
Unlocking the Full Spectrum of Community Support

A briefing for school and district leaders

June 2009



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Faced with unexpectedly severe budget cuts, school districts across the country have begun cutting expenses and shedding staff. While this is a logical short-term response, educators must look beyond the immediate crisis, analyze the future funding environment, and develop a strategy to thrive.

Education leaders should ask themselves two questions in particular:

- ◇ Are we facing a typical recession—in other words, is it right to assume that funding will bounce back?
- ◇ If revenues are reduced, either in the short term and/or in the longer term, what options are available to me?

This briefing has been written to help K-12 administrators answer these questions, and to provide guidelines for leaders interested in tapping every available source of support as they move forward.

I. Understanding 'The New Normal'

Over the past few decades, revenue per student has grown substantially: a recent U.S. Department of Education report notes that revenue per student has grown by 50% in inflation-adjusted dollars in a recent 20-year period, from \$6,062 in 1985 to \$9,154 in 2006.

The question is, will this growth continue into the future?

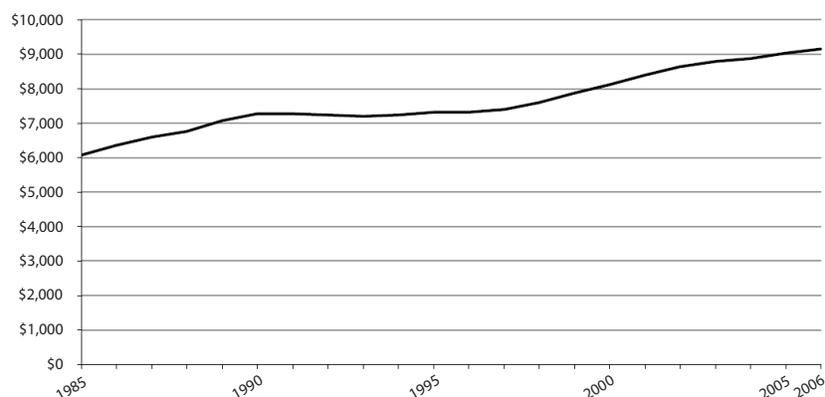
Based on a review of current and future trends, it is clear that K-12 education funding from government sources (which represents 99% of funds to schools) will either level off or go into decline, and that this will be a long-term event.

There has been little focus on these trends to date, as districts have been busy responding to immediate reductions in funding. But understanding the changed landscape—'the new normal'—is critical to developing a strategy going forward.

The following trends explain why continued growth in government spending on education is a thing of the past.

Expenditures per student, 1985-2006, adjusted for inflation in 2006 dollars

Source: National Center for Education Statistics, U.S. Department of Education



A. Reduced Revenue

In the immediate term, revenues into local, state and federal government coffers have declined dramatically. At the national level, income taxes have dropped by 34% over last year, and thanks in part to a substantial drop in income and sales taxes, state governments are expected to see a shortfall of at least \$350 billion over the next three years. While no compiled data is available on projected local government revenues, anecdotal reports indicate that losses in property and sales taxes are having a noticeable impact on them as well.

If these were the only factors in play, then one could expect a return to funding growth once the recession is over. But there are two major trends that will impact government revenues over the long term:

- ◇ **The Housing Bubble.** The principal cause of the recession—the collapse of the housing market—will have a prolonged impact on local government revenues. Nationally, home prices have dropped 32% from their peak in 2006, and historical ratios indicate that they may fall another 5% to 10%. It could take decades for prices to fully recover. This will have a profound impact on school budgets, which rely on property taxes for 30% of their revenue.
- ◇ **The Baby Boomers.** The 65+ population in the U.S. has grown slowly over the past few decades, from 26 million (11.3% of the population) in 1980 to a projected 40 million (13%) in 2010. As the Baby Boomers reach retirement age, those numbers grow dramatically, moving up to 55 million (16.1%) in 2020 and 72.1 million (19.3%) in 2030. As Boomers retire, they stop paying income taxes; other impacts are addressed under *Increased Expenses*, below.

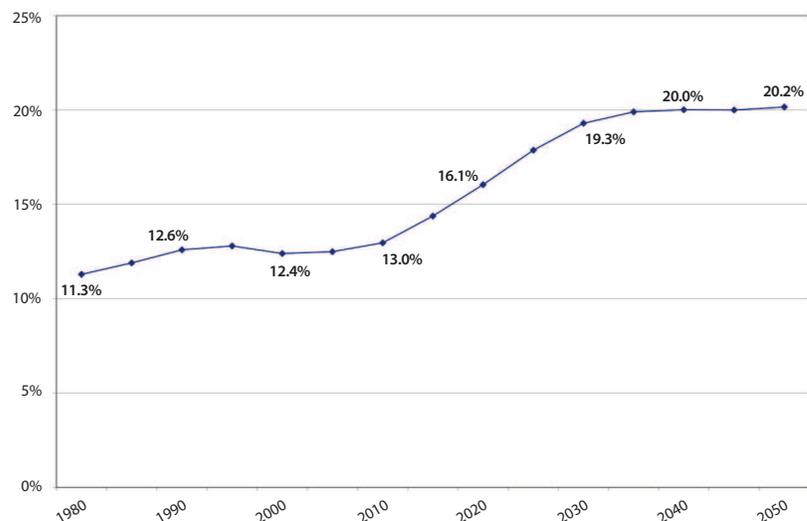
B. Increased Expenses

While government revenues may be shrinking, spending obligations for entitlement programs are expanding. These funding commitments continue to grow and are difficult to modify, as they typically fall outside the areas of state and federal budgets considered to be discretionary. These obligations therefore reduce what is available for spending on education.

- ◇ **Social Security.** Social Security no longer generates a revenue surplus; as the rate of retirement among Baby Boomers accelerates, it will take up a growing share of federal spending.
- ◇ **Medicare.** States pick up close to half (43%) of the cost of this health insurance program for seniors and others; the percentage of state budgets allocated to Medicare grew from 8% in 1985 to nearly 22% in 2006. Medicare is expected to grow rapidly in the future.

Percentage of U.S. Population at 65 years or older, 1980-2050

Source: U.S. Census Bureau



- ◇ **Pensions.** In 2008, pensions for government employees were estimated to be underfunded by \$730 billion. Anecdotal evidence indicates that the situation is worse today: since 2008, the holdings of CalPERS (the California public employee retirement system) have dropped by 25%, and the New Jersey Teachers Fund is close to insolvency. These shortfalls must be made up by government employers.
- ◇ **Healthcare.** According to the Kaiser Family Foundation, health care costs have increased 8-14% per year since 2000. Tom Henry, a former superintendent in California, classified healthcare as “the single most important issue facing districts nationwide.”

C. Larger and More Diverse Student Body

Lower revenues and greater spending obligations may be manageable if the number of students decreased. However, the National Center on Education Statistics projects record enrollment numbers in the K-12 system through the next several years, with the number enrolled in public schools growing from 49.8 million in 2008 to 53.3 million in 2016.

In addition to its sheer size, there are two characteristics of the student population worth noting:

- ◇ **A More Diverse Student Body.** The U.S. population is projected to become more diverse over time, with the percentage of white Americans shrinking from 69.9% of the population in 2000 to 50.1% in 2050. This shift is happening more rapidly among school-aged children: according to work cited by the American Academy of Pediatrics, by 2025 we can expect the child population to be comprised of 15.8% blacks, 23.6% Hispanics, 1.1% American Indian/Native Alaskans, 6.9% Asian/ Pacific Islanders, and 52.6% whites.
- ◇ **Growing Number of Special Education Students.** From 1976 to 2004, the percentage of students designated as having physical or mental disabilities grew from 8.3% of the population to 13.7%, and it is reasonable to assume that this steady trend line will extend into the future.

The diversity of the K-12 population is important: to date, schools have been unable to close pronounced achievement gaps among various demographic groups, and these gaps will become more of an issue as disaggregated student performance data is reported to the public.

II. A Focus on Outcomes

While funds for public education will be significantly reduced for the foreseeable future, the mandate to improve measurable outcomes will remain unchanged. Individual states are working to increase educational rigor by aligning standards with college entry requirements, and there have been recent developments regarding a consortium of states working together to develop a shared set of such standards. Furthermore, in terms of federal policy, it seems clear that the new administration does not intend to back away from the spirit of No Child Left Behind. We will therefore see a continued push to boost student proficiency rates and publish disaggregated data on student performance.

In addition to government and public pressures for improved outcomes, the business community will increase its calls for improvements in building a career-ready work force. As the Baby Boomers retire, there will be a great need for skilled workers to replace them, particularly in middle-skill positions; replacing these workers has already emerged as a top concern among human resource professionals.

III. Benefits and Scope of Community Support

Clearly, the environment for K-12 education is changing dramatically, leaving administrators to respond to a 'new normal' that includes substantially reduced revenues available from traditional sources, a growing and more diverse student population, and an operating environment focused on transparency and expecting significant improvements in outcomes. Individually, any one of these issues would present a challenge; combined, they create tremendous pressure on the public education system as it stands today.

Fortunately there is a solution, one that helps school and district leaders overcome the challenges they face with both inputs and outcomes. That solution involves enlisting the support of community stakeholders in an array of partnership models.

By soliciting support from stakeholders in the community, educators can substantially increase the resources that flow into their schools, working collaboratively with their community partners to target those resources in ways that can improve the school environment and dramatically boost outcomes for all students. It is a powerful 'win-win' arrangement for educators and stakeholders alike.

Educators can look to their communities for the following types of support:

A. Financial Support

Many different types of community partners can provide direct financial support. Partners will typically allocate funds in ways that align with their interests or missions. Booster clubs, for example, may raise funds for new uniforms or athletic equipment, while school foundations may disburse funds in the form of teacher grants, reimbursements for training or certification, or awards for superior performance. Financial support from community organizations can fill needs in both core and extracurricular areas that are not covered by limited school budgets, and can improve the capacity and training of classroom teachers and others.

B. Goods and Services

Teachers have always been good at scouting out free classroom materials and supplemental resources for instructional use, and those in career and technical education are particularly adept at landing major contributions of equipment and materials. These kinds of resources may come in from individual partners or from coordinated efforts such as "Teacher Warehouses," run by school or education foundations, that provide classroom supplies to teachers at little or no cost.

Administrators can pursue school or district-wide contributions to fulfill needs such as software, landscaping, or food for staff retreats. There are even cases of partners donating available retail or office space to house entire schools! These donated resources can reduce planned spending, freeing up funds for other uses.

C. Volunteers

Volunteers can supplement or supplant staff time inside and outside the classroom. They can assist teachers with administrative tasks, help or supervise students, clean up or improve school grounds, staff school events, and assume many other supportive roles. By reducing the commitments expected of teachers and other staff members, these volunteers allow school employees to be more productive in fulfilling their primary responsibilities, and possibly help administrators reduce personnel expenses.

D. Mentors

Distinct from volunteers, mentors commit to developing a caring relationship with a child for an extended period of time, and may focus on social, academic and/or career and college preparedness. There is a significant body of research showing the impact of mentoring on improving student outcomes.

What Partners Can Bring

Partners bring different things to the table; the list below highlights the types of support each partner typically contributes to a partnership or support relationship.

| | |
|--|---|
| Businesses | <ul style="list-style-type: none">• Financial support• Goods/services• Volunteers• Mentors• Talent development• Instruction• Expertise• Advocacy |
| Business Coalitions <i>Chambers, roundtables, workforce boards, EDCs, trade associations</i> | <ul style="list-style-type: none">• Goods/services• Volunteers• Mentors• Talent development• Instruction• Expertise• Advocacy |
| Parent Organizations <i>PTAs, PTOs, other</i> | <ul style="list-style-type: none">• Financial support• Volunteers• Advocacy |
| Education Foundation <i>School, district, or local independent</i> | <ul style="list-style-type: none">• Financial support• Goods/services• Student services• Advocacy |
| Foundation <i>Corporate, national, regional, community</i> | <ul style="list-style-type: none">• Financial support |
| Civic/Religious Groups <i>Churches, fraternal groups, service organizations</i> | <ul style="list-style-type: none">• Financial support• Volunteers• Mentors• Student services• Instruction• Advocacy |
| Postsecondary Institutions <i>Universities, community colleges, military</i> | <ul style="list-style-type: none">• Talent development• Instruction• Expertise |
| Booster Clubs <i>Athletics, band, alumni</i> | <ul style="list-style-type: none">• Financial support• Volunteers• Advocacy |
| Charitable Nonprofits <i>Food banks, health and welfare agencies</i> | <ul style="list-style-type: none">• Student services |

E. Talent Development

Community partners can support administrators and teachers through executive mentoring, professional development, externships and other program models. These types of initiatives help school and district staff to build skills and help students gain a clearer understanding of the link between K-12 education and postsecondary options.

F. Student Services

Some students, particularly those in high-poverty areas, face challenges that make it difficult to reach their academic potential. They may not have access to school supplies, nutritious meals, medical help, clothing or other essentials. Mission-driven partners such as churches, health agencies and others can help by providing assistance to students who need it, leaving them better prepared to fully participate in school.

G. Instruction

Partners can contribute to instruction in a number of ways. Many national organizations, including businesses, nonprofit organizations, and trade associations, publish curricula and supplemental resources and make those available at no cost. Community-based partners can supplement and extend classroom instruction: consider the many ways in which local businesses contribute to learning in career and technical education programs, or the impact that field trips to local museums or historical sites can make on student learning.

H. Expertise

Businesses, business coalitions, trade groups, and universities represent a tremendous pool of expertise in areas that may be of great interest to

K-12 administrators, and many are happy to share their knowledge, experience and resources if asked. University professors are often tapped to provide guidance in instructional areas, such as curriculum selection or design, or to mine available research to help in decision-making. Business partners can provide input into improving school operations in areas such as transportation management and financial operations. Some, such as Deloitte Consulting, are making a concerted effort to support public and nonprofit organizations through skills-based volunteering.

I. Advocacy

Advocacy may not be a primary aim of a community/school partnership, but there are many cases in which partners have become public and political advocates as a result of their work with schools and districts. As an example, business leaders working with district officials of the Montgomery County (MD) Public Schools successfully lobbied the local county commissioners to cover the cost of a new high-end financial management system; many continue to advocate for the district, helping the district maintain and strengthen community ties.

IV. How to Build Community Support

As seen in the chart on page 5, there are many types of prospective stakeholders, each of which can support K-12 education in numerous ways. As school and district leaders gain more experience building successful partnerships, they will develop an integrated vision of community/school engagement that encompasses multiple partnership models, ultimately overseeing a quilt of initiatives that collectively improve the schooling experience and produce significant improvements in student outcomes.

The first step is for school personnel to go into the community to build links to stakeholder groups: this may include joining the local chamber and participating in networking events and education meetings, joining community groups, or finding other ways to develop local relationships. Once relationships have begun to form from these efforts and talk turns to collaboration, there are three keys to building productive partnerships:

Understand that you are not a charity

The biggest mistake that schools and districts make is presenting themselves as a charity and not a partner. The key difference: charities ask for donations to meet the needs of those they serve, with no tangible returns to the giver, whereas partners identify areas of shared interest and make a joint investment in ways that provide both parties with returns.

Businesses and others are besieged each day with requests from charities, but very few from those who understand the advantages and sustainable nature of partnerships. You can either compete with multiple charities for limited resources allocated for donation, or you can enjoy far less competition for a far greater pool of resources with a partnership approach.

Identify areas of shared interest

Part of being a partner involves identifying the needs and interests of your collaborators, looking for common ground with your interests, and working together to build relationships that fulfill your respective needs. This may involve an up-front investment of time in learning about your partners, but it is an investment that will more than pay off through stronger and more sustainable programs.

While you might have assumptions about the needs and interests of your partners, it is important to set those assumptions aside so that you can learn about their individual priorities. For example, many people assume that businesses want to leverage partnerships to promote and sell their products and services, but that is often not the case. Some may want to build community goodwill at a corporate (not product) level; some may want to help ensure that students are prepared for jobs with their firms when they graduate; some may want to offer employees opportunities to volunteer, knowing that this can boost morale and retention; and some may have other interests entirely. It's important to find out what those interests are before moving forward on partnership planning.

A common error is to approach prospective partners with a plan already laid out. This situation addresses your needs but does not reflect theirs, and as a result will limit buy-in.

Know your needs, but don't be bound by them

Just as it's important to identify your partners' needs, it is critical that you take the time to identify areas in which you could use community support. But it would be limiting to search only for stakeholders that have a directly related interest. Instead, schools and districts must identify opportunities to help partners fulfill their objectives while thinking broadly about how the benefits they receive can be used to meet their own needs.

As an example, consider a district focused on improving literacy levels. The district could look specifically for partners that could enhance its efforts, such as finding nonprofits to donate books or businesses to provide volunteers to read to children. But if they were to think more broadly, they may find seemingly unrelated opportunities that could help as well: one example would be finding a group of business leaders that could help identify cost savings in district operations, which would free up substantial sums of money that could be applied to district-wide literacy efforts.

V. Summary

For a system that depends almost entirely on funding from government sources, the forecast for both the short- and long-term future is troubling. To survive and even thrive in 'the new normal,' schools and districts will have to dramatically increase the amount of support they receive from their communities. As they develop the collaborative relationships needed to increase resources and improve outcomes, education leaders should remember that they can provide as much value to their partners as they gain from them, and build strong and sustainable value-based relationships accordingly.

This is an investment with a proven ROI—and it's one that every district and partnership group should make because of, not in spite of, constraints presented by the immediate economic downturn.

About the Author

Brett Pawlowski is president of DeHavilland Associates, a consulting and communications firm specializing in community engagement and business/education partnerships. He is also publisher of the *K-12 Partnership Report*, a newsletter focused on case studies, expert interviews, and proven practices in the partnership field.

Mr. Pawlowski has contributed to the field by creating and managing the Business/Education Partnership Forum, an online clearinghouse of news and resources; publishing industry guides, surveys, and white papers; and hosting the Effective Education Partnerships Conference, a national conference held in July 2008.

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