Private Investment in Public Education: 
Supporting Change in NYC

The Fund for Public Schools 
Annual Report 2005
The Fund for Public Schools is the nonprofit organization affiliated with the New York City Department of Education (DOE).

The Fund plays a pivotal role in improving public education in New York City by strengthening the DOE’s relationship with the private sector and supporting system-wide reforms. Working with the DOE’s Office of Strategic Partnerships, the Fund secures critical funding for education reform initiatives; helps businesses create partnerships and programs to support city schools; and reaches out to the entire city to create awareness about the needs of the public schools.
“Every child deserves a high-quality education, and the future of our City rests on our ability to deliver it.

“Over the past few years, our private sector partners have helped us fund innovative new programs that are giving our children exciting new opportunities to explore their talents and fulfill their potential. Together, we are on our way to making our public schools the best in the nation.”

Michael R. Bloomberg
Mayor, City of New York

“The Department of Education is focused on transforming public education in New York City. We are working to ensure that all of our children receive the high-quality education they need and deserve.

“Private investment is critical to our efforts, and I am grateful to the philanthropic and business communities for their unprecedented commitment to New York City’s schoolchildren.”

Joel I. Klein
Chancellor, New York City Department of Education
New York City’s public schools have almost 1.1 million students in more than 1,400 schools.

Since 2002, under the leadership of Mayor Michael R. Bloomberg and Chancellor Joel I. Klein, the school system has begun the most important change in generations. Children First, the New York City Department of Education’s program of reforms, marks what may be the most comprehensive effort to reform a large urban school district in the nation’s history.

From the outset, the Mayor and the Chancellor envisioned a new scale of citizen involvement and private sector investment to help achieve reform.

New York City has the largest school system in the United States. These students come from homes where a total of more than 180 languages are spoken. Nearly three-quarters of them live in poverty. For decades, despite support from leading corporations, organizations, and citizens, efforts to improve the city’s schools foundered.
In 2003, Caroline Kennedy was appointed to lead this effort to raise awareness of the needs of the city’s public schools. Also in 2003, the Fund for Public Schools became the DOE’s vehicle for expanded private involvement and investment.

Nearly 3 out of 4 children in New York City’s public schools qualify for free lunch.

It has been critical to reconnect New Yorkers to the city’s schools as donors, volunteers, and, most important, as participants in the civic dialogue to improve public education. Enacting positive change in New York City’s public schools requires the participation of the entire city, including New Yorkers who may not themselves be public school parents or graduates.

Since 2003, the private sector has significantly increased its participation in myriad ways, including support for several key initiatives of the Children First reforms.

A foundation of reform is leadership, as no school can succeed without a strong principal empowered with an educational vision. The NYC Leadership Academy was created to recruit and develop the next generation of school leaders. Entirely supported by the private sector, the Leadership Academy has also benefited from the direct involvement of some of the city’s best-known corporate leaders.

Charter schools provide high-quality educational options for public school students in some of the city’s most challenging communities. The DOE has partnered with the philanthropic community to create the Center for Charter Excellence, whose mission is to stimulate and support charter schools. New York City is now home to 47 charter schools, many of which have attracted philanthropists who are interested in direct involvement in public education.

New York City has also embarked on the most ambitious program in the nation to create new small secondary schools, opening nearly 150 such schools between 2003 and the end of 2005. This program represents an unparalleled level of public-private partnership, with more than $100 million in private support, largely from the Bill & Melinda Gates Foundation. With this support, New Visions for Public Schools and other prominent educational nonprofits are working together with the DOE and community-based organizations to open high schools that offer greater personalization and academic rigor.

Since 2003, new private sector support for these reform initiatives and others has totaled more than $300 million, a level of investment without precedent in the history of New York City’s public schools.
There is not only a new level of investment but also a new vocabulary for public and private partnership in New York City.

Leadership, reform, and a commitment to accountability are inspiring a new level of involvement. The Fund for Public Schools plays a pivotal role in that change.

The Fund is the nonprofit organization affiliated with the Department of Education. Established in 1982 as an entity for accepting donations on behalf of New York City’s public schools, the Fund was little known prior to 2003. In 2003, the Chancellor recognized that greater leadership and accountability were needed in order to create meaningful partnerships with the private sector. The appointment of a chief executive officer and recruitment of a distinguished board of directors have reinvigorated the Fund.

The Fund secures private sector support for system-wide reforms, helps businesses create programs to support city schools, and helps create awareness of the needs of the public schools. The Chancellor serves as the Fund’s chairman, and Fund staff work closely with DOE staff on all private partnerships to serve public education. Since 2003, the Fund has received $124 million of the new private investment in the New York City public schools.

As of September 2005, 149 new secondary schools, 5 elementary schools, and 30 charter schools have opened as part of the New Schools Initiative.
The Fund for Public Schools Annual Report 2005 provides highlights of the Fund’s work and of the new language of public-private partnerships.

**Leadership**
The first critical word is *leadership*. With mayoral responsibility for the schools, the private sector has unprecedented confidence in the school system’s leadership. This confidence is reflected in a new level of private investment in school leadership.

**Reform**
Leadership is driving *reform*. The Mayor and the Chancellor are committed to profound, systemic reforms in public education. The private sector is now investing directly in the DOE’s reform initiatives to create long-term, system-wide change.

**Involvement**
Leadership and reform have created a new level of optimism and *involvement* in the city’s schools. More individuals, corporations, and organizations than ever before are involved in supporting public schools, with record levels of financial and personal commitment.

**Accountability**
Underlying all of this change is a critical fourth word, *accountability*. The school system is being held accountable for ensuring that children learn. The Fund for Public Schools is providing a new level of accountability for private donors who invest in the school system.

In partnership with the Department of Education and the private sector, the Fund is helping to improve public education in New York City.

**From 2003 through December 2005:**

More than **$300 million** in new private funds were invested in public education reforms in NYC.

More than **$124 million** of this new private investment was received by the Fund for Public Schools.

“…[M]uch of the private money for the schools has come from major foundations eager to support what is widely regarded as the most exciting urban school overhaul in the country…”

*The New York Times*, Friday, December 31, 2005
Leadership

Leadership is a critical factor in the success of any organization, whether it is a *Fortune* 500 company or a public school. A central tenet of the Children First reforms is that strong school leaders should be empowered to make instructional and managerial decisions and held accountable for student outcomes.

In 2003, New York City faced the prospect of hundreds of vacancies among its school principals, due to retirements and the opening of new schools. This challenge became an opportunity.

The Chancellor, placing a singular focus on strengthening school leadership, asked corporate and philanthropic leaders to support the NYC Leadership Academy as the centerpiece of the DOE’s transformational strategy.

The Leadership Academy was created to recruit, train, and support a new generation of outstanding school leaders. Principals trained in instructional leadership and management expertise are better equipped to sustain system-wide reform in their schools.
“Strong school leadership is critical to transforming New York City’s public schools. The Leadership Academy is in the vanguard of this effort by training principals to help inspire excellence and improve achievement among students.”

Dick Parsons, Chairman and CEO, Time Warner
Leadership Applications to the Leadership Academy have increased more than 200% since 2003.

“New York’s business leaders have great confidence in the progress of school reform in the city, and we are pleased with our investment in the Leadership Academy.”

Kathryn Wylde, President and CEO, Partnership for New York City

NYC Leadership Academy

The NYC Leadership Academy helps to transform failing schools and improve student achievement by offering leadership-development programs for aspiring and new principals. It is a central resource for preparing school leaders to address the environments where they are most needed, including schools with high poverty rates and the greatest academic challenges.

The city’s corporate community has demonstrated exceptional support for the Leadership Academy, providing not only financial support but also in-kind and direct personal involvement. Through the Partnership for New York City, such corporations as News Corporation, American Express, Morgan Stanley, and others have contributed a total of $30 million to the Leadership Academy. Distinguished business leaders, including Time Warner’s CEO Dick Parsons, News Corporation’s founder Rupert Murdoch, and former General Electric chairman Jack Welch, have participated in the Leadership Academy, meeting with the aspiring principals.
Leading foundations, including The Wallace Foundation, the Annenberg Foundation, The Broad Foundation, and The Carroll and Milton Petrie Foundation, have also funded the Leadership Academy. The Leadership Academy, which is entirely supported by the private sector, has received close to $70 million in the past three years.

Leadership Academy programs include the Aspiring Principals Program, the First Year Support Program, and the New Schools Intensive Program.

“...I learned to elicit the help of everyone in the school and hold each person responsible for his or her role in our school community.”

Daysi Garcia, Principal, The Little Red Schoolhouse, Brooklyn (NYC Leadership Academy graduate)

ASPIRING PRINCIPALS PROGRAM
The Aspiring Principals Program (APP) is now in its third year.

Admitted after a rigorous selection process, aspiring principals spend 14 months in training. The first six weeks are devoted to an intensive simulation of the principalship in a challenged school. Aspiring principals then serve in year-long residencies in city schools where they are apprentices to outstanding school leaders. This experience enables them to learn effective instructional practices and deepen their leadership skills.

In 2005, APP graduates filled more than 25% of available school leadership positions.

The following summer, as they graduate from the Leadership Academy, aspiring principals begin to plan for September, when they take on the leadership of their own schools. The Leadership Academy provides principals with ongoing support, including an experienced coach and leadership-development sessions, during their first year as school leaders.
Nearly 150 graduates of the Leadership Academy’s first two classes are currently serving in leadership positions in the school system, and another 75 candidates are currently in the third cohort of the APP program. The principal placement rates of APP graduates was 79 percent in 2005, which is substantially higher than the placement rates of comparable principal training programs across the country.

More than 75% of APP graduates who are currently principals lead schools serving high poverty communities.

In 2005, 1,434 applicants competed for 94 openings in the APP.

**FIRST YEAR SUPPORT PROGRAM**

The First Year Support Program provides customized support, including one-on-one coaching and leadership-development workshops, for all first-year principals. By the end of the 2005-2006 school year, the Leadership Academy will have provided at least one full year of leadership development to 818 principals.
NEW SCHOOLS INTENSIVE PROGRAM
For new principals, starting a new small high school presents different leadership challenges than taking responsibility for an existing school. Not only must the leader build the vision for the school, but she must recruit the teaching staff and students, and create a new culture of learning.

To prepare the next generation of principals to lead the DOE’s 150 new small secondary schools, the Leadership Academy developed the New Schools Intensive Program. Funded with a grant from The Broad Foundation, this program helps principals develop their capacity for leadership and address the specialized needs of building a new school community and the necessary infrastructure. Principals trained in the New Schools Intensive Program lead 56 out of the 58 new small schools opened in September 2005.
Reform

New York City’s public schools are experiencing perhaps the most far-reaching reform in history. The private sector is supporting this reform in critical new ways, helping to develop, sustain, and maximize system-wide change.

Reform is not an entirely new word in the history of philanthropic support for the city’s public schools. Previously, however, privately funded reforms were often limited in scale and impact. Today, the DOE’s leadership is driving the citywide rollout of reforms.

Traditionally, it has been difficult to earmark public funds for the research and development that makes successful, lasting reform. As public dollars are directed to the classroom, private funding can support innovation to help drive system-wide change.

This report highlights several key initiatives supported by grants to the Fund for Public Schools. The transformation of human resources, the launch of a new model of school management, and the development of new secondary school options have all been advanced by private investment in reform.
“New York City’s intense focus on leadership and accountability has begun to transform the city’s public schools. Clearly, the Chancellor and his team are providing strong school reform models for other urban school districts throughout the nation.”

Eli Broad,
Founder, The Broad Foundation
Human Resources Transformation
The DOE is New York City’s largest employer. Roughly 90 percent of the organization’s total budget of $15 billion is devoted to human capital, including salaries, benefits, professional development, and training. The DOE’s employees are the key facilitators of gains in student achievement, the ultimate indicator of success. As part of Children First, the department’s Division of Human Resources (HR) is home to one of the most far-reaching system-wide reforms; HR is reinventing human capital management at the DOE.

77,000 teachers work in New York City public schools—more teachers than the school districts of Chicago, Houston, Boston, and San Francisco combined.

“The New York City Department of Education’s greatest resource is its employees. We would not have been able to undertake such monumental changes without the private sector’s support.

“By focusing on our people, we are sure to impact student achievement in our classrooms.”

Elizabeth Arons,
CEO, DOE Division of Human Resources

HR is a key facilitator of all other Children First reforms: to succeed, every DOE reform effort requires well-qualified people. Through Project Home Run—HR’s human capital transformation initiative—HR will partner with principals and provide the management tools, data, and support they need to effectively manage their teachers and staff in support of student achievement.
The DOE launched Phase I of Project Home Run in 2004 with lead support from The Broad Foundation. Drawing upon top experts in the field, Phase I laid the groundwork for a multifaceted approach to implementing a newly-designed HR model. The Michael and Susan Dell Foundation, along with the Gates Foundation and the Robertson Foundation, joined The Broad Foundation in providing $5.5 million to support implementation.

More than 7,000 new teachers are hired by the DOE every year.

Autonomy Zone
From the outset, the goal of the Children First reforms has been to create effective schools. The Autonomy Zone is a new model of school management and leadership that can help New York City achieve that goal.

The Autonomy Zone is designed to give principals a greater degree of autonomy and flexibility in decision-making in exchange for greater accountability regarding student achievement. It began as a pilot project during the 2004 school year, with more than $1.3 million in grants to the Fund from the Gates, Broad, and Robertson Foundations.

“At an Autonomy Zone school, it’s not only expected that the school leadership team has a strong and far-reaching vision; it’s required.”

Marc Sternberg, Principal, Bronx Lab School
School leaders in the Autonomy Zone are exempt from a number of standard DOE management and instructional requirements and have more flexibility to devise programs tailored to their school populations. In return, the schools must meet key benchmarks over a period of years to ensure that students fulfill the necessary achievement standards.

The Autonomy Zone pilot began with 29 schools, enabling the schools and the DOE to gain practical experience in school-based decision-making and use of resources. During the 2005-2006 school year, the DOE has expanded the Autonomy Zone to 58 schools, including six charter schools. Recently, plans were announced for significant future expansion.

Multiple Pathways to Graduation

The DOE is committed to developing multiple pathways to graduation, work, and post-secondary school employment for all high school students, with a particular focus on struggling students. Many of these students begin high school facing considerable challenges and are at high risk of dropping out.

More than $8.4 million in funding from the Gates Foundation will support the Department of Education’s efforts to re-engage high school students who are overage for their grade and lag behind in accumulating the credits needed for graduation.

“The Gates Foundation supports the Department of Education’s broad reform strategy.

“Our grants to New York City are helping to achieve our shared goal of ensuring that more students graduate from high school prepared for college, work, and citizenship.”

Tom Vander Ark, Executive Director for Education, Bill & Melinda Gates Foundation
With this funding, announced in November 2005, the DOE is building a strategy and an infrastructure to support programs that serve students who are most at risk of dropping out of high school. The Gates Foundation’s grant to the Fund will also help build capacity in community-based organizations and schools to better serve these students’ instructional and developmental needs.

Over the next four years, through public-private partnerships, the DOE will create new multiple pathways programs. These programs will include “transfer” schools, small, academically rigorous high schools for students who were not succeeding in their original high schools; evening programs for overage students who have adult responsibilities or life problems that make attending traditional high school difficult; and new General Education Development (GED) models that directly link GED preparation to vocational preparation, community college, and career and technical programs.

Selective Schools

New York City is home to several of the most celebrated public schools in the nation, including the Bronx High School of Science, Brooklyn Technical High School, and Stuyvesant High School. These schools have provided extraordinary opportunities for generations of New Yorkers who have gone on to distinguished careers in every sector.

The DOE is building on this tradition by opening seven new academically selective secondary schools throughout the city by 2009. These new schools will expand the options for academically-gifted students and provide greater access to students in communities that have traditionally been under-represented in selective schools. The DOE will also expand outreach and enrichment programs to prepare elementary and middle school students in these communities for admission to all selective schools.

Private support for this initiative totaled $5.5 million through December 2005 and will support planning for these schools, as well as some enhanced programs, facilities, and outreach. The Carson Family Charitable Trust, Mortimer B. Zuckerman, and the Judy and Michael Steinhardt Foundation are the lead donors.
Involvement

The Fund for Public Schools encourages New Yorkers to get personally involved in the city’s public schools.

Involvement can take many forms, whether it is an alumna supporting current students at her high school or a business partnering with a school. Many nonprofits offer meaningful volunteer and partnership opportunities.

Corporate involvement can also now mean more than solely making a grant or working with an individual school. The Fund partners with corporations to develop creative approaches that heighten awareness and provide opportunities for involvement.

Corporate partners have sponsored citywide events as well as ongoing promotions. These partnerships have generated wide media exposure and elevated awareness, and have also resulted in significant financial support for school libraries, arts education, and the needs of individual schools. Following are highlights of some Fund partnerships that encourage involvement.
“We are proud to join the Fund’s efforts to raise awareness of the public schools and help get New Yorkers and the city’s business community involved.”

Joel Hollander, Chairman and CEO, CBS Radio
Involvement

More than 30,000 students benefit from enhanced performance spaces that were created with funds raised by the AOL Concert for the Schools.

AOL Concert for the Schools

The potential of bringing New Yorkers together to support public education was first realized in September 2003 with AOL’s Concert for the Schools, the Dave Matthews Band concert in Central Park. The event brought 90,000 New Yorkers to the Park and re-launched the Fund for Public Schools.

Broadcast media coverage of the concert reached more than 120 million viewers around the world.

The concert raised $1 million to support music education and improve performance facilities in the public schools. More than 30 schools located throughout the five boroughs received grants to upgrade their auditoriums and theaters, enabling them to put on better concerts and performances of their own.

Following the concert, donations to the Fund ranged from $5 to $1 million.
Get Organized New York
The Fund seeks innovative partnerships to bring New Yorkers together and raise the profile of the public schools. In October 2004, Real Simple magazine partnered with the Fund to sponsor New York City’s first-ever citywide tag sale, Get Organized New York, held in a massive tent in Central Park.

With thousands of items donated from individuals and businesses in all five boroughs of New York City, the tag sale attracted tens of thousands of people who donated, volunteered, or shopped. The sale generated thousands of news stories from New Hampshire to New Zealand, from NBC’s “Today Show” and “Access Hollywood,” to BBC Radio and Univision.

New Yorkers from all five boroughs donated more than 300,000 items to Get Organized New York.

The tag sale raised $500,000 for school libraries and after-school sports programs. More than 40 schools received grants through the Fund’s Library REACH program to support books, technology, and other improvements to school libraries.

More than $100,000 worth of new toys was donated to the tag sale.

More than 25,000 people shopped at Get Organized New York.

More than 2,000 people volunteered at the event.

“I believe that creative ideas help solve problems. Real Simple magazine’s Get Organized New York raised a good deal of money and awareness for the Fund because it gave New Yorkers a fun, unique, and easy way to support our city’s public schools.”

Ann Moore, CEO, Time Inc.
More than 750,000 New Yorkers shopped at participating retailers during Shop 4 Class week in 2005.

Companies Step Up

SHOP 4 CLASS
Following the Concert for the Schools, Julie Gaines, the founder of Fishs Eddy, a popular local retailer, was inspired to find a way in which area companies could contribute to the city’s public schools. Her initial concept grew into Shop 4 Class, an annual retail promotion co-produced by the Fund for Public Schools and NYC & Company, and sponsored by American Express. Participating retailers pledge a portion of their sales to the Fund for Public Schools.

“Shop 4 Class is an extraordinary event that brings together the retail community and New Yorkers to provide thousands of children with books and inspire a love of reading that will, hopefully, last a lifetime.”

*Julie Gaines, Founder, Fishs Eddy*

More than 300,000 books for public school libraries were purchased with Shop 4 Class proceeds.
More than 50 retailers in 75 locations participated in the first annual Shop 4 Class in 2004. In 2005, the Fund expanded the promotion beyond Manhattan to Brooklyn and Queens. The Fund also created partnerships with New York Magazine, Scholastic, Inc., and New York’s NBC 4 to provide advertising, in-kind donations, and public-service announcements that reached millions of New Yorkers.

Shop 4 Class benefits school libraries and helps purchase books for public school students.

WHITE ROSE
White Rose, a food wholesaler that distributes groceries to more than 140 supermarkets in the five boroughs, is an example of a corporate partner that wanted to do more than make a donation.

The Fund partnered with White Rose’s “Good Neighbor” program to encourage parents to get involved in their children’s education. White Rose provides information for parents in thousands of weekly supermarket circulars and dozens of print and radio advertisements.

ADOPT A SCHOOL: KIDS ARE EVERYBODY’S BUSINESS
Businesses in New York City have a long history of working directly with schools to provide resources to students and principals. PENCIL (Public Education Needs Civic Involvement in Learning) pioneered Principal for a Day, which brings business leaders into schools to create school-based partnerships.

In January 2004, the Fund partnered with PENCIL and CBS Radio to launch the Adopt a School campaign and invite even more New York City-based companies to partner directly with individual public schools.

CBS Radio’s New York-area stations broadcast thousands of public-service announcements, encouraging support for New York City’s public schools. These announcements, with the tagline “Adopt a School: Kids Are Everybody’s Business,” reach millions of listeners.
Letter from the Vice Chair

I joined the Department of Education in the fall of 2002. Like many New Yorkers in the aftermath of 9/11, I felt a renewed commitment to our city and a stronger sense of community than ever before. When I thought about how I could help, I realized that in a community, there is nothing more important than how we raise and educate our children.

Education takes place in the classroom, but successful schools require the support and participation of an entire city—not just students and teachers, but also parents, families, businesses, volunteers, and alumni.

To succeed, our public schools need everyone to care—to volunteer, mentor, contribute expertise and resources, and become a part of the effort to ensure that our city’s children get the education they deserve.

I have met dynamic young school principals who graduated from the Leadership Academy who are inspiring their school communities, talked to students in new schools in the Bronx who are optimistic about their future, and visited school libraries with newly-stocked books provided by New Yorkers who care.

I have spoken to thousands of New Yorkers who volunteer to read with children every week, and heard students from Queens sing the national anthem before a crowd of 90,000 gathered for a concert to support our schools.

I am proud that the revitalized Fund for Public Schools has been a leading vehicle for this expanded private sector investment and involvement. America’s schools have always worked to generate community support, and we have been doing that on a New York scale.

For those of you who have joined the effort to support New York City schools, I thank you. For those who would like to get involved, I assure you, nothing you do will be more rewarding.

Caroline Kennedy,
Vice-Chair, Fund for Public Schools
Accountability

Accountability is a core value of the Children First reforms. With mayoral control ushering in a new era of accountability, the DOE is being held to a higher standard for improving education. As the nonprofit organization affiliated with the DOE, the Fund for Public Schools shares that accountability.

The Fund is equally accountable to the individuals, corporations, and foundations supporting education.

The Fund has developed new reporting systems to fulfill its fiduciary responsibility to donors and also ensures that private dollars are treated as investments, with the maximum return of educational outcomes and system-wide change.

The Fund for Public Schools’ arts education and school library grants programs exemplify this new approach. Privately-funded arts education initiatives are fully integrated with the DOE’s system-wide reforms. Schools receive funds for performance facilities and libraries through competitive programs that take into account school leadership and educational outcomes, not just need.
“The Fund for Public Schools takes accountability to our donors very seriously. We work to ensure not only that private funds are spent responsibly, but also that they are deployed for programs where private investment will have maximum impact.”

*Leslie G. Koch,*  
*CEO, Fund for Public Schools*
Since June 2004, more than **2,500** teachers have attended training to implement the Blueprint for the Arts in their classrooms.

**Arts Education**
While some public school students have always had access to a varied arts program and to the city’s unique cultural resources, others have received little education in the arts.

Since 2003, the DOE has moved toward a baseline level of funding for arts education across all schools, and toward providing a standards-based, rigorous approach to teaching the arts. The new Blueprint for Teaching and Learning in the Arts provides a sequential curriculum in the visual arts, music, dance, and theater. Created in collaboration with the cultural community, the Blueprint represents the first time that arts education has been based on common citywide standards. It is already being recognized as a national model.

“Bank of America’s investment in a comprehensive, standardized arts curriculum has brought the excitement and enrichment of arts education to many more public school students across New York City.”

*Allan Rappaport,*
*New York Market President, Bank of America*
The Fund for Public Schools has identified key areas where private sector funding can be integrated seamlessly with implementation of the Blueprint. For the first time, private funders, including Bank of America and others, are partnering directly with the DOE to help restore and raise standards in arts education.

The Blueprint provides the foundation for professional development for all teachers of the arts. Grants from The Wachovia Foundation, The Shubert Foundation and other donors have supported additional resources that enable teachers to apply lessons learned from this program directly to their classrooms.

In 2005, 43 schools received Arts SPACE grants to improve their performing arts spaces.

One challenge that schools face is the problem of outdated performance facilities. More than 130 schools have now applied for Arts SPACE (Supporting Performing Arts and Creative Education) grants. Established with donations from the AOL Concert for the Schools and support from corporate partners, Arts SPACE is a competitive program initiated and managed by the Fund for Public Schools. Schools that demonstrate a commitment to arts education have the opportunity to apply for grants of up to $20,000, with requests ranging from new stage curtains to lighting equipment and choir risers for auditoriums.

In November 2005, The Wallace Foundation awarded a $1 million planning grant to enable the DOE, in conjunction with the Department of Cultural Affairs and the Center for Arts Education, to analyze arts education citywide and propose mechanisms to ensure that children’s experience of the arts is enhanced.

“The Blueprint...armed us with a stated curriculum, but its clearly defined benchmarks have also proven to the students, their parents, administrators, and those in other disciplines that art is important in life and that a great deal of learning and problem-solving takes place in the art room.”

Elma Reingold,
Art Teacher, Grace Dodge High School, The Bronx
School Libraries

Many schools do not have enough money in their budgets to buy library books or computers, hire librarians, or even install bookshelves. School libraries are too often inadequate, unwelcoming, and under-utilized.

Not surprisingly, visitors to schools, as well as school principals themselves, often put a library at the top of their list for private sector support. Responding to donors’ strong interest in school libraries, the Fund for Public Schools commissioned a system-wide assessment of school libraries in the 2004-2005 school year.

In 2005, more than 175 schools applied for Library REACH.

In 2005, Library REACH improved libraries serving more than 70,000 students.
With funding from the Hillandale Group of the Sulzberger Foundation, the Fund and the DOE learned more about the challenges and opportunities for school libraries. The assessment identified key areas where private sector support could make a real difference in a school library. It provided the foundation for the Library REACH (Revitalizing Education for Adolescents and Children) grant process, which enables public schools to apply for up to $10,000 to improve their libraries.

“With the grant award, our teachers and students now use an improved library that offers new and relevant books and technology. Students can bring these books home and share reading experiences. It has had a tremendous impact.”

Esther McRae,
Librarian, Paul Robeson High School for Business and Technology, Brooklyn

Library REACH is based on the idea that a small amount of money—when strategically placed in the hands of an enthusiastic librarian and a principal with a vision—can transform a public school library into a center of literacy and learning for the entire school community.

Library REACH, like the Arts SPACE grant program, is also based on the Fund’s approach to accountability. Even small, school-based grants are more likely to have a positive impact on learning when leaders are held accountable for their success and schools are required to demonstrate not only need but how funds will be used.

Through 2005, more than 70 grants have been awarded with funds raised from Get Organized New York and several corporate and private donors. Private support has also funded more substantial renovations of 14 school libraries throughout the city.
Following September 11th, as indicated in the graph, the Fund received a significant increase in contributions from World Trade Center relief organizations and concerned donors. These funds were designated for public school students affected by the tragedy. The Fund for Public Schools served as the administrator for the almost $17 million in donations received with this designation. As of July 2005, the Fund had disbursed all donated funds designated for World Trade Center relief.

Since 2003, the Fund has played an active role in soliciting donations on behalf of system-wide reforms and key education priorities. This role is reflected in the significant increase in funds pledged and received from foundations, corporations, and individuals. From fiscal year 2003 through December 2005, the Fund has received more than $124 million in pledges and contributions. Slightly more than half of the funds raised during this period were in support of the NYC Leadership Academy.*

History and Role
The Fund for Public Schools was established in 1982 to accept donations in support of public education and public schools in New York City. The Fund acts as a fiscal agent for the DOE, receiving gifts for specific system-wide initiatives, programs, and individual schools.

Donations to the Fund for Public Schools are tax-deductible and may be designated for specific system-wide initiatives, programs, or individual schools. The Fund receives both restricted and unrestricted gifts and also provides financial and program reporting services required by donors. All designated funds are utilized for the purpose intended. The administrative expenses of the Fund are paid for by private sector donations.

Recent Growth
Prior to 2003, the Fund received donations on behalf of specific schools and programs and did not actively solicit funds for citywide programs. Total donations averaged $2 million per year through 2001.
Fiscal Year July 1 to June 30, 2005

In fiscal year 2005, the net assets of the Fund for Public Schools increased by $5.20 million. The total net assets of the Fund at the end of fiscal year 2005 were $13.31 million.

In fiscal year 2005, the Fund experienced its highest level of support ever, as foundations, corporations, and individual donors provided more than $14.05 million in pledges and contributions. This total is up from $10.75 million in fiscal year 2004. This significant increase reflects the support of major donors who provided multi-year grants for system-wide reforms.

Spending for program services was approximately $8.25 million in fiscal year 2005. This amount was down from the previous fiscal year, reflecting the lower spending on the World Trade Center program, as that effort drew to a close.

Statement of Income and Expense for Fiscal Years 2005 and 2004:

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<td>Fee Income</td>
<td>649,464</td>
<td>195,874</td>
</tr>
<tr>
<td>Donated Services</td>
<td>475,095</td>
<td>482,924</td>
</tr>
<tr>
<td><strong>Realized &amp; Unrealized</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on Investments</td>
<td>33,943</td>
<td>50,563</td>
</tr>
<tr>
<td>Interest Income</td>
<td>159,083</td>
<td>74,781</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 15,368,674</td>
<td>$ 11,562,978</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to DOE</td>
<td>$ 8,257,977</td>
<td>$ 9,892,724</td>
</tr>
<tr>
<td>Grants WTC</td>
<td>715,277</td>
<td>2,604,808</td>
</tr>
<tr>
<td></td>
<td>8,973,254</td>
<td>12,497,532</td>
</tr>
<tr>
<td>Supporting Expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;G</td>
<td>703,869</td>
<td>482,681</td>
</tr>
<tr>
<td>Fundraising</td>
<td>490,118</td>
<td>302,814</td>
</tr>
<tr>
<td></td>
<td>1,193,987</td>
<td>785,495</td>
</tr>
<tr>
<td><strong>Total Spending</strong></td>
<td>$ 10,167,241</td>
<td>$ 13,283,027</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$ 5,201,433</td>
<td>$ (1,720,049)</td>
</tr>
</tbody>
</table>

* The Fund also seeks and accepts contributions on behalf of the NYC Leadership Academy, a separate nonprofit entity. These contributions are received by the Fund and transferred to the Leadership Academy. In keeping with generally accepted accounting principles, the contributions received for the Leadership Academy are not included in the financial statements of the Fund.

Copies of the complete audited financial statements from which this information has been excerpted are available upon request.
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Dinosaur Hill
Fetch
Fishs Eddy
Flight 001
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Jack of Diamonds
  Jewelers International
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Kleinfeld Bridal
Macy’s Herald Square
Manhattan Dollhouse
Our Name is Mud
Pearl River Mart
Plain Jane
Portico
Posman Books at Grand Central
Queens Place Mall
Shoofly
Space Kiddets
Starbright Floral Design
Super Runners Shop
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Wall Couture
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