EFFECTIVENESS OF PUBLIC EDUCATION FOUNDATIONS
IN INDIANA SCHOOL DISTRICTS

A DISSERTATION
SUBMITTED TO THE GRADUATE SCHOOL
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE
DOCTOR OF EDUCATION

BY
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BALL STATE UNIVERSITY
MUNCIE, INDIANA
DECEMBER, 2012
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MUNCIE, INDIANA
DECEMBER 2012
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Thanks to my family and friends for their support and their understanding of my limited time. I am especially thankful to my wife, sons, daughter-in-laws, granddaughters, and parents for their support, encouragement, and love over the past three years.
DEDICATION

I dedicate this dissertation to my wife, Susan, whose patience, understanding, and support made it possible for me to attain my greatest educational aspiration. Thank you for helping the realization of my dream possible.
ABSTRACT

For the past several decades, school districts have faced an increase in challenges which include trying to improve student achievement with restricted or reduced educational funds. Schools are faced with attempting to fill in financial gaps with funds derived from non-traditional sources with help from partners, including public education foundations. The purpose of this study was to determine the following: (1) The goals established by Indiana public education foundations, (2) whether these public education foundations have been able to achieve their goals, and (3) how the public education foundations successfully secure funding to support their K-12 public schools.

The researcher employed a two-phase, explanatory mixed-methods research design (QUAN-Qual Model). The model uses an initial quantitative study to establish a baseline of knowledge about the subject and follows up with a qualitative study to gain a deeper insight into the quantitative results. The first phase involved analyzing the results of a questionnaire administered as part of the study. The researcher used the membership of the Indiana Association of Public Education Foundations (INAPEF) for the accessible population. Current membership includes sixty-six foundations. The final data analysis consisted of descriptive statistics, Pearson correlations, analysis of covariance, and regression analysis to identify significant or interesting relationships between variables.
The second phase of the study engaged three education foundations in a case study review. The purpose of this qualitative study was to provide deeper insight into foundation goals and level of support to schools from the perspective of public education foundation officials.

A majority of the foundation officials that were surveyed believe that school foundations in Indiana have been effective in supporting the educational programs in their school districts. Foundation officials believe that they are able to provide positive support to schools mostly through district initiatives, classroom grants, and community involvement. The results of this research may provide public schools with the impetus to create public education foundations to support their programs or determine how to improve upon their current foundation’s support.
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CHAPTER 1

Introduction

Statement of the Problem

As school districts strive to address gaps in academic achievement, they must also find ways to cover the increasing gaps in revenue due to declining state funding. A study of 2009-2010 data found that Indiana school corporations have had to make substantial cuts, including an estimated 2,608 teachers and 1,357 instructional assistants (Jarman & Boyland, 2011). Over the period from 2009 to 2012, the State of Indiana has spent an average of 33.5% of their budget on education (De Peña, 2012). The level of funding available is dependent on the economic conditions of the state. In 2011, the Indiana General Assembly funding for K-12 public schools at the same levels for 2010, including the $300 million cut in education funding from the original state budget (Hayden, 2011). At the same time, significant changes in Indiana’s school funding formula has required each district to look at all of their services to determine which are feasible to maintain. The combination of economic and legislative changes have resulted in significant reductions in General Fund allocations for the majority of Indiana’s public schools (Jarman & Boyland, 2011).
In order to understand the dilemma school districts face in managing the economics of education, we must determine the factors influencing this evolving environment. Historically, the national expectations of the K-12 educational system were that student populations were reduced by attrition; there was marginal engagement of the residual student population; and classes were based on large-group instruction (Everhart, 2006). These factors reduced the cost required of the government to fulfill educational obligations. Through a series of federal and state legislation leading up to No Child Left Behind, educational expectations have changed. School districts are now expected to increase student retention while assisting all students to achieve higher levels of academic standards, requiring substantially more individual planning and instruction. Administrative costs have also increased due to increases in monitoring and reporting compliance regulations. Many school districts have struggled with managing the inefficiencies while attempting to provide an adequate education (Ruggiero, 2007, p. 12).

As the nation deals with the effects of a poor economy, governments are resistant to increase funding to support the inadequacies of the current educational system. Instead, there is a trend toward a system of financing that discourages inefficiency by making districts more accountable and responsive (Ruggiero, 2007).

Under the current political climate, the American society is being led to believe that schools should be run like businesses. Businesses strive to increase productivity while simultaneously decreasing inputs. Most find this to be a difficult, if not impossible, task. Indiana schools face similar challenges with the pressure to increase student achievement with decreasing funds. To meet these challenges, schools must implement
processes to decrease the cost of providing a quality education; at the same time they must look for ways to increase funding through non-traditional means.

In an effort to secure revenue from alternative sources, schools have turned to state and federal grants. However, uses of these grants tend to be limited by the inclusion of stipulations and requirements. They are provided to serve a narrow political agenda which restricts the school’s use of the funds. In order to increase financial support, many schools have developed partnerships with educational foundations to secure both additional public and private funding (Else, 2011). The Giving USA Foundation estimated that annual donations for education increased by 5.2% in 2010, for a total of $41.67 billion (Giving USA Foundation, 2011). There is the potential for foundations to increase sources for additional funding while providing flexibility towards the use of the new revenue. The concern is whether or not these educational foundations are effective in securing funding for K-12 schools and if the funding provides an impetus schools need to meet their school goals.

Purpose of the Study

The purpose of this study was to determine the following: (1) The goals established by Indiana public education foundations, (2) whether these public educational foundations have been able to achieve their goals, and (3) how the public education foundations successfully secure funding to support their K-12 public schools. The results of this research may provide public schools with the impetus to create foundations to support their programs or determine how to improve upon their current foundation’s support. The result of increased support could positively impact the school’s ability to
increase programs and personnel to meet the demands of providing every student with an appropriate education. Local school foundations may provide financial assistance that improves education at the local level (Else, 2011).

**Significance of the Study**

This study was important due to the fact that general funds for public schools have diminished over a long period of time. More recently, states have been required to search for ways to balance their budgets, forcing them to take a hard look at funds provided for public education (D. Roach, personal communication, June 21, 2011). To maintain their programs and services at present levels, schools must look towards non-traditional sources of funding. The potential support by K-12 public education foundations is significant and schools should investigate this venue to assist with the support of continually strained budgets.

**Research Questions**

Questions that guided the research in this dissertation include the following:

1. What are the goals established by public education foundations?
2. What are the sources of funds secured by public education foundations?
3. How are the public education foundation funds utilized by school districts?
4. Do public education foundations leaders believe that they have met the goals set by the foundation?
5. How do public education foundations plan to increase their support of public schools in the future?
Delimitations

The following were delimitations of this study:

There are numerous types of non-profit and for-profit organizations that directly support public schools, e.g. public education foundations, booster organizations, civic organizations, and community foundations. The researcher limited the study to districts with associated K-12 public school foundations. These organizations strive to support the overall mission of the district instead of focusing on targeted programs, like sports or field trips. The researcher chose to survey members of the Indiana Association of Public Education Foundations, as source of the largest association of Indiana public education foundations. There may be school districts that have had significant support from private non-profit organizations and other public 501(c) (3) corporations. However, those organizations were not a part of this study.

The population size for the survey (N=51) was small, which represents the membership of the Indiana Association of Public Education Foundations) in Indiana, established before 2011. With a small population size, the questionnaire method used for quantitative data collection has limitations in testing for reliability and validity of the survey questions. Submitting the questionnaire to both an expert panel and pilot testing provided more assurance of reliability and validity (Gay, Mills, & Airasian, 2009). The selection of the expert panel was based on individuals having significant experience in research using survey instruments or having public education foundation leadership experience. In order to prevent reducing the number available for the target population,
the researcher selected leaders from foundations which were not a member of the Indiana Association of Public Education Foundations for the expert panel.

The number of respondents included in phase two of the study was constrained by the researcher to reduce resource and time requirements in order to complete the dissertation.

In order to focus on the expertise of foundation representatives, the opinions and input did not include other district staff, parents, students, or the general public not directly involved in public education foundations.

**Definitions**

1. *Assessed Valuation (AV)* – The financial term used to describe the total market value of real property subject to taxation.

2. *General Fund* – A fund established by Indiana Code § 20-40-2 for the daily operation and maintenance of local schools.

3. *Indiana Association of Public Education Foundations (INAPEF)* – An organization established to serve as a resource for the establishment and continued support of public school foundations in Indiana.

4. *Public Education Foundations (PEF)* – Indiana nonprofit 501(c)(3) corporations established by Indiana Code § 20-26-5-22.5 to provide financial support to public school corporations. These foundations are also known as local education foundations (LEF).
5. **501(c) (3) Corporation** – A tax-exempt status provided to nonprofit organizations under the Federal Internal Revenue Code that allows the organization to accept contributions, which are tax deductible for the donor.

Summary

This chapter of the research study included a rationale and purpose for researching the effectiveness of public school foundations. The researcher targeted public school foundations and their financial support of K-12 school districts. The researcher determined the focus of the study through specific research questions and provided definitions of key terms. Finally, the researcher discussed the significance and delimitations of this study.

In the next chapter of this dissertation, the researcher will provide a comprehensive review of the prior research and professional literature encompassing public education foundations. This will be followed by the details of the methodology used in the research in Chapter 3. The researcher presents the results of the study in Chapter 4 and describes the conclusions in the final chapter.
CHAPTER 2

Review of the Literature

Introduction

The state of Indiana has incorporated approximately 572 foundations that support education at some level (Indiana nonprofit organizations -- A lookup directory, 2011). Of those that are public education foundations, 66 are members of the Indiana Association of Public Education Foundations (Indiana Association of Public Education Foundations, 2011). Since school districts are facing difficult fiscal hardships and should look for other funding sources to maintain or increase their educational programs, it is important to ascertain the influence of Indiana’s education foundations on school districts. Specifically, it is necessary to determine whether such influence is restricted to financial matters or whether it extends to other areas, such as public relations or school improvement measures (Woodworth, 2007).

The mushrooming public school foundations owe their unprecedented growth to several reasons. For instance, it is very difficult for schools to procure funds. In addition, accountability of schools has increased significantly. Furthermore, members of the community are provided with a convenient device to involve themselves with local schools and their enterprises (Woodworth, 2007). In 1999, Carol Chmelynski stated in a School Board News report that, "Shrinking tax revenues, budget cuts, a shift of state
funds to poor districts, a fear of losing students to private schools, and parents' rising expectations of what their children deserve are factors fueling the explosive growth of school foundations” (Else, 2011).

As such, education foundations are nonprofit organizations as per the provisions of section 501(c) (3) of the Internal Revenue Code. These foundations are affiliated with public school corporations, and they facilitate the establishment of tax deductible funds to generate grants and scholarships (Robbins, 2009). Such foundations are of immense help to school administrators, teachers and students.

Moreover, section 501(c) (3) of the Internal Revenue Code considers education foundations as tax exempt organizations. In addition, the laws of the state where the foundation is to be established have to be examined, with regard to tax exemptions. As such, fundraising activity should not commence until such time as a tax exempt status is granted to the foundation for the benefit of a tax deduction for its donors (Else, Assisting K-12 Education through the National Center for Public and Private School Foundations, 2003).

The National Center for Public and Private School Foundations at the University of Northern Iowa has objectives that take into account the phenomenal growth of school foundations. These objectives consider the requirements of local public school districts and the private schools. The principal aims of the National Center for Public and Private School Foundations include:

- correlating people and organizations with private and public schools, and to promote support and awareness, by means of school foundations;
• helping private and public schools, via the development of school foundations, in the task of creating education funds of greater flexibility, and reducing the gap between the lower and higher income districts;

• supporting school personnel in the US in the design, operation and sustaining of school foundations;

• helping local foundations by providing expertise and guidelines in the management and development of school foundations, such as fundraising strategies, procedures, policies, management, organization and legal issues;

• assisting the leadership of the school foundation to develop professionally, especially with regard to working meaningfully with the board and in strategic planning;

• conducting research on and adapting the extant research findings with respect to school foundations and determine the crucial factors that affect their success;

• enhancing the fund raising capability of K-12 schools, so that they can effectively address emerging requirements (Else, Assisting K-12 Education through the National School Foundations Association, 2011).

Hence, the underlying objective of a public school foundation is to complement, supplement or augment the existent activities and programs being conducted by the district. There are over 6,500 school foundations in the nation (National School Foundation Association, 2006). Although, foundations chiefly make good the financial shortfall in school districts; some of these foundations take care of the basic educational
expenditure. These Educational Foundations are bestowed with property tax limitation measures that have been approved by the voters (Else, 2011).

The trend among school districts and private schools in the United States is to access funds through foundations. The latter are private nonprofit organizations that are aimed at helping public and private schools. Educational Foundations are classified as charitable organizations that are distinct from local governments, public institutions or school districts (Else, 2011). These foundations are principally involved with raising, handling and distributing money.

Across the United States, foundations exist in every type of schools and depict considerable variation in size. However, the average amount raised by school foundations is of the order of 3% of the budget of a typical district. This diversity is complemented by wide disparity in the utilization of funds. A 1995 study by Merz and Frankel (as cited in Else, 2011) on school foundations disclosed that foundations that procured less than $10,000 per annum were likely to provide scholarships; and those that raised between $20,000 to $50,000 per year were likely to provide funds for programs aimed at bettering the curriculum, teacher training and resources. Finally, foundations that managed to raise more than $100,000 per annum were likely to underwrite teaching positions (Else, 2011).

Some of the school foundations have emphasized systemic change, instead of merely raising money to replace public funding. These foundations focus on policy areas, like school finance and governance, educational leadership, assessment and the curriculum. In addition, such foundations make a serious attempt to recreate awareness
regarding education among the citizens and to once again obtain financial support for education (Else, 2011).

Public school funding has been adversely affected by less than expected state revenues and limits on property tax, due to the recession. In 2010, the governor of Indiana ordered a $300 million reduction in funding to schools and this had a major impact on the general fund (Loughlin, 2010). This reduction in funding was continued in 2011 (Jarman & Boyland, 2011). A recent change in education funding was that the General Fund operating budgets of the schools are funded by the state – placing the ability to sustain a progressive education budget in the hands lawmakers’ biennial appropriations. This takes care of the salaries of teachers and other employees, and benefits. The local property taxes fund debt service and capital projects, transportation and school bus budgets.

The article Indiana Example of Collaboration and Innovation provides insights into the development of K-12 Public Education Foundations in the state of Indiana and their potential impact. The principal stakeholders in this state understood the crucial connection between economic growth and improvement in education. Consequently, the Center for Excellence in Leadership and Learning (CELL) was established in the year 2001. This constitutes a pioneering effort by the University of Indianapolis to achieve a concerted effort by businesses, communities and schools that was aimed at providing students with the wherewithal to succeed in a global economy (Martinez, 2010, p. 74).

In the context of Indiana, support from the private and public sector, was stimulated by two crucial grants. The first of these was in 2001 from the Lilly Endowment, which was with regard to the establishment of CELL at the University of
Indianapolis, and was of the order of $15 million (Center of Excellence in Leadership of Learning, 2012). The second was in 2003, an $11.3 million grant from the Gates Foundation, which was focused on developing the Network of Effective Small Schools in Indianapolis (Bill & Melinda Gates Foundation, 2003).

Subsequently, $2 million was awarded to Indiana by the National Governors Association in 2007, in order to implement new high school models. In the very same year, the Gates Foundation provided a further $2.3 million to the Public Schools of Indianapolis, so that there could be a continuation of the task of transforming large high schools to small learning communities. The Tech Point Foundation has provided $400,000 assistance, in addition to $100,000 raised from community partners to assist Arsenal Tech High School towards its New Tech High program. (Martinez, 2010, p. 74).

*Ideology of Philanthropic Foundations*

The Giving USA is an annual magazine that publishes information regarding American philanthropy. According to this magazine, in the year 2005, Americans had donated approximately a quarter of a trillion dollars. More than 12% of this amount had been provided by foundations. For instance, in 2006, the George Lucas foundation donated a hundred million dollars to the University of Southern California’s film school. Another example is the Stanley W. Anderson foundation donated 150 million dollars to the Memorial Presbyterian Church. A third example is Mortimer B. Zuckerman, who donated a hundred million dollars to the Memorial Sloan-Kettering Cancer Center (Lenkowsky, 2007, p. 47).
Prior to the mid 1990s, there were few foundations that made such generous donations. At present, philanthropy in the United States is chiefly based on the liberality of the very wealthy. As contended by Arthur Brooks, in Who Really Cares, most of the top ten wealthy families contribute lavishly to American philanthropy (Lenkowsky, 2007, p. 47).

There was an unprecedented technological development in the 1990s, which created substantial new wealth and also enabled the established businesses to achieve tremendous growth. Although, the success of Gates, Dell and Packard come to mind, the largest of the 50 foundations of this era were derived from the industrial epoch (Lenkowsky, 2007, p. 48).

In the 1990s there were innumerable examples of people who had donated more generously than their wealthy counterparts. Recently, the Center on Philanthropy of the University of Indiana conducted a survey on high net worth households. This survey disclosed that entrepreneurs, who had acquired more than half of their wealth, by starting a business, donated twice as much, in comparison to individuals who had inherited more than half of their fortune. On the other hand, people who had become rich, due to higher returns on investments, higher savings, and increasing value of real estate were seen to be less inclined to donate to foundations (Lenkowsky, 2007, p. 48).

In addition, the aging baby boom generation with its trillions in assets is expected to donate a major share of this wealth to charities. Furthermore, a large number of the relatively less rich section of the United States populace contributes substantial amounts to charities. These people donate to foundations with the intention that the beneficiaries
obtain better opportunities than what they had enjoyed. This is proof enough that philanthropy and being rich are not necessarily interdependent (Lenkowsky, 2007, p. 48).

However, donations by the rich are the mainstay of charitable giving in the United States. This has been viewed with misgivings, and Thoreau believed philanthropy to have been exaggerated out of all proportions. Many eminent writers had warned the public about ambitious philanthropy that was aimed at dealing with large and distant issues. Andrew Carnegie had expressed doubts regarding the benefit derived from the ostensibly charitable acts (Lenkowsky, 2007, p. 48).

John D. Rockefeller was an eminent promoter of providing funds for good causes. Although, he established the Rockefeller Foundation, partly to improve his public image; he had been a lifelong philanthropist and continued to make donations on a regular basis. He granted money to a number of notable ventures, and one such initiative was the establishment of the University of Chicago (Lenkowsky, 2007, p. 49).

Rockefeller’s vision is the basis of the present day foundations. At that point of time, it was contended by his detractors in the Executive Branch and Congress that his philanthropic activities were aimed at amassing power. Rockefeller beseeched Congress to enact a federal charter for his grant making body. However, Congress was adamant and refused to grant that status to his foundation. Although, Rockefeller proposed that control over his foundation was to be transferred to a group of public officials and presidents of universities, Congress refused to comply with his request (Lenkowsky, 2007, p. 49).

In 1913, the Rockefeller Foundation commenced operations after obtaining approval from the New York State legislature. Thereafter, doubts were entertained by the
public regarding grant making organizations. Consequently, several congressional investigations were launched with the express intention of determining whether private foundations were truly generous or were merely used to promote the political or business interests of the owners of their donors (Lenkowsky, 2007, p. 49).

These apprehensions culminated in 1969, with the enactment of a law at the federal level, which focused exclusively on foundations supported by opulent families and individuals. At that juncture, the Ford Foundation supplanted Rockefeller as the preeminent philanthropy in the United States. Another major difference between these two institutions was that the Ford Foundation was much larger and expressed interest in a much wider range of social problems (Lenkowsky, 2007, p. 49).

Foundations supported by wealthy entities were singled out for repressive and restrictive laws that almost succeeded in halting their philanthropic activity. Laws were enacted that obliged these foundations to pay substantial amounts, for defraying the additional expenditure incurred by the Internal Revenue Service to monitor their activities (Lenkowsky, 2007, p. 49). Such inhibitory measures were not adopted against the foundations supported by donations from the general public.

These restrictions on foundations sponsored by wealthy entities, prompted John Rockefeller III to strike a note of caution that the non-profit sector was being systematically destroyed and that philanthropic activity was facing a steady decline. Thus in the 1970s, the value of the assets of foundations did not improve. Over time, better sense prevailed as critics questioned less who was giving and more of how much was being given and for what. By 1999 there was hardly any opposition to the foundation instituted by Bill Gates (Lenkowsky, 2007, p. 50).
Moreover, in the recent past, several hearings were conducted by Congress that were aimed at ascertaining whether foundations should be compelled to increase grant payouts in light of the sizable increase in the growth of their assets. In addition, the issue of whether their board of directors should include a greater number of independent directors was also discussed. Subsequently, the focus changed and legislators took up the issue of ambiguity in the laws, which could have enabled the donors to reduce their tax liability (Lenkowsky, 2007, p. 50).

The Rockefeller Foundation provided support for a range of projects. These included medical research, scientific research in treatment, the green revolution, and so on. Some other foundations had also participated in such endeavors. The green revolution developed new varieties of crops that adapt to the conditions of famine prone countries. These ventures demonstrated the fact that grant making foundations play an important role in the development of science and technology and clearly established that money can be utilized for good (Lenkowsky, 2007, p. 50).

Other prominent foundations have provided support for several useful projects. For instance, donations from Andrew Mellon were instrumental in the launch of the National Gallery of Art. Moreover, donations from Alfred P. Sloan and Charles F. Kettering were used to establish a cancer research center. Furthermore, Julius Rosenwald made several grants for building public schools for students from the southern black community (Lenkowsky, 2007, p. 50).

A very difficult situation has emerged for these philanthropists, in as much as they have to expand upon their exemplary work. Several of the larger foundations have decided to tackle the intricate and intractable problems of society. For instance, the Gates
Foundation undertook to improve the urban school system, and its results have not been extraordinary. Another area where this foundation could encounter difficulties is with regard to its objective to find cures for the deadliest diseases of the world (Lenkowsky, 2007, p. 50).

**History of Foundations**

Osborne and Russo have discussed public education in their work. From its humble beginnings in colonial times, public education in the United States has achieved tremendous growth. In the initial stages, it was the responsibility of the family to educate their children. Gradually this changed and governments took upon themselves the task of providing education (Osborne & Russo, 2011, p. 1).

In 2011, there were an estimated 99,000 public schools in the 13,862 school districts in the nation which have a student population of 49,300,000 and are supported with 3,180,000 teachers. A vast amount is spent on public school education in the United States, and on an average around $520 billion annually is the expenditure incurred in this regard. Indiana allotted $17.6 billion during this time (De Peña, 2012). The national average expenditure per student is $10,889 per year (Osborne and Russo, 2011, chap. 1). Indiana’s average expenditure per student is $8,929 per year (Children’s Defense Fund, 2011).

From the initial agrarian settlers of the colonial era, the United States has evolved into an industrial and technological economic powerhouse. This change has caused education to shift from what was fundamentally the responsibility of the family to a major function of the state and local governments. Another important development is the
active involvement of the federal government in public education (Osborne & Russo, 2011, p. 16).

During this four century period, a number of laws and regulations relating to education have been enacted by Congress, administrative agencies and state legislatures. These laws and regulations have had a profound effect on teachers and control their employment status and stipulate the duties related to their teaching. There has been a slow but steady increase in the regulation of education (Osborne & Russo, 2011, p. 16).

This can be attributed to the increasingly greater influence being exerted by the federal government on the day to day operations of schools. In addition, every year brings in thousands of judicial opinions in the area of education related issues. This makes it essential for teachers to develop a better awareness of their legal rights and responsibilities in education or school law (Osborne & Russo, 2011, p. 16).

Through their roles as political advocates and financial supporters, foundations and the private sector have been recognized by the public school officials as significant contributors to the cause of education (Woodworth, 2007, p. 21). This awareness has made these officials accord K-12 education foundations the status of important devices that provide much needed resources to students. As of 1982, there were approximately one hundred K-12 educational foundations in the United States. This number increased to 1500 by the year 1991, and it was estimated to be much more than 3000, as of 2001. There were approximately 5000 of these foundations, in the United States, as of 2007 (Woodworth, 2007).

The level of foundation participation in public schools was not significant until the 1960s (Meade, 1991, p. K12). Foundations provided considerable financial support
to public school corporations for education research. For example, the Ford Foundation expended about $30 million over 10 years in an attempt to make school finance more equitable. There are other foundations that have also provided such support. For instance, the Spencer Foundation was formed with the express objective of supporting research and scholarship that could be expected to improve education (Meade, 1991, p. K2).

Moreover, the Spencer Foundation promotes the development and training of researchers and scholars in human development, education and related areas. In addition, foundations, like Carnegie, Ford, MacArthur, and Lilly support research in education, evaluation and program documentation. Because the results of educational research yield immediate changes and supporters seldom seek to be noticed for their contributions, such support has rarely attracted the attention and respect of the school establishments, and generally failed to impress the public (Meade, 1991, p. K2).

However, the support provided by these foundations for research is of great importance. On many occasions, individual research findings brings bits of information to the forefront which, combined with other research, form a critical mass of knowledge that is capable of transforming an entire field of study (Meade, 1991, p. K3).

There are several important instances, where the research work underwent gradual accretion and finally yielded a result that had far reaching results. For example, the Carnegie Corporation of New York supported studies that examined teachers, teaching, and the education of middle school students. These studies resulted in the formation of the National Board of Professional Teaching Standards. This highlights the fact that support for research by foundations, is indispensable for comprehending issues, such as
human development, learning, teaching and the factors that improve or impair the effectiveness of schools (Meade, 1991, p. K3).

In 2011, the Indiana Association of Public Education Foundations was granted $50,000 by the Lilly Endowment Inc. and $7,500 by the State Farm Insurance. These amounts were provided for the purpose of implementing a new training program, INFUSE, developed by the Indiana Association of Public Education Foundations. The programs objective is intended to infuse knowledge for capacity building in K-12 public education foundations (Indiana Association of Public Education Foundations, 2011). This program is expected to develop among foundation leaders, skills in the areas of organizational structure, leadership and fundraising. The K-12 educational funding is encountering crippling cuts and this program could provide the necessary skills to deal with this situation (Indiana Association of Public Education Foundations, 2011).

The Eli and Edythe Broad Foundation has the commendable objective of significantly altering K-12 public education in the urban areas, by means of improved competition, governance, labor relations and management. This foundation constitutes an entrepreneurial philanthropy at the national level that aims to effect far reaching changes to urban public education in the United States (Mission and Overview, n.d.).

This transformation is aimed at providing children with the requisite knowledge and skill to achieve success in college, careers and life. Approximately, $400 million were provided by this foundation, and this initiative has wrought vast changes in the levels of student achievement in the urban sector. These changes can be attributed to the creation of efficiency in school districts, better competition, adoption of best practices,
improved quality of teachers, and the creation and support of strong leadership (Mission and Overview, n.d.).

The annual funding from the private sector towards K-12 public schooling in the United States is of the order of a few billion dollars; whereas the cost of such schooling is considerably in excess of $500 billion per annum. Despite this comparatively lesser proportion, such funding has exerted significant influence on this type of education (Barkan, 2011).

In addition, it has maintained certain reforms and dictated the path to be adopted by public policy at the national, state and local levels. The maximum benefit was seen to have been derived in the area of venture philanthropy, where the donors determine the social transformation to be engendered and thereafter design and implement it. Three large foundations, the Bill and Melinda Gates Foundation, the Eli and Edythe Broad Foundation, and the Walton Family Foundation ensure their market-based goals for overhauling public education coincide and fund the same vehicles to achieve their goals to support or transform K–12 education. These donors have realized that investment in education provides tremendous returns (Barkan, 2011).

Private philanthropies contribute around $6 billion every year towards K-12 education (American Academy of Arts & Sciences, 2011). The major share of this funding is diverted to the service of children from the low income group of society. These entities have proved successful in transforming public education, and their objectives are to provide choice, promote competition, encourage deregulation, engender accountability and usher in decision making that is based on data (Barkan, 2011).
The Gates–Broad–Walton triad provides funds to charter schools; high-stakes standardized student testing; merit pay for teachers whose students depict an improvement in their test scores; dismissal of teachers and the closure of schools where student scores do not rise appreciably; and collection of longitudinal data relating to the performance of every teacher and student. It would be no exaggeration to contend that this triumvirate has almost exclusively been the source behind the success of the education reform movement (Barkan, 2011).

Much of the organized foundation support of education initially started at the university level. Anheier has discussed the motive behind donations to education. For instance, the $300 million contribution from the Walton Family Charitable Support Foundation was aimed at addressing financial requirements in the areas of student support, library and technology support, and endowed faculty chairs. Similarly, the Lilly Endowment made several contributions to Indiana University, in order to promote institution buildings. (Anheier, 2010, p. 112) In 2000, the Lilly Endowment provided $105 million to improve genomics research in Indiana University ($105 million grant from Lilly Endowment to IU fuels Indiana Genomics Initiative, 2000).

These grants were in the main, devoid of any social or political agenda. As such, there were very few grants that were aimed at influencing the wider social order, by affecting politics or diminishing inequality. Change can be effected by providing adequate funds to programs that permit the most backward populations to access quality education. This objective could also be realized by promoting research that attempts to transform the public policy agenda (Anheier, 2010, p. 112). K-12 educational districts
could benefit from studying strategies used by post-secondary institutions in garnering significant financial support from these strong charitable organizations.

In Woodworth’s study, it was disclosed that 42 of 50 public school foundations were members of the Indiana Association of Public Education Foundations (2007). It is of great significance to assess the effect of education foundations on the school districts that had established these foundations. It is important to determine if this impact is restricted to a financial role or if it affects school dynamics, such as promoting public relations or initiatives aimed at school improvement (Woodworth, 2007).

Davies and Hentschke have stated that since the year 2000 there has been a substantial enhancement in the involvement of the private sector in education. This is especially true of the field of education delivery. Some sources have mistakenly classified this as a novel development or privatization. In fact, for more than two centuries, private organizations have been providing internal activities and entering into contracts with external agencies for making available other services (Davies & Hentschke, 2005, p. 6).

The North Indiana Community Foundation, Inc. has benefited the community by providing a common platform for charitable endeavors and caring people. This foundation provides its services to the Community Foundations of Fulton, Miami and Starke Counties. As a public trust, this foundation provides donors with tax – efficient and flexible ways to donate to charity. Significant endowment funds have been generated, by means of the contributions from various entities (North Indiana Community Foundation, 2011).
Foundations in Northwest Indiana provided around $44.5 million, in the year 2005, to nonprofits. These foundations constitute 19% of the foundations in Indiana. Although these foundations are 11% of the number of grants, the amount contributed is just 5% of the total of Indiana grant dollars. These foundations allocated 46% of the total amount to education, which was the highest share. As of 2005, the average size of the grants provided by the foundations of Northwestern Indiana was $21,395. This was lower than the average grant of all the foundations in Indiana (Northwest Indiana Foundation Grantmaking by Type of Recipient, 2005, 2007).

The alumni of any educational institution represent an unexploited resource. However, public schools usually do not keep in touch with their alumni, unlike the private schools and public universities (Carr, 2007, p. 60).

After identifying potential donors, volunteers, staff or members of the foundation board have to consolidate a relationship, in a systematic manner, with that person. In general, such effort could consist of well – planned personal contacts, invitation to events, volunteer experiences and publicity among other things (Carr, 2007, p. 61).

An instance of this is The Community Foundation of Greater Lafayette in Indiana. This organization has instituted distinct endowment funds for the Lafayette School Corporation for the purpose of providing extracurricular and curricular opportunities to public-school children in its district (The Community Foundation of Greater Lafayette in Indiana, 2012).

Public schools have experienced a significant increase in private investment, which varies from mini-grants to multimillion dollar benefits. Thus, public school foundations garner amounts that range between a few thousand dollars to $15 million per
year. The project director of the National School Foundation Association, Jim Collogan, summed up this situation by declaring that the community was provided with a unique opportunity to promote its schools and children, by means of public school foundations. The latter ensure the participation of alumni, parents and grandparents to organize the resources of the community. These resources promote tutorials after school, college scholarships, foreign study programs and other interventions that significantly improve students’ experiences in academic areas (Carr, 2007, p. 59).

The Walton Family Foundation donated $46 million to public schools, advocacy groups, charter schools, and scholarship funds in 2004. This foundation provides support to the K-12 school education and granted nearly half of its resources to school choices in that year. As such, it had established its charter schools and school choice initiatives to bring about reforms in this education system. In addition, it has donated money to individual charter schools and CMOs (Feinberg & Lubienski, 2008, p. 166).

Another foundation is the Broad Foundation established by Eli and Edythe Broad in 1999. It is a major supporter of school choice reforms and it chiefly concentrates on the improvement of urban public education. This foundation stresses on the important factors, such as better governance, management, and labor relations (Feinberg & Lubienski, 2008, p. 166).

The recession in the United States economy has had a severe adverse effect on foundations, as well on education philanthropy (Robelen, 2009, p. 1). The amounts being granted by charities ranging from corporate philanthropies to family foundations to K-12 education have declined drastically. As of 2009, it was anticipated that several of
the philanthropies, such as the Jack Kent Cooke Foundation and the Eli and Edythe Broad Foundation were likely to reduce their grants to K-12 education (Robelen, 2009).

Although a large number of the contributors were expected to provide the promised amounts, there was considerable consternation regarding grants, *per se*, to education. There were many who believed that such grants would reduce to the extent that there could be an adverse effect on K-12 education (Robelen, 2009, p. 1). In this context, it was demonstrated that some of the K-12 organizations dependent on private grants were already facing financial difficulties.

Larger foundations in the United States have proliferated to a major extent, on account of the new wealth generated. For instance, Warren Buffett’s decision to donate most of his wealth to social service, has transformed the Bill and Melinda Gates Foundation into the largest private philanthropy in the world. Buffet’s promise to donate $31 billion, matches the amount provided to this foundation by Bill Gates (Lenkowsky, 2007).

In the 1950’s, the Ford Foundation had been the largest grant maker in the nation. In those days it was the only foundation that had more than a billion dollars in wealth. Subsequently, several foundations with more than a billion dollars have emerged. At present, the Ford foundation has more than ten billion dollars of wealth. Currently, there are a number of foundations with such wealth, including the Gates Foundation, Rockefeller Foundation and Carnegie Foundation (Lenkowsky, 2007, p. 47).

A large number of people have begun to contribute to foundations. During the period 1975 to 2004 the number of grant making organizations had increased
significantly. Specifically, their number had increased from 22,000 to 68,000 in this period (Lenkowsky, 2007, p. 47).

*Background of Public Education Foundations*

Public education foundations are growing rapidly in the United States, and this can be attributed to difficulty in obtaining funding for schools and mounting accountability pressures (Woodworth, 2007, p. vii). Furthermore, members of the community obtain a convenient mode of participating in local schools and the initiatives adopted by them, on account of these foundations (Woodworth, 2007).

Indiana is committed to its policy of providing quality education to every child in the state. Many Indiana politicians are of the firm opinion that educating the children of the state should be the first and foremost objective of the state by continually working to find new and innovative ways to support our students and teachers while providing the necessary funding for schools (Education, 2011). In order to meet this responsibility, Indiana persists with improving opportunities for students to be educated and to design their career goals. In addition, there is a renewed concentration on rewarding academic excellence and establishing relevant evaluation (Education, 2011).

In the United States, there have been a few foundations established, for addressing specific social issues or to benefit certain institutions. An example of such a foundation was one established by Benjamin Franklin in 1791, in order to provide loans to young married artificers of good character. Another instance is provided by the foundation established in 1846 by James Smithson, which is the renowned Smithsonian Institute located in Washington. This foundation was charged with disseminating knowledge.
Furthermore, the Duke Endowment was established in the year 1924 followed by the Ford Foundation in 1936. Subsequently, the Lilly Endowment was established in 1937 and in 1948, the Pew Memorial Trust was founded (Nesbit, 1985).

The United States government enacted income tax laws that offered concessions to charitable trusts, in the 1940’s, which lead to a significant growth in charitable activities. During the McCarthy era of inquisitions against communists, foundations were harassed and examined for alleged subversive activities. However, this was short lived and by the 1950s, a very large number of foundations came into being (Nesbit, 1985).

The Foundation Center of New York’s publication Foundations Directory contains information regarding private granting making foundations in the United States. According to it, by the end of 1981 there were nearly 22,000 grant providing private foundations in the country. In that year the private foundations had held an estimated $51 billion in assets, and had granted more than $4.1 billion. In order to get included in the Directory, the foundations must have assets more than $1 million or annual disbursement of at least $100,000 (Nesbit, 1985).

It is commonplace to form a business without a profit motive, which aims to promote education, religion, science, literature or charitable purpose, under the provisions of section 501(c) (3) of the Internal Revenue Code. If these entities comply with the conditions of the Internal Revenue Service, then they are eligible for state and federal tax exemptions. Such corporations are permitted to accept and write off donations from companies and individuals (Forming a 501c3 Non Profit Corporation).
An example of this is provided by the Public Education Foundation of Valparaiso, Indiana, Inc. This foundation secures funding, gifts and bequests, with the express objective of promoting and preserving educational opportunities for the students of the Valparaiso Community Schools. In addition, this foundation grants scholarships to assist the graduates of Valparaiso High School realize their higher education objectives. Moreover, the Public Education Foundation of Valparaiso, Indiana, Inc. provides funds for developing and implementing academic projects in the classroom (Valpo Schools Foundation, 2011).

Another example of a school foundation is the South Montgomery Community Schools Dollars for Scholars. This philanthropic organization promotes education in the South Montgomery community. This foundation has been deemed a nonprofit organization under section 501(c) (3) of the Internal Revenue Code. It constitutes an alternative source of funding for educational advancement in the community. This foundation permits businesses, parents and other members of the community to improve and maintain high educational standards among the children of the community (Dollars For Scholars, 2009).

Support from foundations can vary from large to small denominations. The Decatur County Community Foundation provided over $500,000 in funding including $250 Thank-a-Teacher awards to several full-ride scholarships to four-year universities (Decatur County Community Foundation, 2012).
Federal Policy Affecting Education Foundations

The Federal Government exhibited a keen interest in introducing innovative measures to better public education. This initiative proved to be popular with the philanthropists. The economic downturn had caused several foundations to reduce their donations, and this governmental initiative was expected to induce foundations to enhance their spending (Smith & Petersen, 2011).

In 2009, a number of foundations communicated with the United States Department of Education and identified common priorities. Some of these intersecting areas identified were innovation in leadership and teaching, novel school models and designs. A sizeable number of education foundations, under the organization of Vartan Gregorian, the president of the Carnegie Corporation of New York, consented to coordinate their efforts with each other and the Department of Education (Smith & Petersen, 2011).

There has been an increase in public expectations of private philanthropy, with regard to education. Such anticipation is the consequence of the assumption that philanthropic organizations are capable of increasing the performance and capacity of educational institutions. In addition, such organizations can influence the implementation of state and federal policies (Kienzl, Sponsler, Wesaw, Kumar, & Jones, 2011).

K-12 public schools have customarily been provided with financial support from the state to which they belong. Such aid stems from each state’s constitutional obligation to make educational opportunities available to its citizens. However, there is considerable variation in the minimal amount of funds provided to K-12 public schools (Toutkoushian & Michael, 2005, p. 1).
Support to K-12 public schools is dependent on the financial resources that can be allocated for this purpose. Moreover, the amount of these financial resources is determined by wealth possessed by the concerned community. There is considerable variation in the amount of dollars that can be realized for supporting school corporations. Such diversity is caused by the variation in the amount of taxable property per student (Toutkoushian & Michael, 2005, p. 2).

Dave Else of the Institute for Education Leadership has highlighted several important features that are indispensable for establishing a foundation. This necessitates careful planning, assessing whether the community truly needs a foundation, evaluating the actual level of donations, isolating donors, specifying the purpose of the foundation and the scope of the education to be promoted by the foundation (Else, Assisting K-12 Education through the National Center for Public and Private School Foundations, 2003).

Wolfe has described the problems being faced by K-12 education. There has been an increasing difficulty in obtaining public financing for K-12 education. This has forced school districts to seek the assistance of the private sector. Wolfe warns that such private funding would seriously compromise the beneficiaries. It was also contended that even such private financing would prove to be inadequate to address the deficit in financing public education (Wolfe, 2008, p. 1).

**Indiana State Policy Affecting Public Education Foundations**

There is a limited amount of information on Indiana public education foundations available in the literature. The researcher has completed exhaustive efforts to find information on Indiana public education foundations, with limited success.
The number of public education foundations in Indiana has been slowly on the increase. Bartholomew Consolidated School district established the first public education foundation in 1955 (Woodworth, 2007). In 2000, foundations in Indiana formed the Indiana Association of Public Education Foundations (INAPEF). The number of members of INAPEF, the largest representation of such foundations in Indiana, has increased from 42 members in 2006 to 65 members in 2011. INAPEF reaches out to Indiana’s legislators to help them understand the impact education foundations have on Indiana schools (Indiana Association of Public Education Foundations, 2011).

While the shaping of foundations by federal policy has been significant, the Indiana legislature influence on the operations of public education foundations has been as well. In 2005, Indiana’s General Assembly passed IC 20-26-5-22 to allow school corporations to donate proceeds not generated from taxes levied to a nonprofit foundation to be held in an endowment for supporting the school. Furthermore, IC 20-26-5-22.5, specifically enabled Indiana school corporations to establish public educational foundations for the purpose of providing educational funds for scholarships, teacher education, capital programs, and special programs” (Ind. Code, 2005). While the practice of establishing nonprofit organizations to support school corporations had been in practice, this legislation provided a more defined opportunity for school corporations to engage in solicitation of private funds through a nonprofit entity.

Prior Public Education Foundation Research

The research on various aspects of public education foundations has been steady over the past few decades. In 1989, Osburn researched the use of educational foundation
in Ohio public schools. Osburn concluded that foundations were established principally to improve the educational program of the school corporation, with the most significant impact on improving the communication between school and the community (Osburn, 1989, p. 123).

Sprankle (1992) found that in addition to financial support of schools, the foundations benefited schools as a public relations tool through improved attitudes, support, and communications with the community. Generally, public school foundations begin with a general supportive role and progress towards a role of implementing change in the educational system (Sprankle, 1992). Additional research by Staats (1999) supports this progressive role and the use of the developmental process to evaluate the effectiveness of the foundation at various stages of organizational development.

While public education foundations are provided autonomy in their operations, some may be concerned about the influence schools and foundations have over each other. In 1993, Edwards determined that, generally, foundations and schools operated under legal compliance, providing a collaborative spirit while not unduly impacting the operations on one by the other.

The characteristics of a successful education foundation have also been researched. Pinto (1996) identified the characteristics of successful school foundations to include (a) comprehensive organizational structure, (b) apparent mission, vision and purpose, (c) compliance with governmental regulations, (d) capacity to attract influential community members, (e) goal alignment between school corporation and foundation, and (f) significant parental participation.
The characteristics of schools that were successful with involvement by education foundations were also investigated. Clark (2002) found that the characteristic of successful schools included (a) clear education mission; (b) tax exempt status; (c) low student attrition; (d) active parent/community involvement in curriculum; (e) a school-to-career curriculum focus; and (f) business partnerships.

Through any partnership, there is an expectation for one partner to benefit the other. Education foundations expect to improve the quality of education for the students of the school. In exchange, schools expect a supportive role be maintained by the education foundation. Mummau (2004) determined that the benefits to schools included (a) student scholarships during their K–12 experience, (b) technology improvements, (c) K–12 course support, (d) K–12 extra-curricular activity support, (e) staff scholarship and awards, (f) providing facilities, and (g) providing additional funds for personnel salaries.

Some research was focused more on K–12 education finance, but included education foundations within the realm of the study. Rozelle (2006) studied the effect nontraditional revenue, including public foundations, on the equity and adequacy of nontraditional school revenue sources. Rozelle suggests that non-profit education foundations provided a lower level of funding compared to other nontraditional revenue sources. Rural school corporations were less likely to have received funding from education foundations than those located in suburban and urban settings (Rozelle, 2006, p. 124).

In 2007, Woodworth looked in-depth on the impact that education foundations had on K–12 public schools. While foundations do not provide a significantly large source of revenue to schools, their support leads to “funding for innovative and creative
projects” that many show promising results and may “become regular aspects of the school curriculum” (Woodworth, 2007, p. 89).

Summary

This literature review is conducted on foundations, with a special focus on K-12 education foundations. As such, it provides an overview of the extant position of K-12 foundations in the State of Indiana. The introduction of this chapter deals with the general information relating to the formation of school foundations and the objectives behind their emergence. The background section of this review deals with public policy of the State of Indiana, with respect of public school foundations. In addition, the Issues relating to K-12 education foundations have been discussed in brief. In this regard, the Indiana state’s educational funding program has been examined.

Moreover, some issues relating to significant contribution to the foundations have been discussed. In this regard, philanthropic foundations have been examined. In addition, determinants of community wealth for education foundations have been analyzed. Thereafter, the present political agenda, with respect to public school funding was analyzed. In addition, the cost related problems, with respect to the foundations in Indiana State had been taken up for discussion. As such, this literature review explores the underlying concepts and drawbacks surrounding Indiana public school foundations, with regard to K-12 funding. Finally, this literature review summarizes various research on education foundations over the past two decades.
CHAPTER 3

Research Methodology

Introduction

Due to pressures to show increasing progress in student achievement while receiving less in state supported revenue schools have considered other sources of income to help supplement both academic and non-academic programs. The purpose of this study was to determine the following: (1) The goals established by Indiana public education foundations, (2) whether these public educational foundations have been able to achieve their goals, and (3) how the public education foundations successfully secure funding to support their K-12 public schools. By providing evidence of positive support from public education foundations, the results of this research may provide districts with the impetus to create foundations to support their programs or determine how to improve upon their current foundation’s support.

Research Design

The purpose of the study was to determine the established goals of public education foundations, whether they believe they are meeting their goals, and how the foundations successfully obtained contributions. The data involved in this study included the need for the discovery of an objective reality, found through quantitative research. At
the same time, the data needed to focus on interpreting the perspective of the participants, found in qualitative research (Gay et al., 2009). For this reason, the researcher determined that identifying and analyzing the public education foundations support of schools could not be effectively studied by either a quantitative or qualitative method alone. To meet the requirements of the study analysis, the researcher employed an explanatory mixed method design, also known as the QUAN-Qual model (Gay et al., 2009, p. 463). In the explanatory mixed method, the researcher initially collects quantitative data, in this case using a survey instrument. Once the quantitative data has been collected, the researcher used the analysis to determine what type of information should be collected in a qualitative study to explore more in-depth, the reasoning behind support provided by public education foundations. The purpose of using of a mixed methods research is to build on the synergy and strength that occurs between the quantitative and qualitative methods in understanding the phenomenon being studied. Quantitative studies are better able to establish the effects of a particular program and qualitative studies are more relevant in understanding how a phenomenon succeeds or fails (Gay et al., 2009).

This explanatory mixed methodology study design used both quantitative and qualitative studies in order to more accurately describe the ability of public education foundations to support Indiana school corporations. The quantitative study utilized a survey instrument to provide data to determine the goals set by foundations, what funds were raised, and purposes schools used public education foundations funds for. The qualitative study utilized interview data to determine more in-depth views and beliefs of foundation success in supporting schools, based on the results of the quantitative data. In
an explanatory mixed method study, the emphasis is placed on the quantitative data and, therefore, will generate the greatest volume of data in the study (Gay et al., 2009).

The researcher used guiding questions for this study to assist in the focus of the study (Appendix A). Foundation goals, revenue sources, use of funds, and the level of success in supporting school districts as perceived by the foundation officials were identified in detail.

**Research Questions**

The research questions were intended to describe the ability of public education foundations to support Indiana K-12 schools. The following questions were used to guide the research in this dissertation:

1. What are the goals established by public education foundations?
2. What are the sources of funds secured by public education foundations?
3. How are the public education foundation funds utilized by school districts?
4. Do public education foundations leaders believe they have met the goals set by the foundation?
5. How do public education foundations plan to increase their support of public schools in the future?

**Description of Samples**

While the general purpose of public education foundations are the same -- to support public schools -- their goals, achievements and level of support vary. In order to provide an appropriate representation of the public education foundations, the researcher
obtained the email addresses of 66 members of the Indiana Association of Public Education Foundations (INAPEF) and 6 non-members of the association for the accessible population. In order to have sufficient demographics and financial data for the survey, the researcher limited the population to public foundations that qualified as public education foundations, as established by Indiana Code § 20-26-5-22.5, and were formed prior to the 2011. This limited the accessible population to 51 INAPEF members and 3 non-members. The researcher selected the non-members to test the survey instrument prior to sending out to the remaining public education foundations. Two of the three non-members chose to participate in the test survey.

*Phase One*

*Phase One: Quantitative Sample*

When the population size consists of fewer than 100, it is best to survey the entire population (Gay et al., 2009). The membership for the Indiana Association of Public Education Foundations used for the survey population was 51. Therefore, the researcher determined that surveying every member of INAPEF would provide the best representation for public education foundations in Indiana.

*Development of Survey Instrument*

The researcher created the survey instrument and structured interview questions based on the research questions for the study (Appendix A). The survey instrument (Appendix B) was designed to collect data on the goals of public education foundations,
the means of foundation revenue, uses for the revenue, and how successful foundation officials believed the foundations were in supporting school districts.

A self-developed test should not be used in a research study until it is pilot tested by a group of subjects similar to the group that will actually be tested (Gay, 2009, p. 166). Since the instrument was newly constructed to fit the purposes of this study, an expert panel reviewed the instruments for content validity and reliability. Members of the expert panel were selected on the basis of their experience with either school districts with associated public education foundations or completing research involving survey instruments.

The researcher selected two board directors of Indiana public education foundations that were non-members of the Indiana Association of Public Education Foundations: Dr. James Auter, Carroll Community Schools, and Dr. Jeff Hendrix, Sunman-Dearborn Community Schools. Both serve as Superintendents as well as director on the Board of their respective public education foundation. The researcher also selected Leah McGrath, Association Manager of the Indiana Association of Public Education Foundations (INAPEF). Ms. McGrath has had several years experience mentoring public education foundations through her leadership in INAPEF. Three Ball State University staff members were also selected to assist with critiquing the survey prior to sending it out. Dr. William Sharp, Professor of Educational Leadership and the researcher’s former professor, was selected for his expertise in developing and administering research survey instruments, especially in the area of educational studies. Dr. Kianre Eouanzoui, Statistician, was selected for his expertise in quantitative data
analysis. Brian Pickerill, Director of Academic Assessment, provided expertise in online survey design and the Qualtrics Online Survey Software program.

The panel reviewed the survey instrument and provided recommendations for design and wording changes in the survey. Test times were recorded to determine the average length of time required to complete the questionnaire. The Ball State University's Institutional Review Board reviewed and approved this study.

**Phase One: Data Collection**

The researcher emailed out a survey questionnaire (Appendix B) to 51 members of the Indiana Association of Public Education Foundations using the Qualtrics Online Survey Software program. Each member qualified as public education foundations, as established by Indiana Code § 20-26-5-22.5, and was established prior to 2011. Following the initial mailing and two weekly reminders, the researcher received 36 fully and partially completed questionnaires from the 51 members presented with the survey.

In order to provide a high response rate, the researcher completed several steps in the survey process. These steps included: (1) Sending the email from the Ball State University email address to each foundation member, (2) including the link to the survey form, (3) attaching a letter detailing the research purpose (Appendix C), (5) sending a follow-up email including the survey link to non-respondents one weeks after the initial contact, (6) sending an additional follow-up email including the survey to non-respondents two weeks after the initial mailing.

In order to determine a more accurate age of the public education foundation, the researcher used the Indiana Secretary of State’s Business Service Online (2012) database
search engine to obtain the foundation’s creation date. The researcher accessed the National Center for Charitable Statistics’ database (2012) for copies of the available IRS 990’s for the 2011 fiscal year. The IRS 990 forms provided financial information on revenue, expenses, grants provided, employee salaries, and total assets of the foundations.

**Phase One: Data Analysis**

Once the survey responses, IRS 990 data, and website information were collected, the researcher transferred the data into an Excel spreadsheet. In this analytical process, the researcher reviews the qualitative findings for patterns, themes, and categories using both creative and critical faculties in making carefully considered judgments about what is really significant and meaningful in the data (Patton, 2002, p. 467).

The data was also transferred to a Statistical Package for the Social Sciences (SPSS) software file where variables were labeled, recoded appropriately, and checked again for accuracy. The final data analysis consisted of descriptive statistics, Pearson correlations, and analysis of covariance to identify any significant or interesting relationships between variables.

**Phase Two**

**Phase Two: Qualitative Sample**

The purpose of the qualitative study is to provide deeper insight into the goals and level of support to schools from the perspective of the public education foundation. The researcher used a structured interview process to obtain data that would be difficult to collect through a questionnaire. In order to provide a broader understanding of public
education foundations, the researcher interviewed two public education foundations each that served one of three different types of districts: (a) rural, (b) suburban, (c) urban.

In order to select the phase two subjects, the researcher used the following criteria: (1) Participated in phase one of the study and responded their willingness to participate in phase two; (2) To provide a better reflection of responses in each categories, two participants were selected from each category of rural, suburban, and urban as identified on the survey response.

The selections provided the diversity of subjects to compare similarities/differences across different demographic foundations in Indiana, enabling the researcher to collect qualitative data in each type of school district supported by public education foundations.

The researcher used purposive sampling to select the phase two participants. In a qualitative study, the primary goal was for the researcher to select a good key informant for each type of phenomenon, in this case foundations that were able to add to the understanding of the similarities and differences in the support of school districts in the rural, suburban, and urban setting. By using purposive sampling, the researcher uses experience and knowledge of the sample group to select the subjects that would provide what is believed to be the best representation of a given population (Gay et al., 2009). The researcher selected respondents to represent a larger geographical area of Indiana.

**Development of Semi-Structured Interview**

In this explanatory mixed methods study, the researcher developed the interview questions after analyzing the data from phase one. This process allowed the researcher to
ask questions that help to elaborate on the quantitative results in phase one (Gay et al., 2009). During the phase two study, the structured section of the interview protocol (Appendix D) provided a common basis for collecting data from each respondent. The researcher was able to gain better understanding by requesting additional clarifying information during the interview process.

**Phase Two: Data Collection**

The phase two consisted of telephone interviews of a subset of the phase one participants. Phase two participants were selected according to community type and willingness to participate, according to their survey responses. The researcher attempted to spread the selection of phase two participants throughout the entire state of Indiana. Following the selection of interviewees, the researcher contacted each by phone and followed the phone interview protocol (Appendix D).

A semi-structured interview method was used to collect data from participants. This method allowed for specific information to be elicited from each respondent while allowing follow-up questions for clarification and more complex data collection (Gay et al., 2009).

As a means to ensure the validity of the qualitative research, the researcher followed Guba’s criteria for assessing the trustworthiness of naturalistic inquiries, as described by Gay et al. (p. 376). For credibility and confirmability, the researcher’s strategies included the practice of triangulation. Triangulation is the process of using more than one method/strategy to collect data (Gay et al., 2009, p. 377). For dependability, the researcher included overlap methods. This was accomplished by
comparing interview and survey questions. By following surveys with the semi-structure interviews, the researcher provided some transferability through the collection of detailed descriptive data. The interviewer used data collected through the interviews to verify and explain data collected during the phase one study.

*Phase Two: Data Analysis*

Qualitative data analysis involves the process of determining what data are important, developing comprehensive descriptions of the data, and classifying the data into categories and patterns to assist in finding connections (Gay et al., 2009). During phase two data collection, respondents were interviewed by telephone. The researcher used both structured and unstructured interview techniques to ensure a more in depth and detailed description of collected data. Appendix A describes the categorical relationship of structured interview questions through their connection to each research question. Data analysis focused on similarities/differences between foundations supporting rural, suburban, and urban school districts.

Upon completion of each interview, the data was coded, searching for patterns and common categories. Analysis of each interview provided word bits, phrases and sentences which were constructed into a web of relationships. This coding noted similarities and differences in thoughts, perceptions and ideas regarding the selected categories. The researcher analyzed data to answer research questions regarding the success of public school foundations in supporting school districts.

In this study, the researcher will use both statistical significance and substantive significance in evaluating the data. Statistical significance is the conclusion that the
results are unlikely to occur by chance (Gay et al., 2009). However, not all qualitative data lends itself to analysis by statistical significance. Instead the data is analyzed for substantive significance. Patton (2002) stated that qualitative findings are determined to have substantive significance when:

- there is coherency and consistency evidenced in support of research findings
- the data provides an increase and more in-depth understanding of the subject
- consistent with other knowledge
- findings are useful for evaluative purposes

He suggests using a level of questioning that helps an analyst discover a level of significance. The researcher uses questioning to help form the guiding structure during the process of coding and categorizing the qualitative data. In this analytical process, the researcher reviews the qualitative findings for patterns, themes, and categories using both creative and critical faculties in making carefully considered judgments about what is really significant and meaningful in the data (Patton, 2002, p. 467).

**Limitations**

One of the limitations of this study was control over who completed the surveys. While the questionnaires were sent to the public education foundations with the request for officials to complete the survey, the researcher had no control over exactly who completed the survey.

Another limitation is the number of surveys that were completed and returned. To increase the participation rate, the researcher made multiple requests to encourage completing and returning the survey. The researcher had no control as to whether the
respondent completed the survey fully or provided totally accurate information in the survey.

Summary

This chapter outlined the research design and methodology used by the researcher. The explanatory mixed method design approach provided a more descriptive investigation of the support provided by public education foundations in Indiana. The survey data provided a broad look at the goals, revenue, and type of support of foundations. The interview data provided a more in depth review of foundations supporting different demographic school districts.

The quantitative survey data will provide foundations, school districts, and other interested parties with significant information on the operations of Indiana public education foundations. Quantitative data analysis consisted of descriptive statistics, Pearson correlations, analysis of covariance, and regression analysis to identify any significant or interesting relationships between variables. For the quantitative data analysis, the independent variable used was the type of foundation. The dependent variables included the number of board members; the number of employees and volunteers; the revenue; and the belief of successful support.

The qualitative interview data will provide the level of success and future direction of foundations via the perspective of foundation officials. Qualitative data was evaluated using substantive significance.
The overall focus of the study provides a description of the current level of support provided by public education foundations. The formal presentation of data and results of the study are found in Chapter 4.
CHAPTER 4

Results of the Study

Introduction

Five research questions were analyzed to derive descriptive information relating to the effectiveness of public education foundations in supporting Indiana school districts. These query included determining: (a) the goals established by Indiana public education foundations; (b) the sources of funds secured by Indiana public education foundations; (c) how Indiana public education foundation funds were utilized by school districts; (d) if Indiana public education foundations leaders believe foundations have met their goals; and (e) Indiana public education foundation plans to increase support of public schools in the future.

The researcher utilized the QUAN-Qual Model in his study. In this model, the findings of the quantitative study are analyzed and used to determine the type of data collected in a subsequent qualitative study (Gay et al., 2009, p. 463). The first phase (quantitative) of data collection included using the data from a survey that was completed by members of the Indiana Association of Public School Foundations in 2012, IRS Form 990, and foundation website information based on 2011 information. The survey was distributed via email with a link to an online questionnaire and each survey respondent identified themselves as either a foundation executive director or board member.
The second phase (qualitative) of data collection involved conducting phone interviews with six foundation representatives. The researcher selected six participants, two each from foundations supporting urban, suburban and rural districts from around Indiana.

*Phase One: Description of the Sample*

The first phase of this QUAN-Qual study was comprised of data collection and analysis. The researcher selected public foundations that qualified as public education foundations, as established by Indiana Code § 20-26-5-22.5, and were formed prior to the 2011. The qualified membership of the Indiana Association of Public School Foundations was selected as the sample population. These 51 foundations represent the majority of public education foundations in the state. An additional two willing non-members were selected to test pilot the survey prior to its distribution.

*Phase One: Data Analysis*

All of the phase one survey questionnaire quantitative data were analyzed in Excel spreadsheet comparisons and in the Statistical Package for the Social Sciences (SPSS). Statistical analysis included ANOVA, Pearson Correlation, and multiple regression analysis.

*Phase One Data Presentation*

A public education foundation survey questionnaire was distributed via email to representatives of each of the 51 Indiana public school foundations (Appendix B). In
addition, financial and board data was pulled from 2012 National Center for Educational Statistics IRS Form 990, foundation websites, and the 2012 Indiana Secretary of State’s Business Services Online search engine for the sample population to compliment the data from the survey. The data presented for phase one may be any combination of these.

Public Education Foundation Age

The researcher determined the year in which the public education foundations were established by using the Indiana Secretary of State’s Business Services Online (2012) search engine. The first public education foundation, Bartholomew Consolidated School Corporation Foundation, was established on November 16, 1955. The second foundation was established in 1966 and the third in 1973. The fourth foundation was established in 1983. A breakdown of when the foundations were established is listed in Table 1.

<table>
<thead>
<tr>
<th>Year Established</th>
<th>Number of Foundations</th>
<th>Year Established</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>1</td>
<td>1995</td>
<td>2</td>
</tr>
<tr>
<td>1966</td>
<td>1</td>
<td>1996</td>
<td>4</td>
</tr>
<tr>
<td>1973</td>
<td>1</td>
<td>1997</td>
<td>2</td>
</tr>
<tr>
<td>1983</td>
<td>3</td>
<td>1998</td>
<td>2</td>
</tr>
<tr>
<td>1984</td>
<td>3</td>
<td>2000</td>
<td>1</td>
</tr>
<tr>
<td>1985</td>
<td>4</td>
<td>2001</td>
<td>4</td>
</tr>
<tr>
<td>1986</td>
<td>2</td>
<td>2005</td>
<td>2</td>
</tr>
<tr>
<td>1987</td>
<td>3</td>
<td>2006</td>
<td>4</td>
</tr>
<tr>
<td>1988</td>
<td>2</td>
<td>2007</td>
<td>2</td>
</tr>
<tr>
<td>1989</td>
<td>1</td>
<td>2008</td>
<td>4</td>
</tr>
<tr>
<td>1990</td>
<td>1</td>
<td>2009</td>
<td>1</td>
</tr>
<tr>
<td>1991</td>
<td>3</td>
<td>2010</td>
<td>1</td>
</tr>
<tr>
<td>1992</td>
<td>1</td>
<td>2011</td>
<td>4</td>
</tr>
<tr>
<td>1994</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Data from Indiana Secretary of State’s Business Services Online search engine, 2012.
During the first 30 year period after the initial public education foundation establishment in 1955, there were a total of 9 new foundations formed. Over the next 26 year period, an additional 52 foundations were formed. Figure 1 shows the increase in the number of public education foundations from 1955 to 2011.

*Figure 1. Number of Indiana Public Education Foundations by Year*

Note: Data from Indiana Secretary of State’s Business Services Online search engine, 2012

*Size of Public Education Foundation Boards*

In a community foundation, the board typically must represent the community they serve. Community foundation boards also serve as a fundraising venue for the purpose they are established for. For these reasons, the community foundation board is typically larger than private boards. In a 2010 study, the Council on Foundations found that community foundation boards had an average of 16 board members.
Using the foundations’ 2011 IRS 990’s, websites, and survey results, the researcher was able to determine the board size for 48 of the 50 public education foundations in this study. The average number of board members was 16.2.

### Table 2

Size of Foundation Boards in 2011

<table>
<thead>
<tr>
<th>Range of Members</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>3</td>
</tr>
<tr>
<td>6 - 10</td>
<td>9</td>
</tr>
<tr>
<td>11 - 15</td>
<td>12</td>
</tr>
<tr>
<td>16 - 20</td>
<td>12</td>
</tr>
<tr>
<td>21 - 25</td>
<td>4</td>
</tr>
<tr>
<td>26 - 30</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: Data from foundation’s IRS Form 990, Foundation websites, and survey.

Type of Public Education Foundation

Using the foundations’ websites and survey results, the researcher determined the type of district each of the 50 public education foundations served – urban, suburban, or rural. Each district type was fairly well represented in the study with 19 urban, 17 suburban, and 14 rural communities.

Staff and Volunteer Support

The survey respondents were asked how many full-time staff, part-time staff, and regular volunteers supported the foundation in 2011. Each of the 36 survey respondents answered this question. The results show that foundations depend heavily on part-time staff and volunteers to complete foundation work.
Table 3

Number of Foundation Staff and Volunteers in 2011

<table>
<thead>
<tr>
<th>Number of Personnel</th>
<th>Full-Time Staff</th>
<th>Part-Time Staff</th>
<th>Regular Volunteers</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>30</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>6</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>6 or more</td>
<td>0</td>
<td>0</td>
<td>27</td>
</tr>
</tbody>
</table>

Note: Data from foundation survey

Collaboration with Other Organizations

As nonprofits establish themselves in a community, it is important for them to build effective partnerships. These partners provide both financial resources and important expertise in many areas of operations. Survey respondents were asked if their organization had collaborative relationship with any of the other groups and to rate the extent to which they believe the collaboration was effective in helping their organization meet its mission. Thirty of the 36 respondents selected the collaborative partnerships the foundation had formed and rated their effectiveness, on a scale of very effective (3) to not effective (1). Table 4 provides the list of the partners and their effectiveness rating. The findings show that the school district and staff partners with every foundation and have the highest effective rating.
Table 4

*Effectiveness of Collaboration between Public Education Foundations and Other Organizations*

<table>
<thead>
<tr>
<th>Collaborating Organization</th>
<th>Number of Foundations</th>
<th>Effectiveness Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The School District</td>
<td>30</td>
<td>2.5</td>
</tr>
<tr>
<td>School Administrators or Teachers</td>
<td>30</td>
<td>2.4</td>
</tr>
<tr>
<td>Local Business Community</td>
<td>27</td>
<td>2.3</td>
</tr>
<tr>
<td>Other Foundations</td>
<td>22</td>
<td>2.1</td>
</tr>
<tr>
<td>Local Service Clubs</td>
<td>23</td>
<td>2.0</td>
</tr>
<tr>
<td>Booster Groups</td>
<td>16</td>
<td>1.9</td>
</tr>
<tr>
<td>Local Chamber of Commerce</td>
<td>21</td>
<td>1.9</td>
</tr>
<tr>
<td>Local Parent-Teacher Associations</td>
<td>22</td>
<td>1.9</td>
</tr>
<tr>
<td>Student Government or Clubs</td>
<td>15</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Note: Data from foundation survey

*Foundation Support*

The overall primary goal of Indiana education foundations is to provide support to the public school districts they serve. Survey participants were asked to select how they provided direct support to schools. Thirty-five of the 36 respondents answered this question. The overwhelming response was providing grants directly to schools (n=34). Table 5 shows the results of this survey question.
### Table 5

*Type of Direct Support Public Education Foundations Provided to Schools in 2011*

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>We make financial grants directly to the school(s) we serve</td>
<td>34</td>
</tr>
<tr>
<td>We fund scholarships for students enrolled in our schools</td>
<td>23</td>
</tr>
<tr>
<td>We provide actual programs for the students enrolled in our schools</td>
<td>7</td>
</tr>
<tr>
<td>Other (^a)</td>
<td>8</td>
</tr>
</tbody>
</table>

\(^a\) Others included: teacher grants (4), district initiatives (2), teacher scholarships (1), and a non-response

Note: Data from foundation survey

---

*Foundation Revenue*

Using the foundations’ 2011 IRS 990’s, websites, and survey results, the researcher was able to determine one or more pieces of financial information for 49 of the 50 public education foundations in this study. The financial information included total revenue, total expenses, funds provided directly to schools and the total assets of foundations at the end of 2011.

The estimated amount of revenue collected by Indiana public education foundations increased to $10,138,194 in 2011. The range of income reported for individual foundations was from $4,000 to $2,565,633 (See Table 6).
### Table 6

**Total Revenue of Public Education Foundations in 2011**  
(Ranked by Amount from 45 Foundations)

<table>
<thead>
<tr>
<th>Foundation Number</th>
<th>Total Revenue</th>
<th>Foundation Number</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4,000</td>
<td>24</td>
<td>94,152</td>
</tr>
<tr>
<td>2</td>
<td>7,500</td>
<td>25</td>
<td>108,476</td>
</tr>
<tr>
<td>3</td>
<td>7,600</td>
<td>26</td>
<td>110,184</td>
</tr>
<tr>
<td>4</td>
<td>8,000</td>
<td>27</td>
<td>119,044</td>
</tr>
<tr>
<td>5</td>
<td>10,000</td>
<td>28</td>
<td>126,963</td>
</tr>
<tr>
<td>6</td>
<td>12,000</td>
<td>29</td>
<td>141,755</td>
</tr>
<tr>
<td>7</td>
<td>18,565</td>
<td>30</td>
<td>145,350</td>
</tr>
<tr>
<td>8</td>
<td>19,411</td>
<td>31</td>
<td>155,923</td>
</tr>
<tr>
<td>9</td>
<td>23,000</td>
<td>32</td>
<td>195,356</td>
</tr>
<tr>
<td>10</td>
<td>27,900</td>
<td>33</td>
<td>205,861</td>
</tr>
<tr>
<td>11</td>
<td>29,519</td>
<td>34</td>
<td>216,256</td>
</tr>
<tr>
<td>12</td>
<td>37,003</td>
<td>35</td>
<td>278,093</td>
</tr>
<tr>
<td>13</td>
<td>41,252</td>
<td>36</td>
<td>280,000</td>
</tr>
<tr>
<td>14</td>
<td>45,558</td>
<td>37</td>
<td>293,463</td>
</tr>
<tr>
<td>15</td>
<td>48,231</td>
<td>38</td>
<td>299,895</td>
</tr>
<tr>
<td>16</td>
<td>48,803</td>
<td>39</td>
<td>313,789</td>
</tr>
<tr>
<td>17</td>
<td>53,000</td>
<td>40</td>
<td>435,793</td>
</tr>
<tr>
<td>18</td>
<td>56,968</td>
<td>41</td>
<td>683,187</td>
</tr>
<tr>
<td>19</td>
<td>71,775</td>
<td>42</td>
<td>693,476</td>
</tr>
<tr>
<td>20</td>
<td>74,262</td>
<td>43</td>
<td>871,911</td>
</tr>
<tr>
<td>21</td>
<td>83,227</td>
<td>44</td>
<td>901,737</td>
</tr>
<tr>
<td>22</td>
<td>84,485</td>
<td>45</td>
<td>2,565,633</td>
</tr>
<tr>
<td>23</td>
<td>89,838</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Data from foundation’s IRS Form 990, Foundation websites, and survey.*

**Amount of Support Provided to Schools**

An important measure of foundation support for districts is the amount of funds provided directly for education through grants and scholarships. The estimated amount of funds provided to districts through grants and scholarships by Indiana public education
foundations increased to $4,559,909 in 2011. As Table 7 shows, the range of direct school support reported for individual foundations was from $0 to $1,334,839.

Table 7

Total Direct Support Public Education Foundations Provided to Schools in 2011 (Ranked by Amount from 40 Foundations)

<table>
<thead>
<tr>
<th>Foundation Number</th>
<th>Direct Support</th>
<th>Foundation Number</th>
<th>Direct Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>21</td>
<td>41,592</td>
</tr>
<tr>
<td>2</td>
<td>3,990</td>
<td>22</td>
<td>45,144</td>
</tr>
<tr>
<td>3</td>
<td>9,982</td>
<td>23</td>
<td>49,222</td>
</tr>
<tr>
<td>4</td>
<td>12,441</td>
<td>24</td>
<td>51,299</td>
</tr>
<tr>
<td>5</td>
<td>13,151</td>
<td>25</td>
<td>59,607</td>
</tr>
<tr>
<td>6</td>
<td>14,071</td>
<td>26</td>
<td>73,113</td>
</tr>
<tr>
<td>7</td>
<td>14,548</td>
<td>27</td>
<td>74,056</td>
</tr>
<tr>
<td>8</td>
<td>15,517</td>
<td>28</td>
<td>86,145</td>
</tr>
<tr>
<td>9</td>
<td>18,556</td>
<td>29</td>
<td>91,074</td>
</tr>
<tr>
<td>10</td>
<td>19,186</td>
<td>30</td>
<td>91,210</td>
</tr>
<tr>
<td>11</td>
<td>19,431</td>
<td>31</td>
<td>106,920</td>
</tr>
<tr>
<td>12</td>
<td>21,103</td>
<td>32</td>
<td>142,747</td>
</tr>
<tr>
<td>13</td>
<td>22,037</td>
<td>33</td>
<td>144,393</td>
</tr>
<tr>
<td>14</td>
<td>27,760</td>
<td>34</td>
<td>172,635</td>
</tr>
<tr>
<td>15</td>
<td>30,500</td>
<td>35</td>
<td>175,801</td>
</tr>
<tr>
<td>16</td>
<td>32,422</td>
<td>36</td>
<td>178,755</td>
</tr>
<tr>
<td>17</td>
<td>33,716</td>
<td>37</td>
<td>305,917</td>
</tr>
<tr>
<td>18</td>
<td>37,764</td>
<td>38</td>
<td>320,189</td>
</tr>
<tr>
<td>19</td>
<td>39,081</td>
<td>39</td>
<td>589,995</td>
</tr>
<tr>
<td>20</td>
<td>40,000</td>
<td>40</td>
<td>1,334,839</td>
</tr>
</tbody>
</table>

Note: Data from foundation’s IRS Form 990, Foundation websites, and survey.

Revenue Sources

In the survey, 33 of the 36 respondents provided feedback when asked from what sources the foundation received revenue. Donations from individuals (97%) and donations from business or corporations (94%) were selected significantly more than the
other sources. Corporate sponsorship (67%), foundation endowment (58%), and special event fees (55%) were each selected by over half of the respondents. Table 8 shows the number of foundations that received revenue from various sources.

<table>
<thead>
<tr>
<th>Sources of Revenue</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations from individuals</td>
<td>32</td>
</tr>
<tr>
<td>Donations from business or corporations</td>
<td>31</td>
</tr>
<tr>
<td>Corporate sponsorships</td>
<td>22</td>
</tr>
<tr>
<td>Foundation’s endowment</td>
<td>19</td>
</tr>
<tr>
<td>Fees/charges/sales for special events</td>
<td>18</td>
</tr>
<tr>
<td>Grants from community foundations</td>
<td>11</td>
</tr>
<tr>
<td>Grants from other foundations</td>
<td>9</td>
</tr>
<tr>
<td>Trusts or bequests from individuals</td>
<td>8</td>
</tr>
<tr>
<td>Others a</td>
<td>8</td>
</tr>
<tr>
<td>Fees/charges/sales for services provided</td>
<td>4</td>
</tr>
<tr>
<td>Government grants</td>
<td>2</td>
</tr>
<tr>
<td>Grants or support from federated funders, including the United Way</td>
<td>1</td>
</tr>
</tbody>
</table>

*Others included: licenses plates (4), golf outing (1), truck pull (1), paver brick sale (1), and general fundraiser (1)*

Note: Data from foundation survey.

The survey respondents were then asked to choose two funding sources which generated the most revenue for the foundation. Respondents that answered the question made the following selections, listed from highest selected to least selected: Donations from individuals (52%); Donations from business or corporations (42%); Corporate sponsorships (24%); Fees/charges/sales for special events (24%); Foundation’s endowment (21%); Grants from community foundations (9%); Other (9%); Grants from
other foundations (6%); Trusts or bequests from individuals (3%); and Fees/charges/sales for services provided (3%).

**Fundraising**

The primary purpose of foundations is to solicit funds from individuals and corporations on behalf of a district or school system (Rozelle, 2006). A steady, ongoing, multi-faceted approach to raising funds is the basis upon which an education foundation can grow and deliver more programs to the community it serves (BizFilings, n.d.). Public education foundations employ various fundraising activities in order to meet this objective. Survey respondents were asked to select which fundraising activities their foundation engages in. There were 32 of the 36 respondents who answered this question. As shown in Table 9, special events were used by 89% of the foundations. Twenty-one respondents also indicated that the top fundraising activity for the foundation was special events. Special events was followed by direct mail campaigns (50%) and grant writing (44%) for the highest number of foundations using the fundraiser activity. In 2009, Deitrick also determined that special events (43%), direct mail campaigns (28%) and grant writing (11%) were the most used fundraisers by education foundation in California.
Table 9

*Fundraising Activities of Public Education Foundations in 2011*

<table>
<thead>
<tr>
<th>Fundraiser</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special events</td>
<td>27</td>
</tr>
<tr>
<td>Direct mail campaigns</td>
<td>16</td>
</tr>
<tr>
<td>Grant writing</td>
<td>14</td>
</tr>
<tr>
<td>Corporate matching gifts</td>
<td>11</td>
</tr>
<tr>
<td>Other a</td>
<td>9</td>
</tr>
<tr>
<td>Internet fundraising</td>
<td>7</td>
</tr>
<tr>
<td>Planned giving</td>
<td>5</td>
</tr>
<tr>
<td>Scrip programs</td>
<td>4</td>
</tr>
<tr>
<td>Related business income b</td>
<td>2</td>
</tr>
</tbody>
</table>

a Others included: licenses plates, membership fees, direct solicitation, payroll deduction, musicals, fiscal pass-through agent, and drive-a-thon, casino monies

b Related business income included: corporate fees, and sale of student built house

Note: Data from foundation survey.

The researcher asked survey participants an open ended question to describe what their foundations most innovative fundraising activity was. The following descriptions were included in their responses:

- Alumni banquet
- Direct mail to alumni
- Homecoming tailgate
- Youth basketball camp
- Harlem Ambassadors basketball game
- Annual dinner / auction event
• Wine, Beer and Food Tasting Events
• THKS :) recognition by parents and students (Thanks for Helping Kids Succeed)
• Truck Pull for Reading
• Red Letter Gala - to recognize individuals and educate community about schools and students
• Summer musical project.
• Annual 5K Run
• Direct mail
• Community Theatre Camps
• Community “celebrities” basketball game
• Golf scramble
• Local service organization to sponsor scholarships
• Luncheon and style show
• Community Quiz Bowl

These activities varied from traditional projects, such as a direct mailing drives, to more innovative endeavors, like the summer musical put on by high school students. In the musical, the students make up the cast, crew and orchestra and receive course credit for participation. The event is held in a professional auditorium and the net proceeds go towards foundation programs/projects.

Funding Priorities

The primary function of each education is to provide direct support to public schools. Each survey participant was asked to rank their foundation’s top funding
priorities. Thirty of the 36 respondents answered this question. Applying a score of 4 points for each item listed as a top priority, 3 points for each item listed as the second highest priority, 2 points for each item listed as the third highest priority; and 1 point for each item listed as the fourth highest priority, the following table shows the overall ranking of funding priorities for the foundations responding (See Table 10).

<table>
<thead>
<tr>
<th>Items Funded</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Scholarships</td>
<td>38</td>
</tr>
<tr>
<td>Classroom Supplies/Equipment</td>
<td>37</td>
</tr>
<tr>
<td>Developing New/Innovative Programs</td>
<td>35</td>
</tr>
<tr>
<td>English/Language Arts</td>
<td>17</td>
</tr>
<tr>
<td>Technology</td>
<td>16</td>
</tr>
<tr>
<td>Other (^a)</td>
<td>15</td>
</tr>
<tr>
<td>Staff Professional Development</td>
<td>10</td>
</tr>
<tr>
<td>Math</td>
<td>9</td>
</tr>
<tr>
<td>Tutoring Programs</td>
<td>8</td>
</tr>
<tr>
<td>Teacher Recognition</td>
<td>7</td>
</tr>
<tr>
<td>Science</td>
<td>6</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>3</td>
</tr>
<tr>
<td>Library Books</td>
<td>3</td>
</tr>
<tr>
<td>Music</td>
<td>3</td>
</tr>
<tr>
<td>Art/Drama</td>
<td>2</td>
</tr>
<tr>
<td>Field Trips</td>
<td>2</td>
</tr>
<tr>
<td>Health</td>
<td>1</td>
</tr>
<tr>
<td>Athletics</td>
<td>0</td>
</tr>
<tr>
<td>Foreign Language</td>
<td>0</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>0</td>
</tr>
</tbody>
</table>

\(^a\) Others included: teacher grants, innovative ideas, literacy programs, academic teams, AP exams, and enrichment activities

Note: Data from foundation’s IRS Form 990, Foundation websites, and survey.
Survey respondents chose classroom supplies/equipment (6), developing new/innovative programs (5), and student scholarships (4) most frequently for the highest funding priority. One respondent stated that the foundation did not have any priority when determining school grants to fund.

Funding Staff / Teacher Salaries

A significant expense in any organization includes personnel salaries. However, finding alternative funds to cover additional teacher salaries is very difficult. Each survey participant was asked if their foundation provided funds to pay for teacher/staff salaries in the districts they support. Of those answering this question, 3 foundations stated they did fund teacher/staff salaries and 28 foundations stated they did not fund any teacher/staff salaries.

Fund Raising Support

The lifeblood of any nonprofit organization is its fundraising (BizFilings, n.d.). It is important for foundations to build a successful fundraising program. This can be enhanced by partnering with other local organizations. Each survey participant was asked, when considering their organization’s fund raising, to rate the extent to which you believe each is effective in helping your organization meet its mission. Twenty-nine of the 36 respondents answered this question.

Overall, foundations depend mostly on board members, volunteers, and school personnel in their fundraising efforts. Survey respondents also rank them highest in effectiveness in fundraising efforts (See Table 11).
Table 11

Effectiveness of Other Organizations in Supporting Public Education Foundation Fundraising

<table>
<thead>
<tr>
<th>Supporting Organization</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very effective</td>
</tr>
<tr>
<td>Board Members</td>
<td>20</td>
</tr>
<tr>
<td>Foundation Employees/Volunteers</td>
<td>16</td>
</tr>
<tr>
<td>School Personnel</td>
<td>10</td>
</tr>
<tr>
<td>Third Party Groups/Individuals</td>
<td>8</td>
</tr>
<tr>
<td>Other Foundations</td>
<td>3</td>
</tr>
<tr>
<td>Grant Writers</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: Data from foundation survey.

Amount of Support Provided to Schools

The goal of many non-profits is to increase their assets over a period of time to place in an endowment. The principal is kept intact, while the interest is used for annual spending. The estimated amount of total assets held at the end of 2011, as determined by Indiana public education foundations IRS Form 990 is $23,030,331. As Table 12 shows, the range of total assets reported for individual foundations was from $18,030 to $2,713,393 (National Center for Educational Statistics, 2012).
### Table 12

**Total Assets of Public Education Foundations in 2011 (Ranked by Amount from 36 Foundations)**

<table>
<thead>
<tr>
<th>Foundation Number</th>
<th>Total Assets</th>
<th>Foundation Number</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18,030</td>
<td>19</td>
<td>437,052</td>
</tr>
<tr>
<td>2</td>
<td>18,531</td>
<td>20</td>
<td>476,170</td>
</tr>
<tr>
<td>3</td>
<td>32,935</td>
<td>21</td>
<td>481,058</td>
</tr>
<tr>
<td>4</td>
<td>90,114</td>
<td>22</td>
<td>633,616</td>
</tr>
<tr>
<td>5</td>
<td>101,746</td>
<td>23</td>
<td>660,907</td>
</tr>
<tr>
<td>6</td>
<td>114,467</td>
<td>24</td>
<td>702,522</td>
</tr>
<tr>
<td>7</td>
<td>120,675</td>
<td>24</td>
<td>721,665</td>
</tr>
<tr>
<td>8</td>
<td>167,862</td>
<td>26</td>
<td>770,538</td>
</tr>
<tr>
<td>9</td>
<td>174,851</td>
<td>27</td>
<td>838,584</td>
</tr>
<tr>
<td>10</td>
<td>175,159</td>
<td>28</td>
<td>920,513</td>
</tr>
<tr>
<td>11</td>
<td>192,851</td>
<td>29</td>
<td>942,639</td>
</tr>
<tr>
<td>12</td>
<td>194,510</td>
<td>30</td>
<td>1,309,986</td>
</tr>
<tr>
<td>13</td>
<td>195,195</td>
<td>31</td>
<td>1,429,691</td>
</tr>
<tr>
<td>14</td>
<td>232,848</td>
<td>32</td>
<td>1,492,947</td>
</tr>
<tr>
<td>15</td>
<td>261,854</td>
<td>33</td>
<td>1,511,419</td>
</tr>
<tr>
<td>16</td>
<td>289,679</td>
<td>34</td>
<td>1,806,508</td>
</tr>
<tr>
<td>17</td>
<td>296,078</td>
<td>35</td>
<td>2,083,077</td>
</tr>
<tr>
<td>18</td>
<td>420,661</td>
<td>36</td>
<td>2,713,393</td>
</tr>
</tbody>
</table>

Note: Data from foundation’s IRS Form 990.

**Successful Programs**

The researcher asked survey participants to describe the most important program that the foundation provided direct support to the students they serve. Eighteen of the 36 respondents answered this question. Foundations provided a variety of programs that directly affect the student they served. Programs that the respondents listed as being the
most important included various teacher/classroom grants (11), scholarships/dual credit (3), enrichment programs (3), innovative programs (2), and literacy programs (1).

_Meeting Foundation Goals_

Each survey participant was asked if they believed their foundation met their goals in 2011. Of those answering this question, 26 respondents believed their foundations met the goals established in 2011 and four stated they did not.

Survey participants were then asked what the factors/feature(s) had a positive influence in the foundation reaching its goals. Twenty-eight of the 36 respondents answered this question. Having an active board was the most common answer (11). Respondents believed that training board members is important. Additional factors that positively influenced reaching foundation goals were having a strategic plan, district and volunteer support, and building relations with the community and donors.

Each survey participant was asked what the factors/feature(s) had hindered the foundation in reaching its goals. Twenty-nine of the 36 respondents answered this question. The highest response by respondents was the poor economy and the inability to raise funds. Respondents also listed poor communication, lack of strategic planning, lack of volunteers, and board turnover.

Each survey participant was asked how their foundation planned to increase their support of public schools in the future. Twenty-four of the 36 respondents answered this question. Respondents stated that increasing fundraising and raising money, building
community and donor relations, and increasing classroom grants would be their focus in the future.

Statistical Analysis of Quantitative Data

For a more summative analysis of the phase one data, the researcher examined the data for relationships using the Statistical Package for the Social Sciences (SPSS). The analysis included ANOVA, Pearson Correlation, and multiple regression analysis.

In order to provide a broader understanding of Indiana public education foundations, the researcher grouped the sample population by the type of district they serve – urban, suburban, and rural. Additional variables were included in the analysis, including the number of board members (NBM), the age of the foundation (Years), total revenue, total expenses, and funds to schools. The SSPS then compared the variables to determine any relationships at a .05 significance level.

Type v. Assets

The researcher identified each public education foundations as one of three types (urban, suburban, rural), based on the foundations self-identification or the demographics of the district the foundation serves. The asset of the foundation was determined by the end of year assets of 2011 as listed on the foundation’s IRS Form 990. Using ANOVA, only two variables were determined to be significantly different (p = .002) – the type of foundation and the assets of the foundation (See Appendix E). The researcher found that the mean size of the foundation increased from rural to suburban to urban. This finding
is important when considering which foundations are better able to increase endowments for long-term strategic funding.

**Number of Board Members v. Total Revenue/Total Expenses/Funds to School**

Using Pearson product-moment coefficient of correlation, the researcher determined a positive correlation between the size of the foundation board and three other variables – total revenue, total expenses, and, to a lesser degree, funds provided directly to schools. The variables proved to be significant at the .05 confidence level (See Appendix E). The correlations between the board size and the total revenue (p = .002) and the board size and total expenses (p = .007) are stronger than the correlation between board size and funds provided to schools (p = .026). While at first glance a higher total expense would be perceived as a negative, these amounts include all direct funds (grants and scholarships) provided to school districts.

The difference in degree of significance between 1) board size and total expense and 2) board size and total direct support can be explained by the amount of assets accumulated by the foundation. As foundations attempt to increase their endowments, they provide less in current year direct funding. The finding of a correlation between board size and these three financial statistics is important when considering what factors would influence foundations ability to increase revenue and, possibly, increase funds available for their programs.
Phase Two: Description of the Sample

The second phase of this QUAN-Qual study was comprised of interview data collection and analysis. In order to provide a broader understanding of public education foundations, the researcher interviewed two public education foundations each that served one of three different types of districts: (a) rural, (b) suburban, (c) urban.

In order to select the phase two subjects, the researcher used the following criteria: (1) Participated in phase one of the study and responded their willingness to participate in phase two; (2) To provide a better reflection of responses in each categories, two participants were selected from each category of rural, suburban, and urban as identified on the survey response.

The selections provided the diversity of subjects to compare similarities/differences across different demographic foundations in Indiana, enabling the researcher to collect qualitative data in each type of school district supported by public education foundations.

Phase Two Data Presentation

Foundation Goals

The results of the survey showed that Indiana public education foundations provide most of their support through grants and projects. The researcher provided interviewees with the opportunity to elaborate on their goals during the interview. Participants believe that their main focus is on providing financial support to the district and individual schools. Some foundations also support individual students through scholarships. Table 13 provides selected responses during the interview.
Table 13.

Selected Interviewee’s Responses to the Question, “What are the goals established by your public school foundation?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“The foundation wants to increase assets for our endowment.”</td>
</tr>
<tr>
<td></td>
<td>“We plan to restructure our committees to achieve our objectives</td>
</tr>
<tr>
<td></td>
<td>… establishing an alumni group and look at the</td>
</tr>
<tr>
<td></td>
<td>social/fundraising aspect.”</td>
</tr>
<tr>
<td></td>
<td>We want to stimulate student success.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“Our goal is to provide direct funds to the school district for their</td>
</tr>
<tr>
<td></td>
<td>programs and initiatives.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“Our mission is to support our school system with grants and other funding.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“The goals set by our strategic plan include revising the mission</td>
</tr>
<tr>
<td></td>
<td>statement, balance the budget, and expand the level of support to</td>
</tr>
<tr>
<td></td>
<td>our schools from 11 and 12 to K through 12.”</td>
</tr>
<tr>
<td></td>
<td>“We want to continue funding the dual credit program.”</td>
</tr>
</tbody>
</table>
Table 13 cont.

Rural 1  “Our main goal is to provide excellence and innovation in education by providing funds for programs otherwise not funded by State and Federal money. Another goal was to increase awareness that we do, indeed, have an education foundation and the needs it fulfills in our community.”

Rural 2  “…provide school teachers with classroom funds.”

“…help our seniors go to college.”

In any foundation, it is important to know the direction of the organization as well as which leaders influence its focus. To gain a better understanding of this aspect, interviewees were asked who influenced goal setting the most in their foundation. As expected, the board members and superintendent had the majority of the influence. However, it was interesting to find that some school staff members were asked to be involved in goal setting.
Table 14.

Selected Interviewee’s Responses to the Question, “Who provides the most influence in setting these goals?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“Our board directors and governance committee influence what goals we set.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“Goals are established by the foundation board, executive director and superintendent.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“…influenced by the board members and school superintendent.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“The goals are influenced most by a subset of the board, including the chairman, board members and a former principal.”</td>
</tr>
<tr>
<td>Rural 1</td>
<td>“The board sets the goals during strategic planning meetings as needed. Our board has varied between 9 and 11 members.”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“The guidance counselor and board members.”</td>
</tr>
</tbody>
</table>

Revenue

In a survey instrument, there are limited choices the researcher could give. During the interviewee, the researcher asked interviewees to elaborate on sources of funding. Their responses indicate that public education foundations work closely with community foundations for funding and scholarships. Foundations also try to use a variety of fundraising activities, but feel there are limits due to staff time constraints and limited volunteer assistance.
**Table 15.**

*Selected Interviewee’s Responses to the Question, “What are the sources of funds secured by public school foundations?”*

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“The foundation receives funds through grants, donations from individuals, and a payroll deduction program for district staff.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“We receive most of our funds through corporate donations and casino monies.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“We receive funds through individual donors, community foundation grants, and matching corporate grants. We also have district school staff participating in a payroll deductible program.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“A large part of our funds have come from beverage dollars and a dinner auction event.”</td>
</tr>
</tbody>
</table>
| Rural 1     | “By reviewing our donor lists for the past few years, our foundation funds are provided by individuals, community organizations and businesses. We are fortunate to have a diverse donor base.”

“I have heard some foundations are now struggling because they relied on big companies for funding … and when those companies decreased funding, those foundation boards had to rethink their donor bases.”
“One source of funding other foundations pursue more than we do is grants. Some foundations have a paid staff member who does nothing but grant writing. Of course, these are usually the foundations that are well established and have large endowments. We have no paid personnel.”

Rural 2 “We received funds through donations and special events … Harlem Wizards and an alumni banquet.”

While foundations often encourage innovative education programs in the school district, they struggle to find new, innovative ways to raise revenue. The foundations are often hampered by limited paid personnel, time restrictions of volunteer boards and personnel, and limited contact with other foundations.
Table 16.
Selected Interviewee’s Responses to the Question, “Do you consider these sources traditional for education foundations?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“We have traditional sources of funds for our foundation.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>The corporate donations are traditional, although the casino funds are not so common.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“Yes, we use traditional sources.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“Yes, traditional.”</td>
</tr>
<tr>
<td>Rural 1</td>
<td>“Yes, I do, but my knowledge of other education foundations is quite limited.”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“…our sources are more traditional.”</td>
</tr>
</tbody>
</table>

Most foundations recognized a need to increase their support of school districts. While there has been growth in the number and size of foundations, there is always a perceived notion of needing to do more. Interviewees were asked to what steps foundations were taking to increase support to their schools. Working more with their communities to increase the awareness of the education foundation and their mission was the greatest response. Reaching out to select groups, e.g. local businesses and alumni, was also a priority to some foundations.
### Table 17.

*Selected Interviewee’s Responses to the Question, “What steps do foundations need to take to increase support to school districts?”*

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“We plan to make our foundation more visible to the community.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“Foundations need to work with legislatures to pass legislation that benefits public foundations like private foundations have, like take credits for individual donations.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“We need to enhance community awareness through electronic social networking …addressing all sorts of potential donors.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“We need to enhance community awareness through electronic social networking …addressing all sorts of potential donors.”</td>
</tr>
<tr>
<td>Rural 1</td>
<td>“Education foundations need to educate the public about the lack of funding to offset declining state and federal funding. The positive impact that foundations are making needs to be brought to the forefront.”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“… work with alumni groups. We plan to form a subcommittee to increase our support base.”</td>
</tr>
</tbody>
</table>

The main goal of every public education foundation is to support their schools/students with either direct funding or with programs. Interviewees were asked
how their foundations their funds were utilized by schools. Most foundations provide funds for teacher driven projects or donor directed programs. Foundations also support district-wide initiatives, such as 1:1 technology or literacy enrichment.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“… to increase parent involvement in education.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“The district provides information on initiatives to fund and we have innovative classroom grants for teachers.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“We serve as a source for ‘pass through dollars’ for projects. We fund a lot of early childhood programs and other projects that are program specific.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“We are able to fund classroom libraries and support the 1:1 technology initiative.”</td>
</tr>
<tr>
<td>Rural 1</td>
<td>“Some foundations fund salaries, but we have chosen not to. We direct, more or less, where the money goes. We have a donor directed fund but those donations only go toward student programs that our board oversees.”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“We provide student scholarships and teacher classroom grants.”</td>
</tr>
</tbody>
</table>
Foundation Impact

For foundations to be successful there needs to be a positive impact on their school districts. Interviewees were asked to describe how their foundation impacts programs and services in their school district. Responses suggest that there has been an increase in funding for schools, development of new partners for education, and expansion of programs that were not available prior to the establishment of the foundation.

Table 19.
Selected Interviewee’s Responses to the Question, “How has the existence of your foundation affected the programs and services your district has been able to offer to its students and staff?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
</table>
| Urban 1     | “The foundation has been able to provide more than $1,000,000 in scholarships to our students.”
|             | “…has provided our schools with numerous projects …expanding these projects from the school level to district wide initiatives.” |
| Urban 2     | “We have provided a venue for other organizations to partner with education efforts that may not have occurred without our assistance.” |
| Suburban 1  | “We have increased the dollars flowing to schools …developed stronger education partnerships … and reached a broader audience.” |
| Suburban 2  | “We have been able to increase the dual credit support for all free & reduced lunch students.” |
Table 19 cont.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural 1</td>
<td>“Many programs and projects that we have funded would not have taken place if we had not provided funding. It doesn't get much better than that!”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“… we have been able to support new programs.”</td>
</tr>
</tbody>
</table>

Interviewees were asked if they believed the foundation met their goals for 2011. Most believed that their goals were met, but expressed that they had hoped for more. Most of their funding goals were met, but still lacked funds/manpower to promote or implement all of the programs the foundation wanted to support.

Table 20.

Selected Interviewee’s Responses to the Question, “Do you believe your foundation has met its goals set for 2011?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“The foundation is growing slowly - steadily. We are neither disappointed … nor making great strides.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“We have met our program goals, but planned to do more if the economy improved.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“We are not fully funding all of our goals.”</td>
</tr>
<tr>
<td>Suburban 2</td>
<td>“Yes, we have met our goals.”</td>
</tr>
</tbody>
</table>
Rural 1  “We have. Our biggest challenge this year was to find alternate funds to a matching grant that has been graciously donated to our foundation for many years, but has been discontinued starting 2012. Akin to the foundations who relied on big business for support.”

Rural 2  “We have met the goals we set for 2011.”

The researcher followed up “met goal?” question with how foundations would change their goals to improve their support of school districts. Answers varied from attempting to increase fundraising efforts to adding foundation personnel. The focus seemed to be going away from individual support, i.e. post-secondary scholarships, and towards innovative programs in the classroom.

Table 21.
Selected Interviewee’s Responses to the Question, “What goal changes would you propose to improve the foundation’s support of your school district?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban 1</td>
<td>“We would benefit most from adding a person in the foundation office.”</td>
</tr>
<tr>
<td>Urban 2</td>
<td>“We should work more with school staff to determine their needs.”</td>
</tr>
<tr>
<td>Suburban 1</td>
<td>“…should focus less on funding post-secondary scholarships.”</td>
</tr>
</tbody>
</table>
Table 21 cont.

<table>
<thead>
<tr>
<th>Suburban 2</th>
<th>“…to get the word out more through increased marketing.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural 1</td>
<td>“I feel our main goals do not need to be changed. We need creative ways and man and womanpower to increase our giving back to the students, teachers, and support staff.”</td>
</tr>
<tr>
<td>Rural 2</td>
<td>“We need to look at ways to increase fundraising efforts. The rural foundations are at a disadvantage.”</td>
</tr>
</tbody>
</table>

The interviewees were asked how their foundation planned to increase support to school districts in the future. Responses focused mainly on collaboration with stakeholders and other organizations. Some foundations plan to provide professional development for their board members to improve their awareness of how the foundation can support school districts. Foundation representatives want their foundations to remain flexible with their support so that they can focus on the current needs of their schools.
Table 22.

Selected Interviewee’s Responses to the Question, “How does your public school foundation plan to increase its support of public schools in the future?”

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Response</th>
</tr>
</thead>
</table>
| Urban 1     | “We plan to open up more to the needs of school and district personnel. We want to work more with the business community. We want to make grants flexible to change when the focus of the schools change. For example, we once focused on character development, but now focus on literacy.”
|             | “We need an executive director because our business board members don’t have the day to day connection.” |
| Urban 2     | “We plan to increase our endowment funds and leverage our funds better with other non-profit grants.” |
| Suburban 1  | “We plan to work more closely with the superintendent …and better utilize our 501c3 status.” |
| Suburban 2  | “…increasing support in literacy initiatives.”
|             | “…have foundation staff participate in professional development fundraising.” |
| Rural 1     | “… increase giving by garnering new donors through increased awareness and various fund raisers. What we do every year is sponsor a $10,000 Competitive Grant Opportunity in the fall to our teachers and a $500 Community Scholarship in May to a graduating senior pursuing...” |
higher education. Raising this $10,500 is quite a challenge for our board because we are a small rural school corporation with a very limited big business base and moderate small business one.”

“Not having the Matching Grant Opportunity is forcing us to fund raise in a difficult economy.”

<table>
<thead>
<tr>
<th>Rural 2</th>
<th>“We plan to work more with school alumni.”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“We want to focus on providing schools with new technology.”</td>
</tr>
</tbody>
</table>
CHAPTER 5

Conclusions

Introduction

To reiterate, the purpose of this study was to determine the following: (1) The goals established by Indiana public education foundations, (2) whether these public educational foundations have been able to achieve their goals, and (3) how the public education foundations successfully secure funding to support their K-12 public schools. The intent of the researcher was to determine the general effectiveness of public education foundations in supporting public schools.

The researcher targeted Indiana public education foundations as the population. There were 72 known Indiana public education foundations in 2012. The researcher selected foundations that were formed prior to 2010 and qualified as public education foundation, as established by Indiana Code § 20-26-5-22.5. This limited the accessible population to 51 INAPEF members and 3 non-members. The researcher selected the non-members to test the survey instrument prior to sending out to the remaining public education foundations. Two of the three non-members chose to participate in the test survey. Information was collected on the 51 Indiana public education foundations through a survey instrument emailed to Indiana public education foundation
representatives; reviewing Indiana public education foundation IRS Form 990’s for 2011 found on the National Center for Educational Statistics website; and reviewing Indiana public education foundation websites.

Summary of Findings

The summary will discuss the results of the research and how they apply to the questions that guided the research in this dissertation. These five questions focus on the purpose of the study (determining foundation goals, if they were achieved, and how foundations successfully secured support for school districts).

1. What are the goals established by public education foundations?

Indiana public education foundations’ primary goal is to provide support to the school district they serve. Foundations do this by providing direct funding to schools, teachers and student. Funds raised by the foundation enable school districts to supplement their tight budgets. The foundations also provide programs to students in the district.

Foundation funding priorities include student scholarships, classroom supplies and equipment, developing new and innovative programs.

2. What are the sources of funds secured by public education foundations?

Indiana public foundations depend significantly on donation from both corporations and individuals. The results of the researcher’s survey indicated that
donations from individuals (97%) and donations from business or corporations (94%) were received significantly more than any other source. Corporate sponsorship (67%), foundation endowment (58%), and special event fees (55%) were also important sources of revenues.

These results support the findings in a California study on education foundations where participants selected donations from corporations (100%), donations from individuals (96%), special event fees (55%), and corporate sponsorship (49%). Foundation endowments were not listed as a choice in the California study (Deitrick, 2009).

As part of a long-term development strategy, endowments are used to raise significant dollars to fund their programs (Carr, 2007). The endowment allows foundations to hold onto and increase the principle, while using the annual interest for funding their programs. As stated in an interviewee response, the assets of the foundation increase as endowments increase.

Special events were used by 89% of the foundations for fundraising. This was followed by direct mail campaigns (50%) and grant writing (44%) for the highest percentage of foundations using the fundraiser activity. Deitrick also determined that special events (43%), direct mail campaigns (28%) and grant writing (11%) were the most used fundraisers by education foundation in California (2009).

Foundations utilized a variety of other fundraising activities, which included direct mailing campaigns, grant writing, corporate matching gifts, and specialty license plate donations. Board members, foundation employees and volunteers and school staff provide the impetus in successfully achieving these fundraising efforts.
3. How are the public education foundation funds utilized by school districts?

Foundations believe that the most efficient method to support public schools is to provide direct funding at the district, classroom, and individual levels. Foundations place priority on programs for student scholarships, classroom supplies and equipment, developing new and innovative programs, literacy, and technology. Heavy emphasis was placed on classroom grants, scholarships/dual credit, enrichment programs, innovative programs, and literacy programs.

4. Do public education foundations’ leaders believe that they have met the goals set by the foundation?

According to the survey, 87% of the foundation representatives believe they have been able to meet or exceed their goals. Two of the interviewees stated that they believe the foundation will be able to meet their goals in the future as the local economy recovers.

In 2005, the amount of revenue collected by the majority of Indiana public education foundations was $4,324,576 (Woodworth, 2006). The estimated amount of revenue collected by Indiana public education foundations increased to $10,138,194 in 2011, a 134% increase over the six year period.

In 2005, the amount of funds provided to districts through grants and scholarships by the majority of Indiana public education foundations was $2,528,332 (Woodworth, 2006). The estimated amount of funds provided to districts through grants and
scholarships by Indiana public education foundations increased to $4,559,909 in 2011, an 80% increase over the six year period.

5. *How do public education foundations plan to increase their support of public schools in the future?*

The researcher feels that this was the most difficult question for foundation representatives to answer. Survey respondents stated that increasing fundraising and raising money, building community and donor relations, and increasing classroom grants would be their focus in the future. However, the subsequent interviews provided little thought of how they might achieve these except to wait for the economy to improve.

Non-traditional revenue sources, e.g. public education foundations, are not reliable and should not be counted on the fund programs, personnel, and or equipment/supplies that are essential to educational programs (Rozelle, 2006). Public education foundations have the potential to help via increasing their endowments. Endowments can provide a steadier source of funding over a long period of time.

*Implications*

*Foundation effectiveness*

As the trend continues to establish additional public education foundations in Indiana, the availability of additional funds should also increase. Although only a small percentage of a district’s overall education funding resources, foundations provide a flexible source of funds that positively impact efforts at the classroom level. Public education foundations serve as a conduit for local communities and businesses to support
K-12 education. The amount of support depends largely on the local economy and participation of board members and volunteers. An improved economy and proactive board members and volunteers should provide a promising outlook for increased K-12 support by public education foundations.

Education foundations were formed to improve the quality of the educational programs in their districts, to raise funds for the district, and to improve district-community relations (Osburn, 1989). Foundations should collaborate with each other to help improve their effectiveness and increase their overall support of the education system.

**Future Research**

The focus of research on public education foundations is currently minimal. Research has studied the existence, purpose, strategies and impact of public education foundations. With the continual change in the educational environment, school districts need to persistently look into potential resources. Research on public education foundations must begin to enrich the understanding of foundations as to how to maximize their potential in support of education in their district.

School districts and public education foundations would benefit from research that focuses deeper on 1) additional statistical analysis of the advantage urban districts may have over rural districts in increasing revenues/assets; 2) longitudinal study on the impact of public education foundations school districts between rural, suburban, and urban school districts; 3) impact of foundations on student achievement; 4) comparisons between public education foundations and foundations that support private school
corporations; and 5) comparisons of public education foundations across regions of the United States.
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*Dollars for scholars.* (2009, August 24). Retrieved November 6, 2011, from South Montgomery Community School Corporation:

http://www.southmont.k12.in.us/index.php?option=com_content&task=view&id=18&Itemid=42


Nesbit, W. B. (1985). A study to identify the characteristics of successful education foundations which serve public schools in America. South Carolina, United States of America: University of South Carolina.


Appendix A

Research Questions and Corresponding Survey / Interview Questions

Goals of the Public Education Foundation

1. What are the goals established by public education foundations?

Corresponding Survey Questions

- In 2011, what was the foundation’s planned budget for administrative costs?
- In 2011, what was the foundation’s planned budget for direct school support?
- From the following list, drag ONE item to EACH PRIORITY BOX to rank the top 4 funding priorities for your foundation.

- Arts/Drama
- Athletics
- Capital Improvements
- Classroom Supplies/Equipment
- Developing New/Innovative Programs
- English/Language Arts
- Field Trips
- Foreign Language
- Health
- Library Books
- Math
- Music
- Staff Professional Development
- Student Scholarships
- Science
- Social Sciences
- Teacher Recognition
- Technology
- Tutoring Programs
- Other (please specify) ______________________

Corresponding Interview Questions

- What are the goals established by your public school foundation?
- Who provides the most influence in setting these goals?
Sources of Funding

2. What are the sources of funds secured by public education foundations?

Corresponding Survey Questions

- What was the estimated total net revenue for the foundation during the 2011 fiscal year?
- During the 2011 fiscal year, did your organization receive income from any of the following revenue sources? (Check all that apply.)
  - Corporate sponsorships
  - Donations from business or corporations
  - Donations from individuals
  - Fees/charges/sales for services provided
  - Fees/charges/sales for special events
  - Government grants
  - Grants from community foundations
  - Grants from other foundations
  - Grants or support from federated funders, including the United Way
  - Trusts or bequests from individuals
  - Foundation’s endowment
  - Other (please specify) _____________________

- Of these sources, which two generate the most revenue for your foundation? (Check only two.)
  - Corporate sponsorships
  - Donations from business or corporations
  - Donations from individuals
  - Fees/charges/sales for services provided
  - Fees/charges/sales for special events
  - Government grants
  - Grants from community foundations
  - Grants from other foundations
  - Grants or support from federated funders, including the United Way
  - Trusts or bequests from individuals
  - Foundation’s endowment
  - Other

- Which of the following fundraising activities does your foundation engage in? (Check all that apply.)
  - Corporate matching gifts
  - Direct mail campaigns
  - Grant writing
  - Internet fundraising
  - Planned giving
  - Related business income (please describe) _____________________
  - Scrip programs, e.g. discount cards or commission on designated sales
  - Special events
  - Other (please describe) _____________________
• Of these fundraising activities, which generates the highest NET income for your corporation?
  __Corporate matching gifts
  __Direct mail campaigns
  __Grant writing
  __Internet fundraising
  __Planned giving
  __Related business income (please describe) ________________
  __Scrip programs
  __Special events
  __Other
• Please, briefly describe what you consider to be your most innovative fundraising program: ________________

Corresponding Interview Questions
• What are the sources of funds secured by public school foundations?
• Do you consider these sources traditional for education foundations?

Utilization of Funds

3. How are the public education foundation funds utilized by school districts?

Corresponding Survey Questions
• How does your organization provide support to the schools that you serve? (Check all that apply.)
  __We make financial grants directly to the school(s) we serve
  __We fund scholarships for students enrolled in our schools
  __We provide actual programs for the students enrolled in our schools
  __Other (Please briefly describe) ________________
• Is any of your funding used to pay teacher/staff salaries?
  __Yes
  __No
• Approximately what amount was allocated to teacher/staff salaries in 2011?
• Please briefly describe up the most important program that your foundation DIRECTLY provides to the students you serve: ________________

Corresponding Interview Questions
• How are the public school foundation funds utilized by school districts?
• How has the existence of your foundation affected the programs and services your district has been able to offer to its students and staff?
**Attainment of Goals**

4. Do public education foundations leaders believe they have met the goals set by the foundation?

**Corresponding Survey Questions**

- If your organization has collaborative relationships with any of the following groups, please rate the extent to which you believe the collaboration is effective in helping your organization meet its mission (Check all that apply).

<table>
<thead>
<tr>
<th>Group</th>
<th>Not applicable</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Not at all effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booster Groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Business Community</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Chamber of Commerce</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Local Parent-Teacher Associations</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Local Service Clubs</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other Foundations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Administrators or Teachers</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Student Government or Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>The School District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- When considering your organization’s fund raising, please rate the extent to which you believe each is effective in helping your organization meet its mission (check all that apply).

<table>
<thead>
<tr>
<th>Group</th>
<th>Not applicable</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Not at all effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation Employees/Volunteers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Writers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Groups/Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Foundations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Do you believe the foundation have met goals set in 2011?
  _Yes
  _No
• What factors/feature(s) have positively influenced the foundation reaching its goals?
• What factors/feature(s) have hindered reaching the foundation’s goals?

Corresponding Interview Questions
• Do you believe your foundation has met its goals set for 2011?

Future Plans for Improved Support

5. How do public education foundations plan to increase their support of public schools in the future?

Corresponding Survey Questions
• How does your foundation plan to increase your support of public schools in the future?

Corresponding Interview Questions
• What steps do foundations need to take to increase support to school districts?
• What goal changes would you propose to improve the foundation’s support of your school district?
• How does your public school foundation plan to increase its support of public schools in the future?
Appendix B

Survey Questions for Public Education Foundation Representatives

My name is Alan Cruser, Ball State University Ed.D. candidate, and I am completing my dissertation research on Indiana public education foundations. Your participation is voluntary and involves completing a survey about your organization and the school district it supports. The survey will approximately 20 minutes to complete.

Please note: If you are willing to participate in phase two of the study, a phone interview, at the end of the survey you will be asked for your name and contact information. This data will be kept confidential and your individual answers to questions on the survey will only be shared as aggregate data from all respondents.

The benefit of participating in this study is in knowing you have contributed information to a study of non-profit organizations which play an important role in supporting K-12 education.

1. I agree to participate in this survey.
   ___ Yes
   ___ No

2. What is the position you hold?
   ___ Executive Director
   ___ Board Member
   ___ Staff Member
   ___ Other Foundation Associate

3. How old is your foundation?
   ___ 1-5 years
   ___ 5-10 years
   ___ 11-15 years
   ___ 16-20 years
   ___ Older than 20 years
   ___ Don’t know

4. Which type of district does your foundation serve?
   ___ Urban
   ___ Suburban
   ___ Rural
5. How many foundation board members were there in 2011? ________
   __ 1
   __ 2
   __ 3
   __ 4
   __ 5
   __ 6
   __ 7
   __ 8
   __ 9 or more

6. How many FULL time employees did the foundation have in 2011?
   __ 0
   __ 1
   __ 2
   __ 3
   __ 4
   __ 5
   __ More than 5
   __ Don’t know

7. How many PART time employees did the foundation have in 2011?
   __ 0
   __ 1
   __ 2
   __ 3
   __ 4
   __ 5
   __ More than 5
   __ Don’t know

8. How many regular volunteers did the foundation have in 2011?
   __ 0
   __ 1
   __ 2
   __ 3
   __ 4
   __ 5
   __ More than 5
   __ Don’t know

9. In 2011, what was the foundation’s planned budget for administrative costs?
   (Please enter the amount to the nearest dollar.  Example: $12,435) ________

10. In 2011, what was the foundation’s planned budget for direct school support?
   (Please enter the amount to the nearest dollar.  Example: $12,435) ________
11. How does your organization provide support to the schools that you serve? (Check all that apply.)
   __ We make financial grants directly to the school(s) we serve
   __ We fund scholarships for students enrolled in our schools
   __ We provide actual programs for the students enrolled in our schools
   __ Other (Please briefly describe) ___________________

12. What was the estimated total net revenue for the foundation during the 2011 fiscal year? (Please enter the amount to the nearest dollar. Example: $12,435) ________

13. During the 2011 fiscal year, did your organization receive income from any of the following revenue sources? (Check all that apply.)
   __ Corporate sponsorships
   __ Donations from business or corporations
   __ Donations from individuals
   __ Fees/charges/sales for services provided
   __ Fees/charges/sales for special events
   __ Government grants
   __ Grants from community foundations
   __ Grants from other foundations
   __ Grants or support from federated funders, including the United Way
   __ Trusts or bequests from individuals
   __ Foundation’s endowment
   __ Other (please specify) __________________

14. Of these sources, which two generate the most revenue for your foundation? (Check only two.)
   __ Corporate sponsorships
   __ Donations from business or corporations
   __ Donations from individuals
   __ Fees/charges/sales for services provided
   __ Fees/charges/sales for special events
   __ Government grants
   __ Grants from community foundations
   __ Grants from other foundations
   __ Grants or support from federated funders, including the United Way
   __ Trusts or bequests from individuals
   __ Foundation’s endowment
   __ Other

15. Which of the following fundraising activities does your foundation engage in? (Check all that apply.)
   __ Corporate matching gifts
   __ Direct mail campaigns
   __ Grant writing
   __ Internet fundraising
   __ Planned giving
   __ Related business income (please describe) ____________________
16. Of these fundraising activities, which generates the highest NET income for your corporation?

- Corporate matching gifts
- Direct mail campaigns
- Grant writing
- Internet fundraising
- Planned giving
- Related business income (please describe) _________________________
- Scrip programs
- Special events
- Other

17. Please, briefly describe what you consider to be your most innovative fundraising program: __________________________

18. If your organization has collaborative relationships with any of the following groups please rate the extent to which you believe the collaboration is effective in helping your organization meet its mission (Check all that apply).

<table>
<thead>
<tr>
<th></th>
<th>Not applicable</th>
<th>Very effective</th>
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<tr>
<td>Local Chamber of Commerce</td>
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<tr>
<td>Local Parent-Teacher Associations</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Local Service Clubs</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other Foundations</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>School Administrators or Teachers</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Student Government or Clubs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The School District</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
19. From the following list, drag ONE item to EACH PRIORITY BOX to rank the top 4 funding priorities for your foundation.

- Arts/Drama
- Athletics
- Capital Improvements
- Classroom Supplies/Equipment
- Developing New/Innovative Programs
- English/Language Arts
- Field Trips
- Foreign Language
- Health
- Library Books
- Math
- Music
- Staff Professional Development
- Student Scholarships
- Science
- Social Sciences
- Teacher Recognition
- Technology
- Tutoring Programs
- Other (please specify) __________________

<table>
<thead>
<tr>
<th>Top Priority</th>
<th>Second Highest Priority</th>
<th>Third Highest Priority</th>
<th>Fourth Highest Priority</th>
</tr>
</thead>
</table>

20. Is any of your funding used to pay teacher/staff salaries?
___ Yes
___ No

21. Approximately what amount was allocated to teacher/staff salaries in 2011? (Please enter the amount to the nearest dollar. Example: $12,435) _____________

22. When considering your organization’s fund raising, please rate the extent to which you believe each is effective in helping your organization meet its mission (check all that apply).

<table>
<thead>
<tr>
<th></th>
<th>Not applicable</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Not at all effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees/Volunteers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Personnel</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Grant Writers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Groups/Individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Foundations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
23. Please briefly describe up the most important program that your foundation DIRECTLY provides to the students you serve: ____________________

24. Do you believe the foundation have met goals set in 2011?
   ___Yes
   ___No

25. What factors/feature(s) have positively influenced the foundation reaching its goals?

26. What factors/feature(s) have hindered reaching the foundation’s goals?

27. How does your foundation plan to increase your support of public schools in the future?

28. Please indicate if you are willing to participate in phase two of this study. Phase two includes an interview of the survey participant(s) by the researcher for the purpose of acquiring more in depth information regarding responses to this survey.
   ___YES: If selected, I am willing to participate in phase two of this study.
   ___NO: I do not wish to participate further in this study.

29. If selected YES, please provide your name and a contact information (email/phone) for setting up an interview: ____________________

30. Do you wish to receive a copy of this study?
   ___Yes
   ___No

31. If selected yes: Your email address is: ____________________
Appendix C

Phase One Introductory Letter

May 30, 2012

Dear Foundation Leader:

I am a graduate student at Ball State University working on my EdD. I am conducting research on nonprofit K-12 education foundations in the state of Indiana. This research is being conducted for the purpose of understanding the effectiveness of K-12 public education foundations in Indiana.

My interest in education foundations stems from my participation in a nonprofit organization that supports programs within my school. I have witnessed the importance of the foundation’s support and am interested in finding the impact foundations have and where they find success in supporting their public schools.

Phase one of the project involves participation in the project involves filling out a mailed survey that asks questions about your foundation. The survey will only take 20 minutes to complete at your convenience. Participation is entirely voluntary and you may refuse to answer any question and/or quit at any time. Phase two will involve a foundation executive officer or president supporting one rural, one suburban, and one urban corporation school district who volunteers for a more in-depth analysis of data provided in response to the survey questionnaires through on-site interviews.

Accompanying this email is a link the phase one of survey instrument. Please note: At the beginning of the survey you will be asked for your name and organizational contact information. This data will be kept confidential and your individual answers to questions on the survey will only be shared as aggregate (group) data from all respondents. The researcher may use your contact information to ask follow-up questions on a case by case basis, only if you give your permission.

The benefit to participating in this study will be in knowing that you have contributed important information to a study that is highly relevant to the mission and work of your organization. Your participation will assist researchers, practitioners, and policymakers to better understand the role and impact of Indiana's K-12 education foundations.

If you have any questions about this research please contact: Dr. Del Jarman, Assistant Professor, Department of Educational Leadership, Teachers College – 914, Ball State University, Muncie, Indiana 47306. (765) 285-8488. Email: dwjarman@bsu.edu. OR Alan
Cruser, 1668 West County Road 400 South, Greensburg, IN  47240. (812) 593-1302. Email: abcruser@ bsu.edu. For your rights as a research subject, please feel free to contact the Office of Research Integrity, Ball State University, Muncie, IN 47306, 765-285-5070, or email irb@bsu.edu

If you wish to obtain a copy of the results of this survey questionnaire, check the appropriate line and I will be happy to send you a copy of the study results.

I appreciate your time and assistance in completing the survey. Thank you.

Sincerely,

Alan B. Cruser
Ed.D Candidate
Ball State University
Appendix D

Interview Protocol for Public Education Foundation Representatives

Phone script for calling the foundation directors/foundation representatives:

“Hello, my name is Alan Cruser. You participated in a survey emailed you earlier about the research I am conducting regarding the effectiveness of public education foundations in Indiana. During the survey, you indicated you were willing to participate during phase 2 of the research. I am calling you today to ask if you would be willing to participate in my phone survey.”

“To be eligible to participate in the survey, you must be an official representative of an Indiana public education foundation, who is at least 18 years old. For this project, you will be asked a series of questions about your foundation and the beliefs you have towards its effectiveness in supporting your school district. It will take approximately 30 minutes to complete the interview. All information will be maintained as confidential and no identifying information, such as names, will appear in the publication or presentation of data. During the interview, you may choose not to answer any question that makes you feel uncomfortable and you may quit the study at any time.”

“Your participation in this study is completely voluntary and you are free to withdraw your permission at anytime for any reason without penalty or prejudice from the investigator. Please feel free to ask any questions of the investigator before consenting to continue with the interview questions. For questions about your rights as a research subject, please contact the Director, Office of Research Integrity, Ball State University, Muncie, IN 47306, (765) 285-5070 or at irb@bsu.edu.”

“If you are not interested that is totally fine, as this is voluntary. If today is not a good time to talk, perhaps we could find another time that is mutually agreeable to both of us. Are you willing to continue with the interview?”

If the director/foundation official does not agree: “Thank you so much for speaking with me today. I wish you well as you continue to do the work of your foundation.”

If the director/foundation official agrees: “Is it ok if I tape record our conversation so that I may refer back to the tape to make accurate notes for my research? I will not use any identifying information in my research and I will destroy the tape within two weeks.”

“During this interview, I am going to ask a series of questions regarding your foundation’s support of an Indiana public school district. I will be asking some questions that pertain to your personal opinions and attitudes as they pertain to the success of public education foundation’s supporting role in education.”
Guiding Questions for the interview:

1. What are the goals established by your public school foundation?
2. Who provides the most influence in setting these goals?
3. What are the sources of funds secured by public school foundations?
4. Do you consider these sources traditional for education foundations?
5. What steps do foundations need to take to increase support to school districts?
6. How are the public school foundation funds utilized by school districts?
7. How has the existence of your foundation affected the programs and services your district has been able to offer to its students and staff?
8. Do you believe your foundation has met its goals set for 2011?
9. What goal changes would you propose to improve the foundation’s support of your school district?
10. How does your public school foundation plan to increase its support of public schools in the future?
Appendix E

C:\Clients\Education studies\2012-2013\Alan B. Cruser\PEF.amw

Date: Monday, October 01, 2012    Time: 4:02:41 PM

Means

Report
Total Assets

<table>
<thead>
<tr>
<th>Type</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
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<tbody>
<tr>
<td>Urban</td>
<td>1039020.50</td>
<td>16</td>
<td>775916.175</td>
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<tr>
<td>Suburban</td>
<td>385494.75</td>
<td>12</td>
<td>240581.069</td>
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<tr>
<td>Rural</td>
<td>222508.25</td>
<td>8</td>
<td>231520.882</td>
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<tr>
<td>Total</td>
<td>639731.42</td>
<td>36</td>
<td>649433.136</td>
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</table>

ANOVA Table

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tbody>
<tr>
<td>Total Assets v. Type</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Between Groups (Combined)</td>
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<td>2</td>
<td>2359572555833.499</td>
<td>7.754</td>
<td>.002</td>
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<td>Within Groups</td>
<td>10042573841291.750</td>
<td>33</td>
<td>304320419433.083</td>
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<tr>
<td>Total</td>
<td>14761718952958.748</td>
<td>35</td>
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Correlations

<table>
<thead>
<tr>
<th>Number</th>
<th>Pearson Correlation</th>
<th>Total Revenue</th>
<th>Total Expenses</th>
<th>Funds to Schools</th>
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<tbody>
<tr>
<td>Board</td>
<td>Sig. (2-tailed)</td>
<td>.452*</td>
<td>.447*</td>
<td>.351*</td>
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<tr>
<td>Members</td>
<td>N</td>
<td>43</td>
<td>35</td>
<td>40</td>
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</table>

* Correlation is significant at the 0.05 level (2-tailed).