



Best Practice: Public-Private Investment Fund for Public School Reform

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CITY: NEW YORK CITY

POLICY AREA: EDUCATION; PUBLIC-PRIVATE PARTNERSHIPS

BEST PRACTICE

The Fund for Public Schools, a 501(c)(3) nonprofit organization, is dedicated to improving New York City's public schools by attracting private investment in school reform and encouraging greater involvement by all New Yorkers in the education of New York City children.

ISSUE

In 2002, Mayor Michael Bloomberg and Chancellor Joel Klein embarked upon an unprecedented effort to transform education in New York City. The Mayor and the Chancellor established public-private partnerships as a critical means of driving public education reform, and The Fund is the primary vehicle for advancing this effort in the country's largest school system. Because the vast majority of the Department of Education's overall budget is not discretionary, few dollars exist for research and development purposes. Therefore, the Fund plays an essential role in securing the relatively small private investments that have the potential to catalyze innovations in the New York City Department of Education (DOE).

GOALS AND OBJECTIVES

The Fund plays a pivotal role in improving public education in New York City by:

- Securing funding for critical education reform initiatives
- Helping businesses create partnerships and programs that support the City's schools
- Raising public awareness about New York City's public schools
- Strengthening the New York City Department of Education's relationship with the private sector

IMPLEMENTATION

Accountability is a guiding principle of the Fund's work and public-private partnerships are established with clear objectives focused on results. To do this well, the Fund conducts a rigorous process of vetting proposals, developing milestones and key success measures, and carefully monitoring the use of funds. The Fund thoroughly considers the feasibility and appropriateness of projects before they are presented to funders. Finally, the Fund independently evaluates programs when feasible. Together, these measures ensure the Fund addresses the needs of New York City's more than 1,600 public schools.

Seeding Innovation

Since 2002, The Fund has worked to support Mayor Bloomberg and Chancellor Klein's *Children First* education reform initiative. Private funding has been critical to the success of *Children First*, seeding innovative new approaches to public education, supporting critical capacity building initiatives, and laying the groundwork for transformation.

In 2009, The Fund supported research and development work within the NYC Department of Education, providing private funding to pilot innovation in our schools. This includes the launch of School of One, a pilot program that re-envisioned classroom instruction for middle school mathematics, giving each student individualized learning experiences tailored to their specific needs and learning styles. In 2009 The Fund continued to support work to redesign career and technical education programs, leveraging private funding to help launch new demonstration sites that will give students access to meaningful career paths. The Fund also supported the launch of the NYC iSchool, which employs state-of-the-art technology to engage students in an interdisciplinary, project-based, college preparatory curriculum. NYC iSchool offers students technology-



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integrated opportunities such as distance learning, enabling students to study with subject-matter experts anywhere in the world.

In 2009 The Fund also continued to support arts education, public school libraries, and parent engagement initiatives as it has for years.

Outreach and Public Awareness

A core function of The Fund's work is reaching out to all New Yorkers to build awareness of the condition of city schools and to encourage involvement in them. In 2009, The Fund expanded its audience through social networking platforms, helping to spread the message that all New Yorkers should get involved to help keep the progress in our schools going. In 2009, The Fund conducted its sixth annual Shop for Public Schools, a week-long fundraiser for which retailers across the city donate a portion of sales to support public school libraries. The Fund also supported arts education through a partnership with the Madison Avenue Business Improvement District to raise funding through the Madison Avenue Gallery Walk. It also co-hosted PS Art, an exhibition featuring outstanding art from public schools with the NYC Department of Education.

Selected Accomplishments

- Since 2003, The Fund for Public Schools has raised over \$200 million to support system-wide reform initiatives.
- The Fund partners with many of the country's leading education foundations, including The Broad Foundation, the Bill & Melinda Gates Foundation, the Michael & Susan Dell Foundation, and the Robertson Foundation.
- The Fund for Public Schools launched Shop for Public Schools, an annual retail promotion that supports public school libraries, in 2004.
- The Fund created Arts SPACE, a competitive grant program through which schools can apply for funds to create and improve performing arts spaces. To date, The Fund has awarded over 65 grants.
- The Fund also created Library REACH, another competitive grant program that awards up to \$10,000 to schools to improve their libraries. To date, The Fund has awarded 216 Library REACH grants.
- In 2008, The Fund raised \$1.6 million for arts education in New York City.
- Charity Navigator gave The Fund a four-star rating for exceeding industry standards and outperforming most charities in its cause.

COST

In fiscal year 2009, The Fund for Public Schools raised \$14.85 million to support initiatives of the New York City Department of Education. (This number includes \$.05 million raised to support the NYC Leadership Academy.) Spending for program services was approximately \$37.3 million, up from \$26.2 million in the previous fiscal year. Expenses supported arts, libraries, scholarships, and the continuation of system-wide reform efforts.



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Statement of Income and Expense for Fiscal Years 2008 and 2009

SUPPORT AND REVENUE	2009 July 1 – June 30	2008 July 1 – June 30
Contributions and Grants*	\$14,805,079	\$43,400,389
Fee Income	0	5,250
Donated Services	741,497	756,030
Realized & Unrealized Gains on Investments	79,643	(164,032)
Interest Income	707,518	903,601
TOTAL SUPPORT AND REVENUE	\$16,333,737	\$44,901,238
EXPENSES		
Grant Expense:		
Grants to DOE	\$36,610,821	\$22,840,101
Awareness Initiative	2,721,175	3,417,313
	37,331,996	26,257,414
Supporting Expense:		
Management & General	1,323,939	918,729
Fundraising	498,619	590,510
	1,822,558	1,509,239
TOTAL EXPENSES	\$39,154,554	\$27,766,653

* In addition to this number, The Fund raised \$.05 million to support the NYC Leadership Academy. From 2003 through 2009, the Fund sought and accepted contributions on behalf of the Leadership Academy, a separate nonprofit entity. These contributions were received by The Fund and transferred to the Leadership Academy. In keeping with accounting principles, the contributions received for the Leadership Academy are not included in the financial statements of the Fund.

RESULTS AND EVALUATION

A national model for public-private partnerships to fund education reform initiatives, the Fund has secured unprecedented investment from private business and foundations, raising over \$250 million as of March 2010 for system-wide reforms and school-based programs.

TIMELINE

1982: The Fund for Public Schools is founded as a nonprofit organization.

2002: The Fund is re-launched in conjunction with the education reform efforts in New York City.



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LEGISLATION

N/A

LESSONS LEARNED

The Fund has learned a number of lessons which include:

1. Clearly tracking key deliverables, project milestones, and reporting requirements with the New York City Department of Education and with its funding partners is integral to project success. As soon an initiative is off track or at-risk of not meeting a milestone, the Fund works with DOE partners and funders to determine the most logical course of action.
2. Fundraising priorities should be decided upon by the Chancellor and his cabinet at the beginning of the year. Periodically throughout the year these priorities should be revisited to determine if they still reflect the Chancellor's vision. Clear expectations should be set regarding the ability to fundraise for non-priority projects.
3. Organizations should implement a few programs – e.g., the Fund's Library REACH program – that are easy to replicate and through which smaller donors can feel that they have real impact at the student and school levels. Donors (corporate, individual, etc.) should be directed to these programs if their funding interests do not match priority fundraising initiatives.

TRANSFERABILITY

A number of cities have been in contact with The Fund for Public Schools about replicating our efforts in other school districts across the country.

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