

Cherian Armstrong

National Endowment for the Humanities

Philosophers of Education

Dr. Peter Gibbon

July 29, 2016

WORKING COPY

Cheating Our Children with Charters: The Push Towards Privatization

In 1993, the Massachusetts Legislature passed into law the Education Reform Act, mandating the development of Charter Schools. According to the Education Reform Act, Charter Schools were established to "stimulate the development of innovative programs within public education; to provide opportunities for innovative learning and assessments; to provide parents and students with greater options in choosing schools within and outside their districts; to provide teachers with a vehicle for establishing schools with alternative, innovative methods of educational instruction and school structure and management; to encourage performance-based educational programs; and to hold teachers and school administrators accountable for students' educational outcomes." (M.G.L. Ch. 71, sec. 55, 1993). During school year 1993-94, fourteen charter schools were approved.¹

There exists in our country today a conspiracy to eliminate public education. At the head of the reform movement is our own government. In an effort to improve education for all, it has opened a Pandora's box of high stakes testing, common core standards, merit pay for teachers, parent triggers, voucher systems, virtual learning, and charter schools. These ideas, more than ever, have made us a

¹ <http://cclighthousechool.org/about-us/overview/school-origins/>

nation at risk. The plan for privatization of public schools is well-defined, well-executed, and entangled in a web of euphemisms for improving education. We are on the cusp of a corporate takeover of public schools.

For hundreds of years, philosophers, psychologists, scientists, social workers, and politicians have shared their ideas, theories, and practices to improve public education. The goal of public education, since its inception, has been a lofty one. Yes, we want an informed and enlightened citizenry, but we also want creativity, collaboration, compassion, critical thinking, content knowledge, and admittance to a good college.

We have documented the failure of public education. We compare our large country, of culturally diverse students, from disparate economic backgrounds, with students from small countries, which lack diversity, and have little poverty. And yet, despite our supposed failures, the United States is still considered the greatest and richest nation in the world.

Horace Mann believed that public education would be the great equalizer.² Our faith in public education is built upon Jeffersonian ideals. Granted, our public schools have problems, but we accept all students in the hopes of enabling them to achieve their greatest potential, and our scores on standardized tests reflect an upward trend.

According to the National Assessment of Educational Progress (NAEP), also known as The Nation's Report Card, scores in 2015 depicted increases in both Mathematics and Reading at both Grade 4 and Grade 8 in comparison to the scores of 1990 for Mathematics and the scores of 1992 for Reading. There was a small decline or no change in the scores for both Mathematics and Reading in 2015 as

² Education, then, beyond all other devices of human origin, is the great equalizer of the conditions of men, the balance-wheel of the social machinery. Horace Mann

compared to 2013.³ Yet overall, scores for all students, White, Black, and Hispanic have increased since 1971.⁴ Despite these gains, public perception is that our schools are failing.⁵

In 1983, President Ronald Reagan's National Commission on Excellence in Education published *A Nation at Risk: The Imperative for Educational Reform*. This 30-page document reported classrooms in crisis. It compared the state of education to an act of war, and in doing so, a counter attack began: the war on public education. In subsequent years, each presidential candidate and each newly elected president stated his commitment to reforming education. In 2002, the reform movement No Child Left Behind (NCLB) mandated that 100% of children would be proficient in Mathematics and Reading by 2014. NCLB was followed by the Common Core State Standards and Race to the Top. Under the Obama administration, competition became an added factor for school funding.

High stakes testing has led to high yield profits, particularly for Pearson, the world's largest education company. Pearson creates the common core curricula, constructs the assessments and standardized tests to evaluate students, and controls the computer accessed, virtual, for-profit, home classroom company Connections. Its Board of Directors is comprised of a Chairman, a Chief Executive, a Chief Financial Officer, and seven non-executive directors. Investopedia defines a non-executive director as someone who "...typically does not engage in the day-to-day management of the organization, but is involved in policy making and planning exercises. In addition, non-executive

³Interestingly, the PARCC test (Partnership for Assessment of Readiness for College and Career) was first given in the 2014-2015 school year as part of the Race to the Top initiative. Also notable, is that all of the states which participated in the PARCC assessment showed either no increase in scores from 2013 or a decrease in scores from 2013.

⁴ <http://www.nationsreportcard.gov>

⁵ It should be noted that much of the data that indicates diminishing academic scores is relative to Simpson's Paradox. This statistical phenomenon occurs when a correlation is made between several subgroups. Subsequently, when the data is observed as an aggregate, the original correlation between the subgroups may reverse itself. (Ravitch, *Reign of Error*, 49)

directors' responsibilities include the monitoring of the executive directors and acting in the interest of the company stakeholders.”⁶

Pearson has assembled an efficient team poised for the corporate takeover of public education. For example, here is the brief biography of non-executive officer Joshua Lewis, which appears on Pearson’s website.⁷

Josh’s experience spans finance, education and the development of digital enterprises. He is the founder of Salmon River Capital LLC, a New York-based private equity/venture capital firm focused on technology-enabled businesses in education, financial services and other sectors. Over a 25-year career in active, principal investing, he has been involved in a broad range of successful companies, including several pioneering enterprises in the education sector. In addition, he has long been active in the non-profit education sector, with associations including New Leaders⁸, New Classrooms⁹, and the Bill and Melinda Gates Foundation. He is also a non-executive director of several enterprises in the fin-tech/data, education, and other sectors.”

In developing this bio, Pearson and Joshua Lewis must have felt it was significant to mention his affiliations with both New Leaders and New Classrooms.

New Leaders states, “Through our leadership services, we . . . collaborate with districts, charter management organizations and states to foster the conditions that enable highly effective school leaders to drive results for students.”

⁶ <http://www.investopedia.com/terms/n/non-executive-director.asp>

⁷ <https://www.pearson.com/about-us/board-of-directors/joshua-lewis.html>

⁸ www.newleaders.org

⁹ www.newclassrooms.org

New Classrooms claims it can “blend live, online, and collaborative instruction into a coherent and rigorous personalized learning experience”.

What do New Learners and New Classrooms have in common? Both include New Profits Inc. as a major contributor. New Profit Inc. describes itself as follows: “New Profit is a national nonprofit venture philanthropy fund. Our mission is to break down the barriers that stand between people and opportunity in America. We work with visionary entrepreneurs, philanthropists, and other partners to upend the status quo and transform the way America educates its children. . . .”¹⁰

New Profit uses the oxymoron “nonprofit venture philanthropy fund” to describe its money making scheme to break down the barriers that stand between investors and profits and transform the way America educates its children by working with entrepreneurs who see public education as an opportunity for profit making.

Education privatization would not, per se, create a net new stimulus for the economy. But by diverting large existing flows of money from the public to the private sector it would create new profit-making ventures that could be capitalized and transformed into stocks, derivatives and leveraged securities. The pot has been sweetened by a 39 percent federal tax credit for financing charter school construction that can double an investor’s return in seven years.¹¹

In 1988, Albert Shanker, then president of the American Federation of Teachers, conceived of a revolutionary idea for public education. Recognizing that there were challenged students, for whom traditional classroom instruction was not working, Shanker envisioned a school, free from political restraints, innovative and experimental, that would meet the needs of diverse learners. These schools

¹⁰ <http://www.newprofit.org/about-us/>

¹¹ Jeff Faux, “Education Profiteering; Wall Street’s Next Big Thing?” *Huffington Post*, November 28, 2012.

would be publicly funded and privately managed. These “laboratory” schools would share their success and partner with traditional public schools in an effort to have all students excel. Instead,

. . . charter schools morphed into a very different animal as conservatives, allied with some social-justice-minded liberals, began to promote charters as part of a more open marketplace from which families could choose schools. Others saw in charter schools the chance to empower management and circumvent teachers’ unions. Only about 12 percent of the nation’s charter schools afford union representation for teachers.¹²

Today, there are more than 6400 charter schools nationwide. Their success, much like public schools, has been varied. What is unfortunate is that funding for traditional public schools is usurped by charters. In Massachusetts, \$413 million a year is diverted from traditional public schools and distributed to charters. Albert Shanker never envisioned charter schools as a profit-making business and a ploy to do away with public education. New Profit Inc. and its investors have.

Choice has always been available to certain segments of our population, especially the wealthy. The rich can hire private tutors, enroll in expensive private schools, and live in select neighborhoods, where funding for public school is supported. Middle class parents, willing to sacrifice for the education of their children, have choice, too. It is often our poor students or new immigrants who have the fewest options.

It is important to note that charter school admissions require parental involvement in a child’s education.¹³ Applicants to charter schools must have a parent or caregiver who is seeking an option to the traditional public school. This indicates that some thought has been given to the advantages of one

¹² Richard D. Kahlenberg and Halley Potter, “The Original Charter School Vision,” *The New York Times* (August 30, 2014)

¹³ Parental involvement is associated with higher student achievement outcomes; therefore, it is arguable that these students would do well regardless of whether they attended a traditional public school or a charter school.

school as compared to another. Admittance to charter schools requires motivation and perseverance. Many charter schools require complicated applications that may be difficult and time-consuming to complete. Further, transportation is not provided and must be supplied by the family; parents and caregivers must have some flexibility to bring their children to and from school. All of this requires effort on the part of the parents.

Promoters of charter schools and vouchers for private and parochial schools often use the word “choice” when advocating for these alternatives to traditional public schools, but “choice” can be elusive. Ultimately, there are limited spaces available and often selection of students for charter schools is determined by a lottery. There will always be winners and losers. Also “choice” depends upon who is doing the choosing. Selection decisions at private and parochial schools, as to who may attend, are often made by the school, not the parent and child. The organizations supporting the reform movement use their networks, their money, and the media to publicize and capitalize on the so-called failure of public education. The shiny promises of equality and achievement have not been realized through their proposed alternatives, but the alternatives have been exceedingly lucrative. Our tax dollars, at the expense of our children, have contributed to their coffers. When and if public education ends, who can guarantee what choices our children will have?

This year, a referendum will be placed on the ballot in Massachusetts.

The **Increase Access to Public Charter Schools Initiative** made the November 8, 2016, ballot in Massachusetts as an indirect initiated state statute. It will be **Question 2** on the ballot.

A **"yes"** vote is a vote in favor of authorizing the approval of up to 12 new charter schools or enrollment expansions in existing charter schools by the state Board of Elementary and Secondary Education per year.

A **"no"** vote is a vote against authorizing the approval of up to 12 new charter schools or enrollment expansions in existing charter schools.

Among the proponents, philanthropists, and politicians behind this initiative are: Charles and David Koch, The Walton Family Foundation, The Bill and Melinda Gates Foundation, The Eli and Edythe Broad Foundation, The Laura and John Arnold Foundation, The Lynde and Harry Bradley Foundation, The Jaquelin Hume Foundation, Massachusetts Governor Charlie Baker, and Massachusetts Education Secretary James Peyser.

The empirical question one must have when looking at the amount of money being contributed to this referendum is why these individuals and foundations are not willing to invest in traditional public schools? Or even more perplexing, why are they not contributing to eradicate poverty? Education reform has not made an impact on improving the test scores of the poor. In fact, comparisons of the achievement of affluent American students with their global counterparts demonstrate no disparity in scores. The differences are notable when the scores of those living in poverty are included in the final calculation of American academic success.¹⁴

The effort to expand charters in the Commonwealth corresponds with actions on many other fronts in many other states – including efforts to privatize elements of public higher education, the promotion of school vouchers, assaults on pensions and benefits, and broad legal attacks on public-sector unions.¹⁵

The corporate reformers have the most reprehensible motive: privatization for profit. In *Reign of Error*, Diane Ravitch refers to the “appealing and innocuous” names of these privateer organizations, such as Educators 4 Excellence, the Education Equality Project, Families for Excellent Schools, Stand for Children, and Students First. “Many of these groups have overlapping membership on their boards and are

¹⁴ Kristina Birdsong, “10 Facts About How Poverty Impacts Education”, <https://www.scilearn.com/blog/ten-facts-about-how-poverty-impacts-education>, (January 26, 2016).

¹⁵ Massachusetts Teachers Association, *Threat to Public Education Now Centers on Massachusetts*, (2016), 2.

funded by the same foundations.”¹⁶ The common factor is that each advocates for school choice and charters.

If Massachusetts were a country unto itself, it would be ranked ninth in the world in Mathematics and Reading and second in Science.¹⁷ Massachusetts also has one of the strongest education unions in the country, the Massachusetts Teachers Association. And, Massachusetts, the birth place of Horace Mann, will be the battleground for the war on public education.

The charter school referendum seeks to add 12 new charter schools to the Commonwealth each year or to expand the enrollment of existing charter schools. Charter schools, particularly those in Boston, have in fact increased student achievement.¹⁸ Yet, further investigation shows that charter schools do not reflect the demographics of Boston traditional public schools. Only 8% of students in Boston charter schools are English language learners, as compared to 30% in Boston public schools, and only 17% of children in charter schools have special needs, as compared to 21% in Boston public schools. Richard Stutman, president of the Boston Teachers Union stated, “Given the cherry-picking of students, I’m not surprised at all that their scores are higher.”¹⁹

“In 2013, the MTA task force report *Threat from the Right* described the forces arrayed against unions and public education as ‘sophisticated and intricate.’”²⁰ And indeed they are, for example, the conservative Walton Family Foundation.

The American Federation of Teachers and In the Public Interest have created a website called Cashing In On Kids (<http://cashinginonkids.com>). Its purpose is “to help ensure that public schools put

¹⁶ Diane Ravitch, *Reign of Error* (New York: Alfred A. Knopf, 2016), 22.

¹⁷ James Marshall Crotty, “If Massachusetts Were a Country, Its Students Would Rank 9th In The World”, *Forbes* (September 29, 2014).

¹⁸ Peter Schworm, “Boston Charter Schools Show Striking Gains”, *Boston Globe* (March 18, 2015).

¹⁹ Schworm, “Boston Charter Schools Show Striking Gains”.

²⁰ Massachusetts Teachers Association, *Threat to Public Education Now Centers on Massachusetts* (2016), 85.

the students' interests above corporate interests that are increasingly taking control of public education policy and institutions".²¹ They ask and answer the following question:

How did an idea that promised small-scale innovation as a way to improve the education outcomes of disadvantaged children become a massive industry of more than 6,000 schools, spending upward of \$20 billion from taxpayers a year, despite demonstrating no significant academic gains for students?

A significant share of the blame lies at the feet of the Walton Family Foundation (WFF), the Arkansas-based philanthropic arm of the family that brought us Wal-Mart. Under the guise of "choice" to improve schools for low-income children, WFF has supported the unregulated growth of a privatized education industry – quantity over quality, and "freedom" over regulation. It's been lucrative for some, but a disaster for many of the nation's most vulnerable students and school districts.²²

The Waltons made their estimated \$140 billion fortune from the retail giant Wal-Mart. Wal-Mart has consistently been under scrutiny for its low wages, part-time, on-call schedules, and lack of benefits for its employees. In 2014, Motoko Rich of the New York Times reported, "Last year, the Walton Family Foundation gave \$478,380 to a fund affiliated with the Chicago public schools to help officials conduct community meetings to discuss their plan to close more than 50 [public] schools at a time when charters were expanding in the city."²³ Since 1992, The Walton Family Foundation has

²¹ <http://cashinginonkids.com>

²² "Brought to You by Wal-Mart? How the Walton Family Foundation's Ideological Pursuit is Damaging Charter Schooling", <http://cashinginonkids.com/brought-to-you-by-wal-mart-how-the-walton-family-foundations-ideological-pursuit-is-damaging-charter-schooling/>

²³ Motoko Rich, "A Walmart Fortune, Spreading Charter Schools", *The New York Times* (April 25, 2014).

donated more than \$1.3 billion to educational efforts. These include conservative think tanks, centrist organizations, charter schools, and the controversial American Legislative Exchange Council (ALEC).²⁴

According to its website, “The American Legislative Exchange Council is America’s largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets and federalism.”²⁵ According to Diane Ravitch, “ALEC [is] an organization of some two thousand state legislators and business leaders, [that] promotes privatization and corporate interests.”²⁶ ALEC drafted the model legislation, The Next Generation Charter School Act, which has been adopted by many states.

The Next Generation Charter School Act is broad in its reform. It states that the charter school is a public school, entitled to state funding, but “exempt from all statutes and rules applicable to a school, a board, or a district”. . . . This legislation encourages the acceleration of privatization and undermines local control of schools.”²⁷ On one hand, ALEC claims that public education is too expensive; on the other hand, its legislation diverts these state and federal dollars from public education to charter schools.

“What they’re doing in terms of education is they’re trying to create an alternative system and destabilize what has been the anchor of American democracy,” said Randi Weingarten, president of the American Federation of Teachers. If we take the precarious situations of those living in poverty and combine it with the dismantling of public education, problems from which the poor already suffer will likely compound.

²⁴ Rich, “A Walmart Fortune, Spreading Charter Schools”.

²⁵ <https://www.alec.org>

²⁶ Ravitch, *Reign of Error*, 162.

²⁷ Ravitch, *Reign of Error*, 162.

More than 16 million children in the United States live in families with incomes below the federal poverty level. Experts agree that this factor, more than any other, impacts educational success. The instability of housing, hunger, and issues of health and safety impact the most vulnerable in our society: our children. This is the issue we need to confront to change education.

A study conducted by Sean F. Reardon at Stanford University in 2011 provides overwhelming evidence that indicates that the achievement gap has a direct correlation to family income. Further, the income achievement gap, evidenced upon entrance into Kindergarten, does not seem to close regardless of other factors, most notably among them, the school which the child attends.²⁸

If Wal-Mart were truly altruistic in its motives to contribute to education, it would provide its employees with full time, fair wage jobs with health care benefits and tuition for early childhood education programs for the children of its working parents.

So one must ask, if not altruism, what is the motivation of Wal-Mart?

The United States Bureau of Labor Statistics estimates that job growth between 2008-18 will show the greatest growth in the service industry. Retail jobs account for a large percentage of that growth. Retail positions do not require post-secondary degrees, and persons who fill these positions are frequently paid low wages. Wal-Mart has a direct interest in having employees readily available to work. Especially employees who will need nothing more than on-the-job training. If public education is undermined for our vulnerable students, those students' career paths may be limited to low wage jobs at places like Wal-Mart.

Another aspect of ALEC is its anti-pension, anti-union stance. Again, imagine if all the employees of Wal-Mart decided to unionize and demand equity in pay scale and employment benefits. Wal-Mart has a vested interest in anti-union legislation.

²⁸ Sean F. Reardon, *The Widening Academic Achievement Gap Between the Rich and the Poor: New Evidence and Possible Explanations*, Stanford University (July 2011).

Without unions, workers will lose many of the protections against abusive employers. Wages for all will be depressed, even as corporate profits soar. The American Dream will be destroyed for millions. And we will have a government of the corporations, by the already powerful, for the wealthy.²⁹

Massachusetts has been selected as the battleground for charter reform because its teachers' union is one of the most powerful in the country. If public education fails, so do its unions fall.

Education unions are a powerful voice for families and children. The states with the highest test scores are those with strong teacher unions.³⁰ The theory that firing teachers and replacing them at will has shown no impact, other than to create havoc, on schools and their achievement. "Eliminating unions does not produce higher achievement, better teachers, or even higher test scores. Eliminating unions silences the most powerful advocates for public education in every state".³¹

Unions speak for all children when they point out that the funds diverted from public schools to charters weaken the educational integrity of the system.

"... The charter school enrolls the most motivated students, avoids the students with high needs, and boasts of its higher test scores; the test scores in the public school decline as some of its best students leave for the charter, and the proportion of needy students increases."³²

Those needy students are often children who require individual education plans. While Massachusetts public charter schools are required to provide education for all, many children who

²⁹ Kenneth Bernstein, teacher and blogger, in a 2011 *CNN.com opinion piece* on the Wisconsin measure to strip public employees of collective bargaining rights.

³⁰ Ravitch, *Reign of Error*, 126.

³¹ Ravitch, *Reign of Error*, 126.

³² Ravitch, *Reign of Error*, 247-248.

require special education have higher rates of attrition from charter schools than other students. Many parents find that the charter schools are unable to provide the benefits of differentiated instruction, additional support, and specialized services that the public school can, hence these children return to public schools, leaving the charters with a select group of students.

“When it was passed in 1975, P.L. 94-142, [Individuals with Disabilities Act (IDEA)] guaranteed a free appropriate public education to each child with a disability. This law had a dramatic, positive impact on millions of children with disabilities in every state and each local community across the country.³³ Today, charter schools are opening across the country to address the needs of exceptional students.

Choosing the right school for any child can be a daunting task, but when special needs must be considered, the challenge is infinitely more complicated. Arizona has a wide variety of special needs schools to complement programs available at your neighborhood public school. Those . . . are either publicly funded charter schools or tuition-based private schools for which many families qualify for financial assistance through various government programs.³⁴

If we begin to provide charter schools specifically for students who are physically or cognitively challenged, we are returning to a time when segregation, rather than inclusion, was the model, and if these alternatives are methods for cost-cutting and cookie-cutter instruction, then we are in a state of great moral crisis. This moral crisis reaches to the traditional public school classroom, where highly effective and well educated public school teachers, oversee the social, emotional, and academic needs of all students who enter their doors.

New Classrooms proposes a different model.

³³ http://www2.ed.gov/about/offices/list/osers/idea35/history/index_pg10.html

³⁴ <http://www.raisingarizonakids.com/special-needs-schools-arizona/>

. . .We [New Classrooms] design new instructional models that reimagine the role of educators, the use of time, the configuration of physical space, and the use of data and technology to better meet the needs of each student. We then collaborate with educators to support the implementation of these models within traditional public, charter, and independent schools.

These new instructional models see classroom teachers and school buildings as superfluous. It is much more efficient and economical, although not effective, to have children receive their education at home via computer. “The first to see this as an opportunity, and to act on it, were the founders of a new company called K12 Inc.”³⁵ Infamous for his innovative ways for making money, Michael Milken, the 1980s junk bond king, along with his brother, Lowell, and Ron Packard opened the for-profit online charter school market with K12 Inc. “ALEC, the conservative organization of state legislators committed to privatization of public education, is a major promoter of online learning.”³⁶ ALEC wrote the model legislation Virtual Public Schools Act, which like its Next Generation Charter School Act, insists upon public funding with no oversight. The Foundation for Excellence in Education, which is contributing heavily to ensure that the **Increase Access to Public Charter Schools Initiative** is passed in Massachusetts, “actively lobbies and advocates for the benefits of online schooling”.³⁷ In 2014, The Walton Family Foundation gave \$3 million to The Foundation for Excellence in Education. The Walton Family Foundation had also been a longtime member of ALEC.

³⁵ Ravitch, *Reign of Error*, 248.

³⁶ Ravitch, *Reign of Error*, 185.

³⁷ Ravitch, *Reign of Error*, 186.

[Conservatives] recognized the online charters' potential to disrupt traditional schooling and to destroy the influence of teachers' unions. It was the very force for creative destruction that proponents of the free market admired.³⁸

It appears that the corporate reform agenda for public education is a web of wealth and power, interconnected to achieve the goal of for-profit education and union busting while sacrificing public good for corporate greed.

It is important to note that the Center for Research on Education Outcomes (CREDO) at Stanford University provided an analysis in 2011 that found "100 percent of cyber-charters performed significantly worse than traditional public schools in both reading and math", yet these schools continue to receive public funding despite poor performance and amid scandalous accusations of financial mismanagement.³⁹

Just as many of our Massachusetts public schools demonstrate high achievement, so do many of our charter schools, but a balance between the two must be maintained. Keep the cap in Massachusetts. The tipping point in expansion is the possibility of creating a two-tiered educational system.

If charters continue to expand aggressively in districts across the nation, there is the risk of reverting to a publicly funded dual school system, especially in our nation's cities. . . . A dual system is inherently discriminatory, especially when one sector is privately run, deregulated, unsupervised, and free to write its own rules and avoid and eject students it does not want, and the other must take all students and abide by all state laws and regulations, no matter how burdensome or costly. . . . When fully evolved, such a

³⁸ Ravitch, *Reign of Error*, 183.

³⁹ Ravitch, *Reign of Error*, 193.

system would turn the public schools into schools of last resort rather than institutions that reflect and serve their communities.⁴⁰

We are a country of capitalism and enterprise and private schools have always existed; however, our tax dollars and public education funds should not, under any circumstances, be used for speculative capital investments in education.

It is imperative to save our public schools. We cannot do it with cash. We simply do not have enough to counteract the deep pockets of the opposition. It must be a grassroots swelling of voices by those who are committed to American idealism at its best: free and public education for all. We must speak out now and challenge corporate interests. Public education is not perfect, but it is far from being a failure. The true failure will be its complete annihilation.

Educate, organize, mobilize and save our public schools.

⁴⁰ Ravitch, *Reign of Error*, 249.