

PRIVATE PHILANTHROPY AND PUBLIC SCHOOLS:  
SAN FRANCISCO IN THE 1960S AND 1970S

A DISSERTATION  
SUBMITTED TO THE SCHOOL OF EDUCATION  
AND THE COMMITTEE ON GRADUATE STUDIES  
OF STANFORD UNIVERSITY  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF  
DOCTOR OF PHILOSOPHY

Lucy Bernholz

June 1995

© Copyright by Lucy Bernholz 1995  
All Rights Reserved

## ABSTRACT

This dissertation examines the relationships between philanthropic foundations and public schools in San Francisco in the 1960s and 1970s. This is a social history, focusing on two seemingly disparate organizations which, as the study shows, become inextricably linked over the course of two decades. These institutions are by their very nature parts of the social fabric of a community. The public schools, cornerstone educational institutions, were very much a part of the social, economic and political events of the times. Nationally and in San Francisco the schools were used as instruments to derail racial discrimination, compensate for economic disadvantage, and teach the basics of civic responsibility to a community's children. Foundations in this time period were slowly changing from truly autonomous and unaccountable private institutions to more closely-monitored 'social venture capitalists.' Each organization in its own way was shaped by and helped to shape the social history of San Francisco in these two decades.

Because foundations are private and fiscally independent, it is logical to assume that they are quite autonomous institutions. A widespread assumption exists that foundations are free to make choices as autonomous organizations. This dissertation argues that, to the contrary, foundations are very much constrained by a complicated set of contexts which have both public and private roots. There are important political, social, and economic constraints on foundations.

Politically, foundations operate within policy spheres which rely on constantly changing analyses of problems and solutions. Since 1969, there has been a complex measure of federal oversight, through both the work of the Internal Revenue Service and as objects of frequent Congressional concern. Foundations exist within their own local communities, and are subject to the changing climates of public opinion. Foundations are expected to be responsive to grant requests. They also respond to the work of other foundations, both local and national.

The social constraints on foundations are as numerous as the political, and the two are often hard to distinguish. Small, local grant makers such as those studied in San Francisco, respond to the particularities of the local public agenda. This agenda includes input from local public agencies, such as schools, and the demands of social protest groups. Foundations also reflect the goals and world views of those who work for them, sit on their boards, or donate the funds which sustain them.

Finally, foundations are economically linked to both their immediate communities and to the strength or weakness of the larger economic picture. Their own assets fluctuate with the stock markets, their grant allocations must meet a legal minimum, and they are often called upon to fill in when public coffers prove insufficient. Foundation grant making is frequently guided by the vicissitudes of public cash flow into social, educational, or cultural programs. In fact, the foundation's programmatic guidelines often mirror the public categorical

funding structures. Thus, through policy guidelines, social concerns, and economic influences private grant making is very closely intertwined with larger public contexts.

To appreciate how foundations behave amid such contexts it is valuable to look at the relationships between philanthropic grant makers and one important policy sector, public education. Just as foundations are active in so many areas of social and political life, from the arts to the environment to welfare, schools are often responsible for much more than instruction in the three Rs. To truly understand the interactions between such complex institutions, this dissertation studies the relationships between foundations and schools in one locale over a two decade span in which major shifts occur in the political, social, and economic contexts.

Through the course of this study four organizing concepts appear. These concepts and their many meanings are the persistent historical puzzles which the dissertation attempts to explain. Broadly conceived, the themes are: influence (which includes issues of control and oversight), independence, community involvement, and innovation. These themes and the questions they raise are briefly discussed in the following sections. Influence, for example, raises the following questions. First, how do public funding streams and priorities influence the work of foundations? How do foundations influence public policy? How does public oversight of private philanthropies affect the relationship? The second concept, independence, raises questions about public accountability and ultimately about interdependence. Third, community involvement is an overarching theme covering questions of problem definition and access to decision making processes. Fourth, innovation is a guiding theme for foundation funding. It is also a notion which is frequently at odds with their work in established institutions (such as schools) and may be in conflict with their goal of helping to develop lasting solutions for community problems. All of these themes contribute to the study's conclusions regarding the interdependence of public and private organizations.

The dissertation is organized into six chapters, each of which highlights a particular aspect of the foundations-school relationship. The introduction provides an overview of the times and the setting, as well as introducing the framing concepts which guided the research. Chapter Two examines the schools and foundations in the 1960s, a period in which the two organizations turned to each other with a sense of hope and change based in shared views of what was possible. The foundations-school relationship in the 1960s was strongly influenced by the relative fiscal strength of schools during the decade. In the decade preceding the implementation of the Tax Reform Act of 1969, the foundations were also relatively unfettered from formal regulation and public oversight. The chapter examines closely the notion of innovation as characteristic of foundation grant making. Many new programs were proposed by the schools to foundations, for everything from alcohol and drug abuse to vocational counseling. The foundations responded eagerly to many of these proposals, seeing the schools as allies in the fight against society's ills.

Both chapters Three and Four are set in the late 1960s and early 1970s, a time of great change in the San Francisco schools and for the foundations. From the idealistic sense of the 1960s that schools could help solve societal problems came a new concern about the schools themselves. Chapter Three examines programs which were aimed at changing the very heart of schooling: teaching and learning. The foundations and the schools developed programs to promote change from within the schools. The chapter also considers issues on which the foundations and schools did not work together. These issues are important for the sense of scope they provide about the relationship. They also represent the independent missions and goals of schools and foundations. There were many points of congruence between the philanthropies and the schools, but there were also issues which did not interest the foundations or for which the schools did not seek private support.

Chapter Four argues that the demands of desegregation and the financial woes facing the schools in the early 1970s marked a period in which private actors increasingly challenged the domains of public decision makers. Within the chapter issues of community involvement and intermediary organizations (between foundations and schools) are considered. Community demands for change focused on the racial distribution of pupils in the District and the schools' ability or willingness to serve all San Francisco students equally. At stake was the cherished political independence of the District, the authority of the School Board and Superintendent, and the system's accountability to the public it was meant to serve.

Chapter Five focuses on the San Francisco Education Fund, an intermediary organization created by the local foundations as a means of providing ongoing support to the schools. The fiscal reality of the late 1970s which leads to the creation of the "Ed Fund" is seen in stark contrast to the richer days of the 1960s. The origins of this institution, both conceptual and structural, are found in the lessons learned in years of foundations-school interactions. In the creation of an autonomous institution, funded by the philanthropies and with the sole purpose of providing support to the public school, is seen as the tangible result of the interdependence of the two sectors by decade's end. The chapter also illustrates the strong connections between local foundations and national grant makers. Corporate support for public schools, which would grow to unprecedented levels in the 1980s, also emerges during this time.

Chapter Six draws conclusions from the study, reflects on their meaning, and suggests areas for future research. Foremost among the study's findings is its recognition of the mutual dependence of foundations and schools as they sought to accomplish their supposedly independent organizational missions. Contrary to their oversimplified designations of public and private independent organizations, both institutions are clearly influenced by political, social, and economic contexts and the overlapping concern for education which ties one to the other. A significant degree of interdependence between private foundations and public schools emerges over the course of two decades of economic fat and thin and political liberalism and conservatism, rising and falling popular

perceptions of public schools, and changes in the legal and fiscal autonomy of private foundations.