

Will Charitable Foundations work? : Analysis of a

SALTy Reaction

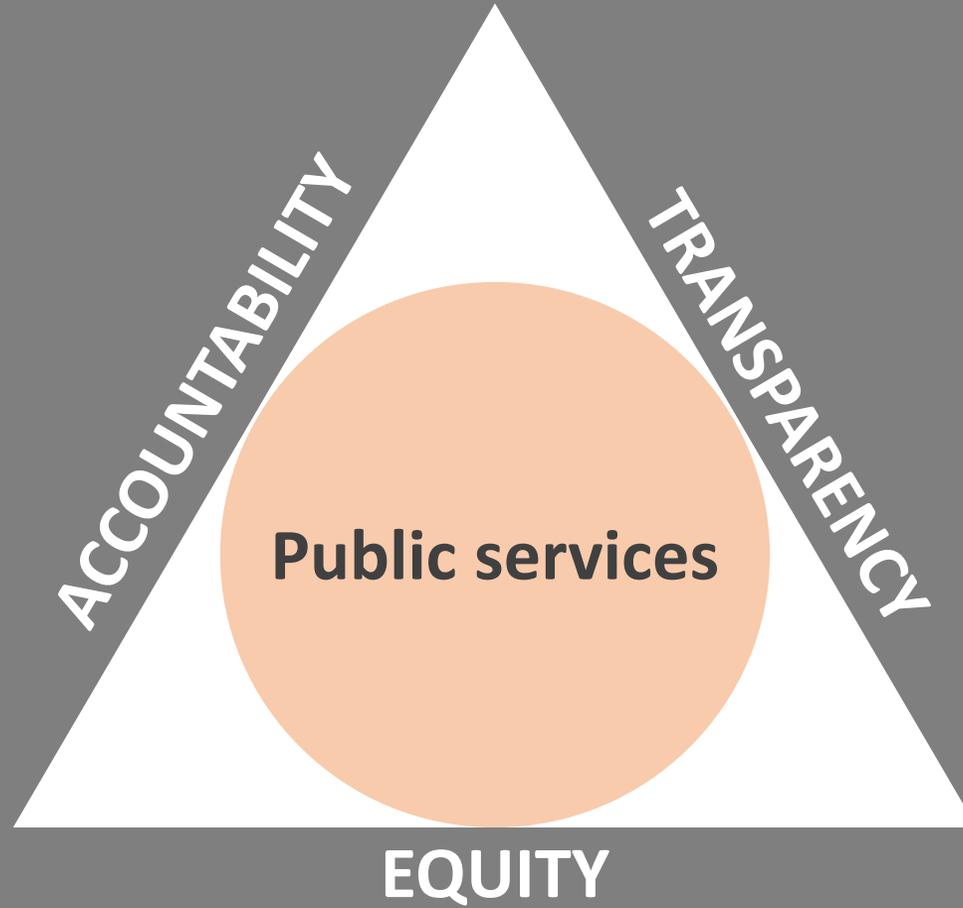


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Cornell University



The FY 2019 Budget creates a new state-operated **Charitable Contribution Fund** to accept donations for the purposes of improving **health care** and **public education** in New York State

Fundamentals of Public Services



Charitable Funds = Private Donations for Public Services



Cycle of Inequity

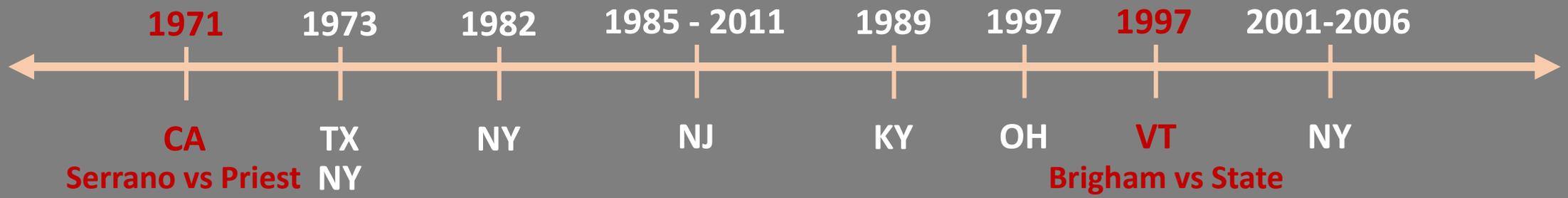
INEQUITY

Fiscal Equity Suits

Charitable Foundations

Sharing Pool

EQUITY



Story of Charitable Foundations in California

INEQUITY
in public funding

Serrano vs Priest (1971)

Local Education Foundations

Sharing Pool

EQUITY
in public funding

How Equitable are Charitable Foundations?

Landscape of Charitable Foundations

How many
are they?

675
(2009)

How much do
they raise?

\$230 m/yr
(2009)

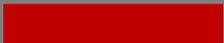
Local Education Foundation in California (2013)

Top four of Local Education Foundations by Per Pupil Spending

LEF	Total Revenue	Enrollment	Per-Pupil Revenue	Zip Code Median Income
Bullis-Purissima Elementary School Foundation	 \$2,735,000	403	\$6800	\$157,000
Woodside School School Foundation	 \$2,280,000	453	\$5000	\$122,000
Ross School Foundation	 \$1,290,000	359	\$3600	\$128,000
Hillsborough Schools Foundation	 \$4,170,000	1512	\$2800	\$100,500

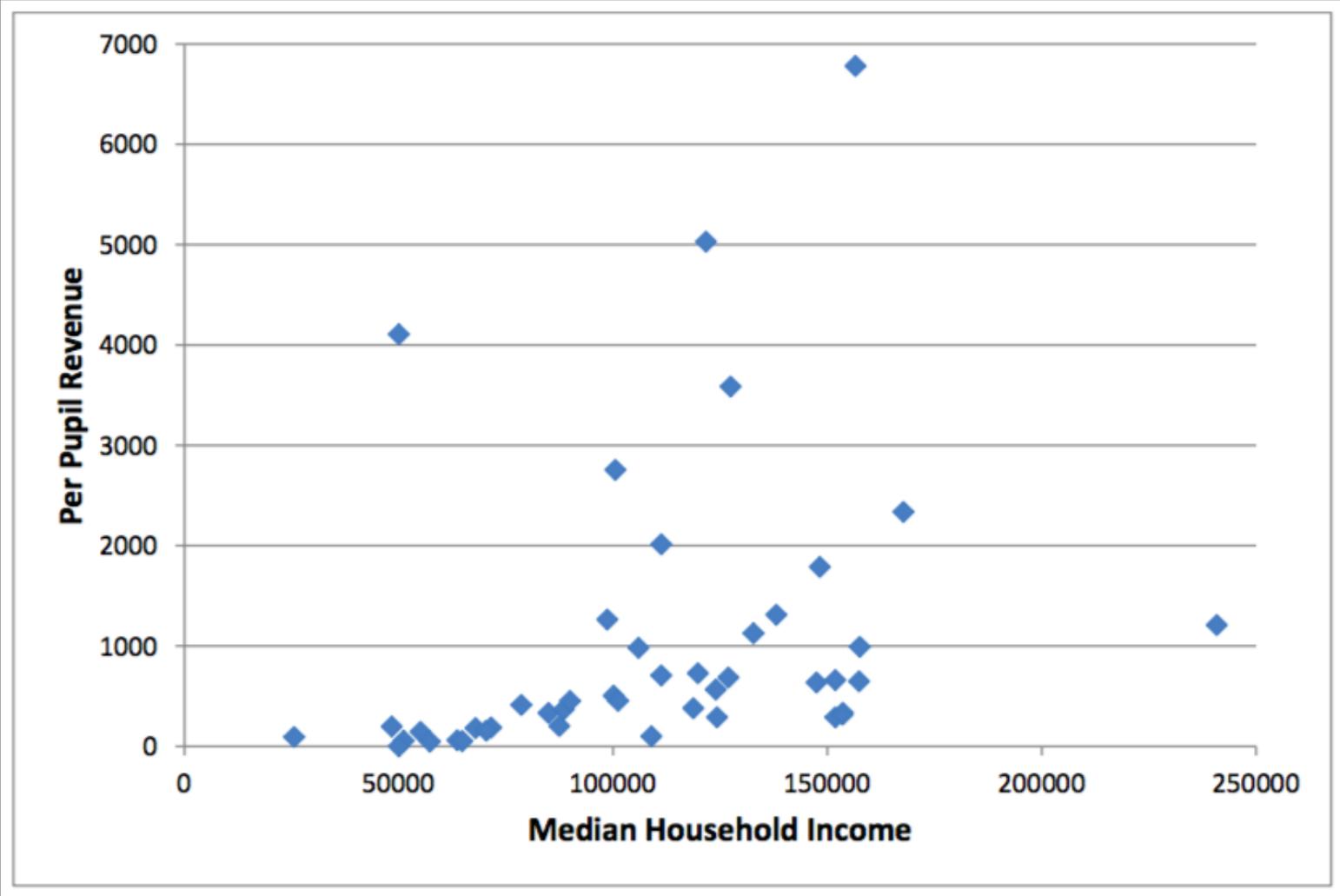
Local Education Foundation in California (2013)

Bottom five of Local Education Foundations by Per Pupil Spending

LEF	Total Revenue	Enrollment	Per-Pupil Revenue	Zip Code Median Income
Redlands Education Partnership Foundation	 \$1, 310, 000	21,398	\$61	\$64,000
Oakland Small Sch. Autonomous Sch. Foundtn.	 \$2, 660, 000	46,584	\$57	\$51,000
Tustin Public School Foundation	 \$1, 210, 000	23,093	\$52	\$65,000
Torrance Education Foundation	 \$1, 180, 000	24,370	\$49	\$57, 000
LA Unified School District Education Foundation	 \$1, 280, 000	662,140	\$2	\$50, 000

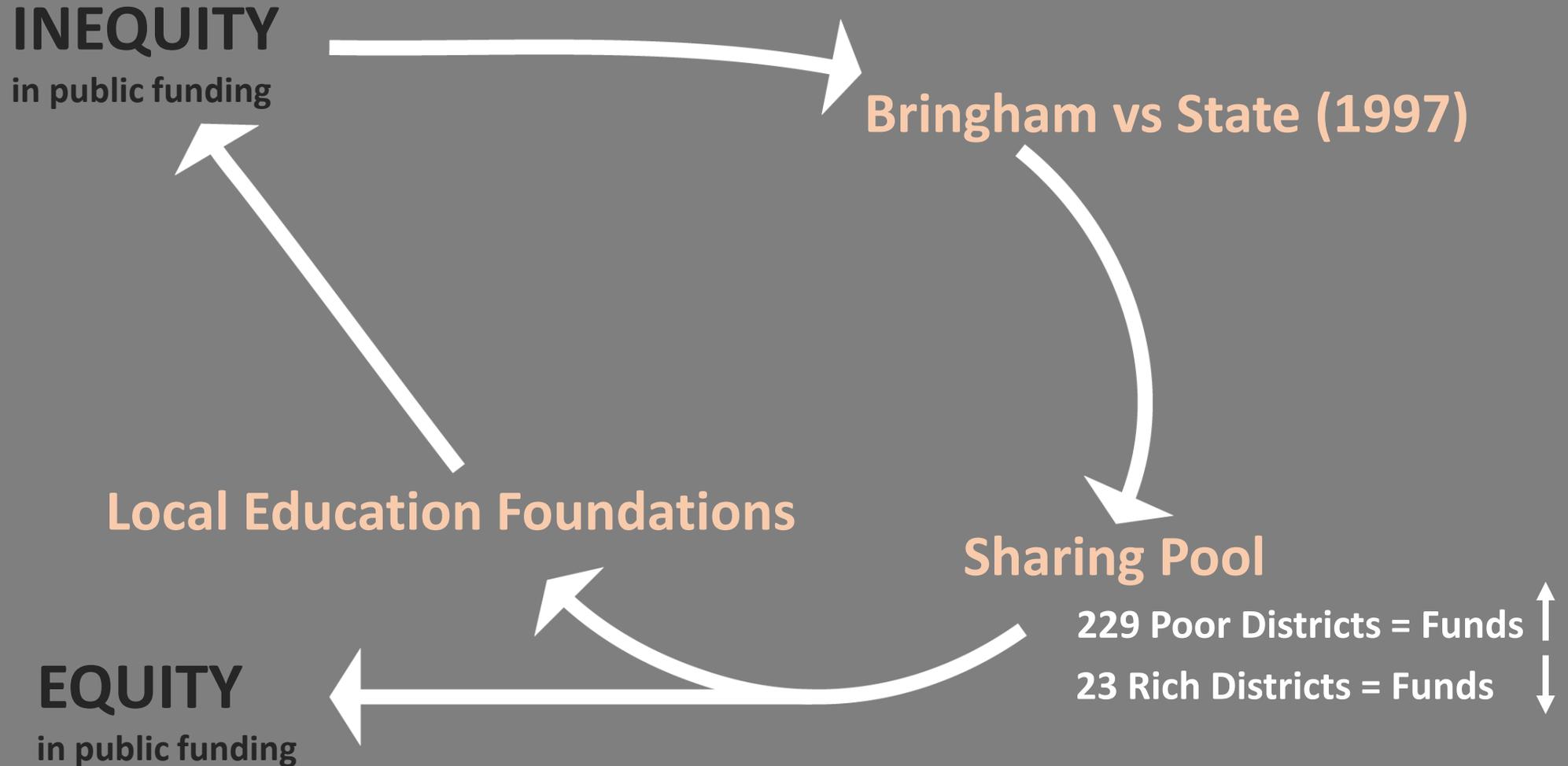
Local Education Foundation in California (2013)

LEF Per Pupil Revenue against Median Household Income



Source: Arsneault et.al, 2013

Story of Charitable Foundations in Vermont



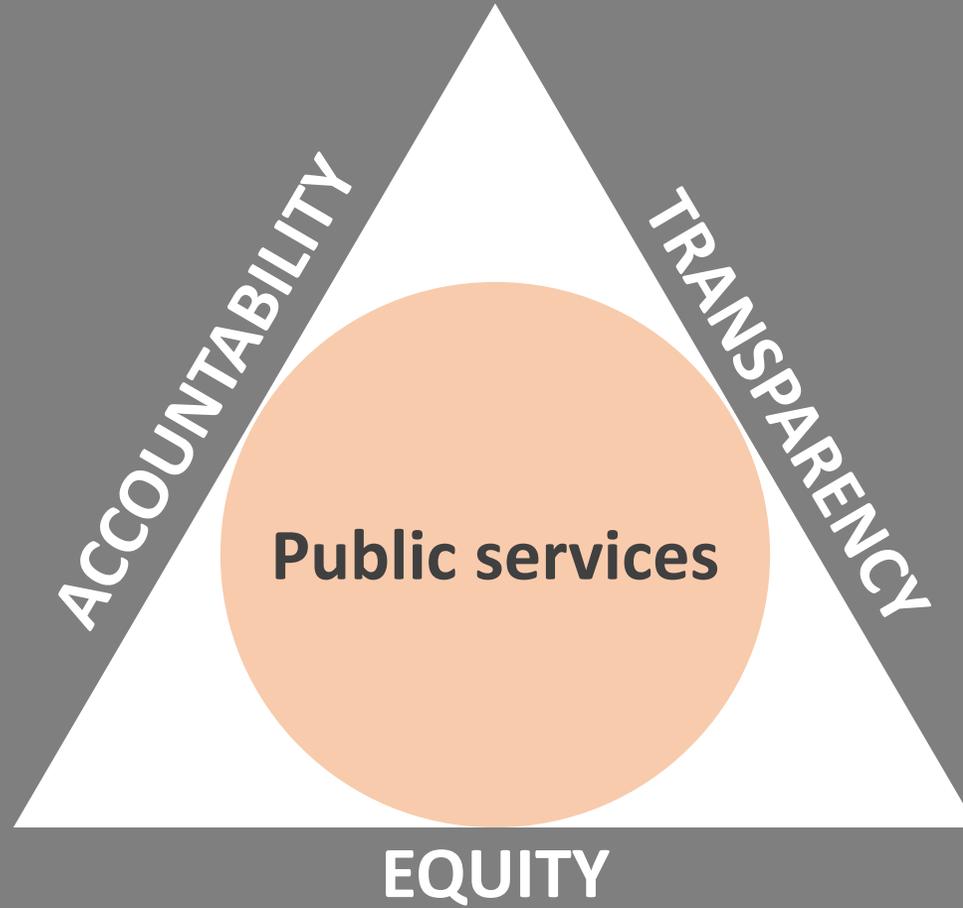
How Equitable and Transparent are Charitable Foundations?

Case from Vermont: 2004

TOWN	Per Pupil Public Spending	Per Pupil Private Spending (Not counted)
Killington	\$6600	~\$3000
Dorset	\$5800	~\$3000

Source: Kisseem, A. 2004.

Fundamentals of Public Services



SALTy reaction or SALT deduction?

Governor Andrew Cuomo

This bill ensures protections for New Yorkers against Washington's targeted attack and we will continue to lead this fight and do everything we can to protect the rights and wallets of families across New York

Congresswoman Nita Lowey

I'm focused on what can be done at the federal level, and the bill I've introduced to restore the deduction in its entirety - the SALT Deductibility Act - is a necessary bipartisan fix