Amplifying Our Voice: Leading Boldly for Our Students, Our Professions, and Our Union

Black Money Hole of Charters & Vouchers
Jan Nichols
COMPETENCY: ADVOCACY

NEA Leadership Competency progression level(s):

• Level 1: Foundational
• Level 2: Mobilizing & Power Building

NEA Leadership Competency themes within the competency that your presentation is designed to address.

• -Example: Utilizes best practices in advocacy and political efforts
• -Example: Leads public education policy reform
NEA Strategic Goal and NEA Organizational Priority

• NEA Strategic Goal
  
  - advancing opportunities that will identify, organize, and engage new and early career educators; amplify the voices of all educators, support our members’ professional growth, and promote social justice for our students, communities and our nation;
  
  - securing a pro-public education environment for students, educators, and families; and
  
  - building the capacity of the local, state and national union to ensure the success of public education.

• NEA Organizational Priorities
  
  - Racial Justice in Education
  - My School, My Voice
BLACK $$$ HOLE

CHARTERS

VOUCHERS
Black $$$ Hole could grow TENFOLD –
Brand New, State-of-the-Art Legacy Traditional School
Bridgeport, Connecticut
Great Hearts----North Phoenix Preparatory Academy
Closed for Repairs
Landmark School
Faith Lutheran Academy
Nevada
Public School Bus
The difference?
All students have a right to a quality public education
HIGH COURT BANS SEGREGATION IN PUBLIC SCHOOLS
Just A few myths

Public schools are failing
Unions defend bad teachers
Billionaires know best
Charter schools are the answer
Money isn’t the answer
Teachers are solely responsible for learning
A Narrative emerges to promote charters

Public schools are FAILING

Parents should have a CHOICE

Two reports, “A Nation at Risk” & “A Nation Prepared” stimulated cultural shift.
IN THE 1980’S TWO EDUCATORS PROPOSED A WAY TO SUPPORT PUBLIC SCHOOLS CREATING ALTERNATIVE INSTRUCTION

CHARTER SCHOOLS
Albert Shanker, one of the founders, later renounced charters
Ray Budde, University of Massachusetts, Amherst
These schools would work with district schools to address unmotivated & dropout students. Innovate! Practicioners would be in charge.
MOVIES

INFLUENCED,
PROMOTED
PERCEPTIONS
The panacea ......

Choice!

CHARTERS!
Minnesota opens first charter in 1994!
Federal Legislation was passed to stimulate U.S. investment during this time.
New Market Tax Credits

- Federal govt = 39% grants “blighted,” low-income areas. (Walmart)
- Renovation tax credits
- Arizona added
  - tax credits
  - incentives
- Sales & property tax abatement
Rupert Murdoch,  Fox News
One of the first to invest in charters
Easy return, steady stream of profit

“they’re always producing kids”
Make schools a business!

Profit while educating!
“If you want to understand any problem in America, You need to focus on who profits from that problem, Not who suffers from the problem.”

Dr. Amos Wilson
because

Investors use taxpayer’s money to fund their business
President George W. Bush

$\text{BILLSIONS}$ for charters.

Passed $\text{NO CHILD LEFT BEHIND}$

Presidents Clinton, Obama increased $\text{BILLSIONS to charters by Billions}$

President Obama “Race to the Top”
State / Arizona

Non-Profit

FOR-PROFIT (EMO)
Non-Profit  Educational  Mgmt. Organization  
(Basic Educational Group, LLC)

EMO’s = companies hire contractors, subcontractors to operate the schools & services & invest profit
(collect rent, hire teachers, maintenance, support staff, choose curriculum, text books)

Non-profit investors can be the EMO.
BASIS
Non-Profit
Michael Block, CEO

For-Profit (EMO)
Michael Block=
Board of Directors
Basis assets grew

$13m - $122m  ---- 2003 - 2009

EMO paid administration costs equal to 3rd largest district in Az...........

Basis - 12,000 students

Peoria - 36,000 (34 el. 7 h.s.)

• Exempt from most financial disclosures

Arizonans for Charter School Accountability
# 1 Charter School in the nation
2017

U.S. News & World Report

Scottsdale Basis

Senior class = 44

Less than 8 disadvantaged Blacks/Hispanics
• Tests students for acceptance.
• Counsels out/suspends low performing students
• No sports
• Few if any extra curricular activities, no nurse, no counselors
TOP 20 CHARTER SCHOOLS IN ARIZONA ‘16

13,452 Students

86% White or Asian
Blacks 2%
Hispanics 11%

Free lunch - only Paragon (Gulen)

ELL = NONE
Special Ed = 4%

Az Dept of Education  www.bizjournals.com
Charters are private schools using public money!
ANYONE CAN APPLY & OPERATE A CHARTER SCHOOL & GET PUBLIC FUNDING
Is Pitbull 'Mr. Education'?

Miami, Florida

SLAM Charter School
Henderson, Nevada

Andre Agassi
College Preparatory Academy
Middle/High School
Las Vegas, Nevada
LeBron James
Family Foundation
Partnered w/
Akron Public Schools

I Promise School
LeBron James founded I Promise School.
Senator Sylvia Allen
Senate Education Chair
High School Diploma
Real Estate Agent
Co-founded George Washington Academy,
Snowflake, Arizona

Arizona Republic, May 17, 2017
Public Education is a democratic institution. Its destruction is being choreographed by a few wealthy, well-positioned individuals and organizations.

Mercedes Schneider,

How are Walton Billionaires like Putin & the Russians?
K.I.P.P. (Knowledge is Personal Power)

Walton Foundation = 209 schools

Sonoran Academy (various names) 167 = Fetullah Gulen

K12 Largest Online charter chain = Michael Milken
Bill Gates - Gates Foundation
"Waiting for Superman"
$440 m to charter schools +

TESTING Companies

Reed Hastings - Netflix
$9+ million funded charters & district school board races
Mark Zuckerberg
Facebook
Primary School
$200 m – Newark Public Schools

Kevin Johnson
St. Hope Public Schools
Former Phx Sun, Spouse, Michelle Rhee
When corporations & big box stores pay little /no property or sales tax, the revenue for public schools is reduced.

.........taxpayers pick up tab
TAX CREDITS

(Retailers keep all or portion of sales tax)

- Nationally, est. $2.3 trillion
- Arizona = $24,500,000
- IKEA = $1.8 million rebate (not into charters) (Tempe) = 2013

Tax Incentives for Corporations:

• Property tax breaks
• State corporate income tax breaks
• Sales Tax Rebates
State Farm deeds property

A.S.U. (tax free)

State Farm pays rent, but no property taxes for 1 century
Tempe Public Schools loses $53 million in revenue

State Farm donates millions to charter schools!
Cumulative Cost of personal & corporate tax cuts in 2016 = $4.1 Billion

In the midst of the Great Recession, Az Governor & Legislature cut corporate income taxes 30% ------
roughly $550m @ year
• NO SYSTEMATIC ACCOUNTING

• Little authority to close failing schools
When charters go out of business they keep assets.
When a charter closes, students usually go back to district schools. No money follows.
Results aren’t any better than public schools

Diane Ravitch Blog, 2018 (based on NAEP Report)
Investors do not have to live near schools, in same state or in United States.
Cybercharters are SCAMS

ECOT (Electronic Classroom of Tomorrow) Ohio - lowest graduation rate in the nation

8,000 fake students

Received $103.6 m for 14,208 students

Steve Dyer, lawyer & former Ohio Legislator January 2019
Indiana’s Virtual Pathways Academy

6,232 students in 2018
2% Graduation rate
5.7% passed English & Math exams
10% of monies collected spent on instruction
Pinnacle Online High School

- India based Hedge Fund
- Few/no certified teachers
- Falsified attendance/success rates

$10 M profit in 2017
Primavera charter CEO scores $8.8m, Kids score failing grades.

Richest & Largest Charter/Az
“I can’t believe it’s not a crime”

Mark Brnovich, Attorney General of Arizona

Arizona Republic, August 4, 2018
• NO PROCUREMENT LAWS!
• NO CONFLICT OF INTEREST LAWS
• NO CAPS ON GROWTH
• NO LIMIT AS TO HOW MANY CHARTERS a PERSON CAN OWN
• BRIBES & GIFTS O.K.
1. Moratorium on new charters/vouchers
2. Caps on number of charters
3. Conflict of Interest Laws
4. Procurement laws
5. Rules & regulations same as public district schools
6. Reduce corporate tax incentives/credits/abatements
Then, there’s the double whammy!!!
EB5 Immigration Act of 1990

Allows foreign investors to invest in U.S.
(charters included)

$1 Million in urban areas or
$500,000 in rural areas:

family can get green cards & path to citizenship.

Conditions: 10 new full-time jobs
(35 hours)
Fethullah Gulen, Turkish Imam living in exile in Pennsylvania. 2nd largest chain in U.S. 75 International Schools 167 in United States.
Gulen Movement

- covert, international, political

- FBI, Depts Labor/ Education investigating
The Gulen Movement

• Funded congressional campaigns
• Sponsored junkets for politicians
• Hires majority Turkish men/Muslims
• Pays men more than women
• Violates H1b visa laws

U.S.A. Today, October 2, 2015
Gulen In Arizona:

- Accord Institute of Education Research
- Daisy Educational Research
- Paragon Science Academies
- Sonoran Science Academies
  
  Ahwatukee, Peoria, Phoenix

- Davis Monthan Air Force Base
Results:

- No ties to neighborhood
- Little/no parental input
- Limited public access
- Inequity, selected students, segregation
- Breaking unions
- Fewer certified teachers (TFA)
- Attrition & Expulsions high
- Gutting extra-curricular programs
- No transparent accounting
- 2,500 Charters closed since 2000, 87 in Az.

(they keep the profits, assets)
• Corruption, fraud
• Corporatized, standardized generic curriculum
• Regurgitated ----- memorization by rote
• Little critical thinking
• Behavior systematic ,militaristic
• Testing produces manageable product so as to be” sorting machines for corridors of power.”

Daniel Weil, Truthout  June 21,  2010
END OF PART ONE
Vouchers
Student Tuition Organization
Empowerment Scholarship
Accounts
"The ideal way would be to abolish the public school system..."

--Milton Friedman to ALEC (2006)

"Privately conducted schools ... can develop exclusively white schools, exclusively colored schools, and mixed schools."

--Milton Friedman, the year after Brown v. Board
Vouchers take dollars from public schools to fund private schools at taxpayer expense
Tuition tax Credits TTCs or STOs
tax giveaways for
 corporations & individuals
for donations used to fund
vouchers
ESAs or Education Savings Accounts ---
Parents given a set sum, often a debit account
For: educational services ------
private school tuition & fees, online courses, extra-curricular activities, private tutoring.
ESA’s Voucher
$5,700 +

- Private Schools, homeschool, online
- No certification requirement
- No compulsory attendance
- No testing required
- Account set up/can be rolled over to next year if unused.
- Can bank for college

David Safier, Tucson Weekly, Jan.29, 2014
Arizona = $700K in Voucher Misspent or Fraud
Diverting funds to private schools reduces the revenue available for public schools which educate 9 out of 10 students.
“The students who use vouchers to attend private schools have fared worse academically compared to their closely matched peers attending public schools.”

Private Schools Choose the Student

80% = Catholic Schools
Private school voucher programs cost taxpayers nearly $2.4 billion a year. The approximate costs of the 5 big spenders are...

1. Florida: 5 programs costing approximately $964 million
2. Ohio: 5 programs costing approximately $297 million
3. Wisconsin: 4 programs costing approximately $275 million
4. Arizona: 5 programs costing approximately $178 million
5. Indiana: 2 programs costing approximately $171 million
2018 Legislature passed a bill expanded ESAs
All students in Az
GRASSROOTS GROWING
• **SOSaz** a group of 6 parents & teachers
• **RedforEd** an allied group vocal in media
• **ArizonaEducators United**
• **AEA & locals**
Facebook, Arizona Educators United
Voters said no to vouchers by 75%
PROP 305 is defeated--STOMPED ON!
Koch Brothers challenged results in Az Supreme Court

They lost......................
InvestinEd an initiative to raise $692m.

new funding stream for education. Although hundreds of thousands of signatures were turned in & certified, the Supreme Court ruled wording was confusing, so they tossed it.
Noah Karvelis
Music Teacher, Tolleson

Joe Thomas
AEA President
Christine Marsh

11th and 12th Grade Advanced Placement English Teacher
Chaparral High School
Scottsdale Unified School District
Scottsdale, Arizona

Ran for Senate 2018
Arizona
Kathy Hoffman, Superintendent of Public Instruction of Arizona
#RedforEd
Jumpstart January

**Wear Red**
Wear #RedforEd to support all educators, schools, and students in the State of Arizona.

**State of the State BINGO**
Listen to Governor Ducey's State of the State Address and play SOTS Bingo with other AEU members! Share your results on social media!

**Make Plans to Attend Education Committees at Capitol**
- **House Committee:** 2PM Monday Afternoons
- **Senate Committee:** 2PM Tuesday Afternoons

**Regional Planning**
Plan or meet with other AEU members in your local regions to learn more information while also creating posters for your first Walk-In.

**Walk-In & Meet**
Arizona educators and community members will conduct Walk-In activities outside of our schools. After school, AEU members will meet to conduct a survey and will be updated on further actions by their site based liaisons.

**Facebook Live Update**
Plans for February and beyond will be announced by AEU Leaders on the Facebook page.

Jan 9th
Jan 12th
Jan 14th
Jan 16th
Jan 28th-29th
Jan 31st
February
Jitu Brown, leader of parents’ 34 day hunger strike at Dyett High School, south side Chicago.

Saved school from closure
Wisconsin 2011 protest again Governor Walker’s union busting tactics
Philadelphia
Los Angeles
OKLAHOMA,
WHERE EDUCATION $FUNDING$ goes SWIFTLY DOWN THE DRAIN!
Ohio
ALL POLITICS BEING LOCAL, WHAT IS YOUR ROLE?
Organizational toolkits have been developed by NEA and NEA Retired for step by step roadmap to changing political landscape. Look on websites for downloadable information.
End of Slide Presentation

More information below

Sources
Supporters

of Charter Schools: Short list

Presidents Donald Trump, Barack Obama Clinton, George W. Bush
Betsy DeVos, USDE Secretary, Arne Duncan, Former U.S.D.E. Secretary
Senator John King, Rahm Emmanuel, Mayor of Chicago
Andrew Cuomo, Governor of New York
Bobby Jindal, former Governor of Louisiana
John Kasich, Governor of Ohio
Mike Pence, Indiana
Doug Ducey, Governor of Arizona
Koch Brothers
American Federation for Children, Stand for Children
ALEC (American Legislative Exchange Council)
Brookings Institute
Democrats for Educational Reform
Goldwater Institute, Heritage Foundation (& more)

Burris, Carol, “No Matter Who Gets Credit for the Original Idea, School Vouchers Have Yet to Shake a Racist History, WordPress, December 9, 2018,

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Dyer, Stephen, “ECOT Scandal Was Even Worse Than We Knew,” January, 2019

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Nathan, Joe “Five Myths of the Charter Public School Movement,” Bridging Differences Blog, January 8, 2015
O’Dell, Rob, Yvonne Sanchez, “700K in Vouchers Misspent or Fraud,” Arizona Republic October 31, 2018
Roberts, Laurie, “Primavera Charter Ceo Scores Big,” Arizona Republic, September 19, 2018
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Walker, Tim, “Fewer & fewer states escaping school privatization’s reach” NEA Today, August 17, 2018
Session Outcomes

The content from this session can be used in the following ways in your current position/role:

• Outcome #1 – Disseminate, share, publish
• Outcome #2 – Update pertinent information
• Outcome #3 – Organize, mobilize for action
Closing

• Please complete the evaluation for this breakout session by using the NEA Summit Mobile App!

• Please visit the Leadership Development Resources website at www.nea.org/leadershipdevelopment
Presentation compiled
By
Jan Nichols
jmnichol5@yahoo.com