EDUCATION PROGRAM

A REVISED GRANT STRATEGY

The New York Community Trust
December 2009

INTRODUCTION

This presentation will review:

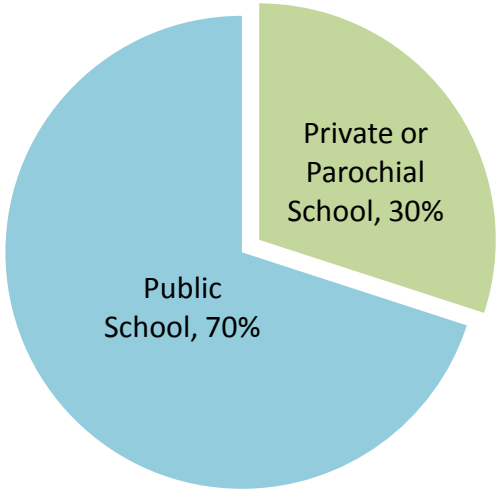
- Demographics of New York City's school-age children;
- The City's public school system;
- Trends and issues;
- Philanthropic activity;
- Our current guidelines and grantmaking accomplishments;
- And findings and conclusions.

We will then recommend a modestly revised grantmaking strategy for the Education Program.

DEMOGRAPHICS OF NEW YORK CITY'S SCHOOL-AGE CHILDREN

1.4 million children attend school in New York City. A majority are enrolled in public schools.

CHART 1: Number of New York City Children Enrolled in Public and Private or Parochial Schools

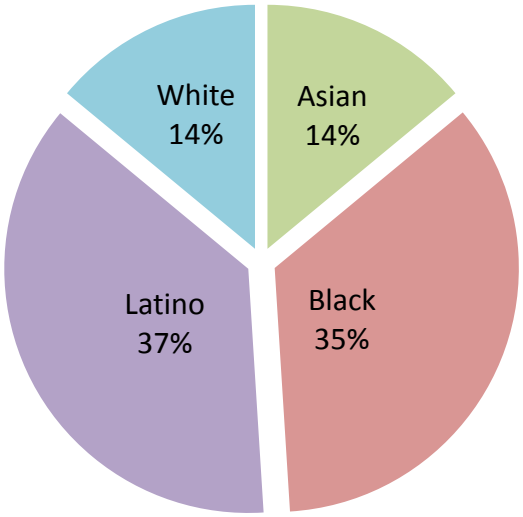


Source: U.S. Census, 2005-2007 Estimates, American Community Survey.

Most of the City's public school students are poor and from communities of color.

- 71 percent qualify for the federal government's free or reduced-price lunch program;
- 86 percent are Latino, black or Asian.

CHART 2: Race and Ethnicity in NYC Public Schools



Source: New York City Department of Education, 2007.

Nearly half come from immigrant families:

- 14 percent (140,000) are classified as English Language Learners (ELLs);
- Two-thirds of ELLs live in poverty.

Ten percent have disabilities that require special education services.

THE CITY'S PUBLIC SCHOOL SYSTEM

New York City is the largest school district in the country; there are more students in City public schools than people in eight U.S. states.

The New York City Public Schools – A Snapshot

- 1.1 million students
- 1,499 schools
- 335 new small schools and 67 new charter schools
- 80,000 teachers
- $21 billion budget

Source: New York City Department of Education.

GOVERNANCE

The school system was reorganized extensively during the last decade, beginning with legislation in 2002 that placed the City's schools under the Mayor's control.

- Chancellor Joel Klein, appointed by Mayor Bloomberg in 2002, has the longest tenure as chancellor in the City's recent history.
- Chancellor Klein's reforms have increased individual school's authority over curriculum, budget, and personnel decisions.

In the current structure, each school reports directly to the central Department of Education.

- Schools are evaluated primarily on the basis of improved student test scores and graduation rates.
- Schools receive training and technical assistance from " School Support Organizations" (SSOs), of which there are 11: 4 are run by the Department and 7 by well-known nonprofits.

A citywide Educational Policy Panel, appointed largely by the Mayor, reviews the Department's education policy and spending plans, but does not have real power.

There are several other influences on education decision-making:

- The State Board of Regents, appointed by the legislature, which oversees education standards, student performance on statewide tests, teacher and principal certification, school safety, and education spending;
- The teachers union— the United Federation of Teachers;
- The principals union— the Council of Supervisors and Administrators;
- A variety of nonprofit organizations, including:
  - Citywide advocacy organizations;
  - Service organizations that provide training and special programs to schools;
  - Research institutes and university think-tanks;
  - Teacher training institutions.

Parents and students are central stakeholders of the City's education system, but their authority and influence in schools is limited.

- Parent Associations, the main vehicle for parent involvement in schools, vary widely in effectiveness.
- School Leadership Teams and Community Education Councils, mandated by law to provide parents and students an advisory role in schools and communities, are infrequently consulted and some barely are functional.

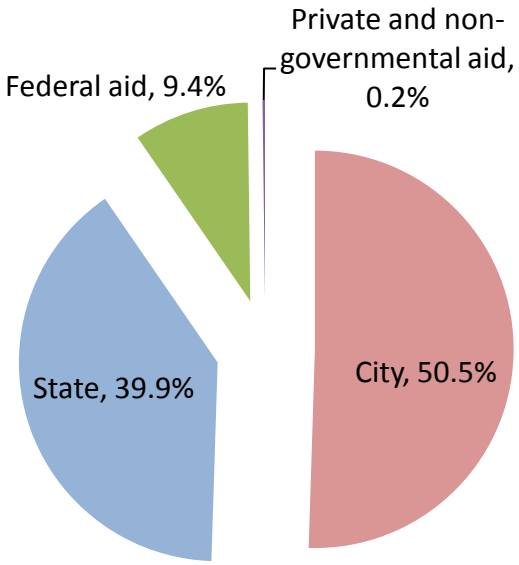
The law that was enacted to extend mayoral control this year:

- Authorizes the Independent Budget Office to review Department of Education spending and performance;
- Requires training for parents and students;
- Restores oversight of the schools in their districts to community school superintendents.

EDUCATION SPENDING

The school system has an annual budget of $21 billion, funded overwhelmingly from public sources.

CHART 3: Sources of Education Funding



Source: Independent Budget Office, 2008 Estimate.

90 percent of the school system's funding comes from the City and State.

- The Department has devolved budget authority to schools under a needs-based allocation formula.
- Education funds now are spent primarily at the school level; 6 percent is spent on "central office" operations.

Federal aid accounts for only 9 percent of total education funding, but these resources are increasingly influential.

- Since 1965, the federal government has provided extra funds for low-income students through the Elementary and Secondary Education Act; aid increased this year as part of the economic stimulus plan.
- New York State used federal stimulus funds to cover shortfalls in City and State education spending.
- New competitive grant opportunities in the coming year could potentially bring much-needed resources to the City.

Federal money is aimed at improving high school graduation rates and college admission through reforms that:

- Raise education standards and improve assessments;
- Strengthen district and statewide data systems;
- Increase teacher and principal effectiveness in low-performing schools;
- Reorganize or replace failing schools.

Federal education leaders also have called for more charter schools, using student test scores to evaluate teachers, and fixing high school "dropout factories." States that do not take these steps are not eligible for funding.

The City is already addressing some of the new federal priorities:

- 67 charter schools have opened since 2002, with plans for 100 more;
- Teacher-quality initiatives have begun, including bonus pay in schools with rising test scores and a pilot project using student test scores in teacher evaluations;
- The City's new Web-based data system gives principals, teachers, and parents access to student achievement data.

TRENDS AND ISSUES

City and State education funding doubled in the past decade, influenced by the 13-year Campaign for Fiscal Equity (CFE) lawsuit to rectify inequities in school funding across New York State.*

- Under the 2007 CFE settlement, the City is slated to receive $3.3 billion in additional State funds and must provide $2.2 billion in matching local aid.
- The Education and Budget Reform Act of 2007, which settled the CFE case, imposed a five-year period for phasing in additional funds, after which the new, high levels of spending must be maintained annually.

But the economic crisis endangers the school system's progress towards educational equity.

- Last spring, State leaders delayed the full phase-in of CFE funding to 2014 because of the recession.
- City school budgets were reduced by 5 percent in early 2009 and face steep cuts in the 2009-2010 school year.
- Reports indicate that the Department of Education allocated new State money to fill gaps in the City's share of education funding, in contravention of the 2007 budget reform law.

* Sixteen years of funding from The Trust played a critical role in the Campaign for Fiscal Equity's success.

Student test scores and graduation rates are rising:

- Elementary and middle school test scores improved steadily during the past decade; 82 percent of elementary and middle school students passed in math and 69 percent passed in English last year.
- The four-year high school graduation rate also improved, reaching 62 percent in 2007.

But black and Latino students, English Language Learners (ELL), and students with disabilities are performing poorly, and do worse as they move through the system:

- Reading and math scores of black and Latino students drop more than ten points between elementary and middle school;
- In one-third of schools serving middle-schoolers, a majority of eighth graders are reading below the standard, and these students are overwhelmingly black and Latino;
- Less than half of black and Latino students and a quarter of special education and ELL students graduate from high school in four years. The trend will get worse this year as higher standards go into effect.

Gains are controversial and are not mirrored by greater success in college:

- Experts attribute rising test scores to easier tests; as a result, State leaders have pledged to make tests harder;
- Schools are focusing on test preparation rather than important subjects, such as social studies, science, and the arts;
- Large numbers of students graduate from high school academically unprepared—three-fourths of graduates who enter the CUNY system fail the placement exams and require remediation in basic skills.

Middle schools are a key area for reform and the focus of a new $30 million effort to improve the lowest performing schools.

- The Department is providing grants of $250,000 to 70 low-performing middle schools through a combination of City funds and a five-year $17.9 million grant from the GE Foundation.
- It also revised middle school curricula, and opened a new school for 8th graders most at risk of dropping out because of their age and low academic achievement.

But high schools across the system are overcrowded and struggling with disciplinary problems and low student attendance.

- Small-high school reform, the Department's main high school improvement strategy for the past seven years, benefited better-prepared students at the expense of their less successful peers.
- ELLs, students with disabilities, and older students with weak academic skills were initially excluded from the new small schools and still are more likely to attend large schools.
- High schools opened this year with 5,300 classes over the seat limit mandated by State law, lack sufficient resources to address student needs, and rely on metal detectors and police officers to impose order and discipline.
- Attendance, a leading predictor of high school graduation, declined in more than half the City's 468 high schools; 33 percent of students missed 3 or more weeks of school in almost half of the high schools.

Many middle and high school leaders are new and lack support to implement the Department's reform initiatives:

- 60 percent of middle school leaders have been in their positions for less than three years;
- Nearly half the principals hired to open new high schools between 2002 and 2004 have already left (teacher turnover was higher in these schools than for the school system overall);
- More than a quarter of teachers stated on Department of Education surveys they do not trust their principals or consider them effective managers;
- Of teachers who left their jobs last year, one-third cited poor school leadership as a major reason.

But existing programs are not equipped to help principals once they are on the job:

- Principal leadership programs, the City's main vehicle for expanding its principal workforce, focus on important management skills; they do not offer ongoing help in curriculum design, teaching techniques, and how to motivate teachers, students and parents;
- The reorganization of the system reduced principal access to critical expertise in curriculum and instruction;
- And school support organizations and Department staff lack authority to intervene when principals are overwhelmed or ineffective.

PHILANTHROPIC ACTIVITY & PRIORITIES

In 2007, foundations and corporations spent more than $100 million in education-related grants and scholarships in New York City, with only $3 million spent on educational advocacy.

CHART 4: Top Five Foundations Awarding Grants
for Elementary/Secondary Education in New York City, 2007

Foundation	Amount	No. of Grants
Bill & Melinda Gates Foundation	$22,018,465	16
Walton Family Foundation	16,593,085	8
Carnegie Corporation of New York	14,168,700	10
The Michael and Susan Dell Foundation	10,553,798	12
The New York Community Trust	9,201,555	88

Source: Foundation Center.

Today, most major foundations are focused on teacher quality and charter schools. Private investments in these areas will grow to match new federal money provided through the upcoming reauthorization of the Elementary and Secondary Education Act.

THE TRUST'S EDUCATION GRANT PROGRAM

The current goals of the Education Program are to make the public schools effective for all students, and to build a broad constituency to support public education.

Discretionary funds make up 27 percent of our total education spending.

- Grants recommended by our donor-advisors are mainly alumni contributions to private schools and colleges.
- Our annual discretionary education budget is approximately $1.6 million; the Donors' Education Collaborative provides approximately $1 million annually in additional funds for systemic education reform.

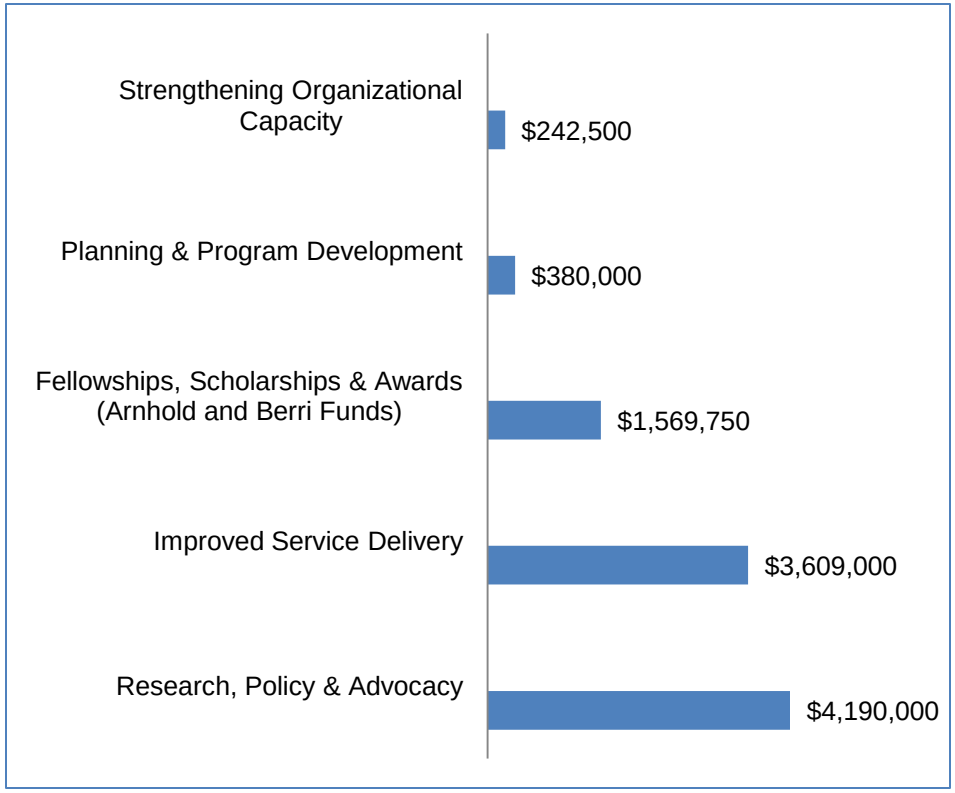
Between 1997 and 2007, we spent $10 million on projects that:

- Implement educational reforms on a sufficient scale to affect educational equity;
- Conduct action-oriented research, and advocate to improve the effectiveness, efficiency, and equity of public education;
- Strengthen the involvement of citizen groups, particularly parents, and build effective relationships among all public education stakeholders.

We have not supported:

- Individual public, charter, or private schools;
- Projects that involve limited numbers of students.

CHART 5: Discretionary Education Grants by Purpose, 1997 – 2007



Through our education work, we:

- Provided key long-term support for the Campaign for Fiscal Equity lawsuit, resulting in reform of the State's school financing formula and fairer funding for City schools;
- Led the Donors' Education Collaborative, which provided $12 million to initiate and support advocacy and constituency-building efforts to address systemic educational issues;
- Supported successful advocacy by citywide and grassroots immigrant groups to improve school services and programs to meet the needs of immigrant students and parents;
- Built a citywide coalition of parent and community groups that has led effective campaigns to prevent harmful budget cuts and focus attention and funding on improving middle schools;
- Helped to identify, train, and support talented aspiring principals to address the shortage of qualified school leaders;
- Funded litigation and advocacy to prevent dropouts and unlawful discharges from high school, protect the educational rights of court-involved students, and create programs for high-needs and over-age students;
- Supported effective partnerships between schools and nonprofit groups to address problems in low-achieving schools.

In addition, grants from several of our other program areas have:

- Protected the educational rights of children with disabilities;
- Supported health education and physical development activities in schools;
- Funded efforts to provide high-quality arts education in underserved schools;
- Expanded after-school and college preparation programs in the schools.

We have learned that:

- The focus on citywide advocacy and constituency-building is an effective and necessary strategy for public education reform;
- Grantees have been able to get new resources for high-needs schools, but have had less success identifying programs that can be implemented throughout the system;
- Education reform efforts must combine local and systemic tactics.

FINDINGS AND CONCLUSIONS

(1) **The CFE settlement is in jeopardy, as the City and State enter a prolonged period of financial hardship.** Cuts will be necessary but advocacy is needed to preserve the principles established in the CFE settlement and ensure that reductions are minimized and made equitably.

(2) **Black and Latino students, ELLs, and students with disabilities are performing poorly and are not prepared for success in college and the workforce, and to participate in a civil society.** Advocacy is needed to push schools to go beyond test preparation and provide students with high-quality curricula and teaching in the sciences, social studies, and the arts.

(3) **High schools and middle schools are struggling with unwelcoming school environments, low student attendance, and poor academic achievement.** Interventions are needed to bring students back to school, engage them in learning, and maximize classroom teaching time and effectiveness.

(4) **The school system is not providing adequate support for principals.** School-based training and supervision is necessary to help inexperienced principals develop the knowledge and skills to be strong instructional leaders.

(5) **Our advocacy grantees, while effective in securing resources, have not had the expertise necessary to define and promote sustainable models for improving the quality of schools.** Strategic grants to advocacy projects and research-based education programs can help bring promising models for addressing systemic needs to scale.

(6) **The preponderance of public and private funding is going to teacher training, and charter and elementary school projects.** Funding is needed to sustain and expand efforts to improve the City's middle and high schools.

RECOMMENDED ROLE FOR THE TRUST

We will continue our commitment to advocacy, systemic reform, and citizen participation. This work is vital to preserving recent gains in funding equity, while capitalizing on new opportunities for greater responsiveness and accountability of the school system to parents, students, and the public.

We propose to focus attention on improving the City's highest-needs middle and high schools so that all students have access to the resources, high-quality academic programs, and supports necessary to interest and educate them successfully. This focus responds to the needs of the school system and the federal priority on improving college readiness.

We will:

(1) Build organized constituencies of parents and students for middle and high school reform in the City by:

- Pursuing opportunities to help our advocacy grantees develop alliances with researchers and educators who can inform demands for change.
- Honing in on projects that link systemic advocacy with local efforts to implement and monitor improvement in schools.

(2) Foster positive environments that involve and support high-needs middle and high school students in learning by:

- Expanding successful models that help principals and teachers manage conflict, involve parents and students in developing school policies, and improve student access to counseling and college and career preparation.
- Prioritizing projects that include advocacy and constituency-building to reach scale and sustainability.

(3) Develop capacity for strong instructional leadership in middle and high schools by:

- Supporting on-site training and coaching programs that help principals improve curriculum and teaching, and work effectively with teachers, parents, and students to build a shared focus on achievement and college attainment.
- Focusing on projects that strengthen arts, sciences, and social studies instruction, and help schools meet the needs of all students, including English Language Learners and students with disabilities.

This modestly revised strategy gives priority to middle and high schools.

As before, we will not:

- Make grants to individual public, private, or charter schools;
- Fund projects that involve limited numbers of students.

SUMMARY OF PROPOSED GUIDELINES

The goal of The Trust's Education Program is to ensure New York City's public schools prepare students for success in college and the workforce, and for participating in public life as creative and responsible citizens.

The Trust will support projects that:

1) Build and mobilize public will for greater equity and quality in the school system through policy research, education advocacy, and grassroots organizing;
2) Increase accountability and transparency of schools and the school system to parents and students in low-income communities of color and immigrant communities;
3) Expand innovative strategies for improving middle and high schools in the areas of principal instructional leadership, positive school cultures, and student leadership and academic supports.

Because our focus is on systemwide improvement, The Trust will not fund individual public or private schools, charter schools, or programs that involve limited numbers of students.