

LETTER FROM THE CHAIR

It is striking how easy it has become for most of us to stay well informed about, and well connected to, the world in which we live. And these connections continue to grow every day, through technology, through travel, and through our relationships with one another.

This network of people, information, and systems should serve all of us equally and well. Unfortunately, that's not always the case. Too often, the least powerful among us are also the least served. Too often, the voices of minorities, of the poor, and of children are barely heard above the buzz of our times, if they are heard at all. Too often, the more things change, the more they stay the same for those who need change the most.

For years, local education funds have been doing some of the most difficult and most significant work in America: improving public education and protecting it so that all children can have the opportunity to succeed. In 2002, our very dedicated network of local education funds expanded to serve almost 11 million children in some of the poorest, most disadvantaged school districts in our country.

We owe these children, *our* children, *everybody's* children the hope and promise of childhood. We owe them a future. And we have the power, individually and collectively, to make that happen.

As PEN looks to the future, and to the 20th anniversary of local education funds, we see a network growing wide enough and strong enough to support America's neediest kids. And we see a nation that needs every child, every idea, every contribution to make America the country it ought to be.



David W. Hornbeck
Board Chair

*We owe our children the
hope and promise of childhood.*

LETTER FROM THE PRESIDENT

Our future is sitting in classrooms all over America, from the largest inner-city complex to the smallest rural schoolhouse. And that future—our children—deserves the very best this country has to offer: economic generosity, unconditional equity, genuine respect, high standards.

Standards have been attracting a great deal of attention of late, and rightly so. Because the standards-based reform movement represents an unshakeable belief in human potential. Whatever you may think of *No Child Left Behind*, at its heart lies an irrefutable truth: All too often, for far too many reasons, a staggering amount of human potential in America's schools goes unopened, unchallenged, unawakened, unnoticed.

Standards-based reform means ensuring that all students do their best, irrespective of their circumstances. It means finding realistic, fair ways to make reform work. It means harnessing the goodwill that drives reform to support teachers, administrators, policymakers, parents, and students in the classrooms, in the boardrooms, and in the legislative chambers of America to make sure we achieve this democratic ideal.

The first local education funds came into being 20 years ago as a safeguard against inferior schooling for many of America's children—typically, those living in the poorest, most disadvantaged communities in our country. Though our nation's commitment to public education has varied through the years, local education funds have thrived and grown. Today, PEN members are leading organizations in education reform, serving 20 percent of America's school children.

While 20 years of accomplishment is a notable milestone, there is still much to be done. So we will continue to strive for a network spanning all 50 states, a constituency of millions of people working to strengthen public education, and significant change in education policy and practice.

Noted anthropologist Margaret Mead has given us some words to live by: "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."



Wendy D. Puriefoy
President

Standards-based reform represents an unshakeable belief in human potential.

"There's no such thing as somebody else's children in America."

– Taylor Branch, Pulitzer Prize-winning author, speaking at PEN's 2002 annual conference



Along the Network · America's Children

2002 YEAR IN REVIEW

We live in a global world of interconnectedness, a world where people are more powerful as *individuals* because they have access to more resources and *more people* than ever before. Yet this power of interconnectedness is also a paradox because, while everyone is somehow affected, not everyone benefits. Many are overtaken, underrepresented, or simply left behind.

But in a true democracy, everyone matters and no one is left behind. In a true democracy, *all* members are cared for, right down to the weakest ones, the ones who cannot speak up, the ones who cannot vote. Yet there remain dark corners of powerlessness in our democracy, and the people most often found huddled in those dark corners are children.

America's children are *everyone's* children, no matter what they look like or where they come from. They are democracy's future and its conscience as well. And while they may seem powerless, they can often be powerful. Taylor Branch reminds us that, in the '60s, it was our children—elementary-school children—who marched in Birmingham and went to jail and changed the heart and the shape of America: “The balance of power of a great nation shifted on the witness of school children.”

A true democracy provides a system that protects the health, the safety, and, perhaps most important of all, the education of its children. *All* of its children. And it does not waver in this commitment. So we need more hands doing more work for more of America's children who have been denied the education and services they need.

In 2002, our nation saw movement in that direction with the implementation of *No Child Left Behind* (NCLB), a law to raise standards and provide checks to make sure every school is doing its job. PEN also spent 2002 making sure there were more hands doing more work. Our network of local education funds expanded to 78 members in 30 states and the District of Columbia, serving almost 11 million children in some of the poorest, most disadvantaged areas of our country.

As always, we worked to strengthen the capacity of our network. A new branding and membership identity system is helping LEFs promote themselves, their work, and their network affiliation. New vision, mission, and positioning statements are helping to unify all our efforts as a network. A powerful and productive annual conference, Standards-Based Reform: A Civic Imperative, celebrated and spotlighted the innovative work of LEF members.

Our public engagement work expanded and deepened in our three initiative sites and in countless other LEF communities. For the third year in a row, we partnered with *Education Week* to conduct a national poll on the importance of public education in America. A guide to NCLB, published by PEN, is helping community and parent leaders throughout the country take action in support of children. Likewise, GiveKidsGoodSchools.com, our online advocacy campaign launched in December 2002, is helping citizens demand quality public education for all children.

This work was recognized by *Worth* magazine in naming PEN one of the top 100 charities in America, citing our refusal to accept inferior schooling for disadvantaged kids.

We know there are still many miles to go, but we are well on our way to our destination: a quality public education for *every* child.

STANDARDS-BASED REFORM: A CIVIC IMPERATIVE

Every fall, some of the most passionate, powerful, original thinkers in the field of education gather at PEN's annual conference in Washington, DC, to look at tough issues facing education and the many ways in which daunting obstacles can be overcome.

PEN's 2002 annual conference focused on one of this nation's most challenging obligations: standards-based reform. Advocates, educators, administrators, and policymakers spent three days discussing the impact of standards-based reform, from its very real flaws to its equally real promise.

The conference opened with “A Historical Look at the Civic Imperative: 1950 to Present,” a spirited discussion moderated by Michele Norris, host of National Public Radio's *All Things Considered*. Panelists included Sonia Hernandez, conference co-chair; Yolanda Moses, president, American Association for Higher Education; and Thomas Payzant, superintendent, Boston Public Schools. Prominent keynote speakers—Elaine Jones, Sara Lawrence-Lightfoot, and Taylor Branch—helped us explore issues at the heart of the standards debate, reminding us all that children are essential to this country's future, and that, working together, we can achieve a quality education for every child. Their wise observations bear repeating.

The enactment of *No Child Left Behind* (NCLB) has been greeted with a mix of elation, caution, and concern. NCLB's aims are portentous: improve teacher quality, close achievement gaps, introduce annual testing, improve low-performing schools.

With NCLB, the federal government is saying that educating *all* students to high levels really matters, and the most powerful nation on earth is going to put its might and muscle into making that happen. But along with great expectations come many questions:

- What will NCLB mean for children, teachers, and education as a whole?
- How will it work? What needs to be done?
- Can an unfunded mandate be enforced?
- How will progress be measured?
- What will happen to the schools—and the children—who, through no fault of their own, do not meet the requirements?

These questions are still being debated. But a national poll shows that 71 percent of voters favor NCLB, and that 75 percent understand it will take more money to make NCLB work. To help community leaders, parents, and educators maximize the intended benefits of NCLB, PEN produced an 80-page handbook that cuts through jargon, prioritizes areas for public action, works as a professional development tool for educators, and provides a directory for building community leadership. Requested more than 20,000 times so far, *Using NCLB to Improve Student Achievement: An Action Guide for Community and Parent Leaders* is PEN's most popular publication ever.

Taking the Civic Imperative to Our Communities: A Citizen's Responsibility

Elaine R. Jones, *President, NAACP Legal Defense and Educational Fund*



If you could look inside America's schools, and see that some are served well and some are not served at all—and that many of those not served are the schools of minority and poor children—you might conclude that the civil rights movement is still a work in progress.

“One of the great things about *Brown v. Board of Education* was that it did bring this country to a realization that this idea of enforced, racial segregation was wrong as a matter of law.” So children were bussed out of their neighborhoods into schools that were supposed to serve them better. And they did, in some ways, for a while.

But resegregation is on the rise in America. It was hard for children to go to unfamiliar schools across the city. It was hard for parents to let them go. Over time, for various reasons, children began to come back home in such numbers that, by 1998, the percentage of black students in white schools dropped below 1970 rates. Those children returned to schools that had been unable to help them in the first place. And there they remain, trapped.

There is one basic truth that will change this picture of public education in America: *Every child can learn*. If we want *all* children to have learning opportunities that mean something, if we want all of them to be productive citizens, if we want to be the democratic society we profess to be, we must level the playing field for all kids.

Building Respect and Reverence for Public Education

Sara Lawrence-Lightfoot, *Emily Hargroves Fisher Professor of Education, Harvard Graduate School of Education; Board Chair, John D. and Catherine T. MacArthur Foundation*



Respect is transformational. Treated with respect, people bloom; denied respect, they wither. Because respect, as Dr. Lightfoot reminds us, “is the single most powerful ingredient in creating authentic relationships and building just communities.”

This holds true in education as well. If education is going to improve, everybody connected to it must be treated with respect. There is a direct correlation between public reverence for education and respect in the classroom. Encounters between students and teachers cannot be nourished, or sustained, without respect. And when teachers and students are given respect, they give it back—to one another and to the communities in which they live.

In hundreds of schools across the country, from inner-city schools in poor communities to affluent suburban schools, from remote rural schools to elite preparatory academies, students asked to identify good teachers always come up with the same answer: “Because she respects us.” How do these teachers show respect? By making their students feel worthy, by noticing them, by taking them seriously, by paying attention to them, by challenging them, by expecting the best from them, by insisting that they learn. Most of all, by bothering to *know* them.

“Does anybody know who I am?” is a question we all ask. It begins in childhood, and it never ends. Acknowledgment makes us human. Who we are matters, and whom we recognize—and how we recognize them—matters just as much.

Connecting Social Justice and School Reform

Taylor Branch, *Pulitzer Prize-winning Author*



In America, there is no such thing as somebody else's children. The founding concept of America is equity, yet equity remains out of reach for many Americans, particularly children. And, unless the voting age is lowered to 12, there may never be justice for children in our public school system.

But children cannot go to the voting booth, so they depend on adults to take care of them. Yet sometimes adults *don't* take care of children in the most fundamental of ways, and children are forced to take care of themselves. Children marched in Birmingham with Martin Luther King Jr. and children were jailed in Birmingham. “The balance of power of a great nation shifted on the witness of school children.”

We owe those children a lot. And we owe *every* child education, opportunity, hope—things that many of us have always had, so we know it's possible. And we know there are fair, reasonable ways to get there.

One of the great moments in the civil rights movement came when teachers marched in Selma. On January 22, 1965, every single public school teacher in Selma marched. And the kids knew what that meant; they knew Miss Wilson had brought her toothbrush to class that day because she was going to go out and march.

The best rule for everyday life is this: Find a boundary, step across. The children in Birmingham and the teachers in Selma stepped across one of the biggest boundaries in American history. Can we do less?

Despite widespread concern over *No Child Left Behind*, despite differences between Democrats and Republicans, regardless of what else is happening in the political climate, education remains a constant American value.

Many of the problems that plague us—crime, inadequate healthcare, public safety issues, unemployment—can be eased by investing in education. And our 2002 poll, *Demanding Quality Public Education in Tough Economic Times*, reveals that voters overwhelmingly want education to be protected: 1,050 voters—male and female; African Americans, Latinos, and whites; with and without children—made it clear they want education to be recession-proof, even over healthcare, national security, Social Security, and employment. And they made it equally clear that they won't be sidetracked by politics, war, or pressure to balance budgets when it comes to protecting education.

GiveKidsGoodSchools.com

At PEN, we believe quality public education requires active public participation. So we created GiveKidsGoodSchools.com, an e-advocacy tool enabling individuals to support and demand quality public education for all children in America.

GiveKidsGoodSchools.com has grown rapidly since its launch in December 2002—a testament to the depth of commitment and concern that the American people have for public education. With tens of thousands of activists committed to improving public schools, GiveKidsGoodSchools.com is on its way to becoming a major player in the national public education debate. This virtual community of public education supporters is letting elected officials know that they must back their campaign promises with sound education policies for America's children.

When you have the ear of government, education, and business, things begin to happen.

PUTTING PUBLIC ENGAGEMENT INTO PRACTICE

Across the country, in 28 states and the District of Columbia, change on behalf of poor and disadvantaged kids is becoming a reality. Sometimes slowly, sometimes quickly, always deliberately, change is taking place in many kinds of schools, in many kinds of communities.

Some of the local education funds effecting these changes are brand new; some have been around for decades. All participate in work that promotes teacher quality, school-community links, and standards and accountability. Here are some of their success stories.

Public Education and Business Coalition

Teach from the heart and from experience is the mantra of the Public Education and Business Coalition (PEBC) in Denver. So PEBC, through its teacher grant program, Fund for Teachers, sends teachers all over the world every summer to experience firsthand the Anne Frank House in Amsterdam, family farms in Iowa, Mayan ruins in Mexico, and neighborhoods in Costa Rica and Honduras.

PEBC also runs a national study program, inviting teachers from around the country into Denver classrooms to observe and learn from other teachers, and the powerful Facing History Summer Institute, with a curriculum built around the lessons of the Holocaust. “It’s putting into historical context issues that every society needs to grapple with,” explains Barbara Volpe, PEBC’s executive director.

PEBC works with the community in a variety of ways to improve education, including the recently launched *Head First Colorado, the Magazine for Enterprising Ideas for Education*. The magazine is strengthening dialogue among education groups and meeting the needs of policymakers by letting them know what’s going on without pushing a particular point of view.

Despite cutbacks and setbacks in Colorado—including the very real threat posed by vouchers—things are moving forward. Americans value having a good public school in their neighborhoods, and that’s the motivating force behind the Northeast School Collaborative, a community engagement project made up of lower income, ethnically diverse schools in northeast Denver. Besides helping students improve in reading, writing, and math, the Collaborative is building community ownership of public schools—helping people living in those neighborhoods realize the success of those schools is, in large part,

their responsibility. While the work is still new, there has already been a change in attitude; when you have the ear of government, education, and business, things begin to happen.

“There are many people out there, from business people to teachers to neighbors, to whom our work matters deeply. In Denver, public schools help bind us together,” says Volpe.

Boston Plan for Excellence in the Public Schools

In Boston, teachers train one another and everyone benefits. Through the Collaborative Coaching and Learning (CCL) program established by The Boston Plan for Excellence in the Public Schools (BPE), veteran teachers coach new ones, making experienced teachers better and helping new teachers develop strong teaching muscles. “Teachers say it’s the best professional development they’ve ever had,” says Ellen Guiney, BPE’s executive director.

Literacy is the heart of CCL. Teachers learn to use BPE’s Readers and Writers Workshops to weave together vital strands of reading, writing, and *talking*. They’re helping students develop a critical eye, see subtle differences in words, and ponder words that are exciting, so that even young students learn to read as *writers*.

Teachers are reading as writers, too. A teacher conducting a poetry workshop lacked the vocabulary to talk about the craft of writing, especially poetry. CCL taught her about rhythm and word choice, line breaks and white space, and why poems are built the way they are. As she reads aloud Nikki Giovanni’s powerful poem *Ego-Tripping* (“I was born in the Congo”), her students listen, take notes, and then write and share poetry of their own.

Talking about writing and *talking* about reading build understanding. Talking helps students sharpen what they think and consider other points of view.

Some schools are using Readers Workshops to create book clubs and passionate readers. Students choose their books, keep notebooks of ideas and responses, and, most of all, *talk* about what they read: summarizing, connecting, questioning, and quoting from books to support or refute ideas. As a result of all this reading, thinking, and talking, students are discovering more kinds of books—and they’re discovering each other as well. As one high school student puts it: yes, he now likes reading, which is great, but what’s more, “Teachers got to know students better. And students got to know teachers better.”

School after school has embraced CCL. By September 2003, it will be district policy to have CCL in every public school in Boston. As Superintendent Thomas Payzant says, “We all share the same goal—greater learning for our students. When teachers learn together, students learn more.”

We all share the same goal—greater learning for our students.

The Education Alliance

West Virginia's teacher quality initiative is based on respect. It began with a survey that asked two questions: "What do you think quality teaching is?" and "How can we improve it in West Virginia?"

The surprising responses revealed lots of agreement and very little respect. Everyone agreed about the need for communication, about teachers' professional development and salaries, and, most of all, about students and whether they're learning what they need to learn.

But teachers didn't feel respected by students and parents, students and parents didn't feel respected by teachers, and community members didn't feel welcome in the schools. While everyone agreed on what they valued, "There was not the mutual respect needed to act upon those values," said Hazel Palmer, Alliance president/CEO.

So last year the Alliance developed community dialogues to show respect for public opinion and to ask for the community's help in improving the quality of teaching in West Virginia. The goal: to engage more and more people over time and help them see that public education belongs to the public. For many people, it was the first time they had become involved in education reform and the first time anyone had asked them what they really thought. "They have the right to be involved and the responsibility to ensure that every child in West Virginia can achieve," avows Palmer.

At a dialogue in Wood County, people from different walks of life—a county school superintendent, a teacher, a banker, a labor union member, a middle-school student, and a high-school student who led the discussion—talked *respectfully*, as equals, about family involvement, stronger curricula, and high-quality teaching. They decided to tackle teacher evaluations, high standards for attracting and certifying teachers, and a greater local voice in shaping the school calendar. Their concerns were given to their legislators, who now know what voters in Wood County expect.

Diverse groups of people are now talking and listening to one another in 17 of West Virginia's 55 counties. In the end, the Alliance will look back and ask, "Did we build a community of respect?"

Foundation for Lincoln Public Schools

A well-known drawing captures what the Foundation for Lincoln Public Schools (FLPS) is trying to accomplish. A child loaded down with suitcases marked *homelessness*, *hunger*, and *illness* pleads with an adult: "Can you help? I'm late for math class."

Through its Community Learning Centers, FLPS engages entire neighborhoods in education reform. As Executive Director Barbara Bartle puts it, "These centers serve the community, cradle to grave, with educational support, after-school programs, health, housing, financial services, counseling, whatever they need."

These centers are giving kids hope where they never expected to find it—within themselves:

Sadie, a second-grader who arrived "looking like a street urchin out of Charles Dickens," began the after-school program with academic and behavioral problems. Teachers working with Sadie saw a little girl become a respectful, positive leader: one whose grades improved so much she was promoted to an older group, and one who, unprompted, wrote thank-you notes to everyone in the program.

After witnessing a traumatic family event, fifth-grader Cory developed severe emotional and behavioral troubles. When his father remarried shortly thereafter, Cory lashed out with crying, head-banging, fighting, even talking about suicide. The center's many partners—school counselors, behavioral specialists, social services, law enforcement, the school nurse—got Cory the help he needed and included his father in his recovery. Cory began taking theater classes, which helped him control and express himself, and he began to heal. By the end of the school year, his behavior had improved dramatically.

Matthew entered the after-school program at age 5. His single father was poor and struggling to raise his children, and Matthew suffered the consequences; badly groomed, poorly dressed, he didn't fit in with his peers and fell behind in school. In the center's Reading Recovery program, under the steady guidance of a teacher, Matthew began to improve. A Family and Schools Together program brought his father into the center's orbit. When his father became disabled and money scarcer, the family was adopted by a high school club. With tears in his eyes, Matthew's father thanked the school principal, saying, "You will never know what this means to my family."

In Lincoln, a simple, strong commitment—meet basic human needs, so children can learn—is lightening a very heavy load.

These centers are giving kids hope where they never expected to find it—within themselves.

Portland Schools Foundation

Every student can learn. In Portland, teachers know it and students know it, because it is happening in some of Portland's most challenged schools.

Teachers are getting the information they need, students are getting the attention they need, both are getting the support they need. Best of all, people are starting to believe that even the most disadvantaged kids can meet the highest standards of learning.

The Portland Schools Foundation's (PSF) belief in the abilities of disadvantaged kids is captured in the components of its "Closing the Achievement and Opportunity Gap" initiative:

- A school-based data framework to monitor the progress of individual schools
- Conditions favorable to raising student achievement in each school
- Recommendations to district and community leaders that include accountability

The initiative collects and uses data to diagnose problems, identify best practices, target resources, and make solid improvements that can be measured. And it's working. In 2002, PSF saw some gratifying—and stereotype-breaking—results. Here is just one example:

At Rigler Elementary School, three-fourths of the students are minorities and four-fifths come from low-income families. Furthermore, two-fifths of Rigler students don't speak English at home—the highest proportion in Portland. Despite these statistics, Rigler set high standards for its students, looked carefully at what they needed, and made sure they got it. In 2000, only 40 percent of the school's ESL third-graders met state reading standards, so Rigler began providing more uninterrupted reading time and longer small-group sessions with special teachers. In 2002, 86 percent of Rigler's ESL fifth-graders—the same students, two years later—met state reading standards (compared to 80 percent of fifth-graders districtwide), and 93 percent of Rigler's fifth-grade Latino students met them (compared to 62 percent of fifth-grade Latinos districtwide).

Cynthia Guyer, PSF's executive director, puts it this way: "Rigler is a great example of a school with incredible challenges...which, when the right pieces are in place, can make dramatic changes for children in learning in a short amount of time."

Rigler Elementary is not alone. With useful, accurate data, and teachers and administrators who know that every child can learn, student achievement is improving in schools throughout Portland.



Along the Network · 2002

FINANCIAL OVERVIEW

STATEMENTS OF FINANCIAL POSITION

For the Year Ended December 31,	2002	(Restated) 2001
Assets		
Current Assets		
Cash and cash equivalents	\$ 248,561	\$ 702,755
Accounts receivable	15,784	13,019
Interest receivable	38,000	65,160
Prepaid expenses	83,660	87,158
Unconditional promises to give, current portion	5,325,717	5,518,385
Short-term investments	1,645,404	2,631,538
Total Current Assets	7,357,126	9,018,015
Fixed Assets		
Office equipment	220,227	220,227
Computer equipment	526,393	370,404
Leasehold improvements	194,837	167,049
	941,457	757,680
Less accumulated depreciation and amortization	(507,828)	(446,451)
Total Fixed Assets	433,629	311,229
Long-Term Investments		
Long-term investments	674,068	597,010
Long-term investments, restricted	1,008,417	1,107,397
Total Long-Term Investments	1,682,485	1,704,407
Unconditional Promises to Give, net of current portion	2,202,433	7,028,414
Intangibles		
Deposits	39,616	47,999
Total Assets	\$ 11,788,910	\$ 18,110,064
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 187,840	\$ 191,094
Accrued expenses	328,825	146,124
Loan payable		12,025
Total Current Liabilities	516,665	349,243
Net Assets		
Unrestricted	1,519,480	2,843,721
Temporarily restricted	8,752,765	13,917,100
Permanently restricted	1,000,000	1,000,000
Total Net Assets	11,272,245	17,760,821
Total Liabilities and Net Assets	\$ 11,788,910	\$ 18,110,064

STATEMENTS OF ACTIVITIES

For the Year Ended December 31,

2002

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Grants	\$ 693,271	\$ 978,490		\$ 1,671,761
Member dues	139,325			139,325
Corporate contributions	343,409			343,409
Individual contributions	18,052			18,052
Conferences and events	113,747			113,747
Other contributions	4,661			4,661
Honoraria	19,300			19,300
Royalties	7,397			7,397
Investment income	176,234			176,234
Realized gain on investments	34,487			34,487
Unrealized loss on investments	(190,468)			(190,468)
Miscellaneous	707			707
Satisfaction of program restrictions	6,142,825	(6,142,825)		
Total Revenue	7,502,947	(5,164,335)		2,338,612
Expenses				
Program services	6,805,539			6,805,539
Management and general	1,884,520			1,884,520
Fundraising	137,129			137,129
Total Expenses	8,827,188			8,827,188
Change in Net Assets	(1,324,241)	(5,164,335)		(6,488,576)
Net Assets, Beginning of Year (Restated)	2,843,721	13,917,100	\$ 1,000,000	17,760,821
Net Assets, End of Year	\$ 1,519,480	\$ 8,752,765	\$ 1,000,000	\$ 11,272,245

For the Year Ended December 31,

2001

	Unrestricted	(Restated) Temporarily Restricted	Permanently Restricted	(Restated) Total
Revenue				
Grants	\$ 739,818	\$ 2,994,070		\$ 3,733,888
Member dues	129,270			129,270
Corporate contributions	171,605	42,500		214,105
Individual contributions	113,127			113,127
Conferences and events	98,400			98,400
Honoraria	7,200			7,200
Royalties	1,431			1,431
Investment income	297,273			297,273
Realized gain on investments	1,634			1,634
Unrealized loss on investments	(72,048)			(72,048)
Miscellaneous	2,624			2,624
Satisfaction of program restrictions	4,013,396	(4,013,396)		
Total Revenue	5,503,730	(976,826)		4,526,904
Expenses				
Program services	5,132,497			5,132,497
Management and general	1,720,225			1,720,225
Fundraising	214,436			214,436
Total Expenses	7,067,158			7,067,158
Change in Net Assets	(1,563,428)	(976,826)		(2,540,254)
Net Assets, Beginning of Year	4,407,149	14,893,926	\$ 1,000,000	20,301,075
Net Assets, End of Year	\$ 2,843,721	\$ 13,917,100	\$ 1,000,000	\$ 17,760,821

STATEMENTS OF CASH FLOW

For the Year Ended December 31,	2002	(Restated) 2001
Cash Flows from Operating Activities		
Change in net assets	\$ (6,488,576)	\$ (2,540,254)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	61,377	133,128
Unrealized loss on investments	190,468	72,048
Realized gain on investments	(34,487)	(1,634)
Donated equipment	(70,336)	
(Increase) decrease in:		
Accounts receivable	(2,765)	(3,618)
Interest receivable	27,160	4,988
Prepaid expenses	3,498	(65,371)
Unconditional promises to give	5,018,649	1,821,097
Increase (decrease) in:		
Accounts payable	(3,254)	(77,252)
Accrued expenses	182,701	34,191
Net Cash Used in Operating Activities	(1,115,565)	(622,677)
Cash Flows from Investing Activities		
Acquisitions of fixed assets	(113,441)	(90,951)
Purchases of intangible assets	(73,621)	
Net money market activity	(365,974)	(79,624)
Purchases of investments	(1,797,406)	(1,673,652)
Sales of investments	3,015,455	1,553,250
Payment of deposit	8,383	315
Net Cash Provided by (Used in) Investing Activities	673,396	(290,662)
Cash Flows From Financing Activities		
Principal payments under capital lease		(2,066)
Principal payments on loan payable	(12,025)	(33,769)
Net Cash Used in Financing Activities	(12,025)	(35,835)
Change in Cash and Cash Equivalents	(454,194)	(949,174)
Cash and Cash Equivalents, Beginning of Year	702,755	1,651,929
Cash and Cash Equivalents, End of Year	\$ 248,561	\$ 702,755

2002 FUNDERS

ABC, Inc. Foundation	National Coalition for Parental Involvement in Education
American Express Foundation	The Prudential Foundation
The Annenberg Foundation	The Sulzberger Foundation
BP Foundation, Inc.	The UPS Foundation
Carnegie Corporation of New York	US Department of Education, Office of Educational Research and Improvement
ChevronTexaco Corporation	US Department of Health & Human Services
Edna McConnell Clark Foundation	Washington Mutual Foundation
Ford Foundation	William & Flora Hewlett Foundation
The J.P. Morgan Chase Foundation	Working Assets Youth Focus Fund
MetLife Foundation	
Microsoft Corporation	

2002 BOARD OF DIRECTORS

David W. Hornbeck Chair President & CEO International Youth Foundation	M. Anthony Habit President Wake Education Partnership	Wendy D. Puriefoy President Public Education Network
Virgil Roberts Vice Chair Partner Bobbitt & Roberts	Margaret Hiller Executive Director Bridgeport Public Education Fund	S. Paul Reville Executive Director Center for Education Research and Policy at MassINC
Richard Vierk Treasurer Partner In Charge – Tax Operations Deloitte & Touche	Ruth Holmberg Retired Chairman <i>The Chattanooga Times</i>	Warren Simmons Executive Director The Annenberg Institute for School Reform
Beth Lief Secretary Consultant	Diana Lam Deputy Chancellor The New York City Department of Education	Deborah Wadsworth Former President Public Agenda
Donald O. Clifton Chairman The Gallup Organization	Byron F. Marchant EVP & Chief Administrative Officer BET Holdings, Inc.	Ronald A. Wolk Chairman of the Board Editorial Projects in Education
Bonnie Copeland Interim CEO Baltimore City Public School System	Marshall D. Orson Principal Melbourne Partners	Beth Dilley Ex-Officio
	Robin K. Pasquarella President Alliance for Education	

2003 NETWORK MEMBERS

Alabama

- Mobile Area Education Foundation

Arkansas

- Public Education Foundation of Little Rock

California

- Alliance for Student Achievement (Los Angeles)
- Berkeley Public Education Foundation
- The Galef Institute (Los Angeles)
- Marcus A. Foster Educational Institute (Oakland)
- San Francisco Education Fund
- Urban Education Partnership (Los Angeles)

Colorado

- Public Education & Business Coalition (Denver)

Connecticut

- Bridgeport Public Education Fund
- Hartford Education Foundation
- New Haven Public Education Fund
- Norwalk Education Foundation
- Stamford Public Education Foundation

District of Columbia

- DC VOICE
- In2Books
- Parents United for the DC Public Schools

Florida

- The Alliance for World Class Education (Jacksonville)
- Education Foundation of Collier County (Naples)
- Education Foundation of Palm Beach County (West Palm Beach)
- The Education Fund (Miami)
- Foundation for Orange County Public Schools (Orlando)
- Hillsborough Education Foundation (Tampa)

Georgia

- APPLE Corps, Inc. (Atlanta)

Illinois

- The Chicago Public Education Fund

Indiana

- Allen County Local Education Fund (Fort Wayne)
- Public Education Foundation...Serving South Bend

Kentucky

- Forward in the Fifth (Berea)

Louisiana

- Academic Distinction Fund (Baton Rouge)
- Greater New Orleans Education Foundation

Maryland

- Fund for Educational Excellence (Baltimore)

Massachusetts

- The Boston Plan for Excellence in the Public Schools
- The Cambridge Partnership for Public Education
- Lynn Business/Education Foundation
- Mary Lyon Education Fund (Shelburne Falls)

Michigan

- Kalamazoo Communities in Schools Foundation
- Schools of the 21st Century Corporation (Detroit)

Minnesota

- Achieve!Minneapolis

Mississippi

- Area Education Foundation (Hattiesburg)
- Association for Excellence in Education (Laurel)

Nebraska

- Foundation for Lincoln Public Schools

New Jersey

- East Orange Education Foundation
- Englewood Community Foundation
- Montclair Fund for Educational Excellence
- Paterson Education Fund
- Public Education Foundation of Plainfield (North Plainfield)

New York

- Good Schools for All (Buffalo)
- Greater Syracuse Education Fund
- New Visions for Public Schools (New York)

North Carolina

- Charlotte Advocates for Education
- Chatham Education Foundation (Pittsboro)
- Durham Public Education Network
- Guilford County Education Network (Greensboro)
- Public School Forum of North Carolina (statewide)
- Wake Education Partnership (Raleigh)

Ohio

- Center for Leadership in Education (Elyria)
- Cleveland Initiative for Education
- KnowledgeWorks Foundation (Cincinnati)
- Stark Education Partnership (Canton)

Oklahoma

- Oklahoma City Public Schools Foundation

Oregon

- Portland Schools Foundation

Pennsylvania

- Lancaster Foundation for Educational Enrichment
- Mon Valley Education Consortium (McKeesport)
- Philadelphia Education Fund
- Pittsburgh Council on Public Education

Rhode Island

- The Education Partnership (Providence)

South Carolina

- Alliance for Quality Education (Greenville)
- The Charleston Education Network
- The Education Foundation (Charleston)
- Pee Dee Education Foundation (Florence)
- Public Education Partners (Aiken)

Tennessee

- HC*Excell – The Education Foundation (Morristown)
- Nashville Public Education Foundation
- Partners in Public Education (Memphis)
- Public Education Foundation (Chattanooga)

Texas

- Austin Voices for Public Schools
- Houston A+ Challenge
- Richardson Independent School District Tomorrow
- San Antonio Education Partnership

Washington

- Alliance for Education (Seattle)

West Virginia

- The Education Alliance (statewide)

Wisconsin

- Foundation for Madison's Public Schools

2003 STAFF

Nija N. Ali
Secretary to the Corporation

Amanda Broun
Senior Vice President

Rudy Careaga
Senior Associate, Research & Evaluation

Sheila Chablani
Executive Assistant

Marcia Davis Taylor
Program Associate, Schools & Community

Matthew Douglas
Facility Assistant

LaTonya Dudley
Coordinator, Member Services

Debra Edwards
Receptionist

Arnold Fege
Director, Public Engagement & National
Constituency Building

Greg Hickman
Senior Associate, Member Development

Chalis Johnson
Program Associate, Teacher Quality

Mary Kelly
Associate, Contracts & Grants

Neal Kim
Web Consultant

Kandace Laass
Director, Recruitment

Barbara Lau
Director, Publications

Kristin May
Chief Financial Officer

Jeanette McCall
Manager, Administration

William Miles
Director, Policy & Public Responsibility
Initiatives

Robert Muller
Director, Institutional Advancement

Guitele Nicoleau
Director, Research & Member Development

Deana Nisbett
Coordinator, Teacher Quality

Wendy D. Puriefoy
President

Robert Saffold
Senior Associate, Standards & Accountability

Howard Schaffer
Managing Editor

Andrew Smith
Associate, Public Engagement

Richard Tagle
Senior Associate, Schools & Community

David Timpane
Associate, Technology

PUBLIC
EDUCATION
NETWORK

Public involvement. Public education. Public benefit.

Public Education Network
601 Thirteenth Street NW
Suite 900 North
Washington, DC 20005
202 628 7460
202 628 1893 (fax)

www.PublicEducation.org