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BUILDING COMMUNITY FOUNDATIONS

GRANTMAKING CONSULTING PROGRAM

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Bulletin #39
July 1999

Education Funding

This edition of *Building Community Foundations* focuses on educational funding in response to requests from readers.

Requests for special focus topics in *Building Community Foundations* are welcome .

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Some community foundation personnel have questions about whether it is legal to give to a tax supported public school system. The answer is yes it is legal; a school system is tantamount to a non-profit 501(c)(3) organization.

On occasion, community foundation board members express reluctance to give to something that is tax supported. In fact, it would be hard to find an entity that doesn't receive some sort of tax money; for example Endowment for the Arts, Endowment for the Humanities, block grant money, redevelopment money, health care money, education money, etc.

A big question might be, when the entity (public education) is so big and the issues so large, where do you focus? The answer is in how community foundations focus on any issue – you find good people doing good work and you fund them. Some examples include:

- ◆ Teacher-Buy-Your-Day-Program, which involves a principal recommending a teacher who wants to visit a colleague for a day of observation. The expenses are a substitute (around \$100), lunch money, mileage, and a \$50 stipend to the host teacher for classroom materials. This type of program has been going on for years at some community foundations and offers an opportunity for cross-fertilization amongst teachers. The principal gets credit, the teacher gets a day off – something for which he/she is very grateful.

- ◆ Teacher Resource Grants. Notices are sent to every teacher in a district or county and if they want a \$500 grant for an excursion, classroom resource materials, or professional training they can fax their request with details of what the money is for. Teachers call this the fax grant program. Such a program can be designed so that when a fax comes in a foundation staff person can review it right away and the teacher can have an answer in an hour and a check in a day. Collectively, this type of program can have a major positive impact. Teachers and donors love this type of program, which, in turn, brings considerable publicity to the foundation.
- ◆ Teacher Fund. The community foundation allocates money for a committee of teachers to give out. One example has an allocation of \$100,000 at a time with a committee of five that meets every 6 weeks. Teachers send in requests for funds up to \$5,000. The committee sets up the criteria, gets the requests ahead of a meeting and comes together to decide. This is an example of sharing the prerogative of giving by democratizing the process.
- ◆ Principal's Discretionary Fund. Money is given to the principal to use to meet special needs such as emergencies with staff, parents, children; purchase something new that wasn't in the budget, ex. software. This type of giving is high trust but gives professionals latitude, which they otherwise wouldn't have.

Community foundations are also funding school based health care programs and teacher and staff training programs, and a large number of scholarship programs. In reality a scholarship is general operating support to the educational institution be it public or private.

Another example of community foundation support for public schools is to convene teachers and/or principals in small groups over lunch. With a good facilitator, such a group can come up with all sorts of ideas about youth for foundation consideration.

For the most part, private funders such as community foundations stay away from salary items in public school funding. Funding of equipment items such as computers, VCR's, and video cameras, needs to be done carefully, otherwise such items can use up all the money available.

SCHOOL FOUNDATIONS

A number of communities have established school foundations, which are supported by businesses, foundations, special events, and for the most part, individuals. In some cases each parent is expected to contribute a specific amount per child.

The school foundations can be under the school district board of education or run independently. They can give grants directly to teachers, give a block grant to the school district, or give for special purchases.

If a community foundation wanted to, it could give to the school foundation, help create such a foundation and act as the depository for the school foundation funds.

In conclusion, money from community foundations can play a significant role in public school systems. It can stimulate PTA's to match funds; it can be used for special purchases which aren't covered by school budgets; it can be used to undertake programs that complement the regular school program, that enhance teacher morale, that give principals latitude, that adds to the excellence in an educational program.

Observations from an Expert

George W. Bonham undertook an extensive study of ten major private foundations and he wrote a book on his findings, which was never published – for lack of a sponsor. The following are excerpts from some of his findings.

“From my own close-up analyses of foundation trusteeships, one denominator common to even the best is the startling lack of trustee knowledge of the operating, internal, aspects of foundation work. As a consequence, when a disaster strikes, trustees are usually the last to have had any foreknowledge of the problem, and are thus ill-prepared to deal with it.

A fine and workable balance between the desirability of letting CEO's run their own show and at the same time provide board members---or one or two of them----with sufficiently intimate knowledge of the internal condition of the foundation they are supposed to oversee needs to be considered. One of our strong recommendations is term limitations for CEO's as well as program officers, with thorough evaluation reviews after year 5 and year 8.

Exceptional foundation leadership is rare, as elsewhere, perhaps some long-term screening and retrieval effort should be tried by the field in an effort to improve its overall leadership performance.”

Past copies of *Building Community Foundations*, Bulletin 1 (August 1992) to Bulletin 38 are available as a unit for \$20 to cover the cost of copying and mailing. Send check to:

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The Grantmaking Consulting Program offers three services:

- ◆ Three day on-site visits with extensive review of foundation procedures, extended individual sessions with the foundation board, grants committee, and staff.
- ◆ Two day training session for program officers (5 or more persons).
- ◆ Facilitating board retreats.

The services are available to foundations in Canada and the U.S.

The only cost to foundations is the consultant's room and meals if the foundation is smaller than \$8 million in assets, and travel for foundations of \$8 million +. His time is sponsored by the Packard Foundation.

Comments on The Grantmaking Consulting Program:

"Confirmed the necessity for an administrative person – a 'shot in the arm'. Would appreciate another visit. We needed that boost."

"Good innovative ideas. We were on our way to mainstream and at least we are now aware of alternatives. Some look promising if the board can get the energy to follow through."

Did you get any new ideas?

"Yes!!!! Particularly in the areas of grant making and donor advise funds."

Comments by Board members at the

Homer Community Foundation
Homer, Alaska