



# PUBLIC SCHOOLS, PRIVATE DOLLARS: AN EDUCATION ARMS RACE

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*About a year ago, the United States Commission on Civil Rights, an independent, bipartisan agency created in 1957 to investigate civil rights complaints, released a comprehensive report titled, “Public Education Funding Inequity in an Era of Increasing Concentration of Poverty and Resegregation.” The report included details of a lawsuit in Mississippi where the Southern Poverty Law Center filed on behalf of four black mothers who testified that their children’s public schools lacked textbooks and basic supplies such as toilet paper.<sup>1</sup>*

The school districts implicated serve primarily low-income, black youth and have been labeled as “failing schools” for decades under federal guidelines. Just a few miles away from these districts, white children attend highly ranked public schools where students and teachers have the supplies and resources they need. The report also notes inequities in the quality of school facilities based on race and class. Dilapidated, neglected school buildings are generally found in low-income communities with the highest percentages of youth of color. The highest-poverty districts receive an average of \$1,200 less per pupil than the lowest-poverty districts, and districts serving the largest numbers of students of color receive about \$2,000 less per pupil than districts who serve the fewest students of color.<sup>2</sup> Educational inequity and school segregation persists across the United States. This limits opportunity particularly for poor youth of color who attend the nation’s least resourced and most segregated public schools. This federal report makes it quite clear.<sup>3</sup>

While the report provides policymakers and practitioners with a detailed historical overview and the contemporary consequences of the

struggle for racial and funding equity since *Brown v. Board of Education*, it failed to consider the ways in which private funding — from foundations, families, and other parties — compound the public funding inequities. While it is not widely recognized as a major revenue source, many public schools also rely on philanthropy to subsidize inadequate public aid. In New York City, public schools use private money to fund resources and staff that they could not afford on public dollars alone. For example, the parents’ association of Beacon High School, one of the thirteen elite public high schools in New York City, has a website where parents can donate to fund fifty-plus clubs and activities and “curriculum enhancements our valued teachers need to do the amazing work they do.” The funds also support modest \$150 stipends for every classroom teacher and dedicated college guidance counselors for the student body. These are resources that many high schools in New York City and other urban school districts do not have because their families cannot afford to donate money to their children’s public schools on the same scale.<sup>4</sup>

School leaders and elected officials have established nonprofit organizations to funnel private aid to augment

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public support. In 1983, New York City founded the Fund for Public Schools to facilitate partnerships between the philanthropic community and the New York City Department of Education. According to its website, the fund nurtures seed projects to “pilot innovative projects; accelerate promising, outcome-driven initiatives; and respond quickly and strategically to emerging needs across the NYC public school system.”<sup>5</sup> The fund has raised more than \$440 million for 1.1 million students who attend 1,800 public schools in the district.<sup>6</sup>

These mechanisms are not limited to fiscally strapped urban school districts like New York City. Suburban school districts also have used philanthropic efforts to bolster their revenues and keep tax contributions low. In 2012, private contributions to the Hillsborough, California, public school foundation amounted to \$3.45 million, or \$2,300 per pupil.<sup>7</sup> At the beginning of the 2013-2014 school year, the district asked parents to match that amount and donate \$2,300 per child to the foundation. In one of the best school districts in the state and one of the wealthiest communities in the San Francisco Bay area, with a median income of about \$250,000 at the time, parents did so, supplementing the already high \$13,500-per-pupil expenditure. These donations financed smaller class sizes, librarians, art and music teachers, and technology in every classroom. Other wealthy school districts in Wayland, Massachusetts; Palo Alto, California; and Menlo Park, California, also have these private foundations that funnel millions of dollars of charitable funding into the public schools annually.<sup>8</sup>

This reliance on philanthropy has several advantages. Philanthropy offers a critical revenue stream for programs — including extracurricular programs that public schools, such as New York City’s Beacon High School, offer. School leaders and administrators can, as the Fund for Public Schools suggests, use private money immediately on the resources and needs that are most pressing in their schools. If a principal needs more textbooks, she can use private money. If another principal needs microscopes, he can use private money immediately. Perhaps later in the year, the principal wants to fund an arts program, and she can use private money to do that. In other words, unlike public funding provided by the government, private money is rarely, if ever, earmarked for specific programs or tied up in school district bureaucracies. Public school families donate because they want to support their public schools. Many of these families donate because they are saving hundreds of thousands of dollars by sending their daughters and sons to public rather than private schools. They also donate because these are tax-deductible charitable gifts.

Despite these obvious benefits to the schools that receive private money, as economist Rob Reich points out, unlike charitable giving to social welfare organizations, “private giving to public schools widens the gap between rich and poor. It exacerbates inequalities in financing. It is philanthropy in the service of conferring advantage on the already well-off.”<sup>9</sup> The schools that are most likely to receive private funding are also the schools that are most likely to serve white and upper- or middle-class children. For example, Beacon High School’s student body



is 53 percent white, 14 percent black, 22 percent Hispanic, and 8 percent Asian. Less than 20 percent of the school qualifies for free lunch.<sup>10</sup> In 2017-2018, New York City public schools were 15 percent white, 26 percent black, 40.5 percent Hispanic, and 16.1 percent Asian. More than 70 percent of the district qualified for free or reduced-price lunch.<sup>11</sup> While Beacon High School is a more diverse student body than many of the exam-based elite high schools in the city, it enrolls a much higher percentage of white students than the average school in New York City. In other words, Beacon High School does not reflect the school district's racial or socioeconomic demographics.

Beacon, and thousands of other schools like it, benefits from the influx of private money because many of the families at this high school have incomes that allow them to donate generously. Low-income families do not always have this luxury. The schools where they send their children rely on public dollars alone, and, thus, they are less likely to have many resources such as robust extracurricular programs, innovative class offerings, and attractive building amenities that schools like Beacon have. For example, Pelham Gardens Middle School in the Bronx, which lies in the shadows of the Co-Op city housing development and enrolls mostly low-income students of color, does not have access to the same level of private funding that Beacon, only a few miles away, has at its disposal. As a result, the funding and resources at these two public schools

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differ widely. One school receives hundreds of thousands of dollars in private funding annually; the other school has to rely solely on inadequate government aid.<sup>12</sup>

The influx of private funding to public schools exacerbates inequality based on race and space often within a single school district. In other words, we do not need to look at the urban-suburban divide to find egregious school funding differentials; in the case of New York City, we can examine two schools — one on Midtown's westside and the other in Pelham Gardens in the Bronx — to find school funding inequities. These funding inequities stem from the ability of the families who send their children to these schools to give private money to offset inadequate school budgets.

The reliance on private funding for public schools has long privileged the communities and schools that need the least support — educational institutions that serve white upper- and middle-class Americans.<sup>13</sup>

Moreover, it challenges the widely held ideal that public schools are democratic institutions that are the great equalizers of society. Many parents enroll their children in schools like Beacon to give their

children an edge. Giving children an advantage conflicts with the ideal of public education as a public good; thus, donating private money to a public school so that children at one school have an advantage over children at another school challenges the idea of public education as a public good in a democracy.<sup>14</sup> The United States Commission on Civil Rights report demonstrates the dire effects that funding inequities and school segregation have on academic outcomes and social mobility in this country. However, for far too long, when we discuss the funding differences and student outcomes between under-resourced and well-resourced public schools, we often fail to recognize how the influx of private money to finance public institutions contributes to inequality by creating significant funding differentials not only between school districts but also within them.

*For works cited: go to [www.phikappaphi.org/forum/spring2019](http://www.phikappaphi.org/forum/spring2019)*

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