

Public Goods, Private Money:
The Role of Private Contributions in Public School Districts

By
Lucas Salzman

Dr. Marc Meredith, Advisor

A thesis submitted in partial fulfillment
Of the requirement for the
Degree of Bachelor of Arts
In Political Science with Distinction

University of Pennsylvania
Philadelphia, PA

March 31, 2014

Abstract

In 1983, *A Nation at Risk* warned America of a major problem affecting its future—the declining quality of its public education system. Over the years that followed, education reform predominantly focused on fixing the system to provide quality education for all students. A number of school district initiated public policy reforms, such as mayoral control, that many thought would improve educational quality. Some school districts also increasingly rely on donations from private organization to help fund failing schools. This study identifies a number of factors that help explain this variation in the amount of philanthropic funding received by school districts. I find that districts with mayoral control raise substantially more private funds than districts with traditional elected school boards. The level of wealth in a district also has a significant effect on the amount of private revenue per student. Interviews with district officials also revealed that districts with a strong vision coupled with competent leadership and efficient processes are more successful in these fundraising efforts. The presence of philanthropy has been solidified in the education sector, as districts move towards obtaining private money to continue providing a public good. Inherent in this shift is the emergence of new actors and stakeholders invested in the educational outcomes of American schools.

Table of Contents

I. Introduction	4
II. An Overview of Education Reform	7
III. Philanthropy In Education	9
IV. Mayoral Control	15
V. Union Strength	18
VI. School Finances.....	21
VII. Hypotheses	23
VIII. Santa Ana Unified School District Methods	30
IX. Findings from Santa Ana	33
X. National Sample- Quantitative Analysis	39
XI. National Sample Results	45
XII. Interview Methods	51
XIII. Interview Results	55
XIV. Additional Interview Findings.....	62
XV. Connection to Public Administration.....	76
XVI. California Methods.....	82
XVII. California Findings	85
XVII. Conclusion.....	88
Acknowledgements	93
Appendices.....	94
Works Cited.....	103

I. Introduction

New York City Department of Education won the Broad Prize for Urban Education. This \$1 million prize, given annually to a school district by the Broad Foundation, is awarded to an urban school district that makes tremendous advances in educational achievement for its students.¹ Despite challenging conditions and a large disadvantaged student population, some districts have made great strides in closing the achievement gap. The Broad Foundation utilizes this flagship grant to recognize districts for being models for what is attainable.

The Broad Foundation, in touting the accomplishments of New York City, remarks how from 2003-2006, “New York showed greater improvement than other districts in New York state serving students with similar income levels in reading and math at all grade levels.”² The results in New York were great, indicating that the policies and practices in the district had translated into positive outcomes. New York had stiff competition for this prize. Long Beach Unified, Miami-Dade County Public Schools, Bridgeport Public Schools, and Northside Independent were also named finalists.³ Similar to New York, students in these districts had great academic achievement gains in math and reading as well.

Why did New York win over all others? What did the Broad Foundation see in New York that it did not see in the other four? Bloomberg joked in his acceptance speech that he had only a small part in this. He remarks, “I made a couple of good decisions. I picked Dennis Walcott as the deputy mayor and then Joel Klein as our chancellor.”⁴ Herein may lay the answer – the mayoral control of the New York City Department of Education. An elected school board

¹ “The 2007 Broad Prize for Urban Education,” The Broad Prize for Urban Education, accessed March 24, 2014, <http://www.broadprize.org/asset/TBP2007Brochure.pdf>

²² “The 2007 Broad Prize for Urban Education: Announcement of the Winner Celebratory Luncheon and Keynote Address,” The Broad Prize for Urban Education, <http://www.broadprize.org/asset/TBP2007Brochure.pdf>

³ Ibid.

⁴ Ibid.

governs the remaining four districts, whereas a mayorally appointed leader leads New York's Department of Education. Perhaps Mayor Bloomberg's involvement in the school system was a factor in the Broad Foundation's decision to award the prize.

A number of cities shifted control of schools from school boards to mayors to help and improve educational outcomes in failing school systems. Early adopters included Boston and Chicago, making the switch in governance in the early 1990s.⁵ Over the course of the next decade, other large cities followed suit. Bloomberg, commenting on his mayoral control, remarked "[The State Senate] preserved a system of clear accountability for our schools that has produced clear and dramatic results from our students." Across cities implementing these change, similar positive rhetoric exists.

Over this same time span, there has been a heavy increase in the presence of large foundations entering the K-12 public education landscape. In addition to the Broad Prize, other major foundations have made multimillion contributions to produce systemic change in school systems. From funds aimed at improving district-charter relationships to grants developing new teacher evaluation systems, private funds are increasingly used in school districts across the nation.

This study aims to investigate the role that philanthropic organizations play in supporting public school districts, by answering the following questions. First, why do some districts receive funding from philanthropic foundations, while others do not? In other words, what factors explain the variation in private contribution funding levels? Second, why are districts incentivized to implement reforms? Lastly, this study seeks to determine the intersection of the

⁵ Kenneth K. Wong and Francis X. Shen, "Big City Mayors and School Governance Reform: Case of School District Takeover," *Peabody Journal of Education* 78 (2009): 1.

previous two: How have philanthropic organizations impacted the reform developments in American school districts?

My statistical analyses show that mayoral control is a significant determinant of the amount of private contributions that a district receives. Districts that have switched governance from elected school boards to a type of mayoral control receive significantly more funds from private sources. This study also finds that the percentage of wealthy households in a district increases the amount of funding received. From the qualitative analysis and interviews with school district, I also find that the district specific culture affects the amounts raised from private sources. School districts that set a clear vision, hire competent leaders attending to grant development, and strong supporting capacity are able to successfully raise private revenue.

This paper is organized as follows: The first portion of the paper presents the relevant context and literature related to the educational landscape in America. Part II provides an overview of education reform in America. Part III explains the role that philanthropy has played in K-12 public education. Part IV through VI highlights the relevant literature related to mayoral control, teacher unions, and financial constraints.

The next portion of the paper presents the hypotheses and the analysis from an individual district, a national sample of districts, and most districts in California. Part VII explains my three main hypotheses. Part VIII and IX describe in great detail the philanthropic contributions received by Santa Ana Unified School District. The purpose of these sections is to highlight important aspects and patterns of philanthropic giving. Parts X through XIV cover methods and results for both statistical tests and the interviews conducted on a national sample of school districts. Part XV situate the results and findings presented in these sections in a public administration framework. Parts XVI and XVII will cover methods, results, and analysis of the

statistical tests performed for the sample of districts in California. Lastly, Part XVII comprehensively summarizes the main findings and implications of private philanthropy on the educational system in the United States.

II. An Overview of Education Reform

Facing more than a \$300 million budget shortfall, Philadelphia Public Schools was forced to close schools, lay off support staff, and cut programs in the district in 2013.⁶ These budget problems almost caused a delay in the beginning of the 2013-2014 school year.⁷ In a last minute effort, the district was able to borrow \$50 million to ensure a proper start date. These budget challenges arose from a variety of reasons including rising pension costs and limited funding from the state. Although Philadelphia is dealing with the issue on a short-term basis, the actions they take have implications on the education of students their students receiving. With many students relying on the aides and counselors as well as specific programs that no longer exist, quality of the education has suffered.

Philadelphia's troubles are just one particular instance of how American public school systems are facing tremendous challenges in providing quality education to the students they serve each and every year. Many schools across the country, especially in large urban centers, face similar budget constraints and limited resources. As a result, students are being educated in environments that are not conducive to their learning. There has been growing literature documenting the achievement gap present among the students that are being educated. Children

⁶ Trip Gabriel, "Budget Cuts Reach Bone for Philadelphia Schools," *The New York Times*, June 16, 2013.

⁷ Rick Lyman and Mary Williams Walsh, "Philadelphia Borrows So Its Schools Open on Time," *The New York Times*, August 15, 2013

of low-income communities are not achieving at the same level compared to their more affluent peers.⁸ A similar gap is also seen between non-white students and their white peers.

Problems with the school system are not recent developments in the educational system of this country. Rather, issues have been persistent in the school system for decades, prompting legislative solutions. The passage of the Elementary and Secondary Education Act in 1965, as part of Johnson's "War on Poverty," was one such piece of legislation that promoted equitable access to education.⁹ This law spurred the development of educational interest groups, resulting in a new political landscape in the realm of education. On the liberal side, teacher unions were prominent political actors who advocated for more funding for education.¹⁰ Besides funding, teacher unions opposed other federal interventions including the imposition of curriculum and accountability standards.¹¹ Teacher unions prefer to use their political clout to work at the local government. Through bargaining with school boards, teacher unions are able to secure contracts that have beneficial employment policies.¹² On the opposing side, conservative interest groups also believed that the federal government should not be a force in public education, but rather an issue left up to state and local governments.¹³ As a result of federal intervention, money seemed to be the only apparatus used to effect change in the school environment.

In 1983, a study commissioned by the Reagan administration highlighted the failings of the public education system across the country. *A Nation at Risk*, released by the National Commission on Excellence in Education, stressed the necessity to improve teacher quality and

⁸ Kenneth Wong, *Funding Public Schools: Politics and Policy* (Lawrence: University Press of Kansas, 1999).

⁹ "Elementary and Secondary Education Act (ESEA)," State of Washington's Office of Superintendent of Public Instruction, accessed October 29, 2013, <http://www.k12.wa.us/esea/>

¹⁰ Elizabeth DeBray-Pelot and Patrick McGuinn, "The New Politics of Education: Analyzing the Federal Policy Landscape in the Post-NCLB Era," *Educational Policy* 23 (2009):18.

¹¹ *Ibid.*, 19.

¹² Terry M. Moe, "Collective Bargaining and The Performance of the Public Schools," *American Journal of Political Science* 53 (2009): 157.

¹³ DeBray-Pelot and McGuinn, "The New Politics of Education," 20.

make drastic curricular changes.¹⁴ Despite political efforts aimed at increasing federal funding to school districts, the report determined that the quality of education was problematic. This report had widespread consequences in sparking the reform movement in response to the “crisis” faced by the nation. However efforts were largely confined to the state and local level, with many states proposing plans for improving their curriculum.¹⁵

School reform, in more recent years, has addressed education problems in a different manner. Rather than focusing on financial equality among the districts, various reforms have evolved to emphasize accountability of student and teacher performance.¹⁶ With these new goals, the role of testing has increased in the educational landscape. As McDonnell notes, “the basic policy idea of holding schools externally accountable through standardized testing of their students is now well-institutionalized.”¹⁷ With a shift in focus, the political actors involved in pushing and promoting policy has changed and thus, policy feedback encourages different interests groups to emerge.

III. Philanthropy In Education

To get an understanding of philanthropic giving, it is necessary to understand both the history and the role it plays in society. Currently, large philanthropic organizations such as the Bill and Melinda Gates Foundation, the Broad Foundation, and the Walton Family Foundation are key players in the education reform movement. Through multimillion-dollar grants, these foundations have influenced policies in school district across the nation. However, these large-

¹⁴ “A Nation at Risk,” US Department of Education, accessed October 29, 2013, <http://www2.ed.gov/pubs/NatAtRisk/risk.html>

¹⁵ Sarah Reckhow, *Follow the Money: How Foundation Dollars Change Public School Politics* (Oxford: Oxford University Press, 2013), 17.

¹⁶ Lorraine M. McDonnell, “Educational Accountability and Policy Feedback,” *Educational Policy* 27 (2012): 172.

¹⁷ McDonnell, “Educational Accountability,” 173.

scale foundations are not the only foundations giving money to school districts. Despite the attention and special treatment given to these large foundations, there are about 60,000 foundations that are active in the United States.¹⁸ Around a quarter of the money from these foundations goes to the education sector. Therefore, there is a broader set of foundations involved in educational philanthropy that many realize.¹⁹

Frederick M. Hess is one of the prominent scholars in the field of educational philanthropy—a field largely unstudied. He comments “We think it’s there, it seems to matter, and we see traces of its influence, but we’re not sure how much there is, where it is, what it does, or how it works.”²⁰ Hess sketches the origins of private giving to understand current trends in a historical context. Hess indicates that giving originally was largely a localized activity. People gave to causes that they had ties to, in order to help out their local community.

In the beginning of the 20th century, this local trend still remained but many national foundations began to provide charitable services. These prominent foundations – Carnegie, Rockefeller, and Ford among others– were some of the first to engage in educational philanthropy. These foundations focused their efforts in a variety of sectors, but still held education as a priority.²¹ Hess and Colvin indicate that many important accomplishments arose from this support including the start of Teachers College at Columbia, schools for African Americans in the Jim Crow South, and the founding of the Educational Testing Service, among others.²² However, as mentioned earlier, *A Nation at Risk* sparked a strong need to “fix” America’s failing schools in order to create a better future in America. More philanthropies

¹⁸ Frederick Hess, *With the Best of Intentions: How Philanthropy is Reshaping K-12 Education* (Cambridge: Harvard Education Press, 2005), 1.

¹⁹ *Ibid.*

²⁰ *Ibid.*, vii.

²¹ *Ibid.*, 1.

²² Richard Lee Colvin, “A New Generation of Philanthropists and Their Great Ambitions” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 24.

entered the education sector to work to implement changes in grad requirements, bolster standards, and professionalize teaching. Because of slow implementation, many foundations such as the Pew Trusts, Atlantic Philanthropies, and others began targeting their money elsewhere. As Michael Bailin, president of the Clark Foundation, noted, “large public systems are slow to reform, if not inherently intractable.”²³

The exit of traditional actors coupled with the dire state of the school system invited new philanthropists onto the stage. In the early 2000s, Broad, Gates and Walton began entering the educational sector in their philanthropic work. They quickly became prominent names in the field, in part because of their multimillion-dollar grants. Hands-on entrepreneurs and corporate leaders provided these foundations with the resources they need to provide such large grants.²⁴ Their background influenced how they approached giving. These leaders believed that traditional school management and bureaucratic processes didn’t work, and thus that innovative organizations and structures were needed. This group of donors funded alternative teacher certification programs and focused on changing the organization and leadership of the school districts to actually elicit positive change.²⁵ Oftentimes, this type of philanthropy is considered venture philanthropy or engaged philanthropy, as the foundations create, monitor, and execute the systems they want implemented.²⁶

Hess and Colvin’s detailed history indicates the rise of the new type of foundation involved in K-12 public education. However, besides this history, scholarship has been fairly limited in this arena for numerous reasons. Philanthropy, due to the very nature of its work, is

²³ Ibid., 26.

²⁴ Frederick Hess, “Introduction” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 6.

²⁵ Ibid.

²⁶ Richard Lee Colvin, “A New Generation of Philanthropists and Their Great Ambitions” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 27.

often given immediate positive praise. Therefore, researchers are often skeptical of critically assessing it. Additionally, scholars often rely on the support of philanthropic donors to fund research, thus often they are “eager to be on good terms with the philanthropic community.”²⁷ Also, researchers often partner with school districts that are vying for these particular funds. Therefore, these close relationships make it difficult to take a distanced stance for critical evaluation.

Scholarship on educational philanthropy has been steadily increasing, which has shed more light on this phenomenon. Research by Frumkin notes the theory of change that philanthropies pursue. Frumkin notes that philanthropies donate with the theory that their inputs (grants) are used for a specific purpose or program.²⁸ This program creates outputs, which must be measured. These measurable outcomes from the results of the program, translate into an overall public impact. This theory of change indicates that philanthropists work largely to be change-agents in schools. This aligns with the visions of the new “engaged philanthropy” of trying to make a positive change. Frumkin indicates there is a problem in this theory, which is not taken into account by philanthropies. Missing from this theory are external factors outside the locus of control of the donor.²⁹ These can range from the people carrying out the program, the presence or absence of competing programs and the fiscal context of the area.³⁰ Frumkin warns that these external factors affect the causal mechanisms and the true effects of philanthropic donations.

²⁷ Frederick Hess, “Introduction,” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 6.

²⁸ Peter Frumkin, “Strategic Giving and Public School Reform: Three Challenges,” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 277.

²⁹ *Ibid.*, 280.

³⁰ *Ibid.*, 281.

Research in this field takes this theory of change as a given. It is assumed that philanthropies invest to promote specific reforms, especially in this new wave of venture philanthropy. Thus, research is aimed primarily at discovering what types of reforms are attempted and the ultimate success of these reforms. Loveless of the Brookings Institution investigates foundations' views and their impact on initiatives taken. He notes that views are often at odds with parents and teachers.³¹ While foundations believe that management and structure is important for student educational outcomes, parents and teachers believe more in developing basic skills and discipline.

Jenkins and McAdams investigate the role and impact of philanthropy in district reform initiatives in Charlotte-Mecklenburg, Houston ISD, and San Diego City Schools.³² Their findings indicate that philanthropies instigated these reforms and district leadership often limited the ultimate success of reforms. Studies by Hannaway and Bischoff investigate the role of philanthropy in national education reforms of alternative teacher training. They note that philanthropy was crucial to getting this reform up and running, but success has not been fully evaluated.³³ Hassel and Way, continue in this trend, noting the large financial support for school choice by philanthropic donors.³⁴ Philanthropists, in all the studies, are grounded in their theory of change that they will have a positive public impact by instituting specific reforms.

In the research above, it is taken as a given that philanthropists spend money. Research on the success of reforms is often tied to how the district implemented the reforms, once they've

³¹ Tom Loveless, "How Program Officers at Education Philanthropies View Education," in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005) 105.

³² Lynn Jenkins and Donald R. McAdams, "Philanthropy and Urban School District Reform: Lessons from Charlotte, Houston and San Diego" in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 130.

³³ Jane Hannaway and Kendra Bischoff, "Philanthropy and Labor Market Reform," in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 157.

³⁴ Bryan C. Hassel and Amy Way, "Choosing to Fund School Choice," in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 177.

already received the money. Little attention is devoted to uncovering which districts receive the money in the first place. Wendy Hassett and Dan Katzir, program managers for education at the Broad Foundation, indicate that they invest in people of the district. They write, “Our national flagship initiatives focus on developing the next generation of leadership talent for our nation’s urban school systems.”³⁵ In the rest of their write up, they focus on what things they like to fund, rather than how they make decisions about who to fund. Clear patterns relating district factors to the funds they receive are not discussed.

Sarah Reckhow, in *Follow the Money*, attempts to do just that. She attempts to uncover the trajectory of foundation dollars from origin to intended recipient. Reckhow’s study composes a data set of the top 15 education donors in 2000 and 2005 and their respective donations in each year.³⁶ By examining this data, she uncovers trends as to which donors are taking over the philanthropic landscape and what types of districts they are donating to. She notes that of the largest fifteen donors, there are clear indicators of where the money is going. She finds that mayoral control and poverty rates are predictive factors in determining which districts receive funds.³⁷

This thesis expands on the work of Reckhow. Her data is based on philanthropic spending in 2000 and 2005. I utilize more current philanthropic donation data from 2009-2012 in this study. Given the prominence that large donors have received in recent years, I want to determine whether these trends hold up in the years following her study. Additionally, I aim to differentiate my research by analyzing district inputs, rather than foundational outputs. Reckhow limits her examination of philanthropic money to the largest 15 foundations in each year. While trends may exist among the top contributors, this does not encompass all philanthropic and

³⁵ Ibid., 231.

³⁶ Sarah Reckhow, *Follow the Money*, 37.

³⁷ Ibid., 23.

private giving to education. More attention needs to be devoted to whether this applies to the entire scope of philanthropic giving, which encompasses much more than the largest donors.

IV. Mayoral Control

Mayoral control is a power structure, which gives mayors a greater degree of authority over school systems than in districts with elected school boards.³⁸ The powers associated with mayoral control vary across cities. For instance, in some cities the mayor is granted permission by the state to either select members of the school board or appoint a CEO to lead the public schools. In others, the state can take direct control of daily operations or share the responsibility of school governance with the school itself.³⁹ Regardless of the form the takeover takes, the stated motivation behind mayoral control is increasing the quality of the schools.

Much of the literature about mayoral control discusses why it emerged, the structures of governance involved, and how it ultimately affects student outcomes. Kenneth Wong, Francis Shen, Dorothea Anagnostopoulous and Stacey Rutledge are prominent scholars studying the different aspects of this governance structure. Their book, *The Education Mayor*, is a compilation of many of their previous studies examining this trend.

According to Wong, cities have adopted mayoral control of schools to improve quality of life, especially in cities trapped in urban decline.⁴⁰ This stands in opposition to the theory that mayors are not taking over the schools to improve quality of life, but “rather as a political tool they could leverage for their advantage.”⁴¹ Despite concerns of a power-grab, Wong contends

³⁸ “Top 5 Things to Know About Mayoral Control of Schools,” Center for American Progress, accessed Nov. 8, 2013, <http://www.americanprogress.org/issues/education/news/2013/03/22/57723/top-5-things-to-know-about-mayoral-control-of-schools/>

³⁹ Kenneth K. Wong and Francis X. Shen, “Big City Mayors and School Governance Reform: Case of School District Takeover,” *Peabody Journal of Education* 78 (2009): 8.

⁴⁰ Kenneth Wong et. al, *The Education Mayor*, (Washington, D.C.: Georgetown University Press), 12.

⁴¹ *Ibid.*, 7.

that mayors focus on efforts of education, as it is a foundation upon which other sectors of a city can be successful. By adopting this approach, cities can initiate system wide improvements for the quality of the schools. This change in governance can come about in a variety of ways: 1. State legislation grants mayoral authority (Chicago); 2. City referenda to support state legislation granting mayoral authority (Boston, Cleveland, and Detroit) and 3. Voter approval of charter changes allowing mayoral takeover (Oakland).⁴²

Urban school boards are faced with significant challenges in lifting up slumping school systems. To improve failing schools, they must also contend with larger declines associated in economic and social shifts within in a city. Ann Helms, who writes about the Charlotte Mecklenburg School District, indicates that the election of school boards determine “whether the community locks in a strong, stable public school district or allows it to begin a typical urban decline.”⁴³ Scholars such as Zeigler and Taibler note that this high pressure is disproportionate to the specialty of school board voters. Zeigler notes that due to the specialized public that school boards serve, their level of responsiveness is not in line with the general public.⁴⁴

Taibler notes that school board elections see a disproportionate amount of constituent voters, which are theorized to be “the direct beneficiaries of local government.”⁴⁵ Teacher unions, which have a vested interest in the election, come out in great numbers to vote. Anzia and Moe argue that this translates into more power for the union. Through collective bargaining with elected districts, unions can get beneficial provisions passed in the district labor contracts.⁴⁶ By switching to mayoral leadership in schools, single-issue interest groups, such as unions, do

⁴² Ibid., 12.

⁴³ Ibid., 19.

⁴⁴ Ibid., 20.

⁴⁵ Ibid., 20.

⁴⁶ Sarah F. Anzia and Terry M. Moe, "Collective Bargaining, Transfer Rights, and Disadvantaged Schools," *Educational Evaluation and Policy Analysis* 36 (2014): 87.

not have undue influence on the election. Therefore, if Zegler's theories of responsiveness hold, mayoral control creates a system in which the mayor is accountable for initiatives pertaining to the entire city.

While mayoral control can eliminate some of the problems with school board elections in theory, it is unknown whether it translates into successes in practice. Wong and Shen, in collaboration with the Center for American Progress, strongly promote that mayoral control has brought about positive systemic changes, improving outcomes in the schools.⁴⁷ They note that mayorally controlled districts bypass structural barriers by making a single office responsible for city school performance. They contend that these districts strategically allocate resources to spend more on teachers, instructional materials, and smaller class sizes. Furthermore, Wong and Shen note that students in mayoral controlled districts often outperformed statewide averages.⁴⁸ This governance has contributed to substantial and significant positive effects in New York City for 4th and 8th grade literacy and math scores. They conclude that these effects should indicate the great benefits of mayoral control, with a caveat that they must always be analyzing how they can offer the best management for the city.

Not all scholars come to the same conclusions as Wong and Shen. A large study run by the Institute on Educational Law and Policy from Rutgers-Newark indicates that there is no conclusive evidence that there have been significant academic or achievement gains in cities with integrated governance.⁴⁹ Tractenberg succinctly writes, "Student achievement has been the toughest to crack."⁵⁰ Their study indicates that this reform can lead to positive gains in

⁴⁷ Kenneth K. Wong and Francis X. Shen, "Mayoral Governance and Student Achievement: How Mayor-Led Districts are Improving School and Student Performance," Center for American Progress, March 2013.

⁴⁸ Ibid.

⁴⁹ Paul Tractenberg et al., "Governance and Urban School Improvement: Lessons for New Jersey from Nine Cities, Institute on Education Law and Policy, Rutgers University, Newark, NJ), 2011.

⁵⁰ Ibid.

achievement, attendance, and test scores, but a conclusive causal mechanism resulting from the governance structure is not apparent. Sentiments among voters in cities such as Albuquerque and San Diego indicate that voters believe that mayoral control is taking away a democratic institution and removing their voice.⁵¹ Fung's conceptualization of school-level democracy also indicates the removal of a democratic institution. By taking the power away from schools in having a governing body that is directly focused on a particular line of work, democracy is limited for citizens in a particular district.⁵²

While many debate the merits and results of instituting integrated government, little scholarship examines its effect of attracting private donors. Is mayoral control a necessary condition in order for a district to receive private money? Are private donors more confident in the success of their grants in districts with integrated governance? Reckhow attempts at uncovering the explanatory variables for private giving and finds that in 2005, mayoral control had a substantial and significant effect. The study from Rutgers also notes increased funding, but notes that it is not entirely due to governance structures. In this study, I attempt to test whether or not mayoral control continues to have a significant impact on explaining variations in funding levels.

V. Union Strength

No discussion of educational funding and policy is complete without mention of teacher unions. Teacher unions are prominent actors in this arena as the members are the ones delivering the services of the districts—teaching the enrolled students. Teacher unions have not always had such a prominent role in public education. The two-decade period starting in the 1960s saw the

⁵¹ Wong et al., *The Education Mayor*, p. 5

⁵² Archon Fung, *Empowered Participation: Reinventing Urban Democracy* (Princeton: Princeton University Press, 2004).

impressive growth and unionization of the teachers, after many hard fought battles to collectively bargain. By 1980, teachers in most school districts (except for the South) were unionized and under the leadership of two major national unions—the National Education Association and the American Federation of teachers.⁵³

Liebermann theorizes that the very nature of how teacher unions operate gives them political clout. Teacher unions are highly organized entities and have a guaranteed source of revenue from member dues. Millions of members are located across the country and politically advocate at all levels of government.⁵⁴ Studies done by Thomas and Hrebenar indicate that teachers unions are perceived as the most powerful interest group, outpacing farm groups, bankers, trial lawyers and others.⁵⁵ Clearly, this development of unionization has given a great voice for teachers to express their viewpoints. As Moe notes, as employees of the districts, teacher unions have a vested interest in rules and regulations regarding work—higher wages, job security, pensions, and more.⁵⁶

Moe, extending this line of argument, theorizes that governmental institutions also serve to supplement their strength beyond sheer size and organization. Through considerable turnout in school board elections, teachers unions gain a prominent role in choosing the authorities that govern and regulate policies directly related to them. He writes, “democratic authority is essentially turned on its head, with the authorities doing the bidding of employees and government run for the benefit of vested interests.”⁵⁷ In essence, because unions can throw support towards school board members, they can create policies that most align with their needs.

⁵³ Terry M. Moe, “Teachers Unions and the Public Schools,” in *A Primer on America’s Schools*, ed. Terry M. Moe (Stanford: Hoover Press, 2001).

⁵⁴ Myron Lieberman, *The Teacher Unions*. (New York: Free Press, 1997).

⁵⁵ Clive S. Thomas and Ronald J. Hrebenar, “Interest Groups in the American States,” in *Politics in the American States*, 8th ed., eds. Virginia Gray and Herbert Jacobs (Washington: CQ Press, 1999).

⁵⁶ Terry M. Moe, “Teachers Unions and School Board Elections,” in *Besieged: School Boards and the Future of Education Politics*, ed. William G. Howell, (Washington: Brookings Institution Press, 2005).

⁵⁷ *Ibid.*

By solidifying their needs through electoral means, policies may often conflict with other stakeholders in education—namely parents and students.

Katherine Strunk and Sean Reardon’s work focuses primarily on the strength of the unions. Their work aligns with Moe, in that the strength of the union can be determined not just by the size of the union. Rather, the terms of the contracts between the union and the district, serve to measure the strength the strength of the union.⁵⁸ Strunk, in collaboration with Grissom, also indicated that contracts in districts with strong unions gave less flexibility for school administrators than in districts with less active unions.⁵⁹ Clearly, union strength influences policies and regulations in regards to the operations of the schools. However, it is unclear how this translates into philanthropic funds.

In regards to funding, not much has been done to investigate how the strength at the district level impacts donors’ decisions. In many cases, foundations implement initiatives that teachers’ unions are opposed to. Changes in evaluation and compensation, while created with students in mind, may create extra burdens for the teachers in school district.⁶⁰ Furthermore, program officers at major foundations may implement grants and programs under the leadership and guidance of non-educators from other sectors. Teacher unions may oppose non-educators from entering the landscape, even though the foundations believe they will be the best person for their job.⁶¹ Hasset and Katzir, from the Broad Foundation, write that contentious union relations

⁵⁸ Katherine O. Strunk and Sean F. Reardon, “Measuring the Strength of Teachers’ Unions: An Empirical Application of the Partial Independence Item Response Approach,” *Journal of Educational and Behavioral Statistics* 35 (2010): 629.

⁵⁹ Katharine O. Strunk and Jason A. Grissom, “Do Strong Unions Shape District Policies? : Collective Bargaining, Teacher Contract, and the Political Power of Teachers’ Unions,” *Educational Evaluation and Policy Analysis* 32 (2010): 390.

⁶⁰ Richard Lee Colvin, “A New Generation of Philanthropists and Their Great Ambitions,” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 24.

⁶¹ Wendy Hasset and Dan Katzir, “Lessons Learned From the Inside,” in *With the Best of Intentions*, ed. Frederick Hess (Cambridge: Harvard Education Press, 2005), 247.

or turmoil among management and the union” would be factors standing in the way of grant investment.⁶²

Despite potential opposition, union collaboration is possible and necessary in many cases. For example, Teacher Union Reform Network—a group of 30 local teachers unions from the NEA and the AFT—exists as a group of leaders to work towards structural reform in districts across the country.⁶³ In both Denver and the District of Columbia, teacher unions have supported contracts implementing new reforms such as performance pay programs.⁶⁴ These reforms are often aligned with the views of corporate philanthropy. In these circumstances, collaboration was indeed possible. In this study, I aim to uncover the impact of teacher unions on the private contributions raised by districts.

VI. School Finances

The entrance of philanthropy into the educational sector indicates that money is a crucial resource. Money is needed for many aspects involved in the operations of schools—teachers, support staff, facilities, supplies, and more. Federal, state, and local funds are the primary avenues of revenues for local education agencies across the United States. Each state in the country utilizes a different funding formula for the school districts. Thus, revenues differ in districts within states and across states.

As mentioned in Section II on Education Reform, money appeared to be the common refrain of education reformers. Rather than pushing for programs to be implemented in schools,

⁶² Ibid., 241.

⁶³ Ibid., 238.

⁶⁴ Bill Turque, “D.C. Teachers’ Union Ratifies Contract, Basing Pay On Results, Not Seniority,” *The Washington Post*, June 3, 2010.

there were efforts devoted to equalizing spending across districts.⁶⁵ A substantial body of research examines the effects of equalization efforts. While examining California in the aftermath of *Serrano v. Priest*, Silva and Sonstelie note that this case contributed to equalization but also a decline in state spending for education.⁶⁶ Later research by Baird notes that trends in the 1990s indicate that variations still exists, but has decreased significantly.⁶⁷ Over this decade, variation within states declined by about 8-15%, but was already at a lower level. Across states, variation declined as much as 22-25%. Despite efforts for equalization, it largely was the result of state-focused efforts. Her findings uncovered that federal interventions and funding did not appropriately distribute funds to the places with highest needs. Rather, much of the equalization came from state intervention.

More recently, the economic recession has had substantial impact on the financial situation of schools across the country. There have been some efforts to help schools through the American Recovery and Reinvestment Act in 2009. From this, states have received \$39 billion for K-12 education distribution. Besides this help, states have maintained the same formulas for funding districts. With decreased funding and the same formulas, school districts receive far fewer dollars to operate. Furthermore, this decrease in formula funding has disproportional increases on states already dealing with fiscal constraints of a low-income student population and other high needs students.⁶⁸

The Center on Budget Policy and Priorities reports on the impacts of the schools. They show that over the years of the recession, 30 of 46 states examined in the study have decreased

⁶⁵ “Federal Education Policy and the States, 1945-2009,” New York State Education Department, accessed March 23, 2014, http://www.archives.nysed.gov/edpolicy/research/res_essay_nixon_serrano.shtml

⁶⁶ Fabio Silva and Jon Sonstelie, “Did Serrano Cause a Decline in School Spending?” *National Tax Journal* 48 (1995): 199.

⁶⁷ Katherine E. Baird, “Federal Direct Expenditures and School Funding Disparities, 1990-2000,” *Journal of Education Finance* 33 (2008): 297

⁶⁸ Phil Oliff and Michael Leachman, *New School Year Brings Steep Cuts in State Funding For Schools*, (Washington, DC: Center on Budget and Policy Priorities, 2011), 10.

funding for districts. In four states, there have been declines on the magnitude of 20 percent. A combination of factors ranging from decreased sales and property tax revenue, combined with no new revenue contributes to these funding declines. The report indicates this has serious consequences on schools by undermining reform efforts aimed at improving teacher quality and student outcomes. Furthermore, there are future economic implications with unemployment problems (from reduced staffing) and a less-educated workforce down the line.

The financial outlook for school districts across the country is troubling. This burden only adds to the challenges schools face in providing quality education for all student. Many reports indicate that reduced funding requires shifts in sources of funding. The report indicates that states are forced to become more efficient with the funds they have or raise more revenue through local property taxes or outside funding. Given the recent nature of the recession, little research has been done to indicate how financial constraints impact the different sources schools utilize to meet these challenges.

VII. Hypotheses

This study aims to test three main hypotheses in regards to the important factors in explaining variation in private contribution funding levels.

1. Districts with mayoral control have more capacity to initiate reform. As a result, these districts should receive more donations from philanthropic organizations.

Districts that utilize a takeover reform recognize the difficulty to alter the political structures inherent in traditional districts. Rather, by empowering the administration on the state and district level, districts are able to directly intervene in failing schools.⁶⁹ Mayoral control, according to Shen and Wong, “integrates political accountability and educational standards at a

⁶⁹ Wong et al., *Education Mayor*, 10.

system wide level.”⁷⁰ This system aims to create a political environment utilizes a central authority and decision-making system.

Traditional districts, with elected school board members, face many different interest groups: parents, teacher unions, school principals, and more. Members of the board balance these competing viewpoints and must bargain with the different groups in order to create school policy. Elected school officials are voted in for one particular role – running the school system. Because the job of elected officials consists of this singular issue, voters are likely to cast their ballot based on their performance at the job. Berry and Howell find that the vote share for school board incumbents was directly tied to student performance under their tenure.⁷¹ This illustrates that the different constituents with which school members bargain, are the ones that hold the elected officials accountable for school performance. Because job security is tied to single-issue voters, elected officials must be careful in how they enact policy. Controversial school reforms that have yet to be tested will face scrutiny during elections, as voters are keen to performance of the schools and utilize elections to take action.

On the other hand, districts that have members appointed by the mayor do not face these electoral pressures. School board members appointed by the mayor are not evaluated by election and thus are not directly responsible to the entire population. Appointed members, in certain districts, are beholden to the mayor’s wishes, when the mayor retains the ability to remove members with opposing views. Mayors can control the agenda of the policies rather than having policies created out of a bargain of competing interests. Accountability still comes into play in this system of governance, as mayors are elected officials. However, unlike elected school board

⁷⁰ Wong and Shen, “Big City Mayors,” 9.

⁷¹ Christopher R. Berry and William G. Howell, “Democratic Accountability in Public Education,” in *Besieged: School Boards and the Future of Education Politics*, ed. William G. Howell (Washington, DC: Brookings Institution Press, 2005), 167.

members, mayoral responsibilities encompass many issues beyond schools. Because school policy is only a portion of the mayoral portfolio, voters evaluate a mayor on his or her overall performance, rather than just their educational policy. Appointed officials, as a result, become insulated from the electoral pressures and can enact school reforms in an easier manner.

In addition to in accountability, the connection between the mayor and school board also creates the potential for increased political support for the school system. The mayor faces scrutiny for the quality of the schools within his city. A particular mayor is likely to use political authority to ensure changes occur in order to bring up the achievement of the school system. With this takeover, the mayor holds capability of selecting officials that are best suited for enacting reforms. The mayor can take the background and experiences of people appointed to the school board into account. Selecting officials with a specific purpose in mind of promoting a reform agenda removes the fragmentation that is inherent in an elected school board.

The structural changes resulting from mayoral takeover should promote changes to the educational system. It is also apparent that foundations will engage in partnerships with district only under certain conditions. Support to districts, especially financial donations, comes with agreements that the district will follow guidelines outlined by the organization. For instance, in requests for proposals, the Gates Foundation pushes for measuring teacher effectiveness using student achievement data as well as changing teacher compensation.⁷² With such particular motives, these foundations will only funnel money to districts in which they feel they have the best chance of succeeding. Constancia Warren, a former senior program officer of the Carnegie Corporation, indicated that the capacity of the district was influential in where foundations

⁷² “Intensive Partnerships to Empower Effective Teachers: Invitation-only Request for Proposal,” Bill and Melinda Gates Foundation, accessed October 28, 2013, <http://empoweringteachers.mysdhc.org/docs/The%20Complete%20Gates%20RFP.pdf>

decided to donate money.⁷³ Philanthropic organizations are expected, as a result, to support districts that have mayoral control because of the increased capacity.

2. Districts with weaker teacher unions will have more flexibility in creating district policy and can more easily implement school reforms. Therefore, these districts should attract more funding from philanthropic donations compared to districts with stronger unions.

Teachers tend to be heavily unionized and covered by collective bargaining.⁷⁴ Although this was rarely seen prior to 1960, teachers organized themselves into unions in order to exert a collective voice. Teacher unions often push for policies that increase pay and benefits, allow teachers more autonomy, and decrease the stakes of evaluation.⁷⁵ They have self-serving interests and promote policies that benefit their workplace conditions.

Governance of schools, however, is not left up to the teachers themselves. This role is delegated to a school board who determines how the school system operates. Elected or appointed school board members must negotiate with the teacher unions, who have a lot at stake in the ultimate decisions reached. Therefore, policies develop from bargains between these two constituencies. Teacher unions continue to advocate for policies that benefit themselves. Resulting from these interactions and negotiations are collective bargaining agreements – a set of regulations governing school district policy on anything from class size, evaluation procedures, and their role in curriculum development.⁷⁶

⁷³ Reckhow, *Follow the Money*, 36.

⁷⁴ Terry M. Moe, “Collective Bargaining and The Performance of the Public Schools,” *American Journal of Political Science* 53 (2009): 157.

⁷⁵ Moe, “Collective Bargaining,” 158.

⁷⁶ Katherine O. Strunk and Jason A. Grissom, “Do Strong Unions Shape District Policies? : Collective Bargaining Restrictiveness, and the Political Power of Teachers’ Unions” *Educational Evaluation and Policy Analysis* (2010): 390.

According to Moe, teachers unions “have compelling incentives to be politically active, because their members depend on the government for their livelihoods.”⁷⁷ By participating in elections, teachers unions attempt to exert their influence on the selection of school board officials. Teacher unions often come out to vote and endorse candidates in order to pick the people that they ultimately negotiate with. Union support has shown to be influential in ultimate decision making as board members are either sympathetic to union positions or understand how the union can influence the next election. If a member is not supportive of the union, the union has the option to endorse a challenger.⁷⁸

The ability for a union to actually accomplish this potential influence is often determined by a union’s strength. Unions across the board vary in the strength, ultimately impacting the collective bargaining agreements. Strunk and Grissom found that “stronger unions have greater influence over district policy than do weaker unions,” and that the contracts tend to be more restrictive.⁷⁹ This produces policies that are beneficial to the teachers, while also limiting the scope for administrators to intervene.

With school reforms that aim to increase the quality of the schools, flexibility is crucial. Reforms such as changing teacher compensation and evaluating teachers using test scores can be controversial to the teachers. Therefore, administrators need to have the capability to actually implement these reforms, if they believe they are the most beneficial to the school system. By facing weakened opposition, school administrators can ensure their flexibility remains in deciding policies. Additionally, the weaker stance of the union can produce conditions that encourage cooperation between the union and district on less restrictive policies. It would be expected that philanthropic organizations would donate to districts with weaker unions. Weaker

⁷⁷ Moe, “Collective Bargaining,” 156.

⁷⁸ Strunk and Grissom, “Do Strong Unions Shape District Policies?” 392.

⁷⁹ *Ibid.*, 403.

unions would create conditions that facilitate cooperation, which in turn allows for the reforms to be enacted. As with the previous hypothesis, philanthropic foundations are going to donate their money to districts in which their goals actually have the capability to be enacted.

3. Districts with large funding constraints will require external sources for additional funds.

Therefore, it is likely that philanthropic foundations will donate to these districts. Even though it is expected that the most needy districts will receive funding, it is also expected that districts with the least funding constraints, should also receive more philanthropic donations as well.

Funding is essential for school districts to operate and provide a quality education for all students. Although evidence is mixed on whether more funding improves student achievement, constraints on the amount of revenues received will impact the districts.⁸⁰ Tradeoffs within the district are inherent when fiscal pressures impact operation. Faced with these constraints, many districts tend to increase class sizes, cut programs, and decrease spending on administration.⁸¹ Districts also can look to external sources of funding to supplement the funds from the government. Philanthropic foundations focus their work in education largely to “help schools compensate for social and economic disparities.”⁸² Therefore, philanthropic donations are likely to provide this supplemental funding in response to fiscal pressure that many districts will face.

Property tax revenue, which is a large source of funding for many school districts, can serve as one type of fiscal constraint on the district. When tax bases are not equitable across districts, variations in revenue across districts occur. Districts with higher property values will be able to receive more revenue from this source as compared to districts with lower property

⁸⁰ Michael Moser and Ross Rubenstein, “The Quality of Public School District Funding: A National Status Report,” *Public Administration Review* 62 (2002): 64.

⁸¹ Helen F. Ladd, “How Districts Respond to Fiscal Constraint,” *National Center for Education Statistics, Selected Papers in School Finance* (1996): 58.

⁸² Richard Lee Colvin, “A New Generation of Philanthropists and Their Great Ambitions,” in *With the Best of Intentions: How Philanthropy is Reshaping K-12 Education*, ed. Frederick M. Hess (Cambridge: Harvard Education Press, 2005), 24.

values. Although state and federal governments attempt to equalize funding, variation among districts still remains. This provides the space for foundations to enter as a source of district funds. In addition to differences in tax bases, laws that cap revenue from property taxes also place fiscal pressures on districts. In 1978, California voters passed Proposition 13, limiting property tax increases to a maximum of two percent annually. As a result, the number of local education foundations (LEFs) doubled between 1980 and 1983.⁸³ A similar trend was seen in Massachusetts, when many LEFs formed in response to Proposition 2 ½ in the 1980s.⁸⁴ This trend indicates that charitable organizations address funding deficiencies for school districts. These organizations will tend to focus efforts on those locations that have the most demand for these funds, in order to equalize the districts.

Budget constraints to districts are not just a result of limited local revenues. Economic downturns also impact the ability for states and the federal government to provide funding for schools, sparking a widespread wave of budget cuts for K-12 education.⁸⁵ Once again, these budget cuts limit the ability for districts to provide similar services as before the economic downturn. When schools have large populations of Special Education students and English language learners, the budget cuts have an even greater constraint. Thus, donations from local foundations and large philanthropic organizations are likely to provide to these districts in need.

It is also expected that districts on the opposite end of the spectrum also receive large amounts of philanthropic donations. Even if districts do not have the same level of demand for philanthropic funds (i.e. high funding constraints), they might still receive large amounts of donations. Districts that have high property tax bases will have the supply of funds from parents.

⁸³ Phyllis de Luna, "Local Education Foundations: Right for Many Schools," *The Phi Delta Kappan* 79 (1998): 385.

⁸⁴ De Luna, "Local Education Foundations," 386.

⁸⁵ Lawrence O. Picus and Allan R. Odden, "Reinventing School Finance: Falling Forward," *Peabody Journal of Education* 86 (2011): 294.

These funds will be funneled to the district in the form of local education foundations. As Rob Reich notes in his op-ed “Not Very Giving,” parents in the district of Hillsborough, California, often make donations of around \$2,000 per child to the Hillsborough Schools Foundation. This Foundation is able to make large donation requests to the parents since median income of households in this district \$250,000.⁸⁶ Districts that are on the higher end of income distribution will utilize their excess supply of revenue to supplement traditional governmental streams in the school.

Consequently, districts with high demands for funds and low demands for funds should receive the most funding from charitable donations. Charitable giving will exist in order to meet the demand or in districts where supply of funds is readily available. This will leave out districts that are also hit by budget cuts and funding constraints, but may be as severe as others. Thus, it is expected that charitable giving is lower in districts that do not have a large local funding base to support giving from an LEF nor can gain recognition amongst the large philanthropic foundations.

VIII. Santa Ana Unified School District Methods

What types of donors make contributions to school districts? Where do these donors come from? Lastly, how are these donations used? These questions encapsulate important aspects of giving that must be taken into consideration when understanding and analyzing philanthropic contributions to public schools.

Santa Ana Unified was chosen as a district to look at in depth, due to its unique characteristics. Santa Ana has over a quarter of its children living in households under the poverty line. Additionally 81.7 percent of the students enrolled in the district are from a Hispanic

⁸⁶ Rob Reich, “Not Very Giving,” *The New York Times*, September 4, 2013.

or Latino background. At the same time, this district is located in a wealthy, predominantly white county—Orange County, CA. This dichotomy presents an interesting case to analyze and understand what trends exist in philanthropic giving. This investigation only applies to Santa Ana Unified itself, but officials I interviewed in a number of other cities discussed similar patterns.

In Santa Ana, the school board approves all philanthropic gifts, contributions and donations at each scheduled meeting. The meeting minutes for Santa Ana’s Board of Education include this approval of donations. Records of the contributions contain information regarding the amount of the donation, the recipient, the identity of the donor, the donor’s location, and the use of the contribution. (See Appendix A for an example of Santa Ana Unified Board of Education minutes)

Minutes were collected for the 2012-2013 school year, which is the most recent school year completed. This school year began on July 1, 2012 and ended June 30, 2013. All donations from this time period, as evidenced in school board meetings, were tracked and recorded. Each donation was coded in three dimensions: Category of Use, Donor Type, and Donor Location.

For the category of use, I coded donations based on 9 distinct categories. Table 1 describes the different use categories.

Donor type was classified into different categories as well: Company, Community Organization, Individual, Foundation, and University. Community Organizations included any organization tied to particular community such as neighborhood community non-profits, Parent Teacher Associations (PTAs), churches, and Athletics Booster Clubs.

Table 1: Use Category Descriptions	
Category	Description
Instructional Supplies	Classroom supplies and general supplies for the school
Field Trips	Field trip related expenses—transportation and admissions costs
Awards and Recognition	Recognition of students and staff through scholarships, certificates and awards banquets
Facilities	Maintenance of school facilities such as playground and garden
Extracurricular	Activities including art, music programs, and athletics, etc.
Technology	Technology such as computers, televisions and iPads
Special Programs	Special initiatives funded by the grant itself (e.g. a Playworks program aiming to transform recess at schools)
Clothing	Shoes, t-shirts, backpacks, etc. for all students
Political	Expenses related to ballot initiative

Lastly, each donation was coded according to the location of the donor. By identifying where the donation comes from, trends become more apparent as to how private contributions flow. Given the high levels of poverty in Santa Ana, it is important to understand whether the wealthy in the local community can support this extra funding or if private contributions originate from large national scale organizations. Each donation was coded according to its origin – 1. Santa Ana 2. Orange County 3. California or 4. Other States. These categories are mutually exclusive. Thus, the designation of Orange County refers to any donation from a city in Orange County excluding Santa Ana. The designation of California refers to any city in California, excluding Orange County.

IX. Findings from Santa Ana

In the 2012-2013 school year in Santa Ana Unified, there were 133 donations from private sources approved by the Santa Ana Board of Education. The contributions summed to a total of \$319,386. Although donations ranged from \$500 - \$20,000, the mean donation was about \$2400. Contrary to what many may believe, this indicates that the giving in the district is often composed of many smaller donations. Because of the clout and media attention to large foundations giving on the national scale, it often appears that only private giving occurs on the scales of multimillion-dollar grants. However, as this district illustrates, it often is numerous smaller contributions summing to a sizeable total. Furthermore, it is important to note the scale of private contributions. The total of \$319,386 is considered substantial on its own merits. However, Santa Ana's revenue for this school year totaled \$549,756,000.⁸⁷ Thus, Private contributions only make up .05% of this total revenue. Whether or not this remains the case in Santa Ana from year to year, it is evident that philanthropic donations, despite the importance, are not a source of income on which the district is reliant. Table 2 below illustrates some other useful summary statistics for the private contributions.

Number of Donations	133
Mean Donation	\$2401.40
Std. Deviation	3361.68
Minimum Donation	\$500
Maximum Donation	\$20,000
Total Donations 2012-2013	\$319,386

⁸⁷ National Center for Education Statistics. School District Demographics System and Common Core of Data, 2007-2011. <https://nces.ed.gov/surveys/sdds/framework/tables.aspx?ds=census&y=2010>

All donations approved by the school board carried terms for its intended use. No funds were allocated for general use by the schools. Depending on the terms, schools had different amount of input in how they utilized their funds. Many donations indicated that they were to be used for instructional supplies and materials. Given the broad scope of this use, schools had flexibility with the dollars allocated in this category. On the other hand, donors could specify the exact items to be purchased – twenty iPads or new backpacks for all students.

Extracurricular activities were the category with the largest amount of private contributions. In Santa Ana, 21.79 percent of the funds were used to fund activities outside the scope of traditional instruction. Uses in this category ranged from funding mock trial competitions, to band instruments and art lessons. The category funded at the second highest rate was field trips. Donations in this category were used to cover the bussing and transportation of students and the fees for the activity involved in the field trip. Following field trips, instructional supplies along with awards and recognition were funded at similar rates. Instructional supplies were the broadest category for schools. It often included purchase of curricular materials, textbooks, and library books. For awards and recognition, donors provided money for student scholarships, staff recognition, and events to honor the students and staff. The remaining categories, and the amount of funding can be seen below in Table 3.

Category	Amount	Percentage
Instructional Supplies	\$46,369	14.52%
Field Trips	\$54,823	17.17%
Awards and Recognition	\$47,302	14.81%
Facilities	\$4,619	1.45%
Extracurricular	\$69,625	21.79%
Technology	\$40,450	12.66%
Special Programs	\$30,496	9.55%
Clothing	\$23,202	7.26%
Political	\$2500	0.79%

When people think about districts in low-income areas, they often assume that the school district is underfunded. As a large percentage of the school revenue in California comes from local tax source, Santa Ana Unified is at a disadvantage. If general expectations are that students are not getting a quality education due to insufficient funds in low-income areas, then it should be expected that money should be used towards obtaining instructional supplies. It is plausible that districts trying to make up the shortfall will utilize private contributions to provide core academic subjects. However, Santa Ana's private contributions indicate giving tends to be for other extracurricular programs

These activities are indeed important for the students of Santa Ana, however they are not essential to the functioning of the school system. This pattern can arise from numerous explanations. One explanation is that extracurricular activities and field trips are more expensive activities, thus requiring more philanthropic funds. Costs for bussing, admissions fees, instruments, and athletic equipment are all significant. Whereas districts can be resourceful with instructional resources and materials, they might not have cheaper alternatives for extracurriculars. To compensate for this expense, districts may actively seek funding for these particular high-cost items. The \$40,450 raised for technology can also be attributed to this reason. There are many touted benefits to the district for adopting new technology, but it can come at a great expense. Therefore, philanthropic donors may fill this need so district can utilize their money elsewhere.

On the other hand, this could be related to the donors themselves. Donors can have specific intentions of their money. Oftentimes donations for field trips, athletics and arts programs came from organizations with a single mission – contributing to this trend. For example, Godinez High School received a donation of \$6,562 for the Girls Basketball Team

from the Godinez High School Girls Basketball Boosters organization. This agency exists solely to fundraise for the basketball team, thus their donation is very specified. This type of donation was common throughout Santa Ana's contributions.

Lastly, it is plausible that this is only specific to the 2012-2013 school year. As there are fluctuations with state budget cuts and tax revenue, each year the district develops a new budget. This year, either Santa Ana could have had different needs or their private funders could have had different supplies. Further investigation from other school years is required to determine whether the percentage breakdowns in each of the categories remain relatively stable.

Donations to the district were also made from a wide range of donors. Table 4 illustrates the breakdown by donor type. The highest amount, \$124,661, came from community organizations. These community organizations ranged in location and function, but often they were associated with a particular school. Organizations such as the Parent Teacher Association or a Boosters Club have a vested interest in the activities of the school. Because they function to work and support their school, one of their primary functions is raising money. Foundations also exist for a similar purpose. While many foundations serve other sectors besides education, I expected that this would be a source of many contributions.

Other types of donors—individuals, universities, and companies—may not prioritize contributions to school districts. In each of these donor classifications, the do has a separate primary role in society. Individuals make money to support them, companies make profit, and universities need to raise their own funds to operate. It falls into line that companies donate the next largest percentage, as companies' profits often soar above the revenue. Even if corporate responsibility is not stressed, enough corporations do have a public arm to donate to important causes, such as education.

Individuals are limited in their capacity to give. I expect that donors often have a connection to the recipient. Thus, for a given district, the network of possible individual contributors is only so large. The pool of available funds from individuals that would donate to Santa Ana Unified is often constrained by income distribution and geographic proximity to the district. In terms of the universities, these are also educational institutions that require money. Although they have a philanthropic side, they contend with their own development issues, thus serving as a potential explanation from the low funding number.

Donor Type	Amount	Percentage
Company	\$72,096	22.57%
Community Organization	\$124,661	39.03%
Individual	\$32,070	10.04%
Foundation	\$87,044	27.25%
University	\$3,515	1.11%

Tracking donor location also uncovers interesting trends within the district. Table 5 shows a breakdown of contributions by donor location. The largest percentage of funds, 52.50%, comes from donors located in Santa Ana itself. While these can come from a variety of donor types – parents, PTAs, and companies—it indicates that the local connection is important. Additionally, the next highest amount, 33.79% of all private contributions, comes from the remaining cities in Orange County, California. Also interesting to note is that only 8.85% of all private contributions come from sources outside the state of California.

Trends in the data indicate that a local connection is important in the funding process. Presumably, donors have many options when deciding where to spend their money. Donors have to pick a cause to donate to and then an organization that supports their cause. If they choose education, there are still many options. Organizations and businesses have an interest in

supporting their local community to improve safety and economic productivity. The large money coming from the remaining cities in Orange County suggest that poverty could be a factor in the donation process. Although other pockets of poverty exist in Orange county, the surrounding communities are often much wealthier than Santa Ana. Thus donors from these may choose to fund Santa Ana Unified because of the financial constraints and hardships of the lower income households in the district.

The low percentage of money from out-of-state, also counters public perceptions of philanthropic giving. When school districts receive \$30 million in grants from the Gates Foundation to implement a controversial new teacher evaluation and compensation system, it is guaranteed to receive media attention. Due to this prominence in the media about the privatization of education, it appears as if all philanthropic giving is of this nature—large sums, used for controversial reforms, and national in scope. However, in reality, as the data presented here indicates, there are often numerous smaller donations from local sources used for basic needs of the school community. Given that this does not receive media attention, the public may not be aware of the true nature of philanthropic funds. These findings, although unique to Santa Ana Unified in this school year, allow for a more nuanced understanding of philanthropic giving in local education agencies. Additionally, they can point to trends that may appear in other districts across the nation.

Donor Location	Amount	Percentage
Santa Ana, CA	\$167,674	52.50%
Orange County, CA*	\$107,914	33.79%
California**	\$15,500	4.85%
Out of State	\$28,298	8.86%

* All donations received from Orange County, CA, excluding Santa Ana, CA

** All donations received from California excluding Orange County, CA

X. National Sample – Quantitative Analysis

In order to test the hypotheses presented in Section VII, I attempted to collect data from 28 different school districts. These districts were selected based on particular criteria, rather than a random sampling of all potential local education agencies in the United States. First, I narrowed down all possible districts to those with enrollment sizes greater than 40,000.⁸⁸ Larger districts were chosen for this sample, as I wanted to control for the effect size had on philanthropic funds received. Large student populations are potentially attractive for funders trying to implement particular initiatives and reforms. As these initiatives are tied to the grants private donors, they have a large pool of “subjects” to test the effectiveness of a particular program. Therefore, I eliminated smaller districts to determine other variables that impact the variation of funds received across districts. Secondly, I narrowed down districts that had greater than 25% of children ages 5-17, living at or below the poverty line. This measure of poverty is used since the schools are primarily serving children aged 5-17, and the amount of students living in impoverished families affects the services schools provide. Because poverty is one explanation as to why philanthropies exist in the first place, I wanted to control the sample to districts that just had higher levels of poverty. Even among this sample, I wanted to see if there was even variation stemming from funding constraints due to the differing income distributions of the district.

Lastly, I excluded any school districts that operated at the state or county level. For instance, many southern states such as Florida and North Carolina operate their schools at the county level. While they may be large districts, they cover a vast range of territories and interests. Since these districts represent students and families with a variety of different backgrounds and

⁸⁸ National Center for Education Statistics. School District Demographics System and Common Core of Data, 2007-2011. <https://nces.ed.gov/surveys/sdds/framework/tables.aspx?ds=census&y=2010>

needs, it can potentially influence how philanthropists determine their awarding of grant money. One exception in the sample is that of Memphis and surrounding Shelby County. In July 2013, Memphis City Schools merged with 35,000 students from the surrounding suburbs of Memphis. This formed an aggregate district known as Shelby County Schools. At the end of this current 2013-2014 school year, the school districts will undergo a de-merger into distinct Shelby County and Memphis City school systems. As I'm utilizing data from prior to this merger, Memphis remained in this sample

By following these guidelines, I produced a sample of 28 districts. (See Appendix B for list of districts in sample) The enrollment size of these districts ranges from 44,199 students in District of Columbia Public Schools up to 995,336 students in New York City Department of Education. In terms of poverty level, the lower bound is Long Beach Unified with 25.25% of 5-17 year olds living in poverty, while the upper end is Detroit City Public Schools with 47.24% of children in poverty. There are multiple districts from larger states such as California and Texas, however there is geographic diversity in the sample. This is important in the sample, as there can potentially be regional differences that correlate with certain variables I have intended to study. Lastly, 7 of the 28 districts are mayorally controlled. These seven districts have school boards that were selected either by a mayor directly or by a mayorally appointed CEO/superintendent. Even though the degree of mayoral intervention in these seven districts differs, there is a clear distinction between these particular ones and districts with elected school boards.

The dependent variable of interest is the level of private contributions a district receives annually. To measure this, I used 990 forms, an annual form that 501 (c) (3) organizations are required to file with the IRS. This form reports an organization's revenues and expenditures in a given year. I obtained these 990 forms from associated foundations for years 2009-2011.

The measure that best encapsulates private contribution is from line 8 of the form: “Contributions and Grants” (See Appendix C for example of 990, line 8). This data point represents the revenues that a foundation receives in each year, excluding any revenue received from interest. In this analysis, the amount was divided by the enrollment size of each district to create a measure of private contributions per student in a given year. Other measures of private funding could be found in line items of a district’s annual budget. However, each district accounts for this in a different method. Thus, if gathered from each individual budget, the amount of funding would not be comparable. From interviews, many districts emphasized how private funds are funneled through the district’s 501 (c) (3) foundation. Although tradeoffs exist, as not all districts have a foundation, the 990 measure was the most comparable and consistent measure of outside funding for a district. Data was gathered for 15 of the 28 districts in 2009 and 18 districts for 2010 and 2011.

I collected a number of independent variables to examine the hypotheses as proposed earlier in the paper. To test the effects of mayoral control, I coded districts based on the categorization of their school board. If districts had elections for their school board members, then they were considered “Elected” districts. Those districts that had the mayor either choosing the School CEO, part of the board, or the entire board were deemed “Mayorally Controlled.” Other studies measure the strength of the mayoral control. However, given the confines of the study, the dichotomy between elected and mayorally controlled is sufficient.

To test the hypothesis of union strength, the independent variable of union rank is utilized. This measure comes from a Thomas B. Fordham Foundation report entitled “How Strong Are U.S. Teacher Unions? A state-by-state comparison.”⁸⁹ This study was a comprehensive

⁸⁹ Amber M. Winkler, Janie Scull, and Dara Zeehandelaar, *How Strong Are U.S. Teacher Unions? A State-by-State Comparison* (Washington, DC: Thomas B. Fordham Institute, 2012), 9-12.

examination of the variables involved in determining the strength of teacher unions—resources and membership, involvement in politics, scope of bargaining, state policies, and perceived influence.⁹⁰ Rankings were completed in each of the five key areas and averaged to create overall rankings for 50 states plus DC, with 1 being the strongest and 51 the weakest.

The rankings from the Fordham Foundation report are used to indicate the strength of the unions in each of the 28 districts of the sample. Districts were assigned the union rank of the state it was located in. Districts residing in the same state (e.g. Aldine and San Antonio) were given the same rank. Alternative measures such as size or membership alone serve only as a blunt approximation of the strength, failing to take other factors into account. Katherine Strunk creates a measure of teacher union strength via terms outlined in contracts. However, the analysis involved was only specific to California. Therefore, the rankings of the unions by state in the Fordham report were the most comprehensive and best suited for the districts in the sample.

The last hypothesis concerning financial constraints posited that districts with high demand for funds, as well as high supply of potential funds would bring in the most private contributions. High demand can be classified as districts in dire need of external funding due to constraints. To quantify this, I used the poverty rate of the districts. Specifically, this was the rate of 5 to 17 year olds living in households under the poverty line. Data was gathered from the National Center for Education Statistics.⁹¹ As many district officials noted in their interviews, providing education for students from impoverished backgrounds put a financial constraint on the budget.

I also hypothesized that districts with a high supply of potential funds would receive more philanthropic funds. As donations often come from the wealthy, I gathered data on the

⁹⁰ Ibid., 9.

⁹¹ National Center for Education Statistics. School District Demographics System and Common Core of Data, 2007-2011. <https://nces.ed.gov/surveys/sdds/framework/tables.aspx?ds=census&y=2010>

percentage of wealthy households in each of these districts. In this study, wealth percentage refers to the percentage of households earning \geq \$150,000 annually. Data for each district was gathered from the School District Demographics System of the National Center for Education Statistics.

Lastly, I considered district enrollment as an independent variable. After talking with many district officials, many noted that the size of their district was an attractive characteristic for grant donors. With more students, more large-scale programs can be implemented and these students serve as test subjects for new initiatives. District enrollment in 2010 was used for the enrollment variable. This data was obtained from the Common Core of Data from the National Center of Education Statistics.⁹² Even though analysis was done from years 2009-2010, the National Center does not compile enrollment data annually. Even though there are fluctuations in enrollment from year to year, the 2010 enrollment number was adequate for the purposes of this study.

I ran two-sample t-tests to determine if significant differences existed between the means of private contributions per student in each sample. These groups were created on the basis of four independent variables: mayoral control vs. elected, high vs. low poverty, high vs. low wealth, and strong vs. weak unions. These tests were performed for the listed comparisons for years 2009, 2010, and 2011. Similar to the regression analysis, these tests were performed with and without District of Columbia Public Schools.

For comparisons between mayorally controlled and elected districts, groups were created based on that distinction. Only seven of the original 28 districts utilized mayoral control and data on private contributions were collected on six. Therefore comparisons were done between

⁹² National Center for Education Statistics. School District Demographics System and Common Core of Data, 2007-2011. <https://nces.ed.gov/surveys/sdds/framework/tables.aspx?ds=census&y=2010>

unequal groups, as more districts were elected. The t-tests for difference in means were conducted for 2009, 2010, 2011.

Whereas a natural categorization existed for mayoral control and elected districts, breakdowns for the rest of the independent variables had to be created. For union rank, I categorized strong unions as those with a Fordham Foundation ranking in the range 1-25. Districts with union rank between 26-51 were categorized as weaker unions.

In terms of the poverty percentage, all districts chosen for this sample were higher poverty, as they were chosen if poverty percentage was greater than or equal to 25 percent. Therefore, for the purposes of the t-test I created equal groups of districts with “high” and “low” poverty. Districts classified as low poverty in this sample had poverty percentages in the range of 26.74 – 33.51. Districts deemed as high poverty had percentages ranging from 33.65 – 47.24%.

Equal groups were also created to compare high and low wealth districts. Districts grouped as high wealth had percentages ranging from 9.3 -18. Low wealth districts had percentages ranging from 1.8 to 8.1 percent.

I also modeled multivariate regressions to study the effects of all of the variables described above —mayoral control, enrollment, poverty percentage and wealth percentage— jointly. The log of the private contributions per student is the dependent variable. I use the log of this dependent variable to reduce the influence of outliers. I ran models for 2009, 2010 and 2011, to see how the independent variables impacted the private funding in different years. These models were also created with the exclusion of DC, as the high level of private contributions per student appeared to be an outlier amongst the data.

XI. National Sample Results

The results of the t-tests for 2011 can be seen in the tables below, Tables 6-9. The remaining t-tests for 2009 and 2010 can be found in Appendix D. From these t-tests, it is evident that in 2011 there is a significant difference in the amount of funding per pupil between districts with mayoral control and elected districts. Elected districts raised an average of \$25.32 whereas mayoral control districts raised an average of \$121.02 per student—a difference of \$95.70. In this test, the p-value of 0.0706 indicates significance at the 0.1 level. A significant difference was also found between low and high poverty districts. Districts with lower rates of poverty, albeit greater than 25% due to the sample creation, raised on average \$83.93 per student more than in districts with higher poverty percentages. In this test, the p-value is 0.0951. No significant differences are found between weak and strong union districts.

The mayoral control findings are consistent with my hypothesis. As expected, districts with mayoral control have received more money per pupil. This is in part due to the fact that mayoral control is a reform itself aimed to transform schools. Philanthropic donors can see these reforms as positive steps and contribute money to the cause. Additionally, mayoral control allows appointment of individuals who can be competent in controlling the grant process.

Differences in lower vs. higher poverty districts do not match my original hypotheses. I had proposed that districts with the highest need (i.e. highest poverty) would yield more donations. The results, however, tend to indicate that this is not the case. Rather, the results exhibit that those with the highest amount of students in poverty do not receive nearly as much money as those with moderate amounts of poverty (25-33%). Possibly districts with the highest levels of poverty suffer from other problems as well in their operations. This may affect how attractive the district is in the eyes of donors. Although this is speculation, donors may not

believe that their money is being put to good use in these districts. Furthermore, if the results from Santa Ana hold nationally, and there is a local element involved, there could simply not be the supply of funds in the immediate area.

On the other hand, districts classified as the lower poverty group, still have a substantial amount of students in poverty. For these districts, there are clearly challenges the district is facing in providing education to its students. Thus, a clear need is often met by philanthropic donors if there is belief that there is progress to be made in the district. At these levels of poverty, donors might remain optimistic about the solvability of the situation. Also, there could be other factors involved in creating this distinction such as the competency of the workers and the wealth in the area. Thus, this t-test signifies a difference exists but does not serve to explain the causal mechanisms behind the difference.

Weaker unions had on average more contributions than stronger unions, even though this difference is not significant. Additionally, there was no significant difference found between districts of lower and higher wealth. Each year illustrated that the wealthier districts raised, on average, a higher sum of money per pupil. These trends with wealth and union strength align with the hypotheses, but the results cannot fully conclude that these are the driving forces behind the differences. There can be many other factors involved that create the distinction between the two groups. Perhaps mayoral control and union strength are correlated with one another, making the t-test an inappropriate test for the difference. There also is the possibility that these factors are not important in the grant process. Other factors such as the leadership in the district or the business communities' ties to the school district could play a role.

Table 6: Elected vs. Mayoral Control Union, 2011

Elected	Mayoral Control	Difference
25.32	121.02	-95.70
[1.24, 175.02]	[1.00, 419.87]	(49.40)

P-value: 0.0706

Table 7: Weak vs. Strong Union, 2011

Weak	Strong	Difference
98.73	30.81	67.93
[1.38, 419.87]	[1.00, 185.67]	(50.29)

P-value: 0.1956

Table 8: Low vs. High Poverty, 2011

Low	High	Difference
99.18	15.26	83.93
[1.00, 419.87]	[1.38, 44.72]	(47.31)

P-value: 0.0951

Table 9: Low vs. High Wealth, 2011

Low	High	Difference
18.20	96.24	-78.03
[1.24, 72.07]	[1.00, 419.87]	(47.93)

P-value: 0.1231

T-tests are used to uncover any differences between two distinct groups. However, these are not fully adequate to analyze the financial data for the school districts in the national sample. The tests do not explain variation amongst the two distinct groups or indicate the effect of the variable on the difference. Also, as seen from the above results, additional factors may be correlated with the variables, producing the differences as seen in the tables. Table 10 includes the model of the multivariate regression for 2010 and 2011. (See Appendix E for 2009 model and models for 2009-2011, excluding DC)

The regressions indicate that mayoral control is a significant factor involved in how much money a district receives from private sources. In 2010, the model indicates, that holding all else constant, switching from an elected school board to a mayorally controlled school system,

increases the amount of philanthropic funding by 159.1%. In 2011, the model indicates that mayoral control would create an increase by 193.4%. Even when excluding DC, an outlier due to the high per pupil revenue it generates from private sources, the coefficient of mayoral control still remains significant in 2010.

These results support the original hypothesis that given districts with high levels of poverty, serving large populations, mayoral takeover of the school has a significant impact on the district's revenues from private sources. Districts who have mayoral control did not all have higher private contribution totals than those with elected boards, indicating other factors are at play. Despite this, it is clear and evident that the mayoral control has a substantial impact on the amount of private contributions gained by a district's foundation.

Further investigation could discover further implications of this mayoral control. This study did not examine whether other factors related to mayoral control. Studies could examine how the length of time mayoral control has been in the district can affect the funding levels from private sources. Additionally the trend is significant and grows from 2010 to 2011. This is not guaranteed to be the case every year, so there might be some year-specific factors involved in this. Lastly, given the composition of this sample, this is not guaranteed to hold in districts that have lower than 25 percent of poverty. Perhaps, a change in governing structure would make no difference in districts that differ from this sample.

The coefficient of wealth percentage is significant in the 2010 model, both with and without DC. The positive coefficient indicates a one point increase in the wealth percentage, translates into 20.6% greater private contributions per student. This supports the second part of the third hypothesis as outlined above. It was expected that the higher supply of funds in a

particular area would generate higher private contributions. Since wealth in the district serves as a measure of the potential funds in a particular area, this hypothesis is indeed supported.

Results from these models do not support the union hypothesis. There is a positive coefficient for union rank, indicating a trend of weaker unions with more money. However, the results are not significant. One possible explanation is that union strength does not matter for most donations to a district. Oftentimes the media depicts union opposition to measures such as teacher evaluation and changes to compensation. For these initiatives, often pushed for through the incentives of large philanthropic organization grants, union opposition may be an issue. However, if Santa Ana's trends seem to indicate what philanthropic giving looks like nationally, then teachers unions may not oppose. As members are teachers themselves, it is likely they would welcome money used for field trips, instructional supplies, and extracurricular, as they are directly benefiting students in a positive way.

Another possibility for unions that was not accounted for here is how the union strength is dependent upon the city. I utilized a measure of union strength compiled for the state level and assigned all districts within the state the same measure. However, it is quite possible that the union's ability to act is dependent on city factors. Unions in San Antonio might have different influence than in Dallas or Fort Worth. This differentiation is not captured in this analysis.

Enrollment size is also another independent variable without a significant coefficient. In the interviews conducted, as explained in the following sections of this study, many school district officials noted that they believed enrollment size to be an important consideration for donors. This sample was created for larger districts (40,000 students and above) as a means to test the effects of variables such as mayoral control. As long as a district meets a threshold of students, enrollment may no longer serve to explain the variation in funding levels. Also, there

can be economies of scale playing a role. Larger districts need more money overall, since they are providing instruction for more students. However, when implementing a large-scale initiative across a district, the cost per pupil is likely to decrease. Therefore, when raising funds, a district might not need as much per-pupil for larger scale initiatives. Further investigation into the uses of the money would be needed to validate these possibilities.

Lastly, it is unsurprising that the poverty percentage coefficient is insignificant. This sample was created largely to test the effects of mayoral control and union strength. However, there is selection bias in regards to poverty. Since all districts have a great percentage of poverty, it is unlikely that the percentage of poverty in these districts is an explanatory variable for the variation in private funds. Donors may indicate poverty as a reason for contributing to a school, however it is quite possible that once it reaches a certain threshold, the percentage does not change the behavior of donors.

Table 10: National Sample 2010-2011		
Dependent Variable	Log (Private Contributions Per Student)	
	2010	2011
Enrollment	-.002 (.002)	-.002 (.002)
Mayoral Control	1.591* (.803)	1.934* (.941)
Union Rank	.028 (.024)	.046 (.028)
Wealth Percentage	.206* (.101)	.075 (.133)
Poverty Percentage	.090 (.077)	-.069 (.098)
Constant	-2.722 (3.277)	2.799 (4.017)
N	18	18

* denotes significance at the 10% level

XII. Interview Methods

There are multiple reasons and theories that exist as to why there is variation in the amount of funding school districts across the country receive. Because private funding is brought into school districts from a variety of different sources, it is expected that different districts will see varying amounts. I have hypothesized that three variables can explain the differences in philanthropic and private funding that public school districts receive: 1. School board status (appointed vs. elected) 2. Union strength and 3. Funding Constraints

As mentioned above, I expected to see that districts in which mayors were given control and authority in selecting a superintendent or the board of education for a district would see higher levels of private and philanthropic funding when compared to school districts with boards elected by the population. Secondly, I hypothesized that strong unions would oppose many terms and conditions imposed by philanthropic funders, thus resulting in lower donation amounts in districts with strong unions. Lastly, I believed that funding constraints would impact the ability for districts to receive donations. On one hand, districts with high demand for funds, such as districts with high levels of poverty, should see these demands met by outside donors. On the other hand, districts in which there are higher levels of wealth, the supply of funds is greater and thus these districts should also obtain higher levels of private funding.

There are a number of limitations of testing these hypotheses in quantitative data. The task of tracking money is rather difficult when there is not one standard that all districts must follow. Philanthropic contributions and grants are accounted for in the annual financial budgets, but the categorization can vary from district to district. Furthermore, a quantitative approach in measuring the different variables in the hypotheses can limit a complete, nuanced understanding of the issue. For instance, to understand the impact of mayoral control, it is important to learn the

ways in which the school board plays a role in the grants process rather than just the overall effect. The same logic applies to a qualitative approach to unpacking the strength of teachers unions. There are many quantitative measures that can serve as proxies but do not capture all of the intricacies of teacher involvement. Lastly, using interviews allows the emergence of other funding constraints. Although poverty levels are one measure of funding constraints, they are only one of the many financial barriers a school district must contend with.

Consequentially, I decided to also examine my hypotheses using interviews. In order to investigate and test these particular hypotheses, I crafted a questionnaire of 12 questions to be administered to the 28 districts in the sample. (See Appendix F for Interview Questions) Questions were crafted particularly to address and uncover answers regarding the three hypotheses. Additionally, these questions were also used to gauge background and a greater understanding of the landscape of philanthropic giving.

To test the impact of mayorally controlled districts, I utilized question 10 in particular: What is the role of the school board in the grant process (Do they advise in the seeking of grants/donations or just approve donations already made?). This question determines how the school board plays a role in the grant application. Essentially, this estimates the level to which school districts impact the work of other departments in finding donor and setting a tone for looking to outside sources. Given my hypothesis, I expect that districts with mayoral input will have school boards that play a more active role in the grant process and will set a tone to look for external funding. Outside funders push for reforms with the terms they stipulate in the grant, and their viewpoints can often match the views of the mayorally controlled district. Therefore, in these districts, appointed school boards can take a more active role in seeking outside funders as they should be more willing to implement the terms of private grants.

The second hypothesis, in uncovering how unions impact overall philanthropic funding, I asked questions 7 and 9. Question 7 asks about the typical grant process and what staff members are implicated, while question 9 asks about teacher approval needed for the terms of the grant. As stronger teachers unions often stand as a barrier against controversial reforms – many of which are included in grant stipulations – it is expected that the role of the teachers and their level of involvement in the process will impact the overall philanthropic funding level. Districts in which teachers have the opportunity to get involved can impede grant progress at many places along the grant development continuum – preventing the district from applying for a controversial grant or preventing a rewarded grant from being fully implemented in the district.

In order to understand how financial constraints in the grant process, a combination of questions were written. Questions designed to discover how districts find grants and the types of grants they receive allow for districts to explain their grant process. By explaining their own systematic effort, districts can point to their reasoning in response to the particular conditions they face. It gives a deeper understand of how their work is directly tied to constraints they face – financial or otherwise.

The rest of the questions, while not tied to a particular hypothesis, were designed to generate a more complete picture and understanding of the scope of philanthropic and private funding in the district. These questions also garner information on factors that influence the overall amount of philanthropic funds such as the way the district approaches the topic of private funding, the amount of effort the district puts in, the yield and return on their efforts, and other support systems they have put in place.

After the interviews were underway, I added an additional question that was not related to a particular hypothesis. I asked district officials “Why District X? What characteristics of your

district, in particular, make it an attractive investment for private donors?” By asking this question, I was able to uncover other variables that influence the variation seen in total philanthropic funding levels.

Following the creation of the questionnaire, I reached out to officials in the 28 districts in my national sample. After surveying the websites of various school districts, I found that the official best suited to answer the questionnaire varied based on the districts. The way in which districts structure their departments differed from district to district. Although most districts had an official with duties related to obtaining private grants/donations, the office in which it was held was not constant across districts. Officials were found in departments of finance, family/community engagement, and specific grants departments.

Once the particular official was identified, I emailed out an initial invitation for a phone interview. For districts that did not respond initially, I conducted phone call follow-ups. After explaining to the district about the research project, some districts transferred me to another official that was better suited to answer the work. In a few cases, this official was different than the person I initially intended to reach.

Conducting outreach to the districts in the sample resulted in responses from 16 of the 28 districts. Of the 16 districts, I spoke to and interviewed 11 officials. The remaining 5 chose not to speak by phone, but did provide email response and additional information. Santa Ana, for instance, emailed answers to all questions in the questionnaire while the remaining districts gave information through an annual report or budget. 12 of the 28 districts did not respond to any of the outreach communication.

XIII. Interview Results

After conducting the interviews, I gained a deeper understanding of how school districts went about securing funds from non-governmental sources. Speaking first hand with officials directly involved in grants work gave a more complete picture of the process. Although these findings are based on 11 phone interviews, the information gathered still points and suggests to factors that affect philanthropic giving across the country as well, even if exact details cannot be discerned from this particular sample. Commonalities amongst districts included the channel through which donors could contribute as well as a process for securing funds. Details on each of these do emerge between districts, resulting in factors that ultimately affect the overall funding each receives.

A majority of districts in the sample utilized an associated independent fund or foundation as a channel through which donations can be received. Officials from many districts indicated the 501 (c) (3) status as an important reason for the creation and existence of these foundations. Having an outlet that bears this tax status gives philanthropic funders and private donors the opportunity to donate to public education causes, while also earning a tax exemption. Donors also find the independent status of these associated foundations to be particularly attractive. Officials from different school boards noted that donors wanted to ensure their money would be properly managed and spent. This could be achieved more effectively, in donors' minds, when leadership not affiliated with the school district had control over the funds. Even though the programs and terms of the grants implicated the school district both in the implementation and the effects of the money, the independent foundation serves to ease concerns. Not all districts did follow this particular model, with some districts themselves serving as the channel for private funds, however it did appear to be the most common.

The grant process, in addition to the donation channel, also appeared to be very similar. Districts did differ in terms of the offices used to manage each step of the process. However the overall method of obtaining private funds stayed fairly consistent. Districts had to identify funding opportunities that existed, decide which grants to apply for, and write and submit a proposal. Once awarded funds, districts had to implement the projects and initiatives as outlined on the terms. Evaluation and research of the effectiveness typically followed suit, with communication of the results to both the funder and the rest of the district occurred at the last stage. I will refer to the overall process as the “grant continuum” which represents the stages from identification to final communication.

While the channel and process appeared to be similar across districts, I intended to uncover the variables that influenced disparities in levels of private funding and donations. No discernable effect arose of how the type of school board impacted the level of philanthropic funds. Even though questions were specifically asked to get an understanding of the active or passive role a school board might play in the process, there was no difference between districts with mayorally controlled and appointed boards and those school boards that had been elected.

Baltimore, Boston, and Philadelphia were three of the mayorally controlled districts. Representatives from each of these districts commented on the level of involvement in the school board. In Baltimore, the school board did not take an active role in the process. The Grants Development Manager of Baltimore was largely free to manage the work that she did, with little oversight and authority from the school board of CEO. She noted that the board “set the six principles of the Baltimore City School district,” and she worked to align her work with those goals.⁹³ However, ultimately her work was largely shielded from aggressive efforts on behalf of an appointed board. Philadelphia’s Grant Development manager indicated an even lesser role for

⁹³ Baltimore Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

the School Reform Commission (Philadelphia's name for its school board). The SRC approves all small grants (under \$20,000) in one resolution quarterly, while approving large grants (greater than \$25,000) on an individual basis. Her work otherwise is not directly impacted by the direction and management of the SRC.⁹⁴ Boston also noticed how school board members served in a passive manner in regards to private funding. The board intended to be informed of activity on this front, but did not actively pursue or manage the work.⁹⁵

Districts with elected school boards also commented on their school boards in a similar manner. In many districts ranging from Santa Ana, Aldine, and Long Beach, the board's primary function in relation to this work is to approve grants, gifts, and donations received by the districts. The boards are interested in the operation of their school district and thus seek to be informed at meetings. Officials from the grant office in Aldine appear at board meeting monthly to update grant progress in the district.⁹⁶ Similar activities occur in other districts, most often in the form of a monthly or quarterly report to the board.

Officials in Fresno and Santa Ana – districts with elected school boards – also shared how the board can set priorities that set the premise for the overall work they do. This model is akin to Baltimore in which the board broadly sets a vision for the district, emphasizing that all work in the district should center on providing the best education for children.

In both El Paso and Milwaukee, the level of involvement is slightly increased over others. A board of directors runs the associated foundations in both districts. Seats on this particular board are reserved for one to two school board members. The remaining members of the board, however, are not affiliated with the school district in a formal manner. Officials from these districts noted the primary purpose of reserving seats in the foundation for school board members

⁹⁴ Philadelphia Official, Interview by Author, Phone Interview, Philadelphia, PA, February 7, 2014.

⁹⁵ Boston Official, Interview by Author, Phone Interview, Philadelphia, PA, February 12, 2014.

⁹⁶ Aldine Official, Interview by Author, Phone Interview, Philadelphia, PA, February 5, 2014.

was to provide a proper channel of communication between district and foundation. This ensured coordination of the efforts to make sure districts' goals and priorities were met. Milwaukee's official noted "the board takes a more strategic and functional status, while the [district] administration brings ideas."⁹⁷ It is important from an advisory perspective to have their input, but the large efforts are coordinated by the foundation.

From the responses of these officials, it appears as if appointed boards are not overly influential in the successes of these districts to raise external funds. Even though it is plausible that appointed boards have the potential to be reform-minded and therefore could align their views with philanthropic funders, it does not appear that they are playing a substantial role in the grant process of these particular districts. Although the boards impact the work that occurs on the entire district, they do not appear to be an influential determinant in the level of funding they receive. In districts with elected board members, mixed interaction between the board and the foundation or grant office points to the notion that the board is not a major determinant in the variation of funding the district brings in annually.

A similar narrative appears for the role of teachers in the grant making process. A clear conclusion on whether union strength influences the philanthropic funding of the district does not emerge. District officials noted that teachers are interested in the work of the grant development work because of the potential gains. El Paso's associated foundation primarily works by providing "Classroom Improvement Grants" awarded by a surprise crew annually.⁹⁸ Teachers benefit from these grants as they can receive technology and curricular materials to bolster their lessons. Other than being recipients of the grants, teachers are absent from the grant development process in Milwaukee. El Paso mentioned annual employee giving drive, in which

⁹⁷ Milwaukee Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

⁹⁸ El Paso Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

school district employees could donate to their foundation. This was the only involvement of the teachers in the work of the foundation to bring in non-governmental funds to provide education for the students of El Paso. In Milwaukee, teachers benefit from the work of the foundation but are an absent stakeholder in the attainment of funds. Milwaukee's foundation provides "Learning Journeys" to teachers. As the official notes, these are "field trips on steroids. Basically, teachers are given curricular materials before the journey, provided admission and transportation to the journey itself, and receive additional supports to finish their journey back in the classroom."⁹⁹ Teachers benefit from the grant development efforts but are not involved otherwise.

In Chicago, the approach of the associated fund in their utilization of private money also serves to benefit teachers. An official noted that they "value talent and teachers, taking an educator led approach rather than a top down approach."¹⁰⁰ By utilizing focus groups with educators from Chicago Public Schools, the work and projects coming from the fund aim to benefit teachers and principals. Chicago's Public Education Fund even gave one million dollars to the Chicago Teacher's Union for national board certification. Bringing in the teacher voice, allows teachers become a stakeholder in the work associated with private funds rather than a force with which the district must contend.

Many district officials noted potential difficulties could arise from funding if the intended recipient, particularly teachers, did not want it. Most private funding has terms or conditions applied, through a particular program or initiative that needs to be implemented. Boston's official indicated that this is the stage where they often run into problems. Although they can be successful at raising the money, teachers might not want to get the money when they have to follow a particular protocol. Rather than stopping the fund from pursuing more donors, the

⁹⁹ Milwaukee Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

¹⁰⁰ Chicago Official, Interview by Author, Phone Interview, Philadelphia, PA, February 21, 2014.

official aimed to increase communication so all parties involved knew their expectations.

Cleveland's officials also spoke about the terms of grants. He said that they would "never accept the grant if the terms are onerous," therefore only pursuing grants the district would implement.

¹⁰¹ His comment points to unions having potential influence on the process, as they could indicate what they could consider onerous. However, the point in the overall continuum of where they exert influence is different than hypothesized. Based on his comments, the voice of the teachers union could impact how they identify grants to apply for, rather than serving as a barrier against terms of grants awarded.

Overall, it appears there is mixed reaction on behalf of the teachers, but there has not been evidence pointing to strong union reaction against philanthropic funding. Therefore, based on the interviews, it is inconclusive as to exactly how much unions impact the variation and success of bringing in private money in the school districts.

In regards to the third hypothesis, funding constraints did appear to be influential in the grant process but did not solely explain the differences in success rates of obtaining funds. Constraints were important in how districts approached their development work. Many districts noted overall decreases in school budgets, thus pushing districts toward non-governmental sources. San Antonio cited Texas budget cuts combined with decreasing federal and state grant opportunities as a reason to pursue private grants.¹⁰² An official in Baltimore also indicated similar concerns of not having enough money to provide quality education. Baltimore was "forced into " of obtaining private money.¹⁰³

Even though it appears as if budget cuts are a financial constraint that has an effect on the work of philanthropic development, it is not clear to the degree to which it affects the overall

¹⁰¹ Cleveland Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

¹⁰² San Antonio Official, Interview by Author, Phone Interview, Philadelphia, PA, February 10, 2014.

¹⁰³ Baltimore Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

successes of the districts. Districts clearly indicated that budget cuts influenced a district to pursue grant development. However, officials did not comment on the exact percentage of the budget cuts—an amount differing by state. Consequently, districts responded differently to the overall budget crises. Different approaches to similar problems can still lead to wide diversity in the overall private funding levels of each district. Therefore, a clear relationship between the funding constraint of a budget cut and the amount raised is not fully apparent. Many factors along the grant continuum process also contribute to the final outcome.

Poverty levels also appear to affect philanthropic foundations' decisions to donate to a school district. When asked specifically what made their district attractive to funders, officials most often pointed to the high levels of poverty in their district. Philadelphia and Memphis both emphasized this as they believed philanthropic and private donations were mainly donating money to help the population in their district. As poverty is linked with lower reading levels, higher drop out rates, and other affiliated problems, it becomes a financial burden for the district. With such high levels of students living in poverty, philanthropic foundations see a worthwhile cause in giving to these districts. Despite being an important factor, once again it is not thoroughly explanatory of the differences in private funds. For example, El Paso and Boston have two vastly different results in the amount of funds received from non-governmental sources. El Paso, a district with 33.6 percent poverty, raised slightly over 1 million dollars from private sources over the 20 years in the foundations existence. Boston, on the other hand, has a poverty rate of 28.9 percent. Annually, the district raises from 10 to 14 million dollars from private sources. While this example does not eliminate poverty as a factor, it does illustrate there are indeed other variables at play.

XIV. Additional Interview Findings

From the above findings, it is evident that the variables of the initial hypotheses have some bearing on the overall outcome – total philanthropic funds received. However, based on the interviews the effects are neither fully discernable nor are they the only effects involved. Based on findings, private funding success is dependent upon the vision and mission of the school district, the competency of the individual in charge of grants development, and the capacity of the school district.

As mentioned previously, the school board plays some role in the philanthropic funding process. Although there wasn't a systematic difference between appointed and elected boards, the interviews suggested that the board in the district implicitly affects the work done to attract donations from the private sector. The overall mission and vision of the district impacts all offices within and associated with the district. School boards retain interest in providing quality education for all students that are served. In keeping this overarching theme in mind, they often come up with principles and missions to guide their work.

Departments that work on institutional development from the private sector must work with this framework in mind. Mentioned previously, Baltimore works to ensure alignment with the school board's values for the district. Furthermore, Baltimore notes that the work also responds to values set forth by the school district's CEO or superintendent. According to an official, the "former school district CEO valued innovation for innovation's sake."¹⁰⁴ Consequently, the work in various departments attempts to match this overarching theme. The realm of philanthropic funding often involves innovation, thus there exists an underlying connection between institutional development from private sources and the school leadership team.

¹⁰⁴ Baltimore Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

Other districts follow suit, with reform minded practices pervading the entire district. This mindset affects both the work on the district side and from the philanthropic organizations' perspective as well. Even if direct pressure and management do not stem from the school leadership and board, the pervading ideology of reform and innovation allows for different funding opportunities for the district to pursue. Memphis, for instance, is willing to reform and change practices to do whatever is needed.¹⁰⁵ Therefore, Memphis is attractive in the process when like-minded donors make final decisions. Donors will invite districts like Memphis, increasing the odds of being awarded external funds. Cleveland also carries a reform-minded agenda through its comprehensive Cleveland Plan, aiming to revitalize the entire city through a transformation of the school system.¹⁰⁶ With this plan, the work of the grants office is aligned with the district goals of reform.

Whereas certain districts have reform-minded priorities as expressed in their visions, other districts do not hold the same beliefs. As a result, the work in the realm of philanthropic funding is slightly altered when compared with districts such as Cleveland and Memphis. Districts such as San Antonio, Aldine, and Fresno expressed that their districts were not actively trying to implement reforms such as implementing a teacher evaluation system and changing staff compensation. While they could not pinpoint exact reasons or oppositions to these reforms, they noted that it was not part of the mission of the school district. Hence, when pursuing funding opportunities, reform initiatives were not sought after in these particular districts. From these examples, it is apparent that vision and mission are key components that influence both offices within the district and associated foundations.

¹⁰⁵ Memphis Official, Interview by Author, Phone Interview, Philadelphia, PA, February 9, 2014.

¹⁰⁶ Cleveland Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

While the overall vision and mission of the district affected development work, the competency of the individual most directly involved in private fundraising efforts was also important. After speaking with districts involved in the work, it became clear that the individual in the position mattered greatly. The individual's experiences, skillset, and approach to the work impacted the amount of funding that districts brought in.

Some districts and foundations had leaders working on grant development that were fully committed and devoted to doing the work. In Philadelphia, where state budget cuts have impacted the district for multiple years, officials know that philanthropic funds are one way to make up the ground. Carrying this particular mindset, the official sets the vision for the employees she oversees that carry out the grant writing, applications and implementation. Although district mission is important in reaching various offices, it is essential that the person in charge see their work in a similar light. Coordinating these efforts is often dependent upon how the individual sets the tone for either the grants development office or the associated foundation. By working together, Philadelphia's grant office is able to take the tone of the district and strategically apply to private grants in a successful manner.

Leaders in Memphis' foundations also have a dedicated mindset to do "whatever it takes" to bring in extra funding. Officials at SchoolSeed, the associated foundation formerly known as Memphis City Schools Foundation, coordinate efforts with community partners.¹⁰⁷ They know that the leadership has to set the tone in engaging in meaningful relationships, to ensure success in total donation levels. An official in Chicago also noted how the individuals of the board at the Fund for Public Education were an important consideration for outside donors. The backgrounds

¹⁰⁷ Memphis Official, Interview by Author, Phone Interview, Philadelphia, PA, February 9, 2014.

and companies that the board members worked for served as a positive signal to donors who trusted these board members to spend the money effectively and efficiently.¹⁰⁸

Growing the office and grant efforts can also stem from ideas emerging from individual leaders. In Boston, the leader in grant development work came into the office two years ago and completely transformed the approach and attitude of the entire office. Instead of scrambling together to file an application within a few short weeks, he led efforts to coordinate pre-assembled programs that could be used for a grant application. By planning initiatives ahead of time, Boston focused on grants that best matched their needs. The work of the grants office and associated foundation changed in response to new leadership. Therefore, the leadership style and associated ideas of a particular individual can have drastic overall effects.

Not all individuals who maintain leadership positions in grant development carry a similar attitude to their work. It is possible in that they are just carrying out the vision set forth by the district they are in, but at the same time are not aggressively pushing for extra growth and change within their particular environment. In Fresno for instance, the official came into the role two years ago and views her job as “maintaining the status quo” of the office.¹⁰⁹ Although there are potential constraints in the Fresno environment to why growth might be limited in terms of looking for external funders, the official did not have a strategic outlook to identify and plan for new funding sources. Growth appeared not to be a priority for this particular district, resulting in lesser private funds.

In El Paso, the individual leader also proved to be important in bringing attention to private funding when it had been neglected for so long. The official I spoke to came into the leadership position of the foundation four years prior, as it had been sitting vacant. This official

¹⁰⁸ Chicago Official, Interview by Author, Phone Interview, Philadelphia, PA, February 21, 2014.

¹⁰⁹ Fresno Official, Interview by Author, Phone Interview, Philadelphia, PA, February 12, 2014.

originally was a parent volunteer who became interested in the work that El Paso was doing and noted the need for extra funding. Her motivations got her into the work and provided El Paso's foundation with leadership that had a vested interest.¹¹⁰ Even though the absence of a leader speaks to larger issues with the efforts in raising private funds, the individual who stepped up changed the trajectory.

Milwaukee's story also points to how an individual in a position can change the work being carried out. The official came into the role from a fundraising background. As a result, she had made connections with local businesses and foundations in the community. When arriving in her new position at Milwaukee Public Schools Foundation she had already built a professional network from her prior work. Utilizing these connections allowed her to ease her way into the position and find more money to do things such as backpack and clothing drives for student across the district.¹¹¹ In Cleveland, the official also came from the non-profit sector into the role at the school district.¹¹² Having the expertise of this field and prior connections allowed for a more effective leader to do the work to obtain private funding.

Individuals, as seen from the multitude of cases, have a tremendous role in how the district does at bringing in money from private sources. Whether it the mindset and leadership skills they bring or the past connections and experience, attributes of the leader are influential in explaining variation. Leaders who utilize their connections and experiences, take an aggressive approach, and operate efficiently yield greater amounts of private donations to the district. As with any variable, the individual's characteristics do not completely serve to explain why certain districts like Boston and Memphis can raise much larger sums of money than Fresno and Aldine. However, the interviews indicate that individual agency influences the work being done and the

¹¹⁰ El Paso Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

¹¹¹ Milwaukee Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

¹¹² Cleveland Official, Interview by Author, Phone Interview, Philadelphia, PA, February 14, 2014.

overall result of the efforts. School districts have practical implications stemming from this finding. When making hiring decisions, school districts must carefully evaluate how the individual will impact the bottom line of private donations.

In addition to individual agency and the vision of the district, the overall success of obtaining private money is also dependent on the capacity of the district. As mentioned earlier, the grant continuum consists of multiple stages in the ultimate process. From initial identification of opportunities, to the end communication with the funders about the successes of the program, there are many points in the process that implicate different members. Consequently, each step along the continuum is influential in the overall goal of obtaining member. Outlined in the below graphic are the five major steps involved in this process.

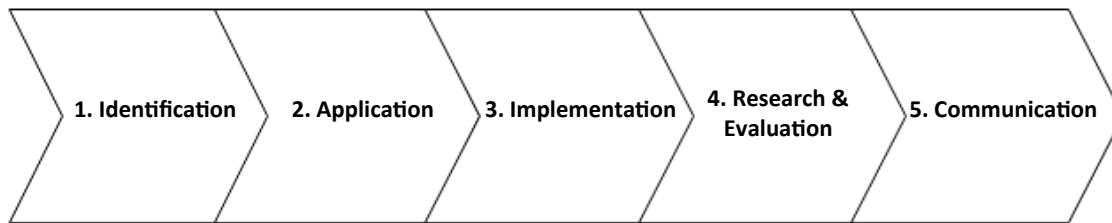


Figure 1: Stages of the Grant Continuum

The capacity of the district impacts the approach to each step along the continuum. One factor influencing the overall work of raising money is the availability of money itself. In a time marked by the recession, state budget cuts, and a governmental shutdown, funds are limited overall. Districts and foundations require dedicated staff members to actively pursue, apply for, and implement philanthropic grants. When their overall budget has decreased, districts often make personnel sacrifices in order to continue to provide educational services. These cuts force districts to substitute away from traditional sources of funding like governmental funds to private sources. Responding to the same incentives, the district also cuts staffing for the private funds.

Budget cuts both increase the need for outside funding and decrease the district's capacity to do so.

Philadelphia had indicated that the staff in charge of finding the grants, writing them, coordinating programs, and other associated duties have decreased from four to six members. In Milwaukee, a staff member can only devote time on weekends to foundational work as they are understaffed in other departments. Baltimore also indicated the downsize effect on the development office, increasing each staff member's work dramatically. In these cases, funding has hampered the ability to put devoted members to staffing. With less staff involved in obtaining funding that is more variable to receive, district staff operations become increasingly important.

While the overall grant continuum is limited in capacity based on budget cuts and staffing, internal capacity plays a role in each individual stage of the grant continuum. How the district is structured and the operations set in place help determine the overall outcome. In the initial stage of identification, the district has to adopt strategies that will maximize the effectiveness. In identifying grant opportunities, districts often have to weigh the cost of producing an application with the expected benefit of return on investment.

Philadelphia has increased its capacity by utilizing a grant committee consisting of the deputy superintendent and other officials. After the grant office identifies potential funding opportunities, the opportunity goes under review by the committee. They decide whether this is a grant they would like to pursue, evaluate extra costs associated with implementing the grant (security, lighting, building maintenance, etc.) and their chances of winning. By pre-vetting the grant from the initial stage, Philadelphia has increased its capacity to be most successful. Rather

than a broad based approach in applying to every private grant, they strategically identify the best grants to maximize chances of success.

In Boston, new efforts have been made to maximize chances through an identification process that matches their priorities. As outlined earlier, Boston pre-plans programs that they believe would be most effective. The official called it a “toolbox of programs they could call upon,” so they are prepared when opportunities exist.¹¹³ Many officials noted the quick timeline of a grant application; oftentimes only three to four weeks between identification and deadline. Therefore, Boston strategically enhances its capacity to identify potential grants that would be best fits for Boston.

Once reaching the application phase, districts also differ in their capacity to fulfill all necessary parts. A quick turnaround, excessive amounts of documents, and multiple staff members were all concerns raised by officials about the application stage. Because there are many logistics involved, processes and communications district adopt impact the process. The completion of the application differs from district to district. Some complete the entire application in-house, utilizing district offices to come together to produce an application. Baltimore and Philadelphia are two such districts. On the other hand, it is often left up to either the foundation or an external office. The foundation in Memphis noted their control of the entire grant process, thus they are the ones to actually fill the application out. In Cleveland, they identify the grants and potential funding opportunities, but an external grant writer controls such a process.

Once grants are awarded, districts have to successfully implement the terms of the grant in order to receive more funding for the future. Therefore, just receiving one grant does not

¹¹³ Boston Official, Interview by Author, Phone Interview, Philadelphia, PA, February 12, 2014.

automatically entitle the district to future private funding. The district has to use it wisely. The capacity of the district to do so is heavily dependent on communication between offices of the district. Additionally, capacity to implement is also dependent on relationships and communications between the district and their foundation as well as the district and external partners.

Baltimore often receives grants that are dependent on utilizing resources from external partners such as Teach For America, the New Teacher Project, and New Leaders. Thus, to implement effectively, Baltimore identifies a plan of how the external organizations are going to be involved in accordance with the district's priorities and goals.¹¹⁴ Information is shared through collaborative meetings with all associated parties to ensure funds get used in accordance with the terms of the grant. The official in Chicago also noted how effective communication and collaboration with all parties leads to proper implementation. By reaching out to the district through monthly meetings, and gaining insight with educators in the city, funds are implemented in a beneficial manner to all parties involved. Thus, proper implementation can be part of a positive feedback cycle leading to more money obtained.

While these districts see success, obstacles of implementing the funds can and do occur in districts. Boston notes the need to change the culture in the district, as many do not want to receive the funding and actually implement it. As many district officials noted, there are many terms to the grant that specify how the money can be spent and what programs must be put in place with the money. When offices within the district are given funds, some may not want to do all the necessary work involved with receiving private money. Many officials noted that the rush of the application process led to faulty implementation. With efforts focused on getting the

¹¹⁴ Baltimore Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

application done, clear expectations and roles are not delineated from the beginning, which can lead to confusion later on.

It is not just the gatekeeper at the helm of the grants office that must yield the capacity to run an effective and strategic operation to identify opportunities. All parts of the district are implicated in the work at the implementation stage. Coordination and communication are necessary to combine efforts to use the funds according to terms and conditions outlined by funders.

Just implementing and following the terms of the grant is not enough for districts. In addition to coordinating among different offices to provide programs as outlined in the terms, districts also must evaluate their programs. Donors desire to understand the efficacy of their money – if it is being put in good hands, being put to good use, and helping students learn and achieve. Officials noted that successful outcomes bolster the image of the district and make it more attractive to future donors. However, in order to show their successes, districts have to evaluate the programs that they bring to the district. Philadelphia, Boston, and Baltimore all noted partnerships with research universities. They noted that these relationships with local universities allow for systematic evaluations and research about the programs. Other districts, such as Fresno and Memphis, indicated a research and evaluation team was in house. Specific offices in the district oversee programs, collect data, and report back to the grant office about successes. With this information, grant donors are able to see what types of programs they should continue to fund in the future and what districts will utilize the funds the best.

As with other aspects of the process, districts vary in this capacity to actually implement this work. Resources in Milwaukee and El Paso are unavailable. They have anecdotal evidence about the success of their classroom, but lack a formal investigation using quantitative data.

Teachers in these districts appear to be happy receiving classroom scholarships and support for field trips, but there is no empirical data indicating the benefits to potential donors. While this does not exclude these districts from receiving philanthropic donations, many large foundations will overlook such districts with little evidence involved.

Lastly, internal capacity in regards to communication about the programs and the use of funds is essential. Districts, in order to receive continued funding, need to maintain relationships with their funders. Many districts noted the importance of continuing to strengthen current relationships by reporting on successes and stressing what other needs could be met with further funding. In some cases, this reporting is built into the contract. Memphis noted that there are certain benchmarks that must be relayed back to the donor in order for the next phase of money to be released to the district. Memphis and Cleveland noted that these check-ins, reports, and presentations were the core of the work. It allowed them to showcase to donors that the district had the coordination and communication necessary to utilize funds for the benefits of the students. It signals trust to donors that they would be wise to award these districts money because these districts can produce outcomes.

Communication opportunities allow donors transparency to see work carried out in the district. Not all the districts utilize these connections to the best of their abilities. Based on the structure of the district, Baltimore and Philadelphia leave donor relationships up to the associated foundation. By only focusing on the application and implementation, they add another link in the chain of communication. While these districts appear successful in bringing in outside funding, this adds to the likelihood of potential problems in the course. Other districts realize this is an area of growth. In Boston, there is little communication about the programs to the original donor.

Thus by not emphasizing this, the district's capacity is weakened to obtain further private donations.

At each stage, the district needs internal capacity to carry out the process most effectively. The steps of the continuum are important for how districts interact with donors, how they utilize the funds awarded, and how they go about receiving future funds. Districts have control of many issues that limit capacity. Districts can determine capacity through building and maintaining relationships with external partners, hiring competent staffers, and creating effective communication systems. All of these, within their locus of control, aid in their pursuit of external funds. Despite this, the district also faces numerous external factors impacting their abilities.

A common thread throughout the interviews was reliance on local partners. Districts received a large proportion of funds from local community organizations and local companies. Officials noted that many funders wanted to keep their money locally, in order to see the benefits on the community in which they were located. Many donors know that education is linked with the success of the city, thus they support efforts aimed at preparing the students in the local context. By doing so, many hope to increase the skills of the workforce and keep students within the community post-graduation.

Heavy reliance on local partners can be either a blessing or disguise for the district. Depending on where a district is situated, there can be differences in both the size and number of local companies and partners. In turn, with dependence on local partners, the amount of available funds to a district can vary greatly. Regardless of district operations, they have to deal with external factors from these entities.

Despite having the same needs as other districts, El Paso and Fresno are located in cities without many corporations. They receive funding from companies like AT&T and Kaiser

Permanente, but the pool of opportunities is limited. Smaller cities do not have the same level of business, resulting in fewer opportunities for partnerships, and ultimately less revenue. Even though a local tie appears to be an important factor in philanthropic funding, districts can be limited if there is not a strong business sector. Boston also experiences limitations in capacity to raise funds based on the surrounding landscape. The official in Boston pointed out that there were 1,000 nonprofit agencies in the city. Consequently, when businesses and foundations offered grants, Boston Public Schools had extra competition from the surrounding community.

In other cases, the surrounding community augments capacity of the district. Numerous companies or large corporations can increase the amount of available funding for education. Aldine highlighted the importance of oil companies Chevron and Exxon. With their close proximity in Houston, they have a vested interest in the student population and have funded major STEM initiatives. Philadelphia also sees similar successes with the local corporation, Comcast. With a strong business community, the capacity is only increased as the possibility of partnership increases. Community partners in the Baltimore area also serve to support Baltimore City School's ability to drive home private funding. Organizations such Baltimore Arts and New Leaders have attracted the attention of donors. Since these organizations partner with Baltimore City Schools to create citywide initiatives, donors are more willing to fund grant requests from Baltimore City Schools. The surrounding community can serve to bolster the likelihood of a district being awarded private contributions.

External perception of the school district also affects capability of the district. Whereas location of the school district can impact the district's abilities independently of district operations, perceptions can indeed be linked. During the decision process, donors' decisions might be influenced by their perceptions of districts. Donor opinions of the school district can

also influence the process at the first stages. If donors see districts receiving other awards from federal sources, it can serve as a signal to donate to these districts. Whether or not this is an accurate understanding of how the district operates, it affects what district's donors send invitations to. Baltimore, for instance, was a finalist for Race to the Top District, a federal grant competition. Although it did not win the contest, Baltimore noted that this success had increased the Baltimore's image in the philanthropic community. Consequently, many large foundations superficially invited Baltimore to apply for grants. Other districts also noticed that opinions of the districts, whether grounded in actual practices or not, played an important role in the decision process.

From the interviews, it is apparent that there are many variables influencing the entire process. While there are dedicated members in each district involved in this process, private funding is an issue that is much more expansive. Each district's success is dependent on a combination of factors ranging from the operations and leaderships of the district to the local context in which the district serves. Despite the numerous factors involved, common trends do arise amongst districts across the county. A clear vision of the district coupled with competent leadership and strong capacity of the district can help yield philanthropic funds for a school district. Because these are not quantitatively measured, the extent to which each piece contributes to the final product remains indiscernible. However, it is evident after speaking to many officials that these factors that influence how much money a district can raise from external sources.

XV. Connection to Public Administration

The grant continuum and district success outlined above can be viewed in the framework of implementation theory. This field of research grew out of studies aimed to evaluate public policy. Many studies deemed social policies ineffective if they did not produce the desired outcome.¹¹⁵ However, many scholars noted that these evaluations potentially missed the true causal mechanism. Rather than being a result of an ineffective policy, the program potentially could not have been implemented the way it was intended. Early researchers in this field picked up on other factors leading to an ineffective outcome, rather than the policy itself. Murphy, for example, notes in his examination of Title I that the policy implementations success varied due to political and bureaucratic obstacles in each district. Looking at these additional factors that affect overall implementation highlights similarities with the grant continuum process. We cannot deem outright whether grant seeking is wholly effective or not, but rather understand the mechanisms along the way that influence the end result.

Søren Winter's Integrated Implementation model is useful in discerning the types of variables that are important in the analysis. The figure below is a model of his framework. Three broad categories must be examined: policy formulation, implementation process, and the implementation results. In the case of philanthropic giving in these school districts, there is no one particular policy being implemented. It is important to note that this differs from the implementation of the grant continuum as mentioned previously. The implementation phase above refers to specific programs from the terms and stipulations. Instead, in this framework, we must view the overall grant seeking process as the program that is implemented in the district.

¹¹⁵ Søren Winter, "Implementation: Introduction," in *The SAGE Handbook of Public Administration*, eds. B. Guy Peters and Jon Pierre (London: Sage Publications Ltd., 2012), 255.

From this, we can then examine the processes and factors contributing to the overall success-whether districts receive donations or not.

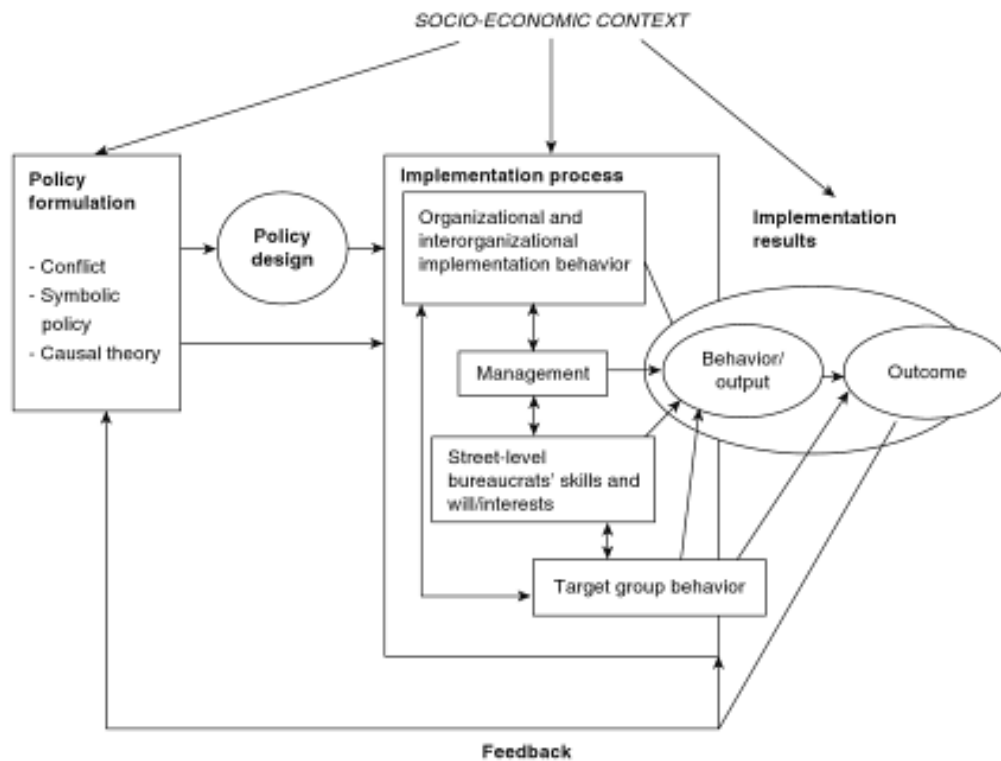


Figure 2: The Integrated Implementation Model¹¹⁶

At the policy formulation stage, this grant seeking process is slightly different than an introduction of a social program resulting from public policy. Currently, revenues from state, federal and local sources is used to fund educational services in districts. Outside funds, however, are up to the discretion of the individual district. Thus, the process of grant seeking is not a mandated policy that is being implemented, but rather more akin to a response to conditions, namely budget cuts and economic downturns. Despite this difference, many features of this theory at this stage remain applicable.

¹¹⁶ Ibid., 248.

Policy formulation is often the result of conflicting interests when multiple actors involved. The conditions leading to the need for external funding, result directly from competing parties. Budgets at the state legislative level involve tradeoffs between different programs and sectors of society. As evidenced by the interviews, many state budgets cut funding for education, putting districts in a position to look for external funders. Examining “seeking grants and private contributions” as the “policy” districts must pursue is indeed plausible, as this is the course of action all the districts have taken. The characteristics of such policies impact its ability to be implemented properly. Koski and May indicates that policy design with “lack of goal clarity or inconsistency in goals” along with “multiple actors and decision points” leads to less effective implementation.¹¹⁷

Because there is no clear outline of where and how districts need to go about obtaining private funding, districts are limited in their successes from the start. Additionally, districts often coordinate this work between the various offices of the districts. Therefore, the very nature of what districts are tasked to do makes it difficult to implement effectively.

The implementation process itself is dependent on the organizations implicated in the work. Depending on the number of involved entities, the implementation can vary in its efficiency. Although some policy implementation occurs from one office, the scope of interorganizational connections providing policy programs has grown tremendously over the years. Specifically, there has been a growing trend between public agencies and either non-profit organizations or for-profit companies—the same interorganizational relationship seen in philanthropic giving to school districts.¹¹⁸ As a result, the partnerships can be beneficial.

¹¹⁷ Peter J. May, “Policy Design and Implementation”, *The SAGE Handbook of Public Administration*, eds. B. Guy Peters and Jon Pierre (London: SAGE Publications Ltd., 2012), 281

¹¹⁸ Chris Koski and Peter J May, “Interests and Implementation: Fostering Voluntary Regulatory Actions,” *Journal of Public Administration Research and Theory* 16(2006): 330.

Districts need to supplement the funds and non-profit foundations and companies can serve to fulfill this need. However, the district does not necessarily act as one agency but is filled with multiple actors in various departments and offices.

More likely than not, when multiple organizations must coordinate efforts, “impediments to concerted action are greater and inducements to work together are typically fewer.”¹¹⁹ It is not an impossible task, but it does prove to be challenging. The trend for many districts to use associated foundations and non-profits to do development work is a result of the tax code. However, involving another organization in the process can also be an obstacle for districts as well. Although many districts take this route because of donor preferences and the lack of staff and management in-house, Rainey notes that “public administration in such settings calls for great skill, effort, and capacity.”¹²⁰ Districts may think that it is beneficial to branch out and include others, but it can require more effort. The actual experiences of the district indicate that these theories have realistic implications. Different methods of the grant attainment process illustrate the challenges in having different actors work together to bring in private contributions.

Although these challenges are inherent to processes with interorganizational relationships, there are methods to overcome these challenges. This is known as the Pressman-Wildavsky paradox. Pressman and Wildavsky believe that joint action remains an impediment to success in all implementation scenarios.¹²¹ However, theorists indicate “agreement on basic understandings at the outset of an implementation process can increase the odds of further agreement later.”¹²²

School districts have exhibited their methods at mitigating potential problems by setting up

¹¹⁹ Laurence J. O’ Toole Jr., “Interorganizational Relations and Policy Implementation,” in *The SAGE Handbook of Public Administration*, eds. B. Guy Peters and Jon Pierre. (London: SAGE Publications Ltd, 2012): 293.

¹²⁰ *Ibid.*, 295.

¹²¹ *Ibid.*, 297.

¹²² Elinor R. Bowen, “The Pressman-Wildavsky Paradox: Four Addenda or Why Models Based Probability Theory Can Predict Implementation Success and Suggest Useful Tactical Advice for Implementers,” *Journal of Public Policy* 2 (1982): 5.

meetings and deadlines for communication reports. The variation in how districts build support and coordination can factor into the disparities in the amount of funds received.

Referring back to Winter's model, the skills/interests of "street-level bureaucrats" also factor into the implementation of the policy. Street level bureaucrats are public service workers with direct interaction in their work and substantial discretion of execution.¹²³ Lipsky, a prominent scholar in this field, notes that these bureaucrats have direct contact with the beneficiaries of the public services. Therefore, in the realm of philanthropic donations to districts, the district offices and schools are the direct beneficiaries of the private donations. As a result, the street-level bureaucrat would be the director of either the grants office or the associated school foundation. They have management above them in the form of a school system CEO or superintendent.

Many scholars note that the street-level bureaucrats remain autonomous and serve as gatekeepers in how public policy is actually carried out. Lipsky writes that they "not only deliver but actively shape policy outcomes by interpreting rules and allocating scarce resources."¹²⁴ Traditional hierarchical systems and management may provide direction but do not ultimately have the same impact on the overall goals. This is in accordance with the findings from the districts – foundation and grant development leaders remained largely autonomous in how they went about searching and applying for private funding. Furthermore, these officials were the ones who coordinated efforts with the recipients of the funds. The CEOs and superintendents, in many cases, served in supervising roles without much active oversight.

¹²³ Marcia K. Meyers and Vibeke Lehmann Nielsen, "Street-Level Bureaucrats and the Implementation of Public Policy," in *The SAGE Handbook of Public Administration*, edited by B. Guy Peters and Jon Pierre (London: SAGE Publications Ltd): 306.

¹²⁴ Michael Lipsky, *Street Level Bureaucracy: Dilemmas of the Individual in Public Services*. (New York: Russell Sage Foundation, 1980), 13.

Scholars also contend that the individual characteristics of the street-level bureaucrat are indeed important. Rather than the oversight and direction of manners, it is the individual interests and professional norms that impact the work of those on the front-line. Furthermore, Sandfort described that often people were resistant to new policy initiatives. If these changes were in line with their view on professionalism and policy, then they were more likely to carry out the changes.¹²⁵ If not, they continued to abide by their own beliefs. These theories, once again, are consistent with the findings from the school district. As mentioned earlier, the grants director or other type of leader in charge of the work serves as a gatekeeper. Their approach to the job, the vision they set for their work, and their alignment with the goals of the district affect the overall success.

It is evident that the experiences of districts in obtaining funding fit in the Integrated Implementation Model. The success of the school district is hampered from the start by the unclear situation. It is evident that more funding is needed but no clear guidelines are set for the districts. Thus, districts employ a unique approach, which also contributes to the ultimate outcome. In the school district scenario, it is namely the interorganizational aspects along with the competencies of the bureaucrats that determine success. Theories from implementation and public administration can serve to inform the school districts in the future. From talking with the district officials, it appears as if this trend towards utilizing private funding is not going away anytime soon. Thus, school districts must learn the best methods in order to get the resources needed to provide the best education for their students.

I argue that the best practices districts should adopt encompass efficiency and communication. From the interviews, these were areas where districts most often ran into

¹²⁵ J.R. Sandfort "Moving Beyond Discretion and Outcomes: Examining Public Management from the Front Lines of the Welfare System" *Journal of Public Administration Research and Theory* 10(4): 745.

obstacles that prevented them from reaching their maximum potential. Assuming districts have hired competent leaders and set a vision for engaging in development work, I propose that districts engage in backwards planning. By highlighting a desired outcome, districts can identify the exact steps to reach the goal. It brings clarity to the process as all offices and employees know which part of the process they are responsible for and the dates at which they need to complete the tasks. The district has already accounted for the offices in charge of implementing the program, the research and evaluation and the communication with the donor. Mandatory meetings and check-ins can create transparency, so there are no surprises along the way. This planning process can be utilized for long-term district strategy (e.g. The Cleveland Plan) or for a grant-by-grant basis. In doing so, the district move away from reactive practices to a beneficial proactive process.

XVI. California Methods

The national sample used in both the quantitative and the interview analysis was created primarily to test the first two hypotheses. Because high poverty was a selection criterion, the sample was inadequate to test the third hypothesis. Data obtained from California districts present a unique opportunity to determine the effect of financial constraints on private contributions.

School districts and other local education agencies in California are given a general-purpose fund that is funded up until “revenue limit.”¹²⁶ This fund consists of local property taxes and state general aid. If local property taxes exceed this threshold in a particular district, then the district is known as “basic aid” and only operates from local funding.¹²⁷ Therefore districts that

¹²⁶ Margaret Weston, *Basic Aid School Districts*, San Francisco: Public Policy Institute of California, 2013.

¹²⁷ Ibid.

have high property values can receive more money per pupil if the property tax revenue exceeds the revenue limit. At the same time, Proposition 13 limited the amount that property taxes could increase annually. Property taxes could only increase by two percent, thus capping revenue used by school district.

California's districts are largely funded by property taxes – a source of revenue that has imposed limitations. These California-specific constraints make it an interesting case for within-state analysis. By focusing within a particular state, factors that are specific to a state are controlled for as all districts in California abide by the same funding standards. Investigating California specifically determines whether the funding constraint in terms of property taxes

The dependent variable in this analysis is the amount of private contributions per student. Instead of using the 990 forms, this measure was obtained from the Annual Financial Data compiled by the California Department of Education. Specifically the data for this analysis is gathered from the 2010-2011 Standardized Account Code Structure Unaudited Actual Data.¹²⁸ In this dataset, three particular funds accounted for the private contributions to districts in California: Fund 19 – Foundation Special Revenue Fund, Fund 57- Foundation Permanent Fund and Fund 73- Foundation Private-Purpose Trust Fund. (See Appendix C for descriptions). Revenue from each of these funds is summed together to get total private contributions per district. This total is then divided by the enrollment size of each district to get the measure of private contributions per student.

Independent variables used in this analysis include student enrollment, poverty percentage, and wealth percentage. These variables are defined the same as in the national data

¹²⁸ California Department of Education. 2010-2011 SACS Unaudited Actual Data. Public-use data file and documentation. <http://www.cde.ca.gov/ds/fd/fd/>

sample. Data was obtained via the School District Demographic System. These measures were compiled by the National Center for Education Statistics in 2010.

Poverty percentage and wealth percentage serve as indicators of financial constraint, especially in relation to the tax structure in California. Districts with higher levels of poverty often bring in lower revenue from property taxes. The districts are often constrained, as they cannot exceed the revenue limit as set by the state. Thus, I conjecture that higher percentages of poverty indicate greater financial constraint on the district. I hypothesize that this increases the amount of philanthropic donations that the district received.

Wealth percentage, also serves to indicate a lack of financial constraint. Higher levels of wealth are often correlated with higher property values, which would result in more property tax revenue. Additionally, districts with high wealth concentration could indicate a higher supply of funds available. Thus, higher wealth indicates a lack of financial constraint. Due to a higher supply of funds, this should increase the amount of philanthropic funds a district receives. It is important, therefore, to look at both ends of the income distribution of a district to determine the impact on private contributions. Multivariate regressions were modeled for the 2011-2012 school year. The California Department of Education financial data included only 96 of the 845 total districts with any contributions included in the three funds that encompass private contributions. The rest of the districts had missing values for these funds. It is unknown whether data was missing from these districts or if the remaining districts had no revenue from private sources or because revenue was not reported. If these missing values were \$0, it could indicate the trend that many district officials noted in the interview—private contributions going to an associated foundation rather than the district's budget.

Because of the uncertainty about how to interpret missing values, I estimated two different regressions. In the first model, the dependent variable was the log of private contributions per student with enrollment, wealth percentage, and poverty percentage as the independent variable. In this model, 96 districts with data reported were included. In the second model, the log of private contributions plus one became the dependent variable, to account for missing values as \$0 in revenue from private sources. The same independent variables were considered in this analysis. This second model included 845 districts.

XVII. California Results

The multivariate models estimated for California are shown in Table 11 below. In the model in which missing values of private contributions were excluded, we see a significant coefficient on enrollment (measured in thousands of students). For an increase of 1,000 students in the district, the model estimates a decline of 7.8% of the private contributions per student. This finding indicates that enrollment has significant contributions. However, as the impact is under 10 percent, for a large increase in enrollment size, it is not as substantial as anticipated.

The interviews with the districts indicated that officials commonly held that enrollment size altered the attractiveness for the district. However, the direction of the effect varied based on the official's belief. Some, like those in Philadelphia, believed that donors who were planning on implementing certain initiatives wanted a large district. Districts with substantial student population allowed for initiatives to be run on many "test subjects." The more students in the district, the more data they could collect about the effectiveness of a certain program. Memphis noted that larger enrollments could be a deterrent for organizations. A large population of students can seem daunting for the rollout of an initiative. More actors are involved and there are

problems that arise with coordination efforts. Donors, therefore, might want to try a program at a particular school or a smaller district before expanding it to larger locales. Furthermore, when considered on a per-student basis, grants to smaller districts are worth more.

In terms of this analysis, it is impossible to determine how enrollment acts for all donations. Speaking to the district officials, they often talked about enrollment in relation to large-scale grants that aim to implement sweeping reforms for the districts. These include, but are not limited to Race to The Top, Wallace Foundation Grants, Gate Foundation grants, and many more. Enrollment may impact these types of donors, whereas it might have little to no effect on smaller donors. As many districts receive smaller scale donations from local organizations and businesses, enrollment may not be as much of a factor. When viewing California in this framework, the findings are consistent as enrollment size matters, just not in a large manner.

Coefficients of wealth percentage and poverty percentage are not significant. This could indicate that these are not significant variables that create variation in the amount of funding per pupil a district receives. These results do not support my hypothesis regarding financial constraints. Originally, I had expected districts with increased wealth, would have more supply of funds—translating into higher private contributions. On the flip side, I expected that higher poverty rates would indicate a higher need for funds—thus higher philanthropic contributions to meet this need.

The lack of significance can arise from multiple reasons. There may be indeed no relationship between the wealth rates or poverty rates and the overall private contributions. Another possibility is that the sample is not completely representative of all financial giving in California. This data consisted of the districts that reported private contributions directly to the

district. Interviews with district officials highlight the prominence of foundations as a primary source of private donations. Accurate measures of the private contributions might be missing, skewing the results of the relationships. Additionally, there may be other variables missing from the regression model. From the district interviews, it is apparent that a clear vision, competent leaders, and strong district capacity all aided in the process. These factors might be correlated with the wealth/poverty measures and with private contributions, but are not easily quantifiable. As a result, they are not captured in this model.

Similar explanations can be made for the lack of significant variables in the model, when missing values are treated as \$0 in private contributions. In this model, it is very plausible that this does not capture all private contributions for these districts. Districts with missing values in these specific funds may prefer to funnel all donations to a 501 (c) (3). Thus, this model may not accurately capture the relationships between variables and amounts of funding. Additionally, there potentially can be missing variables from this model, influencing the results.

From these results for California specifically, we see that there is little evidence supporting the third hypothesis. Further investigation and alternative measures of financial constraint would need to be calculated to support or deny the hypothesis. In California, there are also not the same trends as we see in the national sample. As selection of districts expands to smaller districts and districts with wider ranges of poverty, some of the relations seen in the national sample also may disappear.

Further investigation is needed to see if trends from the national data are applicable in California. Even though mayoral control had a significant impact in the national data, it is not going to be seen in California. Districts in the state, with the exception of Oakland in the early 2000s, have largely avoided mayoral control. Thus, other factors serve to create a distinction in

the private fundraising efforts of districts. Another measure of union strength would have to be created to identify variation in capacity across districts. This measure could then be used to test the second hypothesis in California. Lastly, the findings of the interview about capacity, competency and leadership would need to be quantified. This would allow me to identify not only which factors are important but also how important they are.

Table 11: California 2010-2011 Private Contributions		
Dependent Variable	Log (Private Contributions Per Student)	Log (Private Contributions Per Student + 1)
Enrollment (In Thousands)	-.078*** (.020)	.000 (.002)
Wealth Percentage	.015 (.030)	.004 (.006)
Poverty Percentage	-.043 (.029)	-.005 (.005)
Constant	5.310*** (.821)	.508*** (.146)
N	96	845

*** denotes significance at the 1% level

XVIII. Conclusion

Philanthropy in education is a salient issue. Districts across the country are allocating staff, time, and resources to developing funds from private sources. Urban school districts across the country are dealing with a dual challenge – trying to fix failing school systems to close the achievement gap amidst lesser budgets each year. Schools are forced to find new revenue sources to continue providing the services to their students. At the same time, to fight against achievement gaps, school districts are adopting many new reforms – implementation of teacher evaluation systems, teacher compensation, and charter school collaborations. Often times, these reforms, are often supported and funded by large philanthropic foundations.

When examining the entire philanthropic landscape, it is evident that private contributions consist of much more than large multimillion grants. With prominent headlines

such as “Grants Back Public-Charter Cooperation”¹²⁹ and “Seeking Aid, School Districts Change Teacher Evaluations,”¹³⁰ the media places a lot of emphasis on large private contributions. However, data in Santa Ana paired with the information obtained through interviews, indicate otherwise. Districts often receive numerous smaller grants and contribution. Rather than large national foundations allocating these funds, the local community often raises private contributions. Parent Teacher Organizations, individuals, and local businesses donate money to school districts to further their ability to provide education. This money is allocated for instructional supplies, student scholarships, and field trip costs.

Differences exist not only in the types of private funds but also in the amounts districts receive. This study finds that mayoral control and wealth are two significant and substantial factors involved in the levels of private contributions a district receives. Districts undertaking a shift in governance received substantially more funds from private sources. Wealth percentage also was a significant independent variable, impacting the overall level of private contributions per student. Furthermore, from my interviews, I discovered that a combination of a strong vision, competent leadership, and district capacity contributed to how districts implemented grant seeking. Some districts have created efficient

As districts continue to be constrained by reduced budgets and rising enrollments, they have choices of how to continue providing education. To get the money they need, some districts undertake extensive efforts to raise private contributions. The interview with Baltimore stood out in my mind, in this regard. She noted, “Whether or not I believe that this is the right move for the district, this is a game. We need the money to serve our students.”¹³¹ Her comments indicate

¹²⁹ Motoko Rich, “Grants Back Public-Charter Cooperation,” *The New York Times*, December 5, 2012.

¹³⁰ Motoko Rich, “Seeking Aid, School Districts Change Teacher Evaluations,” *The New York Times*, October 15, 2012.

¹³¹ Baltimore Official, Interview by Author, Phone Interview, Philadelphia, PA, February 6, 2014.

feelings among many districts. The incentives of partnering with local companies and trying to make the district as attractive as possible to large foundations are too large to pass up for many. As a result, foundations and grant development offices work extensively in a strategic manner to bring in private contributions.

By responding to such incentives and playing into this “game”, districts only solidify philanthropy’s role in public education. Districts acknowledge that partnering with local organizations and companies can serve to better their financial situation. With this benefit to be gained, districts will often adopt practices aimed at increasing revenue from these sources. However, in doing so, districts are bypassing their traditional funding sources. States can no longer supply districts with adequate funding, thus districts are cutting programs and finding substitute money to take its place.

Education in the past has been public good, provided by local government entities-- school districts. With revenue from the federal, state, and local money, districts had resources to provide services to its students. However, in these tough times, states are failing to provide the funds to provide students across the nation with an adequate education. Are the states shirking on their responsibilities in providing a public good? Can this private revenue be a reliable or sustainable funding option? These are questions that remain unanswered.

Municipal services have also seen a trend towards privatization in recent years. City government has typically provided for services such as libraries, waste management, and water. However, many cities, have adopted trends to either contract out or maintain public-private partnerships. Regardless of the form it takes, privatization often allows for the continuation of services that the population desires. The National League of Cities indicates that there are potential benefits to be had from this shift in provision. Privatization both increases efficiency

and reduces costs through competition and private sector expertise. On the other hand, there can be downsides. The city often has less control and there is the potential for conflicts of interests between the citizens and private entities.¹³²

Philanthropic giving also has implications for the district in regards to policy making. Large grants from national foundations can encourage change and reforms in the school districts. It is important to note that even though this does not fully encompass philanthropic giving to districts, these types of donations appear to have disproportionate influence. Districts are compelled to implement changes in terms of the hiring practices, management, and other aspects of school operations. Districts are responding to the programmatic work instigated by large foundations. The influence that these large institutions have causes a shift in the power dynamics of policy making. Even though this money alone is a drop in the bucket when compared to district budgets, philanthropic foundations have received a seat at the table in influencing districts.

Furthermore, districts that successfully raise money can serve as models for other districts. From the interviews, it was apparent that with the right people in charge and efficient processes set in place, districts could strengthen their ability to raise private revenue. Therefore, other districts have the ability to improve and implement best practices across other districts. In doing so, these districts further solidify philanthropies place in the education world, because they are making development from private sources a priority.

Districts can also shift governance from elected school boards and mayoral control. While state legislation is needed, it is not outside the realm of possibility. Seeing as this governance has attracted philanthropic donations, it can be a trend that might catch on in even

¹³² Stephanie Rozsa and Caitlin Geary, *Privatizing Municipal Services*, (Washington, DC: National League of Cities, 2010).

more cities. It has even gained the support and attention of the federal government. Arne Duncan, speaking at a forum with mayors and superintendents, quipped, “At the end of my tenure, if only seven mayors are in control, I think I will have failed.”¹³³ It appears that the potential for funds combined with federal pressure will contribute to more cities transitioning to this type of school control.

Education in America today is markedly different from the past. No longer is a publicly funded school district run by an elected school board the norm. Across the country, shifts in government accompanied by new initiatives pushed by philanthropic foundations have taken hold. Changes in education come with a whole host of issues – shifts in power, new voices, and conflicts among vested interests. At the end of the day, the most important implication of these changes the effect they have on the service that school districts provide—the education of America’s 55 million children.

¹³³ Michele McNeil, “Arne Duncan Advocates Mayoral Takeover of Big-City Districts,” *Education Week*, March 31, 2009.

Acknowledgements

I am grateful for my incredible advisor, Dr. Marc Meredith. He has been instrumental in transforming this project from idea into reality. His expertise and guidance throughout have been invaluable. I would also like to thank Dr. Doherty-Sil for facilitating a community within the department and providing support and motivation along the way. I also would like to extend thanks to my colleagues at the Breakthrough Collaborative, Center for Education Policy Research, and Teach For America for helping me develop my passion for education. Lastly, I want to thank my friends and family for always having my back.

Appendix A: Santa Ana Unified School District Board of Education Minutes

Board of Education
Minutes
September 11, 2012

Minutes Book Page 161

Santa Ana Unified School District
GIFTS RECOMMENDED FOR ACCEPTANCE - September 11, 2012

School:	Gift:	Amount:	Donor:	Used for:
Diamond Elementary		\$2,500	Merchant Payment Solutions Ms. Veronica Saldivar Newport Beach	Fourth grade field trips
Santa Ana High	Sharp 60" Television	\$2,015	University of California, Irvine Ms. Vicki Ruiz Irvine	Art class lessons
Sierra Preparatory Academy		\$700	Anonymous	Speech and debate team expenses
Century High		\$6,000	Xerox Business Services, LLC Ms. Maria A. Jimenez Santa Ana	Senior scholarships
Santa Ana High		\$500	Target Books for Schools Ms. Ana Garcia Santa Ana	Library books
Segerstrom High		\$500	Santa Ana North Rotary Club Mr. Charles Huges Santa Ana	Supplies for Track and Field Team
Segerstrom High		\$1,000	Santa Ana Police Officers Association Ms. Rosie Reed Santa Ana	Scholarship awards
September 11, 2012 donations		\$ 13,215		

Appendix B: School Districts in National Sample

1. Detroit City
2. Brownsville ISD
3. Fresno Unified
4. Milwaukee
5. San Antonio ISD
6. Dallas ISD
7. Columbus City
8. **Philadelphia City**
9. Aldine ISD
10. **Cleveland Municipal**
11. Memphis
12. San Bernardino City Unified
13. Houston ISD
14. El Paso ISD
15. Atlanta
16. Fort Worth ISD
17. **City of Chicago (SD 299)**
18. Sacramento City Unified
19. **District of Columbia Public Schools**
20. **Baltimore City**
21. **New York City**
22. **Boston**
23. Austin ISD
24. Los Angeles Unified
25. Pasadena ISD
26. Denver
27. Santa Ana Unified
28. Long Beach Unified

Districts in **Bold** are mayoral control districts

Appendix C: Form 990, Line 8

Form **990**

Return of Organization Exempt From Income Tax *2010*

OMB No 1545-0047

2010

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

A For the 2010 calendar year, or tax year beginning 2010, and ending 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization Milwaukee Public Schools Foundation Inc.
 Doing Business As _____
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
5225 W. Vliet St. PO Box 2181
 City or town, state or country, and ZIP + 4
Milwaukee, WI 53208-2648

D Employer identification number
39-1929112

E Telephone number
414-475-8650

F Name and address of principal officer
Gerald Pace, 5225 W. vliet St. PO Box 2181

G Gross receipts \$ 212,500

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

H(c) Group exemption number N/A

I Tax-exempt status 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: www.mpsfoundation.net

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1998 **M** State of legal domicile WI

Part I Summary		Prior Year	Current Year
1 Briefly describe the organization's mission or most significant activities: <u>To promote educational excellence and strengthen community participation in the Milwaukee Public Schools</u>			
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
3 Number of voting members of the governing body (Part VI, line 1a)		3	<u>12</u>
4 Number of independent voting members of the governing body (Part VI, line 1b)		4	<u>11</u>
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)		5	<u>0</u>
6 Total number of volunteers (estimate if necessary)		6	<u>7</u>
7a Total unrelated business revenue from Part VIII, column (C), line 12		7a	<u>0</u>
7b Net unrelated business taxable income from Form 990-T, line 34		7b	<u>0</u>
8 Contributions and grants (Part VIII, line 1h)		<u>\$264,800</u>	<u>\$203,218</u>
9 Program service revenue (Part VIII, line 2g)			
10 Investment income (Part VIII, column (A), lines 8, 9, and 10)		<u>\$13,840</u>	
11 Other revenue (Part VIII, column (A), lines 5, 6c, 8c, 9b, 10b, and 11b)			
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<u>\$278,648</u>	<u>\$212,500</u>
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		<u>\$147,643</u>	<u>\$191,171</u>
14 Benefits paid to or for members (Part IX, column (A), line 4)		<u>0</u>	<u>0</u>
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		<u>0</u>	<u>0</u>
16a Professional fundraising fees (Part IX, column (A), line 11e)		<u>0</u>	<u>0</u>
16b Total fundraising expenses (Part IX, column (D), line 25)			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		<u>10,011</u>	<u>22,317</u>
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		<u>\$157,654</u>	<u>\$213,488</u>
19 Revenue less expenses. Subtract line 18 from line 12		<u>\$120,994</u>	<u>\$(988)</u>
		Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)		<u>\$539,565</u>	<u>\$538,577</u>
21 Total liabilities (Part X, line 26)		<u>0</u>	<u>0</u>
22 Net assets or fund balances. Subtract line 21 from line 20		<u>\$539,565</u>	<u>\$538,577</u>

SCANNED JAN 11 2012

RECORDED
NOV 22 2011
OPEN UT

Appendix D: T-Test Tables 2009, 2010, with and without DC

Table 1: Elected vs. Mayoral Control - 2009

Elected	Mayoral Control	Difference
15.73	49.79	-34.05
[2.29, 89.49]	[1.75, 169.82]	(23.11)

p-value: 0.1643

Table 2: Weak vs. Strong Union - 2009

Weak	Strong	Difference
24.25	33.82	-9.57
[2.29, 89.49]	[1.75, 169.82]	(24.37)

p-value: 0.7009

Table 3: Lower vs. Higher Poverty - 2009

Lower Poverty	Higher Poverty	Difference
49.69	9.54	37.15
[1.75, 169.82]	[2.29, 21.62]	(22.24)

p-value: 0.1188

Table 4: Lower vs. Higher Wealth - 2009

Lower Wealth	Higher Wealth	Difference
11.49	49.78	-39.29
[2.29, 89.49]	[1.75, 169.81]	(22.09)

p-value:0.1067

2009 Tables - Excluding DC

Table 1a: Elected vs. Mayoral Control - 2009

Elected	Mayoral Control	Difference
15.73	49.12	-33.39
[2.29, 89.49]	[1.75, 169.82]	(25.44)

p-value = 0.2140

Table 2a: Weak vs. Strong Union - 2009

Elected	Mayoral Control	Difference
19.44	33.82	-13.38
[2.29, 89.49]	[1.75, 169.82]	(26.02)

p-value = 0.5906

Table 3a: Low vs. High Poverty - 2009

Low	High	Difference
45.77	9.54	36.23
[1.75, 169.82]	[2.29, 21.62]	(23.87)

p-value = 0.1552

Table 4a: Low vs. High Wealth - 2009

Elected	Mayoral Control	Difference
12.80	42.52	-29.72
[3.27, 29.03]	[1.75, 169.82]	(23.11)

p-value = 0.2507

2010 Tables

Table 5: Elected vs. Mayoral Control, 2010

Elected	Mayoral Control	Difference
25.80	74.25	-48.45
[.75, 123.83]	[5.14, 204.14]	(28.49)

P-value: 0.1084

Table 6: Weak vs. Strong Union, 2010

Weak	Strong	Difference
57.97	29.12	28.85
[.95, 204.14]	[.75, 164.17]	(28.47)

P-value: 0.3260

Table 7: Lower vs. Higher Poverty, 2010

Lower Poverty	Higher Poverty	Difference
61.98	21.91	40.07
[.75, 204.14]	[.95, 65.97]	(27.42)

P-value: 0.1632

Table 8: Low vs. High Wealth, 2010

Low Wealth	High Wealth	Difference
16.87	67.02	-50.14
[.94, 39.80]	[.74, 204.14]	(26.35)

P-value: 0.0753

2010 Tables - Excluding DC

Table 5a: Elected vs. Mayoral Control - 2010

Elected	Mayoral Control	Difference
25.80	48.27	-22.47
[0.75, 123.83]	[5.14, 164.17]	(24.47)

p-value = 0.3730

Table 6a: Weak vs. Strong Union - 2010

Weak	Strong	Difference
37.09	29.12	7.97
[0.95, 123.83]	[0.75, 164.17]	(26.02)

p-value = 0.7356

Table 7a: Low vs. High Poverty - 2010

Low	High	Difference
40.38	23.43	16.96
[0.75, 164.17]	[0.95, 65.97]	(23.87)

p-value = 0.4635

Table 8a: Low vs. High Wealth - 2010

Low	High	Difference
16.87	49.87	-33.00
[0.95, 39.81]	[0.75, 164.17]	(21.32)

p-value = 0.1424

Appendix E: National Sample Regression Tables

National Sample 2011	
Dependent Variable	Log (Private Contributions Per Student) 2009
Enrollment	-.001 (.002)
Mayoral Control	1.414 (1.122)
Union Rank	.011 (.033)
Wealth Percentage	.046 (.106)
Poverty Percentage	-.022 (.097)
Constant	2.217 (4.409)
N	15

National Sample (Excluding DC), 2009-2011			
Dependent Variable	Log (Private Contributions Per Student)		
	2009	2010	2011
Enrollment	-.002 (.002)	-.002 (.002)	-.001 (.002)
Mayoral Control	1.526 (1.373)	1.839* (.888)	1.757 (1.045)
Union Rank	.014 (.040)	.034 (.026)	.043 (.030)
Wealth Percentage	.063 (.151)	.267* (.135)	.021 (.179)
Poverty Percentage	-.014 (.114)	.108 (.082)	-.086 (.108)
Constant	1.750 (5.473)	-3.921 (3.736)	3.787 (4.663)
N	14	17	17

* denotes statistical significance at the 10% level

Appendix F: Interview Script

For scheduled calls: Thanks so much for spending some time talking to me, I really appreciate the help with my research

For unscheduled calls: Hi____, my name is Lucas Salzman and I'm a senior at the University of Pennsylvania who is working on a senior honors thesis about educational policy. I am calling because I am hoping that you would be willing to share with me some of your expertise to provide some background about the interactions between philanthropic organizations and school districts. Would you be willing to answer a few questions about your experience with philanthropic organizations in your school district?

1. If you could just start off with just telling me about what your role at the district entails? How did you get involved in this position?
2. How long has this position been at the district? How long has a grant development office existed?
3. As I'm interested in the role of philanthropy/private donations, what types of grants/donations does the district typically receive?
4. Does the school district seek out private donors or do donors/organizations approach the school district? (Mixture of both? If so, what is the distribution? Also, where do they find info about grants that they are seeking
5. What are the sources of these grants? Large foundations? Parent donations? A Mixture?
6. Are the donors tied to the district in any particular way (organization located in the city vs. national organizations donating)
7. When applying for grants, what is the typical process (Length, application components, and other staff members implicated in the process?)
8. What is the return of investment of your efforts? How many grants are approved? Does this affect the amount you apply for?
9. When you receive these grant, are there any terms or stipulations attached to the funds? Are they tied to a particular school/program? Do they require teacher approval?
10. What is the role of the school board in the grant process (Do they advise in the seeking of grants/donations or just approve)
11. How are the funds accounted for in the budget? Is there a record of the donations the school district receives?
12. Is there anything else you think that you think I should be aware of about philanthropic giving in your district?

Appendix G: Fund Descriptions from California Annual Financial Data

19 **Foundation Special Revenue Fund.** This fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the LEA's own programs and where there is a formal trust agreement with the donor. Gifts or bequests not covered by a formal trust agreement should be accounted for in the general fund.

Amounts in the Foundation Special Revenue Fund (Fund 19) shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

57 **Foundation Permanent Fund.** This fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 that are restricted to the extent that earnings, but not principal, may be used for purposes that support the LEA's own programs and where there is a formal trust agreement with the donor. Gifts or bequests not covered by a formal trust agreement should be accounted for in the general fund.

Amounts in Fund 57, Foundation Permanent Fund, shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

73 **Foundation Private-Purpose Trust Fund.** This fund is used to account separately for gifts or bequests per *Education Code* Section 41031 that benefit individuals, private organizations, or other governments and under which neither

305-20

Rev. October 2011

Procedure 305 Fund Classification

Code

Definition

principal nor income may be used for purposes that support the LEA's own programs.

This fund should be used when there is a formal trust agreement with the donor. Donations not covered by a formal trust agreement should be accounted for in the general fund. Amounts in the Foundation Private-Purpose Trust Fund shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

Works Cited

- Anzia, Sarah F., and Terry M. Moe. "Collective Bargaining, Transfer Rights, and Disadvantaged Schools." *Educational Evaluation and Policy Analysis* 36 (2014): 83-111.
- Baird, Katherine E. "Federal Direct Expenditures and School Funding Disparities, 1990-2000." *Journal of Education Finance* 33 (2008): 297-310.
- Berry, Christopher R. and William G. Howell. "Democratic Accountability in Public Education." In *Besieged: School Boards and the Future of Education Politics*, edited by William G. Howell, 150-172. Washington, DC: Brookings Institution Press, 2005.
- Bill and Melinda Gates Foundation. "Intensive Partnerships to Empower Effective Teachers: Invitation-only Request for Proposal." Accessed October 28, 2013.
<http://empoweringteachers.mysdhc.org/docs/The%20Complete%20Gates%20RFP.pdf>
- Bowen, Elinor R. "The Pressman-Wildavsky Paradox: Four Addenda or Why Models Based Probability Theory Can Predict Implementation Success and Suggest Useful Tactical Advice for Implementers." *Journal of Public Policy* 2 (1982): 1-21.
- California Department of Education. 2010-2011 SACS Unaudited Actual Data. Public-use data file and documentation. <http://www.cde.ca.gov/ds/fd/fd/>.
- Center for American Progress. "Top 5 Things to Know About Mayoral Control of Schools." Accessed November 8, 2013.
<http://www.americanprogress.org/issues/education/news/2013/03/22/57723/top-5-things-to-know-about-mayoral-control-of-schools/>
- Colvin, Richard Lee. "A New Generation of Philanthropists and Their Great Ambitions," In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 21-49. Cambridge: Harvard Education Press, 2005.
- DeBray-Pelot, Elizabeth and Patrick McGuinn. "The New Politics of Education: Analyzing the Federal Policy Landscape in the Post-NCLB Era." *Educational Policy* 23 (2009): 15-42.
- de Luna, Phyllis. "Local Education Foundations: Right for Many Schools." *The Phi Delta Kappan* 79 (1998): 385-389.
- Frumkin, Peter. "Strategic Giving and Public School Reform: Three Challenges." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 275-294. Cambridge: Harvard Education Press, 2005.
- Fung, Archon. *Empowered Participation: Reinventing Urban Democracy*. Princeton: Princeton University Press, 2004.

- Gabriel, Trip. "Budget Cuts Reach Bone for Philadelphia Schools," *The New York Times*, June 16, 2013.
- Hannaway, Jane and Kendra Bischoff. "Philanthropy and Labor Market Reform." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 157-176. Cambridge: Harvard Education Press, 2005.
- Hassel, Bryan C. and Amy Way. "Choosing to Fund School Choice." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 177-198. Cambridge: Harvard Education Press, 2005.
- Hassett, Wendy and Dan Katzir. "Lessons Learned from the Inside." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 227-252. Cambridge: Harvard Education Press, 2005.
- Hess, Frederick. "Introduction." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 1-19. Cambridge: Harvard Education Press, 2005.
- Jenkins, Lynn and Donald R. McAdams. "Philanthropy and Urban School District Reform: Lessons from Charlotte, Houston, and San Diego." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 129-156. Cambridge: Harvard Education Press, 2005.
- Koski, Chris and Peter J. May. "Interests and Implementation: Fostering Voluntary Regulatory Actions." *Journal of Public Administration Research and Theory* 16 (2006): 329-349.
- Ladd, Helen F. "How Districts Respond to Fiscal Constraint." *National Center for Education Statistics, Selected Papers in School Finance* (1996): 58.
- Lieberman, Myron. *The Teacher Unions*. New York: Free Press, 1997.
- Lipsky, Michael. *Street Level Bureaucracy: Dilemmas of the Individual in Public Services*. New York: Russell Sage Foundation, 1980.
- Loveless, Tom. "How Program Officers at Education Philanthropies View Education." In *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education*, edited by Frederick Hess, 105-126. Cambridge: Harvard Education Press, 2005.
- Lyman, Rick, and Mary Williams Walsh, "Philadelphia Borrows So Its Schools Opens on Time." *The New York Times*, August 15, 2013.
- May, Peter J. "Policy Design and Implementation." In *The Sage Handbook Of Public Administration*, edited by B. Guy Peters and Jon Pierre, 279-291. London: SAGE Publications Ltd., 2012.

- Meyers, Marcia K. and Vibeke Lehman Nielsen. "Street-Level Bureaucrats and the Implementation of Public Policy." In *The SAGE Handbook of Public Administration*, edited by B. Guy Peters and Jon Pierre, 305-318. London: SAGE Publications Ltd., 2012.
- Moe, Terry M. "Teachers Unions and the Public Schools." In *A Primer on America's Schools*, edited by Terry Moe, 151-183. Stanford: Hoover Press, 2001.
- Moe, Terry M. "Teachers Unions and School Board Elections," In *Besieged: School Boards and the Future of Education Politics*, edited by William Howell, 254-287. Washington, DC: Brookings Institution Press, 2005.
- Moe, Terry M. "Collective Bargaining and The Performance of the Public Schools." *American Journal of Political Science* 53 (2009): 156-174.
- Moser, Michael and Ross Rubenstein. "The Equality of Public School District Funding: A National Status Report." *Public Administration Review* 62 (2002): 63-72.
- McDonnell, Lorraine M. "Educational Accountability and Policy Feedback." *Educational Policy* 27 (2012): 170-189
- McNeil, Michele. "Arne Duncan Advocates Mayoral Takeover of Big-City Districts," *Education Week*, March 31, 2009.
- New York State Education Department. "Federal Education Policy and the States, 1945-2009." Accessed March 23, 2014.
http://www.archives.nysed.gov/edpolicy/research/res_essay_nixon_serrano.shtml
- Oloff, Phil and Michael Leachman. *New School Year Brings Steep Cuts in State Funding For Schools*. Washington, DC: Center on Budget and Policy Priorities, 2011.
- Picus, Lawrence O. and Allan R. Odden. "Reinventing School Finance: Falling Forward." *Peabody Journal of Education* 86 (2011): 291-303.
- O'Toole Jr., Laurence J. "Interorganizational Relations and Policy Implementation." In *The SAGE Handbook of Public Administration*, edited by B. Guy Peters and Jon Pierre, 305-318. London: SAGE Publications Ltd, 2012.
- Reckhow, Sarah. *Follow the Money: How Foundation Dollars Change Public School Politics*. Oxford: Oxford University Press, 2013.
- Reich, Rob. "Not Very Giving," *The New York Times*, September 4, 2013.
- Rich, Motoko. "Seeking Aid, School Districts Change Teacher Evaluations." *The New York Times*, October 15 2012.

- Rich, Motoko. "Grants Back Public-Charter Cooperation," *The New York Times*, December 5, 2012.
- Rosza, Stephanie and Caitlin Geary. *Privatizing Municipal Services*. Washington, DC: National League of Cities, 2010.
- Sandfort, J.R. "Moving Beyond Discretion and Outcomes: Examining Public Management from the Front Lines of the Welfare System." *Journal of Public Administration Research and Theory* 10 (2000): 729-756.
- Shen, Francis X., and Kenneth K. Wong. "Big City Mayors and School Governance Reform: Case of School District Takeover." *Peabody Journal of Education* 78 (2009): 5-32.
- Silva, Fabio and Jon Sonstelie. "Did *Serrano* Cause a Decline in School Spending?" *National Tax Journal* 48 (1995):199-215.
- State of Washington's Office of Superintendent of Public Instruction. "Elementary and Secondary Education Act (ESEA)." Accessed October 29, 2013. <http://www.k12.wa.us/esea/>
- Strunk, Katharine O. and Sean F. Reardon. "Measuring the Strength of Teachers' Unions: An Empirical Application of the Partial Independence Item Response Approach." *Journal of Educational and Behavioral Statistics* 35 (2010): 629-670.
- Strunk, Katherine O. and Jason A. Grissom. "Do Strong Unions Shape District Policies? Collective Bargaining, Teacher Contract Restrictiveness and the Political Power of Teachers' Unions." *Educational Evaluation and Policy Analysis* 32 (2010): 389-406.
- The Broad Prize for Urban Education. "The 2007 Broad Prize for Urban Education." Accessed March 24, 2014. <http://www.broadprize.org/asset/TBP2007Brochure.pdf>
- The Broad Prize for Urban Education. "The 2007 Broad Prize for Urban Education: Announcement of the Winner Celebratory Luncheon and Keynote Address." Accessed March 24, 2014. <http://www.broadprize.org/asset/TBP2007Transcript.pdf>
- Thomas, Clive S. and Ronald J. Hrebener. "Interest Groups in the American States." In *Politics in the American States, 8th edition*, edited by Virginia Gray and Herbert Jacobs. Washington, DC: CQ Press, 1999.
- Tractenberg, Paul et al. "Governance and Urban School Improvement: Lessons for New Jersey from Nine Cities, Institute on Education Law and Policy," Report, Rutgers- Newark, NJ, 2013.
- Turque, Bill. "D.C. Teachers' Union Ratifies Contract, Basing Pay on Results, Not Seniority." *The Washington Post*. June 3, 2010.

- United States Department of Education. "A Nation At Risk." Accessed October 29, 2013.
<http://www2.ed.gov/pubs/NatAtRisk/risk.html>
- Winkler, Amber. M, Janie Scull, and Dara Zeehandelaar. *How Strong are U.S. Teacher Unions? A State-by-State Comparison*. Washington, DC: Thomas B. Fordham Institute, 2012.
- Winter, Søren. "Implementation: Introduction." In *The SAGE Handbook Of Public Administration*, edited by B. Guy Peters and Jon Pierre, 255-265. London: Sage Publications, 2012.
- Weston, Margaret. *Basic Aid School Districts*. San Francisco: Public Policy Institute of California, 2013.
- Wong, Kenneth. *Funding Public Schools: Politics and Policy*. Lawrence: University Press of Kansas, 1999.
- Wong, Kenneth et al. *The Education Mayor: Improving America's Schools*. Washington, DC: Georgetown University Press, 2007.
- Wong, Kenneth K. and Francis X. Shen, "Big City Mayors and School Governance Reform: The Case of School District Takeover," *Peabody Journal of Education* 78 (2003): 5-32.
- Wong, Kenneth K. and Francis X. Shen. *Mayoral Governance and Student Achievement: How Mayor-Led Districts are Improving School and Student Performance*. Washington, DC: Center for American Progress, 2013.