

Frequently Asked Questions – The MPAEF Endowment

1. What is the mission of the MPAEF Endowment?

To build sustainable funding for professional development programs to attract, develop and retain exceptional teachers that set a new standard for educational excellence for the students of the Menlo Park City School District. For an overview of the MPAEF Endowment, visit www.mpaef.org/endowment.

2. Why was an Endowment formed?

After 24-years of private fundraising for our Menlo Park public schools, the MPAEF saw an opportunity to respond to some of the longer-term, strategic needs of the school district that could not be addressed through its annual grants. The MPAEF also saw neighboring education foundations launch an endowment, so with the counsel of the School Board and our Superintendent, the MPAEF formally established an Endowment Fund in 2003.

3. How large is the MPAEF Endowment?

The Endowment Fund was formed in 2002 with \$250,000 in initial seed funds from the MPAEF and built with additional annual transfers authorized by the MPAEF board and by the generous donations of charter member donors. [In 2008, the Endowment's principal value reached its phase one goal of \\$2 million dollars.](#)

4. When will new teaching programs be paid for by the Endowment?

Professional development programs for our district teaching faculty are paid for, in part, by a portion of the MPAEF's annual grant. [In June 2008, the Endowment made its first distribution of \\$100,000 to the District. These funds, targeted for teacher professional development, were included in the overall \\$2.2 million grant made by the Foundation to the Menlo Park City School District.](#) Our goal is to continue to grow the Endowment as quickly as possible and for the income it generates to replace this allocation.

5. How Does the MPAEF Endowment Compare with Endowments of Other Education Foundations?

Unlike other local Foundations that started endowments earlier, we started our Endowment 20 years after the founding of the MPAEF. We are focused on building our Endowment after achieving consistently increasing annual grants and consistently increasing annual family participation rates. By choosing to focus solely on investing in excellence in teaching, we believe our Endowment can set a new standard for educational excellence. Surveys show that the largest favorable impact in student achievement for our children will result by improving teaching excellence, a multi-year venture and a match with the longer-range, strategic focus of our Endowment.

Like other local Foundations, we plan to rigorously protect the Endowment principal by investing it conservatively. Like some other local Foundations, we plan to make contributing to the Endowment an option for our annual contributors.

6. What is the role of the Superintendent and the School Board in the Endowment?

Both the Superintendent and the School Board will continue to act in an advisory capacity to the MPAEF. The mission, focus, timetable and early advocacy building and

fundraising that are already under way have benefited tremendously from the active interest and counsel of the Superintendent and School Board. It is in the best interests of our community for the mission of our Endowment to be completely aligned with the goals and strategic plan of our Superintendent and the School Board.

7. What is the role of the MPAEF Board in the Endowment?

The MPAEF Board directs, oversees and guides the focus of spending of the Endowment Fund through three committees: the Fundraising Committee, Investment Committee and an Advisory Board. Selected current and former MPAEF board members staff and lead these committees. All donations specifically designated by donors for the Endowment will be set aside and additional funds may be transferred to the Endowment on an annual basis once authorized by the MPAEF board.

8. How is the Endowment “conservatively invested?”

In the spring of 2003, the MPAEF established an Endowment Fundraising Committee that is led by two former MPAEF Presidents: Charlot Singleton and Lynne Young. The Investment Committee is chartered to protect and grow fund under management, consistent with our objectives and policies. The all-volunteer committee includes: **David Breiner**, Cambridge Associates; **Bob Burlinson**, Regis Management Company and District Parent; **Jeff Child**, MPAEF Board Treasurer, Menlo Park City School District Board of Trustees and District parent; **Deborah Fitz**, Menlo Park City School District Board of Trustees; **Grant Lee**, Smith Barney and District parent; **Steve Peterson**, Sand Hill Advisors, Inc. and District parent; and **Lynne Young**, former MPAEF President & Fundraising Co-chair. A “Statement of Investment Objectives and Policies,” adopted by the MPAEF Board, sets the overall financial objectives of the Endowment Fund and aims to ensure the long-term financial stability of the district and its ability to deliver its programs and maintain standards of excellence in teaching and student performance. Specific oversight by the Investment Committee with the advice and assistance of appropriate consultants, professional advisors and staff will continue to develop a sound and consistent investment policy including asset allocation, diversification and quality guidelines to achieve an optimum level of return within specified risk tolerances. The long-term investment objectives of the Endowment Fund are to attain an inflation adjusted total return (net of investment management fees) at least equal to the spending rate (approximately 5 percent) measured over ten years in order to preserve and enhance the purchasing power of the Fund.

9. Where is the base capital invested? Who manages it?

The base capital is invested in a well diversified mix of asset classes allocated approximately 70% to equities and 30% to a broad-based portfolio of high quality bonds. The equities are diversified globally and cut across all economic sectors. The portfolio is designed to produce long-term returns that are consistent with the Foundation’s spending rate, while incorporating hedges against the damaging environments of high inflation and deflation. No-load mutual funds are used exclusively to secure professional management and reasonable fees. The fund is managed by an all-volunteer Investment Committee, advised professionally by **David Breiner** at Cambridge Associates.

The Investment Committee consists of not less than 3 nor more than 7 members and each term shall be three years unless otherwise determined at the time a member is elected. The Committee meets quarterly and decisions are made by majority vote.

10. Will the MPAEF Endowment allow for directed gifts?

We want to be sure that the focus of the Endowment is always aligned with the strategic goals of the Superintendent and the School Board and so we would discourage a directed gift that is not aligned with the Strategic Plan for the School District.

11. The MPAEF Endowment is focused on “teaching excellence” today. Will there be an opportunity or a need to shift that focus in the future?

We believe that investing in teaching excellence is a long-term, strategic initiative that will reap benefits for our District and our children if we are able to follow through and measure results after many years. Therefore, in the foreseeable future, we do not anticipate needing or wanting to change the focus of the Endowment. However, if the needs of the School District should change significantly, the Board of the MPAEF can vote to refocus the Endowment.

12. Can the Board of the MPAEF decide to dip into the principal?

It is highly unlikely that there would be a need to touch the principal of the Endowment Fund. That is not the intent of the MPAEF Board, the School Board or the Superintendent and it is not the structure of the Endowment, per the MPAEF bylaws. Further, it would contradict the mission and the commitments the MPAEF has made to its contributors to consider refocusing any part of the Endowment. However, in recognition of the long-term nature of this effort and the awareness of the current MPAEF Board that the overarching mission of the MPAEF is to serve the needs of the school district, which over time might evolve, the Statement of Investment Objectives and Policies of the Endowment is structured with a level of flexibility that – with the approval of 75 percent of its Board – allows the principal of the Endowment to be touched.

13. Will current parents be asked to give to the Endowment Fund?

Every year, the MPAEF reaches out to all District parents (as well as to the community itself) to contribute to our Foundation to meet our annual fundraising goals for the Menlo Park public schools. Our primary focus for our fundraising is our annual grant which we promote strongly to our parents. In contrast, the primary focus of our fundraising for the Endowment is to alumni parents, grandparents and non-parents in our community. But, we will also offer all parents who wish to participate in the mission of the Endowment the option to contribute to it. Information is available on our website or via MPAEF Board Member [Sarah Whittle](#) at Sarah_Whittle@sbcglobal.net.

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