A REPORT TO THE BOARD OF EDUCATION

ON

ALTERNATIVE REVENUE SOURCES

JUNE 2006
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MEETING DATES

January 30, 2006
February 13, 2006
March 6, 2006
April 3, 2006
INTRODUCTION

In November 2005, the Board of Education voted to form an ad-hoc committee to discuss ways alternative or non-traditional revenue sources might be pursued. The intent was to gather input from a group of district residents with their findings to be reported to the Board of Education before the end of the school year. Starting on January 30, 2006, the committee met four times as a whole; additional subcommittee sessions were also held. Hy Dubowsky served as the chairperson. The stated purpose of the Alternative Revenue Sources Committee was to:

- Investigate alternative revenue source options
- Prepare a written report for the Board of Education
- Develop recommendations

At the first session, Assistant Superintendent for Business, Neil Sanders, outlined four types of alternative funding options: a) school business partnerships; b) local educational foundations; c) pouring rights contracts; and d) commercial advertising (See Appendix A). Subsequently, the group was divided into two subcommittees. One group focused on private partnership/corporate sponsorships, while the other subcommittee concentrated on the establishment of a foundation that would be either a direct support conduit for the school district or have a broader, community-wide focus. In addition, the concept of pursuing limited pouring rights was addressed as part of the first subcommittee report which appears on the following pages.

Committee members clearly recognized that in light of increasing emphasis on childhood obesity concerns and the need for making healthy choices, pouring rights issues must be very carefully scrutinized.

The major philosophical question discussed by the committee at various times was how the funds might be used, whether to serve as a replacement to offset declining state aid and hence to help balance the annual budget or as an additional source to support special programs, grant writing, or unique initiatives beyond typical budget allocations. As noted by one of the participants, “any conversation regarding the allocation of realized revenues should be deferred until such time as all of the elements are in place. Far too much time was devoted to dialogue on how to spend money when nobody in the group had a clear vision of what will be done to generate revenue, what efforts are involved, how much revenue might be realized, and what constraints might encumber realized revenue.” Readers of this report would do well to focus on the concepts presented and not fall victim to how funds might be dispersed when in fact without
any initiatives in place, the point is moot. It is also critical to recognize that if any plans to move forward are implemented, they will likely start small and take time to maximize their potential.

One final and noteworthy point is that a great deal of non-traditional funding is already taking place in the Guilderland Central School District. Most notably, PTAs and booster clubs do support many activities throughout the district, whether it be providing funds to host a Young Author’s Week at one of our elementary schools or a booster club paying for a charter trip when a varsity sports team travels outside the local area. In addition, many donors have generously provided financial support for deserving seniors in the form of scholarships. Also, it is important to note that the school district currently does receive monies for the operation of vending machines. For example, the School Lunch Fund generates $40,000 - $50,000 in revenue annually from vending machines in the cafeteria which provide such products as milk, water and ice cream.

Part I of this report deals with the subcommittee report prepared by Hy Dubowsky with assistance from Tim Burke, Dave Langenbach, Andrew Linehan and Neil Sanders. It includes an executive summary and addresses corporate sponsorships, contracts with vendors, and limited pouring and vendor rights. In addition, the subcommittee points out cautionary notes, before providing a set of recommendations to the Board of Education. Part II presents information about creating a foundation and is divided into two components which reflects the discussions that took place by the committee as a whole and those who were part of this subcommittee. Two options are outlined: a community foundation which would encompass both the Guilderland Central School District and the town of Guilderland (written by Don Csaposs) as well as a school or education foundation for the benefit of the school district only (prepared by Christine Duffy). The participants of this subcommittee included Greg Aidala, Don Csaposs, Christine Duffy, Dave Barcomb, and Colleen O’Connell. A presentation to the full committee about starting a foundation was made by Robert Ganz who described his experiences as a trustee and president of the Guilderland Public Library Board. Dr. Briggs McAndrews who played a significant role in helping to launch the Niskayuna Community Foundation in 2000 met with the foundation subcommittee to share information about his work in this area and to answer questions.
Part I
Subcommittee Report: Private Partnership/Corporate Sponsorships

EXECUTIVE SUMMARY

The private partnership/corporate sponsorship subcommittee was tasked to provide a framework for discussion on the benefit-costs of such activities as a means to enhance the financial condition for GCSD education, services and student activities. The group believes that public-private ventures can readily generate alternate sources of revenue for the district. These monies are not expected to be significant enough to significantly reduce the tax levy but could be used to enhance existing programs or support new ones.

The subcommittee finds that the district currently engages in a variety of corporate revenue ventures through district, school and parent-based activities. Our recommendation is the logical extension of funding opportunities we already pursue and believe that alternative revenues can be generated by mining these opportunities while maintaining a diligent watch over the well-being of our children.

- Corporate Sponsorships
- Contracts With Vendors and
- Limited Pouring and Vendor Rights

Our findings and recommendations to the Board of Education follow Types of Commercial Activities as described in Table 1.

Public school districts throughout the country use commercial activities to generate alternate sources of revenue. The range of activities is quite broad from direct product placement and advertising to corporate-sponsored gifts through label collection drives such as Campbell’s “Labels for Education” or Pizza Hut’s “Book-It” programs. The following table, adapted from a GAO Report on school-based commercial ventures, categorizes the various activities into four groupings. ¹

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<th>Group</th>
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<td><strong>PRODUCT SALES</strong></td>
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| Direct product sales that benefit a school or school district | • Exclusionary Contracts for beverage sales  
• Fast food or other food vendors  
• Contracts for services such as school photographs, school rings or gym uniforms |
| Cash or rebate program        | • Cash rewards based on store or product sales  
• Credit card affinity program  
• Internet shopping that provide rewards to school from site |
| Fundraising Activities        | • Sales of candy, gift wrap, concessions sales |
| **DIRECT ADVERTISING**        |                                                                          |
| Advertising in schools/buses  | • Billboard displays  
• Ads or logos on assignment books  
• Scoreboards or Stadium  
• Equipment logos |
| Advertising in Publications   | • Ads in yearbooks  
• Ads in school newspapers  
• Ads in sports or play programs |
| Media-based advertising       | • Televised on school channel (Ch1)  
• Internet-based (Zap-me) |
| Samples                       | • Snack Food or hygiene |
| **INDIRECT ADVERTISING**      |                                                                          |
| Corporate-Sponsored Ed Materials | • Dental or other personal hygiene products  
• Industry Association Promotional Products |
| Corporate-Sponsored Teacher Training | • Training by computer/ttech companies on their products they sell  
• Training on teaching technique products |
| Corporate Sponsored Contests  | • McDonald’s Poster contest  
• Pizza Hut’s Book-it  
• Duracell Inventors |
As the table shows, Guilderland Schools currently, by direct and in-direct means, generate alternative revenues from a variety of these sources. They include:

**Direct Product Sales by the District**

The district has contracts with specific vendors to provide student goods and services whose name or logos appear on the merchandise, dispense beverages and snacks or supply materials:

- Year-book and school ring vendors
- School and team photographs
- Vending machine contracts

**Cash or Rebate Programs**

Schools throughout the district participate in rebate programs, especially in our elementary schools, most notably the:

- Campbell’s Soup Label program

**Direct Product Sales by Parent Groups**

Parent-based sports booster, PTA or music, drama and arts groups have engaged in traditional fund-raising efforts that come as familiar sights to any Guilderland School family. Most recently, the Guilderland Elementary School is selling cookie dough to raise funds for a new playground and the Farnsworth PTA have raised significant monies from gift wrap sales to support a variety of endeavors. Sports and other booster clubs have relied on brand name candy sales as a means to raise monies.

- Gift wrap fund-raising initiative
- Team or club candy sales
Advertising
Sports booster club banquet and club programs solicit ads from local and regional businesses ranging from full pages to single line patron placements. Each has a set fee. Vending machines with manufacturer logos can be seen through the district serving students, faculty and staff. While some revenue is generated by the placement of these “advertising” machines, their revenue potential has not been maximized.
  - Sports programs, booster and club programs
  - Soda, water and beverage vending machines
  - Snack vending machines

GENERATING NEW REVENUES

It is the recommendation of this subcommittee that within the statutory limits set by the NYS Education Law and General Municipal Law, the Board authorize the district to pursue alternative funding opportunities. As previously shown, the school district is currently engaged in public-private revenue ventures for a number of years. The subcommittee believes its recommendations are simply a logical extension of the revenue-generating activities already in place.

Under NYS Law, school districts may generate revenues from sponsorships, but are prohibited from selling naming rights (See Appendix B). Vendor contracts may contain revenue-generating clauses, but must be competitively bid and be let to the lowest bidder that meets the RFP specifications. Districts however, are precluded under State law from explicitly engaging in direct advertising agreements including product placement, direct product marketing, and property naming rights.

Within this framework, the subcommittee believes that our existing revenue streams can be enhanced, while safeguarding the integrity of the educational process and the well being of our children in the following areas:

- Corporate Sponsorships
- Contracts With Vendors
- Limited Pouring and Vendor Rights

The summaries that follow are designed to form the basis for Board discussion, study and action.
Corporate Sponsorships

- Sports
- Arts and Music
- Technology

Corporate sponsorships can be used in a variety of student activities. Community-based youth sport leagues rely heavily on the private sector to keep their costs affordable. Corporations spend countless dollars in developing their brands. The Nike “swoosh”, Apple’s “apples” and the “G”eneral Mills logos are recognized throughout the world. Our athlete’s uniforms come from a handful of companies—Champion, Nike, or Riddle. Many of them wear Under Armour brand and our coaches sport “Boathouse” jackets. Recognition of sponsor and boosters, by allowing placement of a name or logo on a sponsor plaque, or on top of a “new” scoreboard, as consideration for direct corporate support should fall within the limits of the State Education Law.

Vendor Contracts

- Computers
- Food Services
- Equipment
- Services

The Guilderland Central School District is a multi-million business that contracts for myriad of goods and services each year. Office supplies, janitorial supplies, textbooks, school buses, tech equipment and insurance services are purchased in quantity every year. The General Municipal Law governs the purchase process and requires the district to competitively bid for goods and services and to accept the low bid that meets the contract specifications. Computer companies may be asked to offer free “PC clinics” to the community. Cafeteria vendors can supply paper goods with their logos at discounted prices much the same as Price Chopper and Hannaford offer free for volunteer and charity group functions.

Discounted prices can be included in contract negotiations for sports uniform purchases in consideration for display of the brand’s logo. Suppliers of athletic uniforms may also be asked to discount our purchase price for other sports equipment in return for their singular use by our
teams’ adornment of their branding logos. Similarly, musical instrument purchases directly from manufacturers or wholesalers could be discounted in return for the use of their equipment and instruments.

We note, while it may be feasible to include provisions in these contracts that will add revenues and benefits to the school district community, our counsel has advised there is a risk of violating State contract law and policies. Nevertheless, within the contracting framework, there may be additional benefits that can be negotiated.

**Limited Pouring and Vendor Rights**

- **Water Vending Machines**
- **Other Beverage Machines**
- **Food and Snack Machine**

Taking a walk through any Guilderland school, there are beverage, water and snack vending machines that adorn cafeterias, teacher and staff lounges and gymnasium lobbies, which are already displaying logos. The subcommittee believes that while the machines are here, we should maximize their revenues. Using smart business practices, our athletics and food services directors have negotiated revenue sharing agreements with the machine vendors which bring us in excess of $40,000 from the strategic placement of these machines. These practices should be recognized and used as a base, to build on their success, in seeking additional potential revenues from this commercial source.

**A WORD OF CAUTION**

Following the competitive bidding process, and remaining aware of the Court’s interpretations of the application of First Amendment protections afforded to “restricted use educational facilities” serving youth, we believe there are revenue-generating opportunities that we have been reluctant to explore. We are cognizant of the increasing national trend to commercialize our schools. We have witnessed and accept the commercialization of public radio and television through corporate donors and sponsorships. We are asked to buy bricks or theater seats to raise funds to renovate equipment and restore the arts, and we are greeted throughout public and not-for-
profit buildings with plaques proclaiming thanks for donor support of medical wings, libraries and university centers.

In structuring our revenue ventures, care needs to be taken to ensure that our children remain protected and the district remains fully in control. Contract term limits, due diligence during all phases of contract development, bidding and implementation and plain common sense are the elements needed to ensure the success of our revenue projects. Much has been written on the “commercialization of our schools” - both for and against.

Our position, to proceed while ensuring the safety of our children, mirrors that of the National Association of State School Boards, which accepts the need for commercial ventures to ensure the vitality of the public education system. Their guidelines can form the basis for future discussion:

“The National Association of State Boards of Education (NASBE) believes that while school-business relationships based on sound principles can contribute to high quality education, compulsory attendance confers on educators a responsibility to protect students and the integrity of the learning environment.” Specifically:

1. Selling or providing access to a captive audience in the classroom for commercial purposes is exploitation and a violation of the public trust.

2. Corporate involvement shall not require students to observe, listen to, or read commercial advertising.

3. Programs of corporate involvement must be structured to meet an identified education need, not a commercial motive, and must be evaluated for educational effectiveness by the school/district on an ongoing basis. Corporate involvement must support the goals and objectives of the schools.

4. Sponsor recognition and corporate logos should be for identification rather than commercial purposes.

5. Schools and educators should hold sponsored and donated materials to the same standards used for the selection and purchase of curriculum materials.

6. Corporate involvement programs should not limit the discretion of schools and teacher
RECOMMENDATIONS TO THE BOARD OF EDUCATION

The subcommittee believes that corporate partnerships and sponsorship agreements can provide alternative sources of revenue for the school district. We believe the Board should authorize the superintendent and staff to explore areas within this committee’s report that can provide these additional revenues. The district has identified a variety of alternative revenue sources that have benefitted our students in athletics, music, drama, food services and parent support. A focused approach to maximizing the return from our current commercial partnerships and an effort to mine for new sources of revenue are appropriate actions and the next logical step for us to pursue.

The committee remains split, however on the use of these alternative revenues and is unable at this time to reach full consensus on the use of these revenue sources. The majority of the committee believes alternative revenues should be used to enhance existing program resources or support new programs. Alternative revenues should not be used to supplant existing revenue streams and levels supporting programs already funded in the budget. This principle is consistent with the core of state-aid support of public education—“maintenance of effort” which ensures that school districts receive the base level of aid received in previous years.

Conversely, some members of the committee have expressed a desire to use alternative sources of funding to reduce the reliance on tax levy funding. While sponsorships and partner agreements can generate funds that can be used to augment or supplant tax levy funding, it is unlikely that the sufficient amounts will be generated to make any discernable difference in the levy. A compromise position may be to limit the use of alternative revenues to one-time expenditures, either as an enhancement or to purchase new equipment. Regardless of the path the Board chooses, the consensus of the committee is to move forward.

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PART II COMMUNITY AND SCHOOL FOUNDATIONS

A Foundation in Guilderland: Defining Choices

Discussions of the Alternative Revenue Sources Committee have evidenced clear support for the broad concept of creating a foundation as a vehicle to supplement the operating budget of the GCSD relative to projects and programs that enhance the opportunities available to current and future students.

While support of the foundation concept has been a consensus item, the format of such an entity has not presented itself as a clear and universally-accepted construct. Discussion has centered around the concepts of either: establishing a “school foundation” that has clear and formal ties with the GCSD, and whose activities are focused on providing benefits (whatever these are determined to be) solely to GCSD programs and students; or establishing a “community foundation” that for purposes of governance and allocation of resources encompasses all constituencies and programs within the entire community that the GCSD is a part of.

In Support of a Community Foundation

Inclusion

The purpose of either an educational or a community foundation focuses on quality-of-life enhancement in a defined service area. Many of these quality-of-life issues extend far beyond the scope of school district activity, and include constituencies far beyond the student population. The community foundation model, properly executed, serves a far broader community than does a limited-scope educational foundation.

Support (Visible)

A successful foundation venture of either type must enjoy broad support, both among constituencies directly affected by foundation activity and among other stakeholders in the broader community within which the foundation conducts its activities. People who ever have and never will be directly served by the foundation need to be able to read or to hear about its work and to respond positively to what they read and/or hear. A foundation is similar to a business in many respects. In this case, the subject is “favorable buzz” or “feel-good”. The wider the scope of service, the greater the opportunity for affirmation in the wider community.
Support (Tangible)
The good vibe of public affirmation of a philanthropic venture will routinely translate itself into the attainment of the financial success necessary to advance the philanthropic purpose of the organization. Financially successful foundations are focused on establishing patterns of repetitive support (such as an Annual Appeal) punctuated by occasional major gifts such as planned or testamentary donations and high-visibility events. Logic suggests that a foundation with a wider scope of service and activity will be able to engage a broader range of prospective and actual financial supporters.

Local Conditions
The Guilderland community (defined as either town or school district) does not currently support a significant local foundation of either type. The Guilderland Library Foundation was established several years ago to provide support for programs and projects at the Guilderland Library, but it has never been particularly vigorous in its fund-raising and outreach activities, and holds a very modest level of funds at this time.

The absence of de facto competing entities in Guilderland creates a unique opportunity at this moment in time to create a vehicle for philanthropy in a community with a demonstrable level of capacity, but with a limited tradition of philanthropy. A reasonable position can be taken that a major reason for this limited tradition is that there has never been an appropriate conduit for individuals, families, and businesses to use to maximize the impact of their giving through leverage to create a better quality of life for all constituencies within the “Greater Guilderland” community.

Scope
Included in Appendix C is a listing of non-profit entities that are not directly associated with the GCSD but are located within “Greater Guilderland,” which is defined herein as the most expansive of the boundaries of either the Town of Guilderland or the Guilderland Central School District. A separate listing of entities (also part of Appendix C) affiliated with the school district has also been prepared.
While the listing is large, it may not be totally comprehensive, and it does not include every activity associated with each of the entities listed. Its significance lies primarily in its ability to point out the range of organizations, activities, and individuals that would be touched in some manner by the activities of a community foundation, either as the beneficiaries of its activities, or as potential supporters of that same range of activities.

A community foundation has the potential to open the door to philanthropy in Greater Guilderland all the way and to everyone. It offers the best opportunity for broad acceptance, universal credibility, and financial success.

**School-Based Foundations: An Overview**

The following information was derived from the National School Foundation Association, Iowa. Please refer to [http://www.schoolfoundations.org/en/starting_a_foundation/](http://www.schoolfoundations.org/en/starting_a_foundation/)

Education foundations are “privately operated, nonprofit organizations established to assist public schools” and who qualify as charitable organizations, “different from school districts, public institutions or local governments” (Clay, Hughes, Seely & Thayer, 1985). A public school foundation “is designed to augment, supplement, or complement programs and activities currently being provided by the district” (McCormick, Baver & Ferguson, 2001). Currently in the U.S., there are over 4,800 school foundations in 16,000 school districts (McCormick et al., 2001). They have their own board of directors and their own staff, both paid and volunteer. Most school foundations operate as “an independent entity, with no formal, legal relationship to the school district” (De Luna, 1995, p.8). Foundations can specify in their bylaws whether the school board will get involvement in voting or not.

**Foundation Start-Up Guide**

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More than $90 million in private giving has been provided through the Alliance to support Seattle Public Schools.

Individuals are the largest category of contributors to Alliance for Education.

The largest single grant to the Alliance was a $25 million grant from the Bill & Melinda Gates Foundation, awarded in 2000, to support school transformation in Seattle Public Schools.

Some Examples

**Brewster, NY**

The planning for a school foundation was initiated in 1983 by Joseph Sabatella, then Assistant Principal at Brewster High School (now Interim Superintendent), and George Zupko, Director of Student Services, under the leadership of Superintendent James Monk. The Brewster Education Foundation was incorporated later that school year and was supported by the Board of Education and dedicated community leaders. It was the first such foundation in New York to develop public-private collaboration for a public school district.

**Barrington, Rhode Island**

The Barrington Education Foundation was founded in 1992 by a group of parents, business and community leaders with the mission of providing long term support for excellence in the Barrington Public Schools. This mission helps drive innovation in school programs and is embraced by many school administrators, teachers, parents and students who are inspired to find ways to “think outside the box.” The Barrington Education Foundation is proud to support, through our grant awards, proposals such as the funding of book acquisitions in classrooms and school libraries, creative initiatives for links between home and schools, and innovative programs that focus on cross curricula development. The Barrington Education Foundation continues to provide consistent support for the Barrington Public Schools in making learning more accessible to all children.

The Barrington Education Foundation relies upon proceeds from two annual fund-raising events, the Rubber Ducky Race in the fall and the Telethon in the spring, to provide funding for grant awards. Donations to the Barrington Education Foundation may also be made through the United
Way (Barrington Education Foundation.) Two significant $10,000 contributions from Rhode Island Country Club and the CVS Charity Classic have had a tremendous impact on the Barrington Education Foundation’s ability to enhance and enrich educational opportunities for students in Grades K-12. The Barrington Education Foundation is proud to award 100% of proceeds to grant recipients (excluding promotional fees associated with fund-raising events.) We rely exclusively on volunteer talent and time in fulfilling our mission. The Barrington Education Foundation is organized as a 501 (c)(3) non-profit corporation comprised of a working volunteer board of directors.

Needham, MA
The NEF is an independent, community-based, not-for-profit organization raising funds for the enrichment of the public school children in Needham, MA. Established in 1990, the purpose of the Needham Education Foundation, Inc. is to stimulate innovation and excellence by supporting educational programs that are outside normal public funding and to maintain a permanent fund to implement such programs and activities.

Orange County, Florida
The Foundation for Orange County Public Schools, Inc. manages and administers core programs and projects that enhance student achievement. These programs touch thousands of students and teachers each year and have proven to be vital tools and resources that effectively nurture learning and development. In addition to these core programs, the Foundation works on special initiatives throughout each year, which range from corporate partnerships and in-kind donations to para-professional (teacher aide) programs that support the learning of students whose primary language is not English.

West Hartford, Connecticut
The Foundation for West Hartford Public Schools was established in 1997 and is a 501(c)(3) non-profit organization. The Foundation joins more than 2,000 public schools foundations nationwide, some of which have been in existence for more than 20 years. The Foundation's mission is to provide financial support for educational projects, programs, and initiatives that will enhance and promote the excellence of the public schools of West Hartford, Connecticut. The Foundation is not designed to replace tax dollars nor to affect the school budgeting and tax funding process in any way. The Foundation's role is to distribute supplemental funds that provide teachers with a way to try out a new concept, enhance a part of the existing curriculum, or otherwise strengthen the learning process in the classroom. The Foundation is independent of the board of Education and has no political agenda.
The Foundation raises funds from individuals, businesses, and civic groups in the community as well as alumni nationwide. Gifts of $1,000 or more entitle the donor to honor an individual, business or civic group by having the Foundation name a grant. The Foundation implements its mission through a grant making process that is designed to be objective and to reward ideas of education merit. Once a year, certified teachers throughout the school district are invited to apply for grants ranging from $200 to $2,000 for a project that will enhance student experience, complement the curriculum and demonstrate educational merit. A Foundation committee reviews the applications with the teacher's name and school removed. After input from the school administration and approval by the Foundation board, awards are presented in late spring of each year. The foundation is outside the school budget. Independent of political agendas or special interests.

**Community Foundation or School Foundation?**

The subcommittee exploring foundations was not in total agreement to support a community over school based approach or the reverse option. However, the group did feel strongly about the concept, that is – a plan should be developed to start a foundation of some kind. Since there are advantages to both, further exploration is needed and ultimately, any decision could fall beyond the purview of the Board of Education. Before proceeding, additional feedback is necessary, especially since a community foundation, if pursued, requires broader involvement than those who might be interested in the more singular option relating to a school foundation. As a next step, it might be helpful to conduct a series of **focus group meetings** with district residents and community leaders to gather specific information about which approach might be pursued. This exercise should also involve town officials, elected local officials, and business representatives as part of the information gathering process.

As noted by one of the subcommittee members, Christine Duffy, the National School Foundation recommends the establishment of both a community foundation and a school based foundation. The donor base for each group is distinguishable enough to confirm the adage that people will not donate to a cause they do not wish to support. During her interviews with numerous foundations, Ms. Duffy asked if the school foundations were able to have an impact on the school tax base. Her findings indicated that rarely do foundations seek to fund state mandated programs. School foundations supplement a school district (see previous examples of school foundation endeavors). Were there competing donor problems? Rarely, because people who support school foundations are similar to people that support colleges and universities. Plus, there are targeted grants for school foundations.
SUMMARY

When the Alternative Revenue Sources Committee was formed, its charge was threefold: a) investigate alternative revenue source options; b) prepare a written report for the Board of Education; and c) develop recommendations for the Board of Education to consider as part of its discussion in determining the next steps in this process. These objectives have been met. With respect to corporate sponsors, vendor contracts or potential pouring rights agreements in a limited form, these are options that can be pursued by the Board of Education pending its review. However, as part of the discussion, the Board must agree in principle to the concepts presented before the administration can proceed further. To the extent possible, consideration should be given to PTAs and booster clubs so that existing fund-raising initiatives are not displaced.

In the case of a school or community foundation, more work must be done by soliciting additional input to determine which approach is the preferred option. This assumes that there is sufficient interest from the Board of Education to proceed in this direction. Most importantly, at some point there must be an active core of district residents willing to assume a leadership role to start a foundation as well as devoting large amounts of time and effort that will be necessary to pursue whichever interest might be preferred. Fundamentally, launching either a school or community foundation is not a function of the Board of Education. Furthermore, if a foundation is formed, the Board of Education must recognize that it will have a limited role.

From the foundation subcommittee’s discussion, one untapped resource appears to be the alumni of Guilderland High School. Being able to mobilize this group in support of their alma mater will be challenging but could lead to financial benefits for the Guilderland school community under the umbrella of a foundation. A second area of interest raised during our early meetings of the full Alternative Revenue Sources committee concerned grant writing opportunities which due to the current limited district resources are not fully maximized. It would appear that in seeking funds once a foundation has been started, as well as to consider offering new educational program initiatives, could be greatly assisted and linked to the grant writing process.

Finally, a dose of reality is critical to the future success of seeking alternative revenue sources. It would be naive to believe that large sums of funding sources will be immediately identified so that future tax levy amounts will be offset significantly. While any funding boost will be helpful, the Board of Education, administration, and others who might be participating in the effort to generate additional revenue sources, would do well to focus on enrichment and special one-time activities as a means of enhancing the overall educational program that otherwise might not be funded. Along the way, we must proceed slowly and carefully while communicating openly with constituents about any of the work being done without abandoning a long term goal of more definitive enhancements and traditional revenue offsets.
Alternative or non-traditional funding sources can provide a mechanism for maintaining a high level of programs and services, and offer enrichment opportunities to students in an era of rising property taxes and declining state support for public schools.

Types of Alternative Funding

- School-Business Partnerships
- Local Educational Foundations
- Pouring Rights Contracts
- Commercial Advertising

The information provided on the following pages focuses primarily on local educational foundations due in large part to the perceived limitations of the other options. However, given more time, the other approaches listed can be investigated further.

School-Business Partnerships

Some examples include mentoring programs for students, internships, scholarships, and adopt-a-school programs. Such partnerships are often direct between a specific business and a school building.

Pouring Rights Contracts

Simply stated, a pouring rights contract grants a beverage manufacturer exclusive rights to sell beverages on campus in exchange for a fee. Typically, the beverages include soft drinks, fruit juices, ready to drink tea products, sports drinks, and other beverages with the exception of coffee, tea, or milk.

Several legal challenges have been raised by vendors and taxpayers against school districts that have entered into these agreements. The challenges allege among other things:
• A failure to use competitive bidding as required under General Municipal Law;

• Multi-year agreements entered into are not terminable at will and therefore, bind future school boards;

• Exclusive contracts may create a limited public forum for the sale of products in a school district, therefore, other vendors have a constitutional right to equal access to the rewards of the contract;

• Lighted product panels on the vending machine are in violation of the Rules of the Board of Regents, Part 23 prohibiting the electronic conveyance of commercial promotional activity to students.

In addition to the challenges brought before the Commissioner of Education for various school district contracts, including East Greenbush locally, there was a State Supreme Court case to decide whether the contract Coca-Cola signed with Fulton school district in Oswego County is constitutional. Syracuse-based American Quality Beverages contended that Coca-Cola’s contract effectively prevented them from supplying other drinks to the district, such as non-carbonated sports drinks and beverages for non-school events for the general public on school grounds. Once the court challenge was filed in July 2003, school districts did not move forward to introduce new pouring rights contracts.

The outcome of this case against the Commissioner of Education, Fulton City School District and the Coca-Cola Bottling Company of NY was decided in October 2004 in Albany County Supreme Court. The case was dismissed, ruling against the petitioner in several areas:

a) The district published a request for proposals for the exclusive pouring rights agreement; the competitive bidding requirements of General Municipal Law, Section 103 and Education Law, Section 305 (14) did not apply since the district was awarding a license, concession or franchise rather than the right to run a cafeteria or restaurant service.

b) The Court found that the use of backlit vending machines does not violate the prohibition against commercial promotional activity being conveyed to students. Furthermore, the existing agreement did provide that Coca-Cola must comply with the NYS Board of Regents’ regulations relating to commercialism in public schools and shall comply with nutritional restrictions established by the U.S. Department of Agriculture and NYS Education Law which restricts the sale of “sweetened soda water” before the end of the last scheduled meal period.

c) The agreement does not violate the NYS Constitution. The agreement did not prohibit any groups from bringing other products on the campus so long as it was not for resale, and did not prohibit the sale of milk, coffee, tea or freshly squeezed juices. The district maintains control over the products sold from the vending machines and the products sold in the cafeteria.

d) The Court found that the decision of the Commissioner was neither arbitrary, capricious nor irrational, and was a reasonable interpretation of the factual and legal issues presented.
Commercial Advertising

This might include naming an athletic field after a donor or renaming our high school gym the ABC facility in recognition of a substantial donation. Article VIII of the State Constitution, section 1 prohibits the use of public property for advertising of private business entities or products. However, in related court decisions, a nominal plaque or other form of acknowledgment of a donor’s identity on property acquired through donated funds was determined not to violate the constitutional limitation. Court decisions and opinions from the NYS Comptroller have also stated that “...it is unreasonable to find that no athletic equipment or other equipment used on school premises may ever, under any circumstances, exhibit any private logo or corporate name.” In a related opinion from the Comptroller’s office which involved a social service agency in 1990 also stated that: “Therefore, we believe that it would be improper for a county social services district to apply for or accept a grant which is conditioned upon a county facility being permanently named after a particular donor.” If the Board of Education seeks additional information on this issue, further research can be compiled and reviewed.

Establishing a Foundation

An educational foundation is a privately operated, not-for-profit organization established to assist the school district by supporting programs not funded by the school budget. It is estimated that there are currently more than 4,800 school foundations in the United States (Source: National School Boards Association, January 2004). The amount of available funds in a foundation does vary depending on the number of years in operation and the success of their fund-raising initiatives. For example, according to the California Consortium of Education Foundations, in 2000, California education foundations raised more than $30 million for public schools.

A foundation can serve as an independent alternative funding resource for educational programs throughout the Guilderland Central School District.

• The foundation would be comprised of parent representatives from each of the district’s schools, a faculty representative, Board of Education representative, community members, and a Guilderland High School alumni.

• The foundation would award grants annually for technological, cultural and academic programs at each of the schools in the district. Examples from other school districts of equipment and projects that have been supported include:

- High speed printer
- Weather station
- Musical instruments
- Library reference materials
- Microscopes
- Digital cameras
- Poet-in-Residence
- Stage spotlights
- Alpha Smart Keyboards
- Anatomical modes of the eye and brain
- Sound equipment
- Exercise equipment
- Computer software
- Scanners
- Field study of acid rain
- Greenhouse restoration
• How does a foundation determine which projects will be funded? (General procedures). Members of the school community are invited to submit grant requests for funding of educational activities or equipment that cannot be accommodated in the school’s regular budget. The foundation Board reviews the grant requests and evaluates the detailed proposals based on such criteria as:

  Accessibility to students
  Feasibility of implementing and maintaining the program
  Lasting impact or usefulness
  Other potential funding options

The review process would be designed to ensure that grants are awarded fairly and objectively.

• All grants must be reviewed by the superintendent’s office and approved by the Board of Education before being finalized.

• More than one foundation can be established (i.e., a general foundation, a specific function such as technology).

• Contributions and fund-raising activities are the financial sources utilized to build equity into a foundation.

• All contributions are tax deductible to the extent allowed by law.

• Advantages of a foundation
  ....community involvement
  ....encourages additional business contributions
  ....supplements and enriches the district budget
  ....can create positive publicity for the school district

• Steps in creating a foundation
  ....Research other school communities’ experiences in establishing foundations.
  ....Invite school board members, administrators, teachers, parents and other interested community members to form an exploratory committee.
  ....Develop organizational structure, establish bylaws, incorporate as a non-profit entity [501(3)] and file tax-exempt status.
  ....In time, parents and/or other community residents become the board of the new foundation.

• Other key issues
  ....Long term challenge to keep foundations vital
  ....Leadership and volunteers
  ....Alumni interest
Appendix B

Chapter 1 Board of Regents §23.2

PART 23
COMMERCIALISM IN PUBLIC SCHOOLS
(Statutory authority: Education Law, §§ 101,207,414)
Sec.
23.1 Definitions
23.2 Prohibition of commercial promotional activity

Historical Note

§ 23.1 Definitions.
As used in this Part:
(a) Board of education shall mean the governing body, by whatever name known, of a union free school district, central school district, central high school district, city school district or community school district; or a board of cooperative educational services or a vocational education and extension board.
(b) Commercial promotional activity shall mean any activity, designed to induce the purchase of a particular product or service by students, or to extol the benefits of such product or service to students for the purpose of making its purchase more attractive, that is conveyed to students electronically through such media as, but not limited to, television and radio.
(c) Commercial sponsorship shall mean the sponsorship or the underwriting of an activity on school premises which does not involve the commercial promotion of a particular product or service.
(d) School premises shall mean any real property, school vehicle or facility under the control of a local board of education where access to school children may be had by virtue of their attendance at school, including but not limited to school buildings, school buses and school grounds.

Historical Note

§ 23.2 Prohibition of commercial promotional activity in the public schools.

Boards of education or their agents shall not enter into written or oral contracts, agreements or arrangements for which the consideration, in whole or in part, consists of a promise to permit commercial promotional activity on school premises, provided that nothing in this Part shall be construed as prohibiting commercial sponsorship of school activities.

Historical Note
Sec. filed Feb. 20,1990 eff. April 6, 1990.
## APPENDIX C

### Non-Profit Entities in Guilderland

<table>
<thead>
<tr>
<th>Church/Entity</th>
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<tbody>
<tr>
<td>Altamont Reformed Church</td>
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<tr>
<td>Berean Baptist Church</td>
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<tr>
<td>Christ's Church of the Capital District</td>
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<tr>
<td>Christ Lutheran Church</td>
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<tr>
<td>Christ the King Roman Catholic Church</td>
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<tr>
<td>Cornerstone Christian Church</td>
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<tr>
<td>Colonie Congregation Kingdom Hall</td>
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<tr>
<td>Hamilton Union presbyterian Church</td>
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<tr>
<td>Helderberg Bible Chapel Church</td>
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<tr>
<td>Helderberg Reformed Church</td>
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<tr>
<td>Lynnwood Reformed Church</td>
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<tr>
<td>McKownville United Methodist Church</td>
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<tr>
<td>Shabbos House Jewish Community</td>
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<tr>
<td>St. Boniface Episcopal Church</td>
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<tr>
<td>St. John's Lutheran Church</td>
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<tr>
<td>St. Lucy's Roman Catholic Church</td>
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<tr>
<td>St. Madeleine Sophie Roman Catholic Church</td>
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### Youth-Related

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<tr>
<th>Organization</th>
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<tbody>
<tr>
<td>Pine Bush Little League</td>
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<tr>
<td>Pine Bush Softball</td>
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<tr>
<td>Guilderland Pop Warner</td>
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<tr>
<td>Guilderland Rec Soccer</td>
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<tr>
<td>Guilderland Youth Basketball</td>
</tr>
<tr>
<td>Boy Scouts</td>
</tr>
<tr>
<td>Cub Scouts</td>
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<tr>
<td>Explorer Scouts</td>
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<tr>
<td>Girl Scouts</td>
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<tr>
<td>Brownies</td>
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</tbody>
</table>

### Community-Related

<table>
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<tr>
<th>Organization</th>
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<tbody>
<tr>
<td>Community Caregivers</td>
</tr>
<tr>
<td>Altamont Rescue Squad</td>
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<tr>
<td>Altamont Fire Department</td>
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<tr>
<td>Fort Hunter Fire Department</td>
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<tr>
<td>Guilderland Fire Department</td>
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<tr>
<td>Guilderland Center Fire Department</td>
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<tr>
<td>McKownville Fire Department</td>
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<tr>
<td>North Bethlehem Fire Department</td>
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<tr>
<td>Westmere Fire Department</td>
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<tr>
<td>Western Turnpike Rescue Squad</td>
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<tr>
<td>Guilderland AARP</td>
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<tr>
<td>Guilderland Elks</td>
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<tr>
<td>Guilderland Kiwanis</td>
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<tr>
<td>Guilderland Interfaith Food Pantry</td>
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<td>Guilderland PBA</td>
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<td>Guilderland Study Circles</td>
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<tr>
<td>Guilderland YMCA</td>
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<tr>
<td>Guilderhaven</td>
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<tr>
<td>Altamont Library</td>
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<tr>
<td>Guilderland Library</td>
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<tr>
<td>Friends of the Schoolcraft House</td>
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<tr>
<td>Guilderland Historical Society</td>
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<tr>
<td>Omni Senior Living Community</td>
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<tr>
<td>Guilderland Performing Arts Center</td>
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<tr>
<td>Residential Opportunities, Inc.</td>
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<tr>
<td>Liza's Legacy Foundation</td>
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<tr>
<td>Project Strive</td>
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<tr>
<td>Sisters of the Presentation</td>
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<tr>
<td>Altamont Programs</td>
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<tr>
<td>Wildwood Programs</td>
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<tr>
<td>Altamont Community Trust</td>
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<tr>
<td>Rehabilitation Support Services</td>
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<tr>
<td>Center for Disability Services NY State ARC</td>
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<tr>
<td>Camary Statewide Services</td>
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<tr>
<td>Vesta Community Housing</td>
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<tr>
<td>Albany Community Alternatives</td>
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</tbody>
</table>
APPENDIX D

Resources


In a review of school foundation websites, the following were of interest:

Seattle, Washington
Alliance for Education

Give to Alliance for Education Fund for Student Achievement

Your gift to the Fund for Student Achievement provides support for the core work of the Alliance. These funds leverage donations for strategic initiatives such as professional development for school principals, classroom teachers and educators; the design and creation of smaller learning environments; and engaging public support for school improvement.

Every Student a Great Reader
Your gift will help Seattle Public Schools' students become great readers, with a special focus on literacy and early learning programs for children and help for struggling adolescent readers.

A Great Teacher in Every Classroom
Your gift will help teachers improve their professional skills, find time to collaborate with other teachers, and integrate curriculum across all grade levels in Seattle Public Schools.

A Great School for Every Student
Your gift will contribute to closing the achievement gap by providing additional resources to the most highly challenged public schools in Seattle.

Give to an Endowment
You may support the John Stanford Endowment at the Alliance or other established endowments with cash, stock, or other appreciated assets. E-mail All_Kids_Succeed@alliance4ed.org to learn more about establishing or supporting a new endowment fund or making a planned gift.

Give to a Specific School
Support a specific school by directing your gift to the school and/or program you want to support.

Corporate Support
Your company can support public education through Alliance for Education. For details, e-mail All_Kids_Succeed@alliance4ed.org.
Event Support
Sponsor an event at the Alliance, donate items or services, or attend an event. Please e-mail All_Kids_Succeed@alliance4ed.org.

Highlights
1. Lead our 2004 Annual Report (PDF)
2. 10th Anniversary Brochure (PDF)
3. Learn more about the Alliance (PDF)
4. View our 2004 Donors List (PDF)

Help All Students Achieve
There are multiple ways to contribute to Seattle's public schools and its efforts to raise academic achievement for all students.

Donate Online
Simply click the link below to make a gift to Seattle Public Schools through the Alliance.
Donate Now

Call or Email Us
If you have a question or would like to speak to someone directly about making a gift, please call or e-mail.
Call: (206) 343-0449.
E-mail: All_Kids_Succeed@alliance4ed.org.

Mail Your Gift
If you would like to mail your gift to Alliance for Education, click here to download the giving form (PDF). Send your gift with the completed form to the following address:

Alliance for Education
509 Olive Way
Suite 500
Seattle, WA 98101-2556

Alliance for Education is a 501(c)(3) charitable organization. Our tax ID number is 91-1508191. Additional information is available from the Washington Secretary of State's Charities and Trusts Office at www.secstate.wa.gov/charities or call (800) 332-4483

Lin-Mar Foundation in Iowa

How they spent their foundation monies

Oak Ridge School and Novak Elementary will 'carry over' a portion of their funding until 2005-06.
$30,000 GENERAL BUDGET FUNDING ALLOCATIONS

Overhead Projectors and carts for the media center OVERHEAD PHOTO
Family & Computer Science lazer printer for entire department
World History maps for social studies dept.
Robotics Team support TEAM PHOTO
T1 calculators for math dept.
Printer & monitor for school newspaper
Digital scales for Science dept.
Ceramics wheel replacement for art dept.
Stability balls and accessories for P.E.

**Linn-Mar High school purchases**
- Reading Books for special education students
- Orff instruments (tubano drums) for music classes
- Classroom phones (3)

**Bowman Woods Elementary purchases**
- Laptop computers for lab
- Algebra software (25 CD’s)
- Media Center Books
- MEDIA CENTER PHOTO
- Excelsior Middle School purchases
- A portion of Excelsior's funding was carried over from 2003-04
- Reading Counts Quizzes
- First Grade Classroom Fluency libraries

**Indian Creek Elementary Purchases**
- Media Center Reading Count Quizzes
- Opera Troupe Performance/Workshops

**Novak Elementary Purchases**
- A portion of Novak's funding will be carried over to 2005-06
- Airport Extreme Base Station & Camcorder
- Books on Tape (Gr. 5-8)

**Oak Ridge School Purchases**
- A portion of Oak Ridge's funding will be carried over to 2005-06
- Digital Cameras (4) Alt. Kindergarten (share student projects)
- Laptop Computer Kindergarten (create multimedia projects)
- Leap Pad (6) 1st Gr. Reading enhancement (expand reading ctrs)
- Leap Pad Rdg Books (12) 1st Gr. Reading enhancement
- LEAP PAD PHOTO
- Pedometers (30) PE Health lessons
- Cassette Players (12) Reading Teachers for lessons
- Computer App. (5) Reading Teachers for lessons
- eMAC (1) Computer Special Ed. Dept.

**Westfield Elementary Purchases**
These purchases reflect the funding for 2003-04 and 2004-05 school years.
- Classroom Audio Materials
- CLASSROOM PHOTO

**Wilkins Elementary Purchases**
$5,000 FARMERS STATE BANK FUNDING PURCHASES
- Presentation of 2004-05 FSB Check
District Elem. Keyboard Lab accessories
District Elem. Stories Alive Author Visit
Bowman Woods Eileen Christelow Visit PHOTO
Indian Creek Gorman Visit PHOTO
Oak Ridge 6th grade Camp Courageous Trip
Excelsior Middle School 6th grade Camp Courageous Trip

**Districtwide**
Olweus Funding SIGN PHOTO

**District Elementary**
Staging Equipment