AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT

SCHOOLS

Press Release 753

What and who are fueling the movement to privatize public education — and why you should care

DOGS seek to do two things: fight for public education and inform our listeners and supporters. Two closely related problems confront supporters of public education.

- 1. Diversion of scarce public funding to a private religious system has combined with
- 2. the belief that a mythical 'market' with its invisible hand, and privatisation with its more visible multinational corporations, will solve all economic problems. The neo-liberal ideology only solves problems for a corrupt oligarchy that evades taxation for the common good and creates economic and social problems for the rest of us. This ideology has magnified inequality in education and caused social dislocation.

Australia is further down the track of privatisation than our American counterparts, but under the current Trump administration with Betsy De Vos as Education Secretary, supporters of public education in the USA have been delivered a rude shock. Many state legislatures are helping De Vos with programs using taxpayer funds for religious education. Supporters of America's public education system are concerned about what they say is an assault on the most important civic institution in their country.

The following is an important article in the *Washington Post* by author Joanne Barkan about the history of the movement to privatize U.S. public schools. This is now at the heart of the national debate about the future of publicly funded education in this country. DOGS have reproduced it from https://www.washingtonpost.com/news/answer-sheet/wp/2018

In this article, Barkan explains the history and current state of the privatization movement and what may lie ahead for the education system. She is a writer based in New York City and Truro, Mass. Her recent writing has focused on market-based public education reform in the United States, the intervention of private foundations in public policy, and the relationship between philanthropy and democracy.

An earlier version of this article will be included in "The State, Business and Education," edited by Gita Steiner-Khamsi and Alexandra Draxler (London: Edward Elgar Publishing, October 2018).

DOGS don't normally include a list of references at the end of posts, but we have with Barkan's article. They illustrate the broad range of sources she used for this comprehensive piece. Here's the article:

(Joanne Barkan < joannebarkan 1@gmail.com>

Sun 15/07/2018, 1:13 AM

Thank you for reposting my article from the Washington Post ("Death by 1000 Cuts"). I noticed that the link you provide to the original posting doesn't work. Here is the correct link:

https://www.washingtonpost.com/news/answer-sheet/wp/2018/05/30/what-and-who-is-fueling-the-movement-to-privatize-public-education-and-why-you-should-care/?utm term=.93c763b21799# edn1)

Death by a Thousand Cuts: The Story of Privatizing Public Education in the USA

By Joanne Barkan

This article is dedicated to Paul Booth, 1943-2018

When champions of market-based reform in the United States look at public education, they see two separate activities — government funding education and government running schools. The first is okay with them; the second is not. Reformers want to replace their *bête noire* — what they call the "monopoly of government-run schools" — with freedom of choice in a competitive market dominated by privately run schools that get government subsidies.

Public funding, private management — these four words sum up American-style privatization whether applied to airports, prisons, or elementary and secondary schools. In the last 20 years, the "ed-reform" movement has assembled a mixed bag of players and policies, complicated by alliances of convenience and half-hidden agendas. Donald Trump's election and his choice of zealot privatizer Betsy DeVos as U.S. secretary of education bolstered reformers but has also made more Americans wary.

What follows is a survey of the controversial movement — where it came from, how it grew, and what it has delivered so far to a nation deeply divided by race and class.

The backstory in brief

In the latter decades of the nineteenth century, consensus grew around an expansive vision of education in which government plays a far-reaching role: schooling should be government funded and administered, universal, and compulsory until a certain age. In a nation that was

increasingly industrialized and home to new immigrants, citizens expected public schools to accomplish a great deal, including impart general knowledge and practical skills, prepare young people psychologically and socially for self-sufficient adult lives, educate for democratic citizenship, unify a diverse population, and create opportunity for upward mobility. Over time, many Americans came to regard public education as a mainstay of democracy.

The U.S. Constitution makes no mention of education, so the federal government had no specified role to play. Since the earliest days of the republic, local and state authorities shaped elementary and secondary (K-12) public education. Racial segregation in schools, which became the law in 17 states and the norm almost everywhere else, was also a local and state matter. This did not change until 1954, when the U.S. Supreme Court ruled that racially segregated public schools were "inherently unequal" and therefore unconstitutional (*Brown v. Board of Education of Topeka*).

When the federal government stepped in to enforce school desegregation, it met with fierce resistance. After several years of minimal progress, federal authorities resorted to court-ordered desegregation plans, which they imposed on school districts across the country, not only in the South. [1] For the first time, government at the highest level assumed a significant role in K-12 schooling. In the mid-1960s and 1970s, the federal role expanded to include protecting the civil rights of all students and offering financial assistance to public schools with high percentages of low-income students.

In the 1980s, the political climate shifted. An international renaissance of laissez-faire economics, updated as "neoliberalism," challenged the dominant Keynesian model of regulated markets. Governments around the world began to act on a suite of neoliberal principles: competition and choice in the free market are the best organizing principles for most human activity because they produce greater efficiency and higher quality; the role of government is to provide a framework that allows the market to function freely; most other government activity merely clogs the system with bureaucracy and special interests. Ruling elites believed that implementing these principles would solve high inflation, stagnation, unemployment, low productivity, and whatever else was ailing an economy.

Neoliberalism led logically to specific policies such as cut taxes and government spending, deregulate the economy, and transfer as much government activity as possible to the private sector, including education. And when government funding is necessary to get something done, turn management over to the private sector.

The ideological shift to neoliberalism was rapid and widespread. This was the age of British Prime Minister Margaret Thatcher and U.S. President Ronald Reagan — two world leaders who aimed to revolutionize economic policy at home and abroad. Governments around the world embraced austerity, deregulation, and privatization. Consider, for example, some major nationalized industries that were privatized in the 1980s: British Telecommunications (1984), Spain's car manufacturer, SEAT (1986), New Zealand Steel (1987), Japanese National Railways (1987), Air Canada (1988), to name just a few.

An education guru for neoliberalism

One of neoliberalism's major thinkers and its most successful popularizer was economist Milton Friedman (1912-2006), who advised Republican candidate Reagan during the 1980

presidential campaign and joined his Economic Policy Advisory Board in 1981. On education policy, Friedman never deviated from the model he presented in his 1955 essay, "<u>The Role of Government in Education.</u>"

He proposed that government get out of the business of running schools altogether. Instead it should fund a voucher worth the same amount of money for every school-age child to use at his or her choice of private school. For Friedman, the choices would include private for-profit schools, private nonprofit schools, religious schools, and "some even" run by the government. A democratic society, he reasoned, requires "a minimum degree of literacy and knowledge on the part of most citizens." Hence government has a legitimate interest in requiring and paying for what the community decides will be the necessary "minimum amount of education." But government running schools is not "justifiable in its own right in a predominantly free enterprise society."

In this marketized system, competition would, theoretically, eliminate low-performing schools because they wouldn't attract enough customers to stay in business. In the real world, the poor buy necessities at a price they can afford even if the quality is inferior. This is why the free market has always failed to meet the real needs of low-income people; they get what they can pay for.

In a school voucher system, wealthy families can (and will) add as much money as they want to their vouchers to pay for their choice of schools; middle-income families will pull together whatever resources they can for the best schools in their price range. Low-income families without additional resources will "choose" schools charging the value of the voucher. Almost no higher-quality schools will be available because they will have no incentive except altruism to offer their products at the minimum price. (For example, the value of a government voucher for high school in Washington, D.C. in 2016-2017 was \$12,679 while tuition at Washington's elite private schools exceeded \$40,000 a year. As a last resort, low-income families could choose a "government school." For free-market ideologues, government schools are always a last resort and available to the poor.

Backtracking for a moment, many Southern states anticipated the 1954 *Brown* school desegregation decision and prepared policies to evade racial integration. Between 1954 and 1959, eight states adopted what were whites-only versions of Friedman's <u>voucher system</u>. They used public funds to pay for white students to attend all-white private schools, which were called "freedom of choice schools" or "segregation academies."

States also leased unused public school property to private schools. Shortly before publication of his 1955 essay, Friedman added a footnote to address the segregationist versions of "essentially this [i.e. his own] proposal." He argued that both forced segregation and "forced non-segregation" were evil. His solution for the South and everywhere else was publicly funded vouchers used for "exclusively white schools, exclusively colored schools, and mixed schools. Parents can choose which to send their children to."

Friedman's essay prefigured the indifference of today's pro-market reformers to racial segregation in education as long as the tradeoff is private schools. The essay still functions as a touchstone for them.

Sowing the seeds of market-based reform

Education policy advisors in Reagan's administration hoped to wean Americans off public schools while also weakening the teachers' unions, which were a significant source of power for the Democratic Party. Starting the weaning process required convincing Americans that public education was failing. In 1983 the administration released "A Nation at Risk," a report aimed at generating support for radical reform.

The rhetoric was hyperbolic: "...the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people." Apocalyptic claims were backed up by what one researcher called "a golden treasury of spun statistics." The media hyped the report to the point of stoking a panic about failing schools. Politicians across the political spectrum called for higher standards, better test results, and greater performance accountability from public schools. Conservatives simultaneously aimed for deep spending cuts.

The sky-is-falling panic about public schools and the "standards and accountability" demands attracted bipartisan support. Neoliberal thinking had influence far beyond ideological devotees. It tinged political moderates, self-identified liberals, media people, and think-tank opinion makers. It permeated what became the dominant wing of the Democratic Party — the "New Democrats." Their jargon included choice, competition, efficiency, and downsizing government; they often competed with Republicans for pro-market credibility.[2]

In the 1990s, the escalating drive for tougher education standards, better test scores, and more accountability coincided with a declining commitment to racial desegregation. Public school integration, on the rise since the mid-1960s, peaked in 1988 when 43.5 percent of all black students attended schools that were at least 50 percent white. Although research showed that integrated schools narrowed the achievement gap between minority and white students without harming the latter, the dedication of most government officials to proactive desegregation had dissipated. Decisions of the U.S. Supreme Court in 1991, 1992, and 1995 made it easier for school districts to abandon their court-ordered plans. Resegregation began immediately. In just 10 years, the percentage of black students attending schools that were at least 50 percent white dropped to 32.7 percent. By 2011, that figure had fallen to 23.2 percent.

Highly segregated schools attended by low-income minority students were notoriously underresourced compared to public schools attended by white middle-class and wealthy students. Schools in poor urban neighborhoods needed much greater support. Moreover, although the achievement gap between minority and white students had been narrowing, it still existed. Politicians might profess a commitment to reducing racial inequality, but most acted within neoliberal boundaries and with no interest in pushing integration further.

Glorification of the market along with the vogue for standards and accountability led to a new approach: government could commit to improving education for low-income minority students with market tools while <u>leaving schools segregated</u>. The mainstream political world seemed to slide easily from the ostensible goal of racial integration to aiming for something like "separate but improved" for low-income minority children. Government would hold public schools to high standards, monitor how well they were doing, and help students in inadequate public schools move to better schools of their choice. The primary measure of school quality would be student scores on standardized tests despite the fact that most education scholars agreed the scores reveal little about education success.

Thus the seeds for 21st Century market-based reform were sown.

Building a movement from the top down

Neoliberal innovations in education policy took hold slowly. Reagan proposed several voucher-type programs, but they died in Congress. He did, however, cut the federal government's portion of total public education spending from 12 percent to 6 percent. The George H. W. Bush administration (1989-1993) produced no major education laws although some policy ideas were picked up by Bill Clinton (1993-2001).

In 1994, Clinton signed the Improving America's Schools Act, which provided federal funds to states to create a new type of school: publicly funded, privately operated "charter schools." They would have more autonomy than district (traditional) public schools and, advocates claimed, be more innovative. The first charter school in the United States had opened in St. Paul, Minnesota, in 1992 under state law. Clinton's Improving America's Schools Act was designed "to increase the number of charter schools nationwide." In 1999 Florida Gov. Jeb Bush (the former president's son) signed into law the nation's first statewide voucher plan. Still in operation, the Florida Opportunity Scholarship Program allows students in "failing" public schools to use state funds to pay for private schools, including religious schools.

After the turn of the 21st Century, pro-market education reformers began to attract enough support and funding to build organizations and to operate like — or at least look like — a movement. Charter schools and voucher programs appealed to conservatives and centrists of all stripes but few progressives. By 2010 "reform-think" dominated the national conversation on K-12 education.

Still, market-based reform never became a grassroots movement. It attracted elites: billionaire philanthropists, private mega foundations, finance and high-tech entrepreneurs, politicians at every level of government, business leaders, media figures, and think-tank associates. The players have been overwhelmingly white; their methods consistently top-down. Notably missing have been teachers, school administrators, parents, and students.

With elite support, education reformers collected enough money to build an ed-reform industry of organizations employing same-thinking researchers, program designers, consultants, lobbyists, campaign organizers, and media producers[3]. A cadre of superwealthy donors regularly gives millions of dollars to pro-ed-reform candidates for state and local offices; they fund ballot initiatives around the country and pour hundreds of thousands of dollars into local school board races. The right-wing American Legislative Exchange Council (ALEC), which drafts model legislation for conservative state lawmakers, has been an important ally of the ed-reform movement. Some states have adopted ALEC model education legislation verbatim.

Help also came from the White House. President George W. Bush (2001-2009) advanced both charter schools and vouchers. His signature education law, No Child Left Behind (signed in 2002), established that students in low-testing, low-income public schools could transfer within their district to another public school or to a charter school. In 2004, Bush signed into law a voucher program that Congress designed for Washington, D.C. (Congress has final jurisdiction over the District of Columbia). The Opportunity Scholarship Program offers every low-income student in District a federally funded voucher to use at a participating private school, secular or religious.

President Barack Obama (2009-2017) opposed school vouchers, but he quickly became charter-advocate-in-chief. In the depths of the "Great Recession" in 2009, his Department of Education (DOE) launched a \$4.35 billion competitive grant program called Race to the Top. The rules stipulated that each competing state submit a public school reform plan, taking into account a long list of DOE pet policies. States that scored highest on the DOE's point system would win millions of dollars to implement their plans. DOE criteria included not limiting the growth of charter schools (some states had capped the number). States were also required to give charter schools free use of public facilities or help charters pay for facilities.

Public school supporters fiercely opposed the measures because they diverted resources from already stretched-to-the-limit education budgets. But state governments were desperate for money from anywhere; all but four eventually entered the contest. Obama's Race to the Top gave the entire charter school enterprise a substantial boost.

Anatomy of vouchers and charter schools

Both voucher programs and charter schools channel public funding to private entities but in different ways. When students receive a government-funded voucher for a set amount of money, they give the voucher to a private or religious school as payment or partial payment for tuition. All of the taxpayer funds that end up in private and religious schools are funds no longer available for public education.

In the charter school system, the private entities that run the schools receive an allotment of public funds for each student who enrolls. The allotments are transferred directly from district schools to the charter schools, shrinking the district public school budgets. The public schools are left with the same fixed expenses but fewer students and therefore less money coming in. They almost inevitably deteriorate: a school that could previously afford, say, a librarian, art teacher, nurse, or smaller classes can no longer cover costs.

Ed-reformers do not promote vouchers and charter schools to the public as strategies to privatize public education. Instead, they pitch their reforms as ways to create choice in K-12 schooling.

Reformers claim that charter schools and vouchers give low-income students "trapped" in low-performing schools new choices, and thus their parents — just like wealthy parents — have the power to choose the schools they know are best for their children. Who could object? Reformers have successfully made "choice" the subject of the policy debate. A candid description of vouchers and charter schools — for example, these policies drain public funds from district public schools and channel the money to private entities student by student, school by school — would attract little support (see the analysis of public support below).

While conservatives consciously aim to shift control over K-12 education from government to the private sector, moderates in the ed-reform camp do not have privatization as their main goal. Instead, they want to move as many students as possible, as quickly as possible, out of schools with low standardized test scores. They see their 20-year-old alliance with conservatives as tactical.

Yet not only have they ended up buttressing conservatives politically, they practice a kind of triage without thinking through the consequences. By steadily draining resources from district

public schools, they undermine the very schools that the overwhelming majority of American children, including low-income children, still attend. Both conservatives and moderates call school choice "the civil right issue of our time."

Charter schools claim to be public schools because they receive tax-payer money and, in theory, are overseen by state-approved authorities. But private-sector entities — boards of directors and charter management organizations (CMOs) — manage the schools and control finances. Private management, which can be for-profit or non-profit, allows charter schools to avoid the transparency and accountability required of district public schools. When the public or press asks for documentation, managers can claim private status. They regularly refuse access to their financial records, data, and internal communications — information that public entities are required to make available.

In September 2017, for example, investigative reporters requested some emails from Eva Moskowitz, CEO of Success Academy Charter Schools, Inc., a CMO that runs 46 schools in New York City. The company's lawyer responded that the CMO "is not itself a charter school or a government agency...it is not in and of itself subject to FOIL [Freedom of Information Law] or required to have an appeal process."

Charter school lobbies press state governments for as little supervision as possible. For example, in California, where more than 1,200 charter schools operate, government audits are neither regular nor proactive; they take place only when a county official suspects fraud and requests an audit. Some 90 percent of charter schools nationwide are not unionized, so unions can not provide general oversight. Predictably, inadequate transparency and oversight have led to widespread malfeasance in the sector (more on this below).

Pro-market reformers also champion online (virtual) schools, most of which are privately run, for-profit, and notably lucrative. They use the same funding mechanism as charter schools — the operators get public funds for each child who signs up—but they do not have to maintain buildings, provide transportation, or pay for full staffs. One teacher can follow scores, even hundreds, of students as they tap their way through digital lessons on their own computers.

Charter school performance

According to the National Alliance for Public Charter Schools (2017), charter enrollment increased from 1.2 million students in 2006-2007 to an estimated 3.1 million in 2016-17. The number is still tiny compared to the overall size of the U.S. K-12 system. For example, the federal government projected that about 50.7 million students would attend public and charter schools in fall 2017; about 5.2 million would attend private schools. In addition, about 1.7 million were homeschooled in 2016.

But charter schools are highly concentrated geographically and wield substantial political clout. About 92 percent of K-12 students in New Orleans attend charter schools; 53 percent in Detroit; and 45 percent in the <u>District of Columbia</u>. Charter networks run well-funded lobbying efforts in most states. As of November 2017, only six states did <u>not allow charter schools</u>.

To justify the existence of charter schools, ed-reformers have always claimed they outperform the district public schools that most low-income and minority students attend. Indeed, unless charters perform better, they serve no purpose other than choice for the sake of

choice regardless of quality. To measure performance, both government and ed-reformers still rely on student scores on standardized tests.

Since 2009 a pro-privatization research center located at Stanford University has regularly conducted nationwide studies comparing the test scores of charter school students to the scores of demographically similar students at district public schools. The studies have generated a fairly consistent, albeit very rough, picture of average performance nationwide: about one half of all charters perform at the same level as district schools, about one quarter perform worse, and about one quarter perform better although often by minuscule amounts.

A much clearer picture of performance comes from state and district studies, not national averages. In 2016, for example, a study of charter schools in Texas found that "at the mean, charter schools have no impact on test scores and a negative impact on [future] earnings." These mediocre results fall far short of reformers' claims and hardly justify undermining district schools.

As for the higher-performing charter schools, research has shown they often boost test scores by "counseling out" the most challenging students — those with cognitive and physical disabilities, behavior problems, and English language learners. These students remain in district schools, increasing the concentration of at-risk students in precisely the districts that have lost funding to charter schools.

In the 2013-14 school year, the Budget, Facilities, and Audit Committee of the Los Angeles Unified School District reported that 1.2 percent of charter school students were severely disabled; the figure for the district overall was 3.8 percent — more than three times as large.

In December 2017, the American Civil Liberties Union of Arizona released the results of its investigation of 471 charter schools, which found that 56 percent had enrollment policies that clearly violate the law or discourage at-risk students. For example, Spanish is the most commonly spoken language after English, but only 26 percent of these schools provide enrollment documents in both languages. Attrition rates — that is, how many students drop out of a school or class in a given period — are strikingly high for high-testing charters. In 2006, Moskowitz launched Success Academy Charter Schools, Inc., with 73 first graders. In 2018, this class became the first to graduate from the academy's high school, but only 17 of the early enrollees remained — an attrition rate of 77 percent.

A closer look at vouchers

The goal of staunch voucher advocates is to replicate the system that Milton Friedman proposed in 1955: a tax-payer funded voucher for every student to use in a free market of secular and religious private schools. Several states now offer vouchers to all families regardless of income, but public support for such "universal" programs is low. To get around this obstacle, ed-reformers promote programs limited to low-income students, students in low-performing schools, or students with special needs.

They have also devised several variations on vouchers, all of which channel public funds to private schools but avoid using the unpopular "v" word. "Private-school tuition tax credits" allow families to subtract the cost of tuition from the taxes they pay; "tax-credit scholarships" give tax credits to donors (corporations included) who fund scholarships for other people's children to attend private schools. Donors cycle their money through private nonprofit

"school tuition organizations (STO)." Rerouting the money this way, reformers argue, prevents any violation of the separation of church and state: the STO "middleman" separates the government funding (the tax credit) from the religious institution (the school).

In reality, the process works like money laundering: funds pass through a private entity and arrive at a religious school scrubbed clean of their taxpayer origin. Another tool — "education savings accounts"— gives families government-funded debit cards to use for various private education expenses in addition to tuition.

According to the Milton and Rose Friedman Foundation (which changed its name in 2016 to the less politically charged <u>EdChoice</u>), there were 64 voucher and voucher-type programs in 30 states and the District of Columbia <u>as of January 2018</u>. Most of the money ends up at religious schools. For example, 82 percent of the nearly 100,000 students in the Florida Tax Credit Scholarship Program chose religious schools in 2017.

Republicans, who control a large majority of state governments as well as the White House and Congress, aim to expand voucher programs. Paradoxically, the promised expansion comes after the release of several studies showing that voucher programs actually hurt student performance.

In late 2015, researchers reported that Indiana's "voucher students who transfer to private schools experienced significant losses in achievement" in math and <u>no improvement in reading</u>. In June 2016, a study of a large Ohio voucher program, published by the pro-reform Thomas B. Fordham Institute, found: "The students who use vouchers to attend private schools have fared worse academically compared to their closely matched peers attending public schools....Such impacts also appear to <u>persist over time</u>...."

Voucher supporters (Milton Friedman included) have always assumed that transferring from a public school to a private school would mean transferring to a better school. But in recent years, public schools in the United States have closed the achievement gap with private schools. Since government vouchers never cover the cost of higher-quality private schools, most low-income students end up at schools that are academically no better or even worse than the public schools they leave.

Corruption and segregation

Both charter school management and voucher programs are rife with fraud. It comes with the territory when states hand out millions of dollars to private sector actors without adequate vetting or ongoing oversight.

The pro-public-school Network for Public Education posts a feature on its website called <u>ANOTHERDAYANOTHERCHARTERSCANDAL</u>, which keeps a running account of charter misconduct along with links to source material.

Here are a few typical scandals from a four-week period in fall 2017:

The founder and former administrator of Southwest Learning Centers, which ran four charter schools in Albuquerque, New Mexico, pleaded guilty to pocketing over \$2 million by having his schools pay fake invoices to a fake company he set up in Las Vegas. He also billed

parents for online credits that their children never earned and charged his schools double the actual rent for a building he <u>leased</u>.

The Pennsylvania Ethics Commission fined the former chief executive officer of the defunct Pocono Mountain Charter School in Coolbaugh Township for four years of deficient financial statements. The commission also cited him for asking the charter board to raise his wife's salary at the school and hire his children for school positions. The former principal of a Delaware charter school — the Academy of Dover — pleaded guilty to embezzling \$145,480. The case went to federal court "due to the significant [federal] funding received by the Academy of Dover."

The case of Ohio's Electronic Classroom of Tomorrow (ECOT) — once Ohio's largest online charter school — epitomizes the corruption in the virtual charter sector. ECOT was notorious for its low graduation rate (under 39 percent in 2014) and its dropout numbers (the highest in the nation, according to <u>federal data</u>).

But despite the school's abysmal performance, Ohio's Republican establishment gave it unwavering support. According to an <u>exposé in Mother Jones magazine</u>, ECOT's founder and the CEO of its management company, William Lager, took home about \$153 million from the school between 2000 and 2017. In the same period, he contributed \$1.9 million to political candidates, mostly Republicans.

In 2016 and 2017, the state's Department of Education found that ECOT had overcharged taxpayers about \$80 million in just two years for "truant" students — students who had not logged into the online instruction system for even the required minimum of once every thirty days. On January 18, 2018, the board overseeing ECOT voted to close the school immediately because it could not repay its \$80 million debt. ECOT's 12,000 students were left scrambling to find places at other schools — a problem created whenever a charter school suddenly shuts down.

Then there was this flow of voucher money: The Arizona Christian School Tuition Organization (ACSTO) is one of the state's largest groups giving out vouchers, called tax credit scholarships, for private schools. From 2010 to 2014, private donors contributed \$72.9 million to ACSTO. Arizona law allows families of all income levels to use these vouchers; it also allows voucher granting groups to keep 10 percent of all donations to cover overhead.

ACSTO's founder and executive director, Steve Yarbrough, is also president of the Arizona State Senate and a longtime voucher promoter. ACSTO outsources much of its work — from data entry to customer service — to HY Processing, a private for-profit company owned by Yarbrough, his wife, and another couple. ACSTO also pays \$52,000 a year in rent to its landlord, who is Yarbrough. When Yarbrough bought a \$16,000 car in 2012, ACSTO reimbursed him for the full amount.

Vouchers and charter schools create still another problem: they increase racial and socioeconomic segregation. A March 2017 report by the Century Foundation, which analyzed longitudinal data from the Milwaukee Parental Choice Program, found that 68.4 percent of voucher-participating private schools had enrollments that were either 90 percent white or 90 percent black. Overall, 90 percent of voucher transfers "increased segregation in private schools, public schools, or both sectors."

According to a 2016 comprehensive <u>report by the Brookings Institution</u>, "charter schools enroll more black and poor students than traditional public schools in the same areas and are more likely to be at one extreme or the other of the racial and economic demographic spectrum than traditional public schools." In the 2016-17 school year, charter students comprised about 6 percent of the combined enrollment of all district and charter schools nationwide; the figure for black students was <u>over 12 percent</u>.

Conclusion: The shifting landscape

Given disappointing academic results, endemic corruption, and growing segregation, why does anyone interested in equal and excellent education for all still support vouchers and charter schools? One reason is money. Entrepreneurs recognized early on that market-based ed-reforms could be a source of substantial profits. Private operators quickly found ways to tap into the vast public resources — now more than \$600 billion a year — spent on K-12 education.

Equally important, ideology trumps evidence for free-market boosters, and ed reformers have developed a culture of true-believers. In January, 2018, a government-solicited <u>audit</u> revealed that school officials in Washington, D.C.. had knowingly allowed 34 percent of high school seniors to graduate in 2017 without fulfilling all requirements. The news triggered an uproar because reformers, private funders, and the media had been touting Washington D.C. — with its voucher program and high penetration rate of charters — as education reform's great success story.

Reflecting on the gulf between triumphalism and facts, Frederick Hess, director of education policy studies at the conservative American Enterprise Institute and one of the few reformers who confront problems publicly, wrote:

[S]o many in the world of school reform tend to clamber aboard the bandwagon of the moment while parking their skepticism...."[R]eformers" have tended to circle their wagons, fueling a "with-us-or-against-us" dynamic. That leaves little ground for friends to offer tough-minded public appraisal without being labeled an enemy of the movement.... [I]t's time for the reformers, funders, and pundits to ask ourselves how we've contributed to a culture that's heavy on cheerleading and light on skepticism—and how to find a better balance going forward.

In another case of ideology *über alles*, pro-reform members of Congress went so far as to ban rigorous evaluation of Washington D.C.'s voucher program. In spring 2017, the Institute of Education Sciences, which is the independent research arm of the U.S. Education Department, released a study showing that on math standardized tests, D.C. students who used vouchers to attend private schools fell behind their peers who remained in public schools. The research was a randomized controlled trial considered the "gold standard" experimental design. A week later, the Republican-led Congress approved a budget that included "a prohibition on the use of the experimental design evaluation method in any future federally funded studies of the D.C. voucher program."

Given the overall record of charter schools, support in the general public and among minorities has been slipping. According to the most recent survey conducted by the proreform journal Education Next, support among all respondents dropped from 51 percent to 39

percent from 2016 to 2017. Among African Americans, support for charter schools dropped from 46 percent to 37 percent; among Hispanics, from 44 percent to 39 percent.

Education reformers also suffered a major defeat when they tried to increase the number of charter schools in Massachusetts using a ballot initiative. The state has the strongest oversight system in the country and a relatively small number of charters. The ballot initiative drew national attention because of the outsized campaign spending — \$25 million on the "yes" side, \$17 million on the "no" side. On November 8, 2016, voters rejected the charter increase by an overwhelming margin, 62 percent to 38 percent.

Many African-American advocacy organizations have taken a stand against market-based reforms. In a 2014 resolution, the National Association for the Advancement of Colored People (NAACP) pledged to "continue to advocate against any state or Federal legislation which commits or diverts public funding, allows tax breaks, or establishes preferential advantages to for-profit, private and/or charter schools."

The 2016 NAACP national convention passed a resolution supporting "a <u>moratorium</u> on the proliferation of privately managed charter schools." Shortly after the NAACP vote, the Movement for Black Lives — a network of more than 50 organizations representing African Americans—released a <u>platform</u> that included a moratorium on new charter schools. In 2017, the largest and best known African American ed-reform organization — the Black Alliance for Educational Options — <u>closed down</u> after it had "struggled to remain financially viable and relevant over the last several years."

Unfortunately, not all Americans know enough about market-based ed-reform to evaluate it. Despite two decades of heated public debate, many do not understand how charter schools and vouchers are funded. According to a 2017 poll by the independent research company SSRS, a little more than half of Americans supported charter schools until they learned that the funding is taken from district public schools. Then support <u>plummeted to 30 percent</u>.

For participants in the 2017 Education Next survey, support for vouchers hinged on whether the survey questions contained the phrase "wider choice" or "use government funds." A proposal to "give all families with children in public schools a wider choice, by allowing them to enroll their children in private schools instead, with government helping to pay the tuition" received 45 percent support. But a proposal to "use government funds to pay the tuition of all students who choose to attend private schools" received only 27 percent support. Neither question contained the word "voucher."

It turns out that when Americans know that market-based reforms drain funds from public schools, most oppose the policies. The success of the ed-reform movement so far has depended on their not knowing.

The survival of public education in the United States is a political choice. Opposition to market-based reform is growing stronger, but it needs to be transformed quickly into electoral activism. Privatizers now control the Trump administration, Congress, and most state governments.

Running for president, Donald Trump promised sweeping privatization policies for K-12 education, but so far his program has stalled in Congress. Some Republicans object to expanding federal influence and squelched the administration's proposals in the 2018 budget.

Secretary of Education Betsy Devos has not been a strong asset. She quickly made herself the most publicly reviled member of Trump's controversial cabinet with her combined ignorance of and scorn for public education. But effective power over public education still belongs to the state governments. As of April 2018, Republicans held a near-record 34 governorships and 32 state legislatures; they continue to approve new voucher programs and more charters.

Draining resources from public schools has already undermined districts around the country, especially those serving low-income and minority students. Time is short for rescuing and improving public education. Destroying it will not require privatizing the entire system or anything near that. We are watching death by a thousand cuts.

- [1] Patterson, J. T. (2001) Brown v. Board of Education: A Civil Rights Milestone and Its Troubled Legacy. New York, NY: Oxford University Press.
- [2] Palley, T. I. (2012). From Financial Crisis to Stagnation: The Destruction of Shared Prosperity and the Role of Economics. New York, NY: Cambridge University Press.
- [3] Welner, K. (2013). Free Market Think Tanks and the Marketing of Education Policy. In M. B. Katz & M. Rose (Eds.), *Public Education Under Siege* (pp. 67-74). Philadelphia, PA: University of Pennsylvania Press.

REFERENCES:

Alvarez & Marsal. (2018, January 26). *Final Report: District of Columbia Public Schools, Audit and Investigation*. Report prepared for Office of the State Superintendent of Education, Washington, D.C., Contract Number #CW57247. Retrieved from https://osse.dc.gov/sites/default/files/dc/sites/osse/release_content/attachments/Report on DCPS Graduation and Attendance Outcomes — Alvarez%26Marsal.pdf

Anderson, C. (2017, November 21). Former Academy of Dover principal pleads guilty in fraud case. *Delaware State News*. Retrieved from https://delawarestatenews.net/schools/former-academy-dover-principal-pleads-guilty-fraud-case/

Ballotpedia. (2017, January 23, last modified) Retrieved from https://ballotpedia.org/Massachusetts Authorization of Additional Charter Schools and C harter School Expansion, Question 2 (2016) — Campaign finance

Bauman, C. (2017, October 25). Unable to reinvent itself, Black Alliance for Educational Options to shut down after nearly 20 years. *Chalkbeat*. Retrieved from https://www.chalkbeat.org/posts/us/2017/10/25/unable-to-reinvent-itself-black-alliance-for-educational-options-to-shut-down-after-nearly-20-years/

Boser, U., Benner, M. & Roth, E. (2018, March 20). *The Highly Negative Impacts of Vouchers*. Washington, D.C.: The Center for American Progress. Retrieved from https://www.americanprogress.org/issues/education-k-12/reports/2018/03/20/446699/highly-negative-impacts-vouchers/

Bracey, G. (2008, Fall). Disastrous Legacy: Aftermath of *A Nation at Risk. Dissent*, 80-83. Retrieved from https://www.dissentmagazine.org/article/disastrous-legacy-aftermath-of-a-nation-at-risk

Brouillette, M. J. (2001, January 29). Conclusion: Restoring a Free Market in Education. *The Case for Choice in Schooling*. Retrieved from https://www.mackinac.org/3243

Capital & Main. (2016, June 1). Failing the Test: Charter Schools' Winners and Losers. *Capital & Main.* Retrieved from https://capitalandmain.com/failing-the-test-charter-schools-winners-and-losers-0601

Carey, K. (2017, February 23). Dismal Voucher Results Surprise Researchers as DeVos Era Begins. *The New York Times*. Retrieved from https://www.nytimes.com/2017/02/23/upshot/dismal-results-from-vouchers-surprise-researchers-as-devos-era-begins.html?r=1

Carey, K. (2017, March 2). DeVos and Tax Credit Vouchers: Arizona Shows What Can Go Wrong. *The New York Times*. Retrieved from https://www.nytimes.com/2017/03/02/upshot/arizona-shows-what-can-go-wrong-with-tax-credit-vouchers.html?emc=edit_tnt_20170302&nlid=34274273&tntemail0=y

Carl, D. (2017, Oct. 25). Former charter school leader pleads guilty to fraud (video transcript). KOAT-7-ABC. Retrieved from http://www.koat.com/article/former-charter-school-leader-pleads-guilty-to-fraud/13091098

Center for Research on Education Outcomes (CREDO). (2009-2017). *Charter School Studies*. Links to studies available from https://credo.stanford.edu/research-reports.html

Changes Name to EdChoice. (2016, July 29). Retrieved from https://www.edchoice.org/media/friedman-foundation-changes-name-edchoice/

Churchill, A. & Aldis, C. (2016, July). Foreword. D. Figlio, & K. Karbownik, *Evaluation of Ohio's EdChoice Scholarship Program: Selection, Competition, and Performance Effects* (p. 2). Columbus, OH: Thomas B. Fordham Institute. Retrieved from https://edex.s3-us-west-2.amazonaws.com/publication/pdfs/FORDHAM Ed Choice Evaluation Report_online edition.pdf

Clabaugh, G. K. (2004). The Educational Legacy of Ronald Reagan. *Educational Horizons*, 82(4), 256-259. Available from https://files.eric.ed.gov/fulltext/EJ684842.pdf (also see http://www.jstor.org/stable/42926508)

Disare, M. (2017, September 21). Private Managers of Public Schools, Charter Leaders Enjoy Extra Buffer From Public-Records Laws. *Chalkbeat*. Retrieved from https://www.chalkbeat.org/posts/ny/2017/09/21/private-managers-of-public-schools-charter-leaders-enjoy-extra-buffer-from-public-records-laws

Dobbie, W. S. & Freyer, R. G. Jr. (2016). *Charter Schools and Labor Market Outcomes* (NBER Working Paper No. 22502). Retrieved from http://www.nber.org/papers/w22502.pdf

Donald, B. (2013, August 7-11). Timeline of Supreme Court School-Desegregation Cases from Brown to Fisher, presented at The American Bar Association Annual Meeting, San Francisco, 2013. Retrieved from

https://www.americanbar.org/content/dam/aba/administrative/litigation/materials/aba-annual-2013/written_materials/20_lessons_in_leadership.authcheckdam.pdf

Dynarski, M. (2016, May 26). On Negative Effects of Vouchers (*Evidence Speaks Reports Vol.1, No.18*). Retrieved from http://www.brookings.edu/research/reports/2016/05/26-on-negative-effects-of-school-vouchers-dynarski

EdChoice. (2018, March 16, last modified) *School Choice in America Dashboard*. Retrieved from https://www.edchoice.org/school-choice/school-choice-in-america/

Education Next. (2017). Tables 13a, b, c & d. In *Program on Education Policy and Governance—Survey 2017* (pp. 12-13). Retrieved from http://educationnext.org/files/2017ednextpoll.pdf

Florida Department of Education. (2017). *Florida Tax Credit Scholarship Program* (June 2017 Quarterly Report). Retrieved from http://www.fldoe.org/core/fileparse.php/7558/urlt/FTC-June-2017-Q-Report2.pdf

Frank, H. (2017, November 8). Former Charter School CEO Fined \$55k. *Pocono Record*. Retrieved from http://www.poconorecord.com/news/20171108/former-charter-school-ceo-fined-55k

Friedman, M. (1955). The Role of Government in Education. In R.A. Solo (Ed.), *Economics and the Public Interest* (pp.123-144). New Brunswick, NJ: Rutgers University Press. Retrieved from

http://la.utexas.edu/users/hcleaver/330T/350kPEEFriedmanRoleOfGovttable.pdf

Grover, J., Reeves, R.V. & Rodrigue, E. (2016, October). *Segregation, Race, and Charter Schools: What Do We Know?* Washington, D.C.: Center on Children and Families at the Brookings Institution. Retrieved from https://www.brookings.edu/wp-content/uploads/2016/10/ccf_20161021segregation_version-10_211.pdf

Hefling, K. (2017, May 3). *Politico-Harvard Poll: Americans Favor Charter Schools—But Not At Public Schools' Expense*. Retrieved from https://www.politico.com/story/2017/05/03/politico-harvard-poll-americans-favor-charter-schools-but-not-at-public-schools-expense-237940

Hess, F. & Bell, B. (2018, March 26). D.C. Graduation Scandal Shows How an Uncritical Gaze Leads Reformers Astray. *The Hill*. Retrieved from http://thehill.com/opinion/education/380283-dc-graduation-scandal-shows-how-an-uncritical-gaze-leads-reformers-astray

In the Public Interest. (2018, March). Fraud and waste in California's charter schools (Report). Retrieved from https://www.inthepublicinterest.org/wp-content/uploads/ITPI Charter Fraud Mar2018.pdf

Kirp, D. L. (2012, May 19). Making Schools Work. *The New York Times*. Retrieved from http://www.nytimes.com/2012/05/20/opinion/sunday/integration-worked-why-have-we-rejected-it.html

Kober, N. (2000). School Vouchers: What We Know and Don't Know...And How We Could Learn More. Washington, D.C.: Centre on Education Policy.

Retrieved

from https://ia801301.us.archive.org/8/items/ERIC_ED468514/ERIC_ED468514.pdf

Loewus, L. (2017, June 30). More Charter School Teachers See Unions as an Option: Organizing slow, uncertain in the sector's schools. *Education Week*. Retrieved from https://www.edweek.org/ew/articles/2017/06/30/at-big-city-charter-schools-more-teachers-see.html

McQuiggan, M. & Megra, M. (2017). Parent and Family Involvement in Education: Results from the National Household Education Surveys Program of 2016 (NCES 2017-102). Washington, D.C.: U.S. Department of Education, National Center for Education Statistics. Retrieved from https://nces.ed.gov/pubs2017/2017102.pdf

Movement for Black Lives. (2016). A Vision for Black Lives: Policy Demands for Black Power, Freedom & Justice (Platform). Retrieved from https://policy.m4bl.org

Murphy, W. F. (1958). Private Education with Public Funds? *The Journal of Politics*, 20(4), 635-654. Available from http://www.journals.uchicago.edu/doi/pdfplus/10.2307/2126801

National Alliance for Public Charter Schools. (2016). *A Growing Movement: America's Largest Charter Public School Communities and Their Impact on Student Outcomes* (Report Eleventh Annual Edition). Washington, D.C.: author. Retrieved from http://www.publiccharters.org/sites/default/files/migrated/wp-content/uploads/2016/11/CharterSchoolEnrollmentShareReport2016.pdf

National Alliance for Public Charter Schools. (2017). *Estimated Charter Public School Enrollment*, 2016-17 (Report). Washington, D.C.: author. Retrieved from http://www.publiccharters.org/sites/default/files/migrated/wp-content/uploads/2017/01/EER_Report_V5.pdf

National Association for the Advancement of Colored People. (2014). 2014 NAACP Resolution Results. Retrieved from http://action.naacp.org/page/-/resolutions/2014_Resolutions_Results.pdf

National Association for the Advancement of Colored People. (2016). *Resolutions, Ratified by the National Board of Directors Under Article IX, Section 1 of the Constitution of the NAACP, 2016.* Retrieved from https://www.naacp.org/wp-content/uploads/2016/03/Resolutions.2016.pdf

NAACP Task Force on Quality Education. (2017, July). *Quality Education for All...One School at a Time* (Hearing Report). Retrieved from http://www.naacp.org/wp-content/uploads/2017/07/Task ForceReport final2.pdf

National Center for Education Statistics. (2017). *Fast Facts: Back to School Statistics*. Retrieved from https://nces.ed.gov/fastfacts/display.asp?id=372

National Conference of State Legislatures. (2018, April 11). Retrieved from http://www.ncsl.org/research/about-state-legislatures/partisan-composition.aspx

National Commission on Excellence in Education. (1983). *A Nation at Risk: The Imperative for Educational Reform. An Open Letter to the American People. A Report to the Nation and the Secretary of Education*. Washington, D.C.: Department of Education. Retrieved from https://files.eric.ed.gov/fulltext/ED226006.pdf

Network for Public Education. #ANOTHERDAYANOTHERCHARTERSCANDAL. https://networkforpubliceducation.org/9734-2/

Orfield, G. (2001, July). Schools More Separate: Consequences of a Decade of Resegregation. Cambridge, MA: The Civil Rights Project, Harvard University. Retrieved from https://civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/schools-more-separate-consequences-of-a-decade-of-resegregation/orfield-schools-more-separate-2001.pdf

Orfield, G., Frankenberg, E., Ee, J., Kuscera, J. (2014, May 15). *Brown at 60: Great Progress, a Long Retreat and an Uncertain Future*. Los Angeles, CA: Civil Rights Project/Proyecto Derechos Civile, UCLA. Retrieved from https://www.civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/brown-at-60-great-progress-a-long-retreat-and-an-uncertain-future/Brown-at-60-051814.pdf

Palley, T. I. (2012). From Financial Crisis to Stagnation: The Destruction of Shared Prosperity and the Role of Economics. New York, NY: Cambridge University Press.

Patterson, J. T. (2001) Brown v. Board of Education: A Civil Rights Milestone and Its Troubled Legacy. New York, NY: Oxford University Press.

Pogue, T. (2018, March/April). The GOP's Biggest Charter School Experiment Just Imploded: How a Washed-Up Lobbyist Built a Charter School Empire and Siphoned Millions from Public Schools. Retrieved from https://www.motherjones.com/politics/2018/01/the-gops-biggest-charter-school-experiment-just-imploded/

Potter, H. (2017, March 21). *Do Private School Vouchers Pose a Threat to Integration?* Washington, D.C.: The Century Foundation. Retrieved from https://tcf.org/content/report/private-school-vouchers-pose-threat-integration/

Reilly, M. K. & Reed, D. N. (2016, January 19). *Establishment of All-Charter Districts: Waivers and Autonomies and Fiscal Impact*. Presentation to the Budget, Facilitates, and Audit Committee, Los Angeles Unified School District. Retrieved from https://boe.lausd.net/sites/default/files/01-19-16BFAAllCharterDistrictPresentation.pdf

Rich, M. (2016, May 18). Online School Enriches Affiliated Companies if Not Its Students. Retrieved from https://www.nytimes.com/2016/05/19/us/online-charter-schools-electronic-classroom-of-tomorrow.html

Rubenstein, G. (2018, March 27). Who Survives Success? Retrieved from https://garyrubinstein.wordpress.com/2018/03/27/who-survives-success/

The 74. (2017, March 22). After Heated Partisan Battle, Kentucky Is 44th State to Pass Charter Law. Retrieved from https://www.the74million.org/article/after-heated-partisan-battle-kentucky-is-44th-state-to-pass-charter-law/

Toch, T. & Jordan, P. W. (2017, September 1). The Weakness In D.C.'s Voucher Program. *The Washington Post*. Retrieved from https://www.washingtonpost.com/opinions/the-weakness-in-dcs-voucher-program/2017/09/01/09a61694-8cd5-11e7-84c0-02cc069f2c37 story.html?tid=ss mail&utm term=.48220918d51a

Tooley, J. (2014). "The Role of Government in Education" Revisited: The Theory and Practice of Vouchers, with Pointers to Another Solution for American Education. *Social Philosophy and Policy*, 31(1), 204-228. Retrieved from <a href="https://www.cambridge.org/core/journals/social-philosophy-and-policy/article/role-of-government-in-education-revisited-the-theory-and-practice-of-vouchers-with-pointers-to-another-solution-for-american-education/F0705E7B40D079498472260522E7FD23doi: 10.1017/S0265052514000193

Ujifusa, A. (2018, March 23). President Trump Signs Spending Bill That Includes Billions More for Education. Retrieved from http://blogs.edweek.org/edweek/campaign-k-12/2018/03/president_trump_signs_spending_bill_increases_education_money_billions.html

Urahn, S. (1994, December). *Minnesota Charter Schools: A Research Report*. St. Paul, MN: Minnesota House of Representatives, Research Department. Retrieved from https://files.eric.ed.gov/fulltext/ED380872.pdf

U.S. Department of Education, Office of the Under Secretary, Planning and Evaluation Service, Elementary and Secondary Education Division. (2000). *Evaluation of the Public Charter Schools Program: Year One Evaluation Report* (DOC #2001-06). Washington, D.C.: author. Available from https://www2.ed.gov/rschstat/eval/choice/pcsp-year1/year1report.pdf

U.S. Department of Education. (2007). *No Child Left Behind and Charter Schools: Giving Parents Information and Options*. Washington, D.C.: author. Retrieved from https://www2.ed.gov/nclb/choice/charter/nclb-charter.html

U.S. Department of Education. (2009). *Race to the Top: Executive Summary*. Washington, D.C.: author. Retrieved from https://www2.ed.gov/programs/racetothetop/executive-summary.pdf

Vincent, A. (2010). *Modern Political Ideologies* (3rd ed.). Chichester, West Sussex: Wiley-Blackwell.

Welner, K. (2013). Free Market Think Tanks and the Marketing of Education Policy. In M. B. Katz & M. Rose (Eds.), *Public Education Under Siege* (pp. 67-74). Philadelphia, PA: University of Pennsylvania Press.

West, M. R., Henderson, M. B., Peterson, P. E., Barrows, S. (2018, winter). The 2017 EdNext Poll on School Reform. *Education Next*, 32-52. Retrieved from http://educationnext.org/files/ednext_xviii_1_poll.pdf

Whitaker, C., McDaniels, A. & Johnson, S. (2017, November 20). *The Trump Administration's Slow But Steady Undoing of the Department of Education*. Retrieved from https://www.americanprogress.org/issues/education-k-12/news/2017/11/20/442737/trump-administrations-slow-steady-undoing-department-education/

Wolf, P., Gutmann, B., Puma, M., Kisida, B., Rizzo, L., Eissa, N., & Carr, M. (2010). *Evaluation of the D.C. Opportunity Scholarship Program: Final report* (NCEE 2010-4018). Retrieved from http://eric.ed.gov/?id=ED510451

Zetino, G. (2017, December 14). Schools Choosing Students: How Arizona Charter Schools Engage in Illegal and Exclusionary Student Enrollment Practices and How It Should Be Fixed. Phoenix, AZ: American Civil Liberties Union of Arizona. Retrieved from https://www.acluaz.org/sites/default/files/field_documents/schools_choosing_students_web.p