inequality.

Wealthier districts appear to have an advantage when they raise millions of dollars and can fund forty percent of their teaching staff, but on the whole do school foundations undermine state attempts to equalize funding? At first glance, the answer appears to be no, but further analysis of the issue reveals that there are reemerging inequalities between districts and between schools within districts. The average foundation in Oregon raised approximately \$65 per student in 2003-2004, but that average hides the real distinction that exists between districts. Though the average is small and appears minor, the extremes, where one district can raise \$2,400 per student

and another zero, suggest that capacity for fundraising is widely different and circumvents some state efforts at equalizing per pupil funding. The resources provided by that \$2,400 a student provides smaller class sizes and additional curricular options, but what is missing in the school without?

Research suggests that additional educational resources, especially those extra opportunities provided through foundation funds, can improve educational outcomes. Grissmer et al. (1997) and Oregon's Quality Education Model (2006) both suggest that increasing resources for low income students has a disproportionately higher impact on educational achievement than increasing revenues for higher income students. Higher income schools are moving toward funding teaching positions to lower class size. This is a strategy supported by educational research finding that smaller class sizes positively impact student achievement, especially for low income and minority students (Lee and Smith 1997). Therefore, this move in higher income schools toward funding teaching positions to lower class size could potentially impact student achievement in those districts able to do so. Low income districts without those additional funds for class size reduction maintain larger class sizes for students with greater educational need.

The failure to raise significant amounts of private donations is also a reflection of lower levels of parental engagement. Educators have for many years focused on increasing parental involvement in schools for its links to student achievement (Eccles 1996, Epstein and Lee 1995, Dauber and Epstein 1993, Lareau 1987), but this study also clearly points to parental involvement as key to fundraising capacity. This main ingredient is missing for many low income schools where individuals are less likely to

volunteer in their community (Wuthnow 1998). McBride (2006) attributes low participation among low income individuals to barriers including daycare and transportation. More commitments among low income individuals also interfere with the ability to volunteer their time. The commitments often include multiple jobs and family commitments. McBride's research also finds parents of school age children are the most likely to volunteer in schools for educational activities or a parent organization.

This paper highlights parents as the drivers of this movement to raise private money to assist public schools, and wealthier parents appear to have an advantage. Those in higher income neighborhoods, in addition to fewer practical barriers, have more resources that contribute to the effort to successfully raise funds. In addition to overall higher education and financial resources, they are part of social networks that they can tap into for resources whether that be requests for in-kind or monetary donations. Many of them, from their positions within the community and private sector, bring experience in leadership, management, and fundraising. They understand the process for pursuing business donations and grant applications. According to Lareau (1987), "the level of parental involvement is linked to the class position of the parents and to the social and cultural resources that social class yields in American society." Lower income schools in Portland are raising less money than their wealthier counterparts. Parents in wealthier neighborhoods bring a set of cultural competencies with them that contributes to their capacity to raise funds, and for parents in lower income neighborhoods, lack of those social and cultural resources along with barriers and time commitments, there are many potential negative influences on their ability to bring in large amounts of money.

Some of the most important cultural capital that upper income families bring is an understanding of community and the power of networking. Take for example, Portland's five neighborhoods that approached the school board in 1994 with a request to raise money. Those parents understood the power of banding together as a group, not only to make the request but also to threaten the loss of a large number of wealthy, urban families to private schools. They had the political and social understanding of the process to pursue their goal of quality education and higher levels of funding. Portland's minority leaders were able to balance their requests, but in communities with smaller numbers of minority leaders to represent the interests of the disenfranchised, who is going to ensure that low-income and minority interests are considered in fundraising decisions that could potentially contribute to increasing funding inequalities?

Cultural capital theory also explains the minor flaws in Portland's Equity Fund. By requiring schools to apply for funds through a grant process, they are creating additional institutional barriers to accessing private dollars. A competitive grant process places low income, high minority schools at a disadvantage, especially as they compete with some middle income schools with more staff and parental resources. Schools primarily rely on teaching staff or parent volunteers to write those grant applications. Yet these resource-challenged schools have teachers with demanding students and little time, and parents with little time and lower levels of cultural capital. It reflects back to the parent leader at the middle school who, even as an individual with a Master's degree, felt challenged by the grant process.

The intent of this study was to compile and analyze data that may be used to raise awareness among school district officials, state education officials, policy makers, and also parents. As members of a larger community, it is important to consider the educational opportunities for students beyond a single school or district. Sociological theory helps us to reframe the debate over economic equality to one that centers on the educational opportunities and resources available to students. It is not enough to look at low levels of per pupil revenue and write off the potential inequalities. In addition, the sociological arguments for cultural and social capital help us to develop some strategies for addressing lower capacity in low income neighborhoods.

Policy Implications and Future Research

There are several state and local policy implications resulting from this study. The tendency for communities and schools to turn to alternative sources of revenue points to a failure in the funding of education. To some extent parents will always raise funds for schools, but as several people pointed out, parents are putting in a lot of time for a little payoff. Many would prefer to fund schools publicly, through official channels that equalize and stabilize funding. In addition, parents who are spending the equivalent to a .75 FTE could spend that time in the classroom working with students, rather than raising money that in reality may not cover that full .75 FTE.

Oregon has several local options available for raising education funds. Local bonds, the local option income tax, and the local option property tax provide a means for raising additional public funds for schools. In many communities, these local tax options will raise significantly more money than what they can raise from private donations.

Reliance on these types of funds would take away school and district discretion, but they do provide a way for districts to raise public dollars for schools and spread the economic benefit to all schools without reliance on parents and volunteers. It does not eliminate private donations to public schools. They will likely continue, but it could raise additional education funds to provide academic resources to all schools, also benefiting those that are less successful at fundraising.

It is important to note that a reliance on local tax options would not eliminate, but may increase, inequality among districts. Rubenstein and Freeman (2002) conclude that allowing communities to levy local taxes may increase inequalities as tax bases and tax rates differ. In 2003, Multnomah County passed the local option income tax (iTax) which levied at 1.25% tax on the income of county residents. It raised approximately \$128 million a year for three years to be spent primarily on schools. It provided about 10-12% of district operating expenses for some of the school districts in Multnomah County. With the iTax, school districts were able to maintain a full academic year, fund teaching positions that were in jeopardy, and maintain academic services and extracurricular activities (SEAC 2004). The local, discretionary nature of the property tax sparked the funding litigation movement because communities could raise varying amounts of money through higher property taxes or by simply having a higher property tax base. Oregon does restrict the amount of money communities can raise from the local option property tax to the lower of \$750 per student in a weighted formula or 15% of district revenue from the state funding formula (Legislative Revenue Office 2004). However, the use of

these options are dependent upon voter approval. They will be more popular in communities valuing education and willing to raise taxes to fund schools.

The availability of private donations increases as fundraising campaigns get bigger and more sophisticated; however, few people truly understand the scope and the size of the private donations going in to public schools. This researcher, and others, encountered varying accounting practices that did not account for all private donations supplementing public education. These come from school foundations, parent organizations, booster clubs, grants and corporate donations. It will remain difficult to assess the impact of private funds in public schools until there is uniform and accurate accounting of donations.

This study highlights the need for states and districts to begin collecting and reporting a true and reliable accounting of private donations to schools. This accounting should include private monetary donations to schools, foundations, booster clubs, and PTOs. It is extremely difficult to account for the in-kind contributions to schools for things such as equipment and volunteer time, but such contributions do need to be recognized for their role in providing educational resources and opportunity. For those schools unable to raise private dollars, volunteer time may be just as valuable. An accurate accounting of donations and in-kind contributions will allow researchers and state education agencies to analyze funding patterns and true per-pupil expenditures across districts.

School districts and their foundation boards must also critically examine district level policies regarding the use of private donations. Strategic and systematic decisions

can minimize across district inequalities in fundraising. Placing some restrictions on specific purposes, such as salaries, may equalize educational opportunities. Instead, depositing donations for personnel into a larger pot of money to be used for class size reduction initiatives and/or arts and physical education program would allow schools unable to raise enough money the ability to support extra teachers. Other more equitable distribution options include professional development programs that maximize the benefit district-wide.

Jonathan Kozol (2005) argues that school foundations “enable parents of the middle class and upper middle class to claim allegiance to the general idea of public schools while making sure their children do not suffer gravely for the stripped-down budgets that have done great damage to poor children” (pg. 49). While there are many parents out there seeking to benefit from a private education in public schools, it is important to recognize that for the most part all of the players in the foundation movement, from parents and community members to school and district leaders, are well-intentioned in their efforts to bring additional and supplemental resources to public education. One cannot fault a parent or individual for wanting to improve the quality of education for their own children, and that is why this is a difficult issue to tackle.

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Appendices

Appendix A: Interview Questions

History of the Foundation

- When and why was the foundation created?
- Was the founding of the foundation initiated by parents or the district?
- Were there any concerns about creating a school foundation?

Questions for districts without a school foundation:

- Has the District considered creating a school foundation?
- Are there any reasons the District has not created a foundation before now?

Relationship between the Foundation and District

- How is fundraising handled at individual campuses? Does the foundation have any role in those fundraising efforts?
- Does the foundation have a relationship with local PTO/PTAs?
- How does the district handle PTO/PTA funds?
- Who makes the decisions on funding priorities and projects for privately donated funds?
- Approximately how much money does the foundation raise each year?

Equity and Equality

- What does the Foundation and/or District consider when allocating private donations among campuses?
- Is there a process in place for schools to apply for funds that are not designated to a specific campus or program?
- Is there independent collaboration among individual schools where one shares funds with another? How do those relationships develop?

Appendix B: 2003-2004 Dollars Raised and Spent by Local Foundations in Oregon

	Enrollment (2003-2004)	Total Dollars Raised (2003-2004)	Foundation Revenues Per Pupil	Foundation Spending Per Pupil
1	8446	\$108,178	\$12.81	\$4.27
2	3040	\$249,445	\$82.05	\$90.15
3	35333	\$320,441	\$9.07	\$9.74
4	13940	\$58,836	\$4.22	\$4.75
5	5254	\$24,244	\$4.61	\$6.90
6	7063	\$830,644	\$117.60	\$110.74
7	9256	\$34,544	\$3.73	\$6.43
8	18476	\$606,581	\$32.83	\$32.31
9	5798	\$43,020	\$7.42	\$5.62
10	2212	\$24,415	\$11.04	\$7.60
11	11845	\$61,108	\$5.16	\$12.54
12	4413	\$18,147	\$4.11	\$3.08
13	18951	\$82,481	\$4.35	\$4.47
14	3945	\$102,090	\$25.88	\$9.29
15	6956	\$1,302,631	\$187.27	\$240.59
16	5741	\$18,661	\$3.25	\$4.45
17	12853	\$71,172	\$5.54	\$1.41
18	2801	\$22,856	\$8.16	\$3.91
19	419	\$5,842	\$13.94	\$39.12
20	5012	\$41,599	\$8.30	\$3.65
21	2456	\$89,983	\$36.64	\$32.90
22	3664	\$28,036	\$7.65	\$6.04
23	2899	\$49,343	\$17.02	\$4.83
24	1081	\$77,757	\$71.93	\$68.78
25	48344	\$4,930,395	\$101.99	\$98.16
26	10447	\$12,599	\$1.21	\$0.84
27	555	\$1,329,589	\$2,395.66	\$1,134.89
28	37877	\$54,814	\$1.45	\$1.38
29	3386	\$79,930	\$23.61	\$21.99
30	11038	\$13,021	\$1.18	\$8.47
31	11909	\$131,223	\$11.02	\$9.69
32	279	\$7,382	\$26.46	\$41.46
33	7934	\$64,302	\$8.10	\$14.27

Appendix C: 2004-2005 Dollars Raised and Spent by Portland LEFs

	Enrollment (2004-2005)	Dollars Raised (2004-2005)	One Third for Equity Fund	Dollars Net (2004-2005)	Dollars Raised Per Student (2004-2005)	Dollars Net Per Student (2004-2005)
1	203	\$5,339.20	\$113.07	\$5,226.13	\$26.30	\$25.74
2	499	\$271,918.89	\$88,972.96	\$182,945.93	\$544.93	\$366.63
3	630	\$122,339.70	\$39,113.23	\$83,226.47	\$194.19	\$132.11
4	332	\$240.00	0	\$240.00	\$0.72	\$0.72
5	287	\$249.96	0	\$249.96	\$0.87	\$0.87
6	553	\$5,000.00	0	\$5,000.00	\$9.04	\$9.04
7	419	-\$0.51	0	\$0	\$0.00	\$0.00
8	542	\$386.18	0	\$386.18	\$0.71	\$0.71
9	1500	\$579.77	0	\$579.77	\$0.39	\$0.39
10	450	\$102,793.06	\$32,597.69	\$70,195.37	\$228.43	\$155.99
11	529	\$70,331.83	\$21,777.28	\$48,554.55	\$132.95	\$91.79
12	255	\$26,035.50	\$7,011.83	\$19,023.67	\$102.10	\$74.60
13	414	\$57,814.25	\$17,604.75	\$40,209.50	\$139.65	\$97.12
14	234	\$423.96	0	\$423.96	\$1.81	\$1.81
15	339	\$2,460.00	0	\$2,460.00	\$7.26	\$7.26
16	1330	\$23,523.79	\$6,174.60	\$17,349.19	\$17.69	\$13.04
17	442	\$75,350.00	\$23,450.00	\$51,900.00	\$170.48	\$117.42
18	199	\$9,745.00	\$1,581.67	\$8,163.33	\$48.97	\$41.02
19	232	\$231.34	0	\$231.34	\$1.00	\$1.00
20	269	\$1,000.00	0	\$1,000.00	\$3.72	\$3.72
21	582	\$1,519.94	0	\$1,519.94	\$2.61	\$2.61
22	456	\$46,619.62	\$13,873.21	\$32,746.41	\$102.24	\$71.81
23	1546	\$100.00	0	\$100.00	\$0.06	\$0.06
24	473	\$4,000.00	0	\$4,000.00	\$8.46	\$8.46
25	442	\$81,192.70	\$25,397.57	\$55,795.13	\$183.69	\$126.23
26	1848	\$20,658.23	\$5,219.41	\$15,438.82	\$11.18	\$8.35
27	320	\$58.50	0	\$58.50	\$0.18	\$0.18
28	353	\$2,176.00	0	\$2,176.00	\$6.16	\$6.16
29	211	\$104,726.04	\$33,242.01	\$71,484.03	\$496.33	\$338.79

Appendix C Cont.

	Enrollment (2004-2005)	Dollars Raised (2004-2005)	One Third for Equity Fund	Dollars Net (2004-2005)	Dollars Raised Per Student (2004-2005)	Dollars Net Per Student (2004-2005)
30	405	\$4,702.72	0.00	\$4,702.72	\$11.61	\$11.61
31	255	\$144.34	0.00	\$144.34	\$0.57	\$0.57
32	473	\$93,500.00	\$29,500.00	\$64,000.00	\$197.67	\$135.31
33	773	\$1,456.37	0.00	\$1,456.37	\$1.88	\$1.88
34	481	\$4,000.00	0.00	\$4,000.00	\$8.32	\$8.32
35	678	\$2,198.21	0.00	\$2,198.21	\$3.24	\$3.24
36	525	\$192.80	0.00	\$192.80	\$0.37	\$0.37
37	558	\$101,040.46	\$32,013.49	\$69,026.97	\$181.08	\$123.70
38	1444	\$390,916.44	\$128,638.81	\$262,277.63	\$270.72	\$181.63
39	299	\$19,337.57	\$4,779.19	\$14,558.38	\$64.67	\$48.69
40	1063	\$579.75	0.00	\$579.75	\$0.55	\$0.55
41	285	\$40,929.80	\$11,976.60	\$28,953.20	\$143.61	\$101.59
42	349	\$500.87	0.00	\$500.87	\$1.44	\$1.44
43	439	\$48.22	0.00	\$48.22	\$0.11	\$0.11
44	695	\$618.82	0.00	\$618.82	\$0.89	\$0.89
45	393	\$3,916.15	0.00	\$3,916.15	\$9.96	\$9.96
46	266	\$61,887.65	\$18,962.55	\$42,925.10	\$232.66	\$161.37
47	777	\$772.62	0.00	\$772.62	\$0.99	\$0.99
48	433	\$17,912.30	\$4,304.10	\$13,608.20	\$41.37	\$31.43
49	413	-\$50.79	0.00	-\$50.79	-\$0.12	-\$0.12
50	603	\$57.86	0.00	\$57.86	\$0.10	\$0.10
51	338	\$4,000.00	0.00	\$4,000.00	\$11.83	\$11.83
52	197	\$21,013.27	\$5,337.76	\$15,675.51	\$106.67	\$79.57
53	219	\$24.11	0.00	\$24.11	\$0.11	\$0.11
54	348	\$104,231.59	\$33,077.20	\$71,154.39	\$299.52	\$204.47
55	386	\$621.31	0.00	\$621.31	\$1.61	\$1.61
56	884	\$176,593.39	\$57,197.80	\$119,395.59	\$199.77	\$135.06
57	1531	\$43,489.04	\$12,829.68	\$30,659.36	\$28.41	\$20.03
58	409	\$20.00	0.00	\$20.00	\$0.05	\$0.05

