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The Billionaire Boys' Club

IN 1967, OFFICIALS at the Ford Foundation asked the Carnegie Corporation to join them in supporting a controversial project in New York City, which was intended to demonstrate a new form of school governance called community control. The theory behind the project in three small demonstration districts was that schools in an impoverished urban neighborhood would improve if they were governed by parents and members of the local community. Ford was attempting not to redesign the New York City public school system, but to respond to racial grievances in certain school districts in the city. The districts—ranging from one to several schools—were located in black and Hispanic neighborhoods and led by activists who had concluded that racial desegregation was never going to happen; they wanted community control and—in two of the three districts—“Black Power.”¹

As Carnegie was mulling Ford's request, a college friend recommended me for a part-time position at Carnegie. The program officer decided to take a chance on me, even though I had no experience and no advanced degrees. I was paid \$5 an hour to do research and writing. One of my first assignments was to visit the demonstration districts and report what I learned. When I introduced myself as a representative of the Carnegie Corporation, I had no trouble meeting and interviewing the leaders. My access to key local activists was further assured because I was a friend of Preston Wilcox, an African American social worker in Harlem who was one of the intellectual leaders of the community control movement.

My report described the context, the issues, and the personalities but made no recommendations. I was far too junior to presume to make recommendations. Carnegie, being deeply averse to controversy, decided not to become Ford's partner in the rapidly escalating conflict between militant community leaders and the city's Board of Education.

Ocean Hill–Brownsville, one of the demonstration districts, soon asserted its authority by ousting nineteen white teachers and supervisors without due process. Demonstrations, protests, and inflammatory rhetoric followed, as did racial and religious tensions. In response to the actions by the demonstration districts, the teachers' union went on strike three times, ultimately closing down the city's public schools for two months in the fall of 1968. For years afterward, the city was deeply polarized by enmity lingering from the struggle for control of the schools. The Ford Foundation's president, McGeorge Bundy, and Mayor John Lindsay sided with the rebel districts. At the time, other cities were convulsed by riots and uprisings as minority communities protested against poverty, inferior schools, police brutality, and dilapidated housing. Bundy and Lindsay wanted to mollify the leaders of the demonstration districts and avoid violent upheavals.

Eventually, to settle the prolonged conflict, the state legislature passed legislation in 1969 decentralizing the schools and creating elected local school boards while eliminating the three upstart districts that had started the confrontation. In a symbolic slap at the mayor, the legislature allowed him to appoint only two members to the new seven-person board. Thus began an era of decentralization for the city's schools, a period that lasted from 1969 until 2002, when the legislature restored control to the city's mayor, going from one extreme—in which political authority was dispersed among many officials—to the other—in which the mayor was granted complete dominion over the schools.²

The decentralization controversy marked the beginning of my career as a historian. I decided to write an article about the tumultuous events I had witnessed. When I was unable to find a magazine willing to publish the article, I instead wrote a history of the New York City schools, *The Great School Wars*, which was published in 1974. Thus began a lifetime commitment to studying and writing about education. So I have the Carnegie Corporation to thank for its modest but important investment in my life and the Ford Foundation

to thank for turning the politics of education into a raging controversy in the late 1960s.

Foundations exist to enable extremely wealthy people to shelter a portion of their capital from taxation, and then to use the money for socially beneficial purposes. Foundations support hospitals, the arts, scientific research, public health, universities, and a host of other worthy philanthropic activities. Foundations themselves may not engage in political advocacy, but they may legally fund organizations that do. They may also support research projects likely to advance the foundation's goals. Education has often been high on their agendas. The steel magnate and philanthropist Andrew Carnegie established more than 2,500 free public libraries in the United States and other countries. Julius Rosenwald, who made his fortune as an executive of Sears Roebuck, devoted a large portion of it to building thousands of schools for African American children in the South.³

The Ford Foundation was badly burned by its assertive role in the school wars of the 1960s. It was castigated by all sides for having ignited a conflagration between the city's Jews and blacks (Albert Shanker, the president of the teachers' union, was Jewish, as were a substantial number of the teachers he represented, while most of the leaders of the community control movement were black). Almost everyone blamed Ford for its role in the ugly conflict that swirled around the public schools. The leadership of the demonstration districts felt betrayed by Ford, because their efforts at community control were thwarted, and critics of decentralization blamed Ford for encouraging the militants who demanded community control.

Ford's experience during the decentralization controversy was a stark lesson to other foundations and to Ford itself about the dangers of trying to engineer social change. In an article titled "The Very Expensive Education of McGeorge Bundy," David Halberstam attributed the disasters in both the war in Vietnam and the New York City schools to the arrogance and elitism of the patrician Bundy. Taking note of this unpleasant episode, other foundations (and Ford) continued to support school reform, but at arm's length.⁴

Not until a quarter century later, in 1993, did another philanthropist make a bold commitment to school reform. At a White House ceremony, publishing magnate Walter H. Annenberg stood with President Bill Clinton and announced a five-year plan to give \$500 million to improve public education. The Annenberg Challenge grants, matched by equal (or greater) amounts from private

and public donors at each site, awarded funds to local nonprofit groups in eighteen cities, including Boston, Detroit, Chicago, Houston, Los Angeles, New York City, and Philadelphia, as well as rural areas, and set aside millions of dollars specifically for arts education. The Annenberg Challenge, the largest grant ever made to American schools at that time, generated enormous excitement among school reformers. Each site had its own locally designed plan, with its own strengths and weaknesses, and each had to navigate the politics of negotiating with City Hall and the school system. In New York City, the Annenberg gift was the catalyst for expanding a network of progressive small schools; other cities promoted schools within schools, small learning communities, leadership development, professional development for teachers, parent engagement, social services for students, and a variety of other strategies.⁵

When the Annenberg funding ended in 2001, it was clear that it had not transformed public education. Some of the urban districts improved, but there were so many other reforms taking place at the same time that it was difficult to attribute the improvements to the Annenberg Challenge. In Philadelphia, district officials pointed with pride to the Kearny Elementary School as a success story that could be credited to Annenberg funding and the district's own visionary decentralization plan. Others thought that Kearny's achievements might be due to its tireless principal, Eileen Spagnola. In any case, despite Kearny's success, Philadelphia continued to register poor academic results and was in such financial distress that the state of Pennsylvania took control of the district in 2001. Ironically, President George W. Bush visited Kearny on January 8, 2009, to mark the anniversary of the signing of the No Child Left Behind act and to hail the school as proof of the law's effectiveness. But a teacher at the school told a reporter that the law had not changed the school, which was already recognized as a model school before NCLB was enacted.⁶

Michael Casserly, executive director of the Council of the Great City Schools, remarked that the Annenberg program was "a terrific bad example. The grants were poorly conceived, poorly managed, and . . . disconnected from any ability to drive any broader policy changes. The lesson is: Don't do that again."⁷ With the passage of No Child Left Behind in 2001, the Annenberg Challenge soon faded into memory.

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The Annenberg Challenge, unlike the Ford Foundation's involve-
ment in the New York City public schools, did not ignite explosive
social and political conflicts. Nor did it frighten other foundations
away from school reform. In fact, the winding down of the Annen-
berg Challenge was promptly followed by the largest expansion in
history of philanthropic effort focused on public education. New
foundations, created by astonishingly successful entrepreneurs,
took on the mission of reforming American education. But unlike
the Ford Foundation, which responded to a specific crisis, or the
Annenberg Foundation, which kept hands off its grantees, the new
foundations had a plan. They wanted nothing less than to trans-
form American education. They would not leave local communities
to design their own reforms and would not risk having their money
wasted. Their boldness was unprecedented. Never in American his-
tory had private foundations assigned themselves the task of recon-
structing the nation's education system.

The turn of the millennium marked a changing of the guard in
the foundation world. In 1998, the top four foundations contributing
to elementary and secondary schooling were the Annenberg Founda-
tion, the Lilly Endowment, the David and Lucile Packard Founda-
tion, and the W. K. Kellogg Foundation. These four foundations
provided 30 percent of all the funds given by the top fifty donors. A
scant four years later, in 2002, the top two philanthropies were the
Bill & Melinda Gates Foundation and the Walton Family Founda-
tion; these two foundations alone were responsible for 25 percent of
all funds contributed by the top fifty donors in that year.⁸

The new titans of the foundation world were billionaire entre-
preneurs and corporate leaders. They were soon joined in education
philanthropy by another billionaire, Eli Broad, who made his fortune
in home building and the insurance industry; he launched the Eli
and Edythe Broad Foundation in 1999. Unlike the older established
foundations, such as Ford, Rockefeller, and Carnegie, which reviewed
proposals submitted to them, the new foundations decided what they
wanted to accomplish, how they wanted to accomplish it, and which
organizations were appropriate recipients of their largesse.

Gates, Walton, and Broad came to be called venture philan-
thropies, organizations that made targeted investments in education
reform. Venture philanthropy is also referred to as "philanthrocapital-
ism," because it borrows concepts from venture capital finance and

business management. Unlike Annenberg, who had distributed his huge gift to many intermediate organizations to do as they thought best, the venture philanthropists treated their gifts as an investment that was expected to produce measurable results, or in the argot of business, a "return on investment." They funded new, entrepreneurial organizations that shared their goals, and they created new organizations to receive their funding when none existed that met their purposes.

Each of the venture philanthropies began with different emphases, but over time they converged in support of reform strategies that mirrored their own experience in acquiring huge fortunes, such as competition, choice, deregulation, incentives, and other market-based approaches. These were not familiar concepts in the world of education, where high value is placed on collaboration. The venture philanthropies used their funds assertively to promote their goals. Not many school districts could resist their offers. School districts seldom have much discretionary money; they are usually either cutting the budget or mediating disputes over how to spend any new money. The money expended by a foundation—even one that spends \$100 million annually—may seem small in comparison to the hundreds of millions or billions spent by public school districts. But the offer of a multimillion-dollar grant by a foundation is enough to cause most superintendents and school boards to drop everything and reorder their priorities.

And so it happened that the Gates, Walton, and Broad foundations came to exercise vast influence over American education because of their strategic investments in school reform. As their policy goals converged in the first decade of the twenty-first century, these foundations set the policy agenda not only for school districts, but also for states and even the U.S. Department of Education.

Before considering the specific goals and activities of these foundations, it is worth reflecting on the wisdom of allowing education policy to be directed or, one might say, captured by private foundations. There is something fundamentally antidemocratic about relinquishing control of the public education policy agenda to private foundations run by society's wealthiest people; when the wealthiest of these foundations are joined in common purpose, they represent an unusually powerful force that is beyond the reach of democratic institutions. These foundations, no matter how worthy and high-minded, are after all, not public agencies. They are not

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subject to public oversight or review, as a public agency would be. They have taken it upon themselves to reform public education, perhaps in ways that would never survive the scrutiny of voters in any district or state. If voters don't like the foundations' reform agenda, they can't vote them out of office. The foundations demand that public schools and teachers be held accountable for performance, but they themselves are accountable to no one. If their plans fail, no sanctions are levied against them. They are bastions of unaccountable power.

Such questions are seldom discussed in the mass media. Frederick M. Hess of the American Enterprise Institute has written that the major foundations—especially Gates, Broad, and Walton—are the beneficiaries of remarkably “gentle treatment” by the press, which suspends its skeptical faculties in covering their grants to school reform. “One has to search hard to find even obliquely critical accounts” in the national media of the major foundations' activities related to education, Hess reports. Furthermore, he writes, education policy experts steer clear of criticizing the mega-rich foundations; to date, not a single book has been published that has questioned their education strategies. Academics carefully avoid expressing any views that might alienate the big foundations, to avoid jeopardizing future contributions to their projects, their university, or the district they hope to work with. Hess observes that “academics, activists, and the policy community live in a world where philanthropists are royalty.” Everyone, it seems, is fearful of offending the big foundations, so there is an “amiable conspiracy of silence. The usual scolds choose to give philanthropic efforts only a pro forma glance while training their fire on other, less sympathetic targets.” Because of this deferential treatment, Hess concludes, “we don't really know how much money foundations give, what it gets spent on, how they decide what to fund, how they think about strategy, or what lessons they have drawn from experience.”⁹

This “conspiracy of silence” makes it all the more imperative that journalists, scholars, and public officials carefully scrutinize the long-term vision and activities of the major foundations, as well as their changes over time. Before relinquishing control of public policy to private interests, public officials should be sure that they understand the full implications of the foundations' strategies.

The big three of education philanthropy—Gates, Broad, and Walton—deserve close attention because they, more than any other

foundations, tend to act in concert and therefore exert unusual power in the area of urban school reform.

The Walton Family Foundation has been the strongest, most consistent force in the nation advancing school choice through its gifts. It was established by Sam Walton, the founder of Walmart, in 1987. As the company became the world's largest retail operation, the foundation's assets grew rapidly; they are sure to multiply in the future as older family members bequeath their assets. By 2007, the latest year in which data were available, the family's foundation had assets of \$1.6 billion and made grants that year of \$241 million, distributed mainly to organizations involved in K-12 education, the environment, and the Arkansas-Mississippi region. It spent about \$116 million to support vouchers, charter schools, and various local initiatives. Not only did Walton give large grants to individual charter schools and charter school chains, but it supported organizations that engage in political advocacy for charters, vouchers, and choice. Although most members of the Walton family went to public schools and did well in life, their family foundation has been a major source of funding for the school choice movement for many years.

In 2007, the Walton Family Foundation awarded \$82 million to charter schools, \$26 million to school choice programs, and an additional \$8 million to school reform activities in Arkansas and Mississippi. Among its major grants was \$8 million (most of which was a low-interest loan) to the Brighter Choice Foundation, which manages charter schools in Albany, New York; \$21 million (half of which was a low-interest loan) to Charter Fund Inc., a Colorado-based charter promoter; \$3.9 million to the KIPP Foundation for its schools; and direct grants to hundreds of charter schools across the nation. In addition, the Walton Family Foundation made sizable gifts to organizations that advocate for vouchers, including the Alliance for School Choice (\$1.6 million), Children's Educational Opportunity Foundation (\$4 million), the Hispanic Council for Reform and Educational Options (\$700,000), and the Black Alliance for Educational Options (\$850,000). The foundation also aided organizations favored by the Broad Foundation and the Gates Foundation, including Teach for America (\$283,000), New Leaders for New Schools (\$1.2 million), and the New Teacher Project (\$1 million). The foundation made grants to a few public school districts in Arkansas, but most such grants were relatively small, less than \$20,000.¹⁰

As one reviews the contributions made by the Walton Family Foundation, it is obvious that the family members seek to create, sustain, and promote alternatives to public education. Their agenda is choice, competition, and privatization. Beyond making symbolic contributions to local school districts near their Arkansas headquarters, they favor market competition among schools. Their theory seems to be that the private sector will always provide better consumer choices than government, and that government can't be relied upon to provide good education. They seem to have concluded that the best way to help low-income children is to ensure that they have access to a variety of privately managed schools.

Is there any commonality between the Walmart business philosophy and the Walton funding of school choice? When Walmart comes into a small town, the locally owned stores on Main Street often close down, because they can't match Walmart's low prices. In education, the Waltons underwrite charter schools and voucher programs that compete with the government-run public school system. Some left-wing critics think the Waltons are pushing privatization so they can make money in the education industry, but that does not seem credible. It simply doesn't make sense that a family worth billions is looking for new ways to make money. But why should it be surprising that a foundation owned by one of the richest families in the United States opposes government regulation and favors private sector solutions to social problems? Why should it be surprising that a global corporation that has thrived without a unionized workforce would oppose public sector unions? Nor should it be surprising that the Walton Family Foundation has an ideological commitment to the principle of consumer choice and to an unfettered market, which by its nature has no loyalties and disregards Main Street, traditional values, long-established communities, and neighborhood schools.

THE BILL & MELINDA GATES FOUNDATION was established in 2000 by the world's richest man, Bill Gates, the creator of Microsoft, the world's leading software company. (The Bill & Melinda Gates Foundation is the successor to the William H. Gates Foundation, created in 1994, and some smaller Gates-family foundations.) Its assets of some \$30 billion make it the largest foundation in the nation, if not the universe, and the pledge of another \$30 billion or so to the Gates

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Foundation by one of its trustees, the famed investor Warren Buffett, in 2006 ensured its future dominance of the world of philanthropy (these values were depressed by market turbulence in 2008–2009, but the Gates Foundation remains the largest in the nation).

The Gates Foundation has laudably addressed some of the biggest global problems, such as public health and poverty. It has committed its vast resources to eradicating malaria in poor countries, noting that 2,000 children in Africa die every day from the disease. With the foundation's willingness to support the world's best researchers, combined with its ability to move swiftly, it stands a better chance of reaching this admirable goal than any national or international organization.

Yet even this worthy goal has alarmed critics who worry about the foundation's overwhelming influence and power. The chief of malaria research for the World Health Organization, Dr. Arata Kochi, complained in 2008 that the Gates Foundation was stifling a diversity of views among scientists, because so many of the world's leading scientists in the field were "locked up in a 'cartel' with their own research funding being linked to those of others within the group," making it difficult to get independent reviews of research. The foundation's decision-making process, he charged, was "a closed internal process, and as far as can be seen, accountable to none other than itself." In a statement that had implications for the foundation's education initiatives, the scientist said that the powerful influence of the foundation "could have implicitly dangerous consequences on the policy-making process in world health."¹¹ In other words, the Gates Foundation was setting the international agenda, because of its unrivaled wealth, and unintentionally shutting out competing views.

In 2000, the Gates Foundation selected a problem in American education that it wanted to solve: boosting high school graduation rates and college entry rates, especially in urban districts. The foundation leaders decided that the primary obstacle to reaching these goals was the traditional comprehensive high school. Although foundation officials regularly claimed that their decision to support small schools was based on research, most of the research available at that time was written by advocates of small schools, so the foundation had no warning signs of the difficulties it would encounter in pursuing its agenda.

The Gates initiative began when the small schools movement had become the leading edge of school reform in urban districts,

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tics who worry about global power. The chief of the foundation, Dr. Arata Kochi, was stifling a diversity of the world's leading researchers with their own 'cartel' with their own interests within the group," said a former director of research. The foundation was "a closed internal club, accessible to none other than those who are part of the foundation's powerful influence of the foundation's consequences on the world. In other words, the Gates Foundation agenda, because of its unrelenting competition with other competing views.

found a problem in American high school graduation rates in urban districts. The foundation's obstacle to reaching these districts was the high school. Although the foundation's decision to support small schools was based on research available at that time, the foundation would encounter in pursuing

the small schools movement as a reform in urban districts,

largely because of the Annenberg Challenge. The movement's ardent adherents believed that small schools were the cure to the problems of urban education. They said that students got lost in large high schools, that they would respond positively to the personalized attention they received in a small high school, and that they would thus be motivated to study, stay in school, graduate, and go to college.

The foundation agreed with this diagnosis. It promised that its schools—most with fewer than four hundred students—would promote rigor, relevance, and relationships. "Rigor" meant that all students would take challenging courses; "relevance" meant that their studies would be connected to their own lives; and "relationships" referred to the close connections between teachers and students that a small school makes possible. Gates pumped about \$2 billion between 2000 and 2008 into its campaign to restructure the American high school. Its funding reached 2,600 schools in forty-five states and the District of Columbia. Some of the Gates schools were new, while others were created by dividing up existing large schools.¹²

It was never obvious why the Gates Foundation decided that school size was the one critical reform most needed to improve American education. Both state and national tests showed that large numbers of students were starting high school without having mastered basic skills. Perhaps in a small school these students would get noticed quickly and get more help than they would in a large high school. But the root causes of poor achievement lie not in the high schools, but in the earlier grades, where students fail to learn the skills they need to keep up with their peers and to achieve academic competence.

Certainly there were too many high schools that enrolled too many students, some with 3,000, 4,000, or even 5,000 adolescents in the same building. In urban schools, this was a recipe for disaster because many students needed extra assistance and personal attention. For students who need close relationships with concerned adults, a small high school is surely superior to the anonymity of the comprehensive high school.

But the foundation seemed unaware of the disadvantages of small high schools, that is, schools with fewer than four hundred students. Because of their size, they seldom have enough students or teachers to offer advanced courses in mathematics and science, electives, advanced placement courses, career and technical education, choir, band, sports teams, and other programs that many teenagers want.

Nor can most offer adequate support for English-language learners or students with special needs. For many students, the small high school was not the wave of the future, but a revival of the rural schools of yesteryear, with strong relationships but limited curriculum.

When Bill Gates spoke to the nation's governors in 2005, half a decade into the foundation's commitment to small high schools, he told them bluntly that "America's high schools are obsolete. By obsolete, I don't just mean that our high schools are broken, flawed, and under-funded—though a case could be made for every one of those points. By obsolete, I mean that our high schools—even when they're working exactly as designed—cannot teach our kids what they need to know today." They were designed fifty years ago, he said, "to meet the needs of another age," and they are "ruining" the lives of millions of students every year. He said, "In district after district, wealthy white kids are taught Algebra II while low-income minority kids are taught to balance a check book!" He recited woeful statistics about high dropout rates and low performance on international assessments. He insisted that the high school of the future must prepare all students to go to college. He believed this was likeliest to happen in small high schools. What should governors do? Set high standards for all; publish data showing which students were progressing to college and which were not; and intervene aggressively to turn around failing schools and open new ones.¹³

I was at the World Economic Forum at Davos, Switzerland, in 2006, where I heard Gates enthusiastically describe the high schools his foundation had created. In a public discussion with *New York Times* columnist Thomas Friedman, Gates told the world's political and financial leaders about the dramatic improvements these schools had achieved. He assured them that the key to their success was "relevance," making all learning real and immediate to each student.

But Gates did not mention that things were not going so well at home. The foundation had contracted with two major research organizations, the American Institutes for Research and SRI International, to evaluate its small high schools. The first AIR-SRI report in the summer of 2005 indicated problems on the horizon. It compared students in the new and redesigned high schools with students in comprehensive high schools that were planning a redesign. The students in the new small schools were doing well in language arts, as compared to those in the comprehensive high schools under study, but not in mathematics. And according to the executive

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summary, "the quality of student work in all of the schools [both large and small] we studied was alarmingly low." In mathematics, the researchers found that half the teacher assignments in both kinds of schools lacked rigor, and that students in the comprehensive schools outperformed those in the new schools by a significant margin.¹⁴ But it was still too early to draw any firm conclusions.

More troubling still was the tumult at Manual High School in Denver. Manual, initially considered a flagship of the foundation's plan to reconstruct the American high school, was closing.

Manual, one of Denver's oldest high schools, had an enrollment of 1,100 students in 2000. After a quarter century of mandatory busing ended in the late 1990s, the enrollment became predominantly nonwhite and low-income; the school's performance dropped sharply, and its graduation rate fell to about 60 percent. The principal eliminated many Advanced Placement classes, and academic expectations dropped. In 2001, the Gates Foundation awarded more than \$1 million to restructure Manual High School into three small, autonomous high schools, each on its own floor of the building. Manual was supposed to demonstrate the foundation's belief that personal relationships and high expectations would enable every student to prepare for college.

It didn't work out that way. Soon after the three new schools opened, the new principals began to squabble over the use of the cafeteria, the library, and the gym, even over the division of textbooks. The small schools did not offer the programs, classes, and activities that had been available in the larger school, and enrollment plummeted by nearly half as students interested in college, athletics, and music transferred to other schools. As enrollment contracted, so did the number of faculty, and the school went into a steep decline. In 2002, three-quarters of the students at Manual were low-income; by 2005, the proportion was 91 percent. After four years of the new schools, evaluators reported better attendance and improved relationships between students and teachers, but the academic results of the transformation were awful. Only 20 percent of those who started ninth grade in the fall of 2001 graduated four years later, and no student at the school reached the advanced level on state tests of reading and mathematics in 2003, 2004, or 2005. In February 2006, just weeks after Gates praised his foundation's small schools initiative to world leaders, the Denver Board of Education voted to shut down Manual for a year, renovate it, and redesign it.¹⁵

The fallout from Manual's demise was not pretty. The foundation's spokesman blamed the school district, the principals, and the school. A local Colorado foundation that was involved in the venture, however, commented that the foundation was shifting blame and was "as much implicated in the Manual failure as any other stakeholder." It said that the reforms were implemented hastily, with inadequate planning and involvement of those who were expected to carry it out. The Gates Foundation's insistence that the three new schools be autonomous caused conflict and competition for resources among the schools, when collaboration was needed.¹⁶

Even more embarrassing to the Gates Foundation was the disension in its own backyard at Mountlake Terrace High School, a suburban school of 1,800 students a few miles outside Seattle, not far from the foundation's headquarters. The school had a dropout rate of one-third and looked for ways to improve. In 2000, the Gates Foundation offered the school a gift of \$833,000 to convert itself into small autonomous schools; 83 percent of the faculty voted to accept the grant. Unlike Manual High School in Denver, the school spent two years planning the breakup into small schools.

In the fall of 2003, Mountlake reopened as five new schools, each with its own theme, and its problems began. A math teacher complained, "All the math teachers used to share rooms, calculators, math tiles. Now that we're broken up, we're spread throughout the building and we have to buy five sets of things." Students immediately began to stereotype the schools; one was for "stoners," another for jocks, still another for geeks. A student said that one school was "the preppy, white school," while another was the "Asian, gangsta, druggie school." The teachers wanted students to be able to move from school to school, or to take electives in another school, but the foundation was opposed to anything that would dilute the autonomy of each school. The teachers didn't like competing for students and "marketing" their small school to eighth graders, believing that this competition was "very divisive for staff."¹⁷

At the end of the inaugural year, both the principal and the vice principal of Mountlake High School left for other districts. And nearly a quarter of the staff—twenty-three of one hundred teachers—decided not to return to the school (the typical turnover rate was 5 percent to 10 percent annually). The foundation said it was beginning to understand that the problem was not structure but "teaching and learning." Teachers heard this and thought they were

pretty. The foundation principals, and the involved in the venture was shifting blame for failure as any other might have. The foundation was implemented hastily, with the principals who were expected to manage the transition. The evidence that the three schools and competition for enrollment was needed.¹⁶ The foundation was the disgrace of Mountlake Terrace High School, a school outside Seattle, not a high school. The school had a dropout rate of 10 percent. In 2000, the Gates Foundation offered \$10,000 to convert itself into a high school. The faculty voted to do so. In Denver, the school was closed and all schools.

It was as if five new schools had been created. A math teacher began to teach in the new classrooms, spreading the word throughout the district. "Students immediately showed up for 'stoners,' another name for the school. The principal said that one school was as good as the 'Asian, gangsta, and other' students to be able to move to another school, but the foundation would dilute the autonomy of the school by competing for students and teachers, believing that this

was the principal and the teachers left for other districts. The foundation said it was a one-third of one hundred school (the typical turnover rate is 10 percent). The foundation said it was not structure but content and thought they were

being blamed for the initiative's failure. In the fall of 2008, Mountlake Terrace High School abandoned its small schools and reverted to being a comprehensive high school.¹⁸

The foundation's bold idea worked in some places, but not in others. If foundation officials had considered the work of Valerie E. Lee, a professor at the University of Michigan, they would not have been surprised. Lee and a colleague concluded in 1997 that very large high schools were burdened by weak social relations, that very small schools might not be able to offer a full curriculum, and that the ideal size for a high school was six hundred to nine hundred students.¹⁹ Schools within schools and theme-based schools, Lee told the *Seattle Times*, promote increased social stratification, with the most motivated students enrolled in one or two small schools, and the least motivated students in the "loser academy."²⁰ She also found that breaking schools into subunits did not necessarily lead to instructional improvement.²¹ In Chicago, where the Gates Foundation had invested \$21 million to create new small high schools, the results were depressingly familiar: Students had higher attendance rates and were less likely to drop out of school, but the academic results in the new high schools were no different from those of regular high schools.²²

The Gates Foundation liked to point to its work in New York City as one place where it saw good results. It invested more than \$100 million to launch two hundred new small high schools. Some of the new schools worked well as compared to the large high schools they replaced. The early returns looked good: Attendance was up, dropouts were down, and the graduation rate at the small high schools was 78 percent, about double the rate of the large comprehensive high schools that were closed.²³ But a study by Aaron Pallas of Teachers College and Jennifer Jennings of Columbia University found that the new small high schools did not enroll the same mix of students who had attended the large schools. The students admitted to the new schools, compared to those enrolled in the large comprehensive schools that closed, already had higher attendance rates and higher test scores; they included more females and smaller numbers of English-language learners and special education students. Pallas and Jennings concluded that "the buildings may be the same, but the students are not."²⁴ A study by the Center for New York City Affairs at the New School found that the impressive graduation rates and attendance rates at the new small high schools

dropped over time, and the schools experienced very high rates of teacher and principal turnover; furthermore, their graduates were more likely than their peers in large schools to receive "local diplomas" (signifying that they were not college-ready) instead of Regents diplomas. To obtain a Regents diploma, a student had to pass five exit examinations; a student could get a local diploma without passing the exit examinations.²⁵

So what did the Gates Foundation learn from these problems? It discontinued the evaluations of its small school grants and increased its funding for "advocacy work."²⁶ In the fall of 2006, Erik W. Robelen reported in *Education Week* that the foundation had increased its giving to advocacy groups from \$276,000 in 2002 to nearly \$57 million in 2005. Writing about the foundation's efforts to "broaden and deepen its reach," Robelen noted that almost everyone he interviewed was getting Gates money, including the publication he works for. The advocacy groups funded by Gates included Achieve (\$8.84 million); the Alliance for Excellent Education (\$3 million); the Center on Education Policy (\$963,000); the Council of Chief State School Officers (\$25.48 million); Education Sector (\$290,000); Education Trust (\$5.8 million); the National Alliance for Public Charter Schools (\$800,000); the National Association of Secondary School Principals (\$2.1 million); the National Association of State Boards of Education (\$224,000); the National Conference of State Legislatures (\$682,000); the National Governors Association (\$21.23 million); the Progressive Policy Institute (\$510,000); and the Thomas B. Fordham Institute (\$848,000).²⁷

Gates' biggest grantees were developers of new and redesigned high schools, as well as charter schools. Beginning in 2000, Gates supplied nearly \$100 million to charter management organizations. The foundation's largest grants overall went to the NewSchools Venture Fund in San Francisco (\$57 million), Communities Foundation of Texas in Dallas (\$57 million), New Visions for Public Schools in New York City (\$52 million), KnowledgeWorks Foundation in Cincinnati (\$41 million), Jobs for the Future Inc. (\$37.62 million), the College Board in New York City (\$30 million), the Chicago Public Schools (\$28 million), Alliance for Education in Seattle (\$26 million), and the Bay Area Coalition for Equitable Schools in Oakland (\$26 million).²⁸

The only dissident voice that Robelen cited in his article was Brita Butler-Wall, president of the Seattle school board, which had

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previously received \$26 million from the Gates Foundation. She said, "I don't understand if the Gates Foundation sees itself as trying to support districts or lead districts. No one was elected by the Gates Foundation to run schools." Others quoted in the article quickly rebutted Butler-Wall; an education expert praised the foundation for doing exactly the right things, and my friend Chester E. Finn Jr., who heads the Thomas B. Fordham Institute (where I was a trustee for many years), said "every large foundation" tries to change the minds of public officials.²⁹ But never in the history of the United States was there a foundation as rich and powerful as the Gates Foundation. Never was there one that sought to steer state and national policy in education. And never before was there a foundation that gave grants to almost every major think tank and advocacy group in the field of education, leaving almost no one willing to criticize its vast power and unchecked influence.

In late 2008, the Gates Foundation announced that it was changing course. Its \$2 billion investment in new small high schools had not been especially successful (although it was careful not to come right out and say that it was unsuccessful). The foundation had received an evaluation from AIR-SRI in August 2006—two years earlier—that found that its new high schools had higher attendance rates but lower test scores than similar schools in the same districts. The evaluation in 2005 found lower scores only in mathematics; the 2006 evaluation revealed lower scores in both reading and mathematics. Bill and Melinda Gates invited the nation's leading educators to their home in Seattle and told them that they planned to invest millions in performance-based teacher pay programs; creating data systems; supporting advocacy work; promoting national standards and tests; and finding ways for school districts to measure teacher effectiveness and to fire ineffective teachers. Reflecting on its investments of the past eight years, the foundation acknowledged that its emphasis on school structure "is not sufficient to ensure that all students are ready for college, career, and life." It promised that it would now focus on "teaching and learning inside the classroom."³⁰

Early in 2009, Bill Gates released a statement with the foundation's goals for the year. He candidly admitted that "many of the small schools that we invested in did not improve students' achievement in any significant way." Some had higher attendance rates and graduation rates, but their graduates were often not ready for college. The schools that got the best results, he said, were charter

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schools—such as KIPP and High Tech High in San Diego—that have significantly longer school days than regular public schools. He also stressed the difference that a “great teacher makes versus an ineffective one.” He fondly recalled his teachers at Lakeside, the private school he attended in Seattle, who “fueled my interests and encouraged me to read and learn as much as I could.” It was clear that the richest foundation in the world planned to put its considerable resources into the proliferation of charter schools and into the issue of teacher effectiveness: how to improve it and how to terminate ineffective teachers.³¹

Given the foundation’s significant investment in advocacy, it was improbable that anyone would challenge Bill Gates and tell him his new goals were likely to be as ill advised as the \$2 billion he had poured into restructuring the nation’s high schools. Who would warn him of the dangers of creating a two-tiered system in urban districts, with charter schools for motivated students and public schools for all those left behind? Who would raise questions about the sustainability of charter schools that rely on a steady infusion of young college graduates who stay for only a few years? Who would caution him of the dangers of judging teacher effectiveness solely by the ups and downs of scores on standardized tests of basic skills? Who would tell him that the data systems now in use—and the ones he was about to fund—would never identify as great the kinds of teachers who had inspired him when he was a student at Lakeside?

ELI AND EDYTHE BROAD attended Detroit public schools. He received a degree in accounting from Michigan State University. With his wife’s cousin, Broad entered the home-building business and later bought a life insurance company that eventually became a successful retirement savings business called SunAmerica. That business was sold to AIG in 1999 for \$18 billion, and Eli Broad became one of the richest men in the nation. He promptly created the Eli and Edythe Broad Foundation, which invests in education, the arts, and medical research. The foundation’s assets as of 2008 were more than \$2 billion.

Having been trained as an accountant and having made his fortune as an entrepreneur, Broad believes in measurement, data, and results. He created training programs for urban superintendents,

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high-level managers, principals, and school board members, so as to change the culture and personnel in the nation's urban districts. He wanted district leaders to learn strategic planning, budgeting, accountability, data-driven decision making, technology, human resources, and other skills to improve the functioning of big-city bureaucracies.

In 2006, Broad invited me to meet with him at his gorgeous penthouse apartment in New York City. He explained his philosophy of education management. He believes that school systems should run as efficiently as private sector enterprises. He believes in competition, choice, deregulation, and tight management. He believes that people perform better if incentives and sanctions are tied to their performance. He believes that school leaders need not be educators, and that good managers can manage anything if they are surrounded by smart assistants. Broad told an audience in New York City in 2009, "We don't know anything about how to teach or reading curriculum or any of that. But what we do know about is management and governance." The Broad education agenda emphasizes the promotion of charter schools, the adoption of corporate methods for school leadership, and changes in the way teachers are compensated.³²

His foundation makes investments, not grants. He invested in Alan Bersin's tough management approach in San Diego, until Bersin lost his slim majority on the Board of Education. After Bersin was forced out by an elected school board, the Broad Foundation decided that it was risky to invest in cities where there was dissension on the school board; it preferred situations where the leadership had longevity and was insulated from conflict and dissenting voices. He invested heavily in Joel Klein's reforms in New York City, because mayoral control of the school system ensured stable leadership and minimal interference by constituency groups. Broad liked Klein's commitment to testing, accountability, merit pay, and charter schools, and the fact that he surrounded himself with other noneducators who had degrees in business, law, and management.³³

The Broad Foundation invested in Oakland, California, after the state took over its school system in 2003 because of a large budget deficit. The state put a Broad-trained superintendent, Randy Ward, in charge of the Oakland schools. In the view of the foundation, the removal of the locally elected school board created an ideal situation for change, because there was no board to slow or block the rapid imposition of reforms favored by the foundation. The Broad

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Foundation was betting that the reforms would take root before the elected school board regained control of the district.

Supporters of charter schools were enthusiastic about Ward. Jeanne Allen, president of the Center for Education Reform, a pro-charter advocacy group, wrote that Ward was perceived as "the man who was leading the single most important and break-the-mold education effort in America." Allen asked Joe Williams to visit Oakland and find out if it really was a national model for education reform. Williams, formerly an investigative reporter, is executive director of Democrats for Education Reform, a pro-charter group in New York City.³⁴

In his report, Williams described how Oakland's elected board had been stripped of its power by the state after the schools had run up a debt of \$100 million. After the state takeover, he wrote, the city became a "politics free zone" where bold reforms were possible. The previous superintendent had staked his reputation on introducing small schools, an innovation that was popular with Oakland teachers, students, and parents. Ward embraced the small schools but went farther; his school reform plan aimed to turn the district into a marketplace of school choice while overhauling the bureaucracy. He closed low-performing schools and opened charter schools. He attracted \$26 million in grants from the Broad Foundation, the Gates Foundation, the Dell Foundation, and corporations based in Oakland.³⁵

But three years after he arrived, Ward left to become superintendent of the San Diego County Schools. Reflecting on his three years in Oakland, he said, "We really took accountability very seriously. . . . We created an environment of a free market." He was replaced by Kim Statham, also a graduate of the Broad Superintendents Academy, who continued to close struggling schools and open charter schools (Statham was subsequently replaced by Vincent Matthews, another Broad-trained superintendent). Williams looked for indicators of the success of the high-profile reforms imposed by Ward. Test scores were up, though they were still far below the state average. Williams noted that Oakland's score gains "have generally coincided with statewide increases as well—incomes fueled by districts absent the kind of revolutionary reforms that are underway in Oakland." And while Oakland had received extensive press attention on the national stage as an exciting arena for reform, the citizens of Oakland were less than enthusiastic. A poll commissioned

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by the Center for Education Reform, which sponsored Williams' trip to Oakland, found that "more than half of respondents overall (54 percent) and parents (52 percent) said the school system had either gotten worse or stayed the same in the last decade."³⁶

By 2008, when the state began the process of returning the public schools to the locally elected school board, Oakland had 32 charter schools and 111 regular public schools for its 46,000 students. Seventeen percent of the district's children were enrolled in charter schools. An analysis by the pro-charter group, the California Charter Schools Association, reported in 2009 that twenty-two of the thirty-two charter schools posted higher test scores than similar district schools. But the charters had a few important advantages. First, they enrolled half as many special education students as the district schools (4.6 percent of charter students were classified as special education, compared to 10.45 percent in the district's schools). And second, they could quietly counsel students out. These differences helped boost charters' scores in comparison to the regular public schools. Responding to an article reporting higher test scores for charters, a teacher wrote: "I work at a 'small school' in East Oakland, and we share our campus with a charter school. We routinely get students showing up at our school mid-year who have been kicked out of the charter school next door, and show up at our door the next morning. The question of whether charter schools truly educate all students is an important one that cannot be ignored. With that said, I am currently applying to charter schools for next year, because I am so sick of all the OUSD [Oakland Unified School District] bureaucratic bull. This district is truly frustrating to work for. Simple payroll and HR issues can take months to resolve, not to mention all the incompetent people at the school and district level when they really should [be] fired!"³⁷ The teacher was describing a district that supposedly had experienced a deep cultural transformation, a purge of incompetent personnel, and a thorough reorganization of its management structure in the previous six years.

In the spring of 2009, Dan Katzir, the managing director of the Broad Foundation, reflected on what the foundation had learned after a decade of investing many millions in urban school reform. Katzir said he and his colleagues had learned that thousands of private sector managers—primarily MBAs—are eager to work in urban education, installing new operating procedures. They learned that human resource departments in big city school systems can be

streamlined to hire teachers in a more timely fashion. They learned that charter schools such as KIPP, Aspire, Green Dot, and Uncommon Schools get great results for low-income and minority students. They also learned that some of their investments did not "pay off." They were disappointed that many of the principal-training programs they supported did not produce higher student achievement. They saw progress halted in San Diego and Oakland when the leadership changed. Having learned these lessons, the foundation identified opportunities for future investment. Katzir said the foundation would support efforts to extend the school day and school year; merit pay for teachers based on student test scores; national standards and tests; and charter schools. It would take care to invest in communities where there was a mayor in charge, an appointed school board accountable to the city council, or a "near unanimous" elected school board, so as to ensure stability and minimize conflict over the reform agenda.³⁸

The Broad Foundation invested millions of dollars in charter schools and charter management organizations including KIPP, Green Dot, Aspire, Pacific Charter School Development, the New-Schools Venture Fund, and Uncommon Schools.³⁹

It invested millions in organizations that bypass traditional routes into teaching and school leadership, including Teach for America and New Leaders for New Schools.

It invested millions in programs to train school board members, administrators, and superintendents, principally by funding its own training programs.

It invested millions to improve the management in school districts such as Chicago, Prince George's County in Maryland, Charlotte-Mecklenburg in North Carolina, Denver, the District of Columbia, New York City, and Long Beach, California.

It invested millions in advocacy and think tanks such as the Center for American Progress (whose leader John Podesta was co-chairman of President-elect Obama's transition team); the California Charter School Association; the Center for Education Reform; the Council for the Great City Schools; the Council of Chief State School Officers; the National Governors Association; the Thomas B. Fordham Institute; the American Enterprise Institute; the Black Alliance for Education Options; Education Sector; and Education Trust. Many of these groups also received funding from the Gates Foundation.

It invested millions to subsidize pay-for-performance programs for teachers in several cities, including Houston, Chicago, and Minneapolis, and in programs to pay students to get higher test scores and grades in New York City, Washington, D.C., and Chicago.

It invested millions to pay for public relations for the New York City Department of Education, and it underwrote coverage of K-12 education reform issues by the public television network, the Educational Broadcasting Corporation.⁴⁰

The Eli and Edythe Broad Foundation has been extraordinarily generous in supporting the arts and medical research, without trying to redefine how art should be created or how medical research should be conducted. In education, however, the foundation's investments have focused on Eli Broad's philosophy that schools should be redesigned to function like corporate enterprises. Eli Broad made his vast fortune in industries for which he had no special training, and his foundation embraces the belief that neither school superintendents nor principals need to be educators. His foundation includes educators in its training programs, but it seems to prefer people with a private sector background. Presumably the educators who are trained by the Broad Foundation learn the skills and mindset of corporate executives, which they can utilize when they return to their districts.

The Broad Foundation pursues strategies that would de-professionalize education, uses bonuses to motivate (or "incentivize") teachers and students, and seeks to replace neighborhood schools with a competitive marketplace of choices.

This agenda is now shared by the Gates Foundation, along with several other major foundations, including the Robertson Foundation (assets in excess of \$1 billion) and the Michael and Susan Dell Foundation (assets in excess of \$1 billion). Together, these foundations wield immense economic and political power. During the 2008 campaign the Gates and Broad foundations jointly contributed \$60 million to launch a project to make education reform a national campaign issue, while advocating for national standards, a longer school day, and merit pay.⁴¹

The Gates-Broad agenda was warmly endorsed by the Obama administration. Both foundations had invested heavily in the programs of Arne Duncan, Obama's secretary of education, when he was superintendent of the Chicago public schools. Soon after his election, President Obama called for the elimination of state caps

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on charter schools and endorsed merit pay. Duncan appointed a high-level official from the Gates Foundation to serve as his chief of staff at the U.S. Department of Education. He traveled the country urging mayors to take control of their public schools, an item high on the Broad Foundation's agenda.

Secretary Duncan appointed James H. Shelton III, a former program officer for the Gates Foundation, to oversee the \$650 million Invest in What Works and Innovation Fund. Shelton worked previously for McKinsey & Company as a management consultant and later launched education-related businesses. He had also been a partner in the NewSchools Venture Fund, which describes itself as "a venture philanthropy firm working to transform public education by supporting education entrepreneurs and connecting their work to systems change." The NewSchools Venture Fund helped to launch many charter management organizations and other nonprofit and for-profit agencies. The fund was a beneficiary of the Gates Foundation, the Broad Foundation, and many other foundations.⁴²

As he began his term in office, Secretary Duncan had charge of \$100 billion that Congress had authorized to benefit education in the wake of the economic crisis of 2008. Of the total, Duncan set aside \$4.3 billion to promote education reform in what he called the "Race to the Top" fund. To design and manage the Race to the Top, Duncan selected Joanne S. Weiss, a partner and chief operating officer of the NewSchools Venture Fund. Weiss is an education entrepreneur who had previously led several education businesses that sold products and services to schools and colleges. The regulations for the Race to the Top fund excluded any states that limited the number of charter schools or that prohibited a linkage between teacher and principal evaluations and student test scores.

When the regulations for the Race to the Top were released in 2009, Michael Petrilli of the Thomas B. Fordham Institute described the new federal program as "NCLB 2: The Carrot That Feels Like a Stick." Petrilli liked ideas such as evaluating teachers based in part on test scores, pushing the expansion of charter schools, and expanding alternate routes into teaching. But the heavily prescriptive nature of the program, he said, marked the death of federalism. Instead of asking states for their best ideas, the Obama administration "has published a list of 19 of *its* best ideas, few of which are truly 'evidence-based,' regardless of what President Obama says, and told states to adopt as many of them as possible if they want

to get the money. It's as if a bunch of do-gooders sat together at the NewSchools Venture Fund summit and brainstormed a list of popular reform ideas, and are now going to force them upon the states. (Wait, I think that is how this list got developed.)"⁴³

Now that the ideas promoted by the venture philanthropies were securely lodged at the highest levels of the Obama administration, policymakers and journalists listened carefully to Bill Gates. In a 2009 interview with Fred Hiatt, editorial page editor of the *Washington Post*, Gates signaled a new direction for his foundation. Hiatt wrote, "You might call it the Obama-Duncan-Gates-Rhee philosophy of education reform." It also was the Bloomberg-Klein-Broad philosophy of education reform. Gates said that his foundation intended to help successful charter organizations such as KIPP replicate as quickly as possible and to invest in improving teacher effectiveness. Gates asserted that there was no connection between teacher quality and such things as experience, certification, advanced degrees, or even deep knowledge of one's subject matter (at least below tenth grade). So, he suggested, the money now going to pay teachers for degrees or pensions should go toward preventing attrition in their fourth and fifth years. A few months later, Gates told the National Conference of State Legislatures that "if the entire U.S., for two years, had top quartile teachers, the entire difference between us and Japan would vanish."⁴⁴

As we saw in Chapter 9, the debate about teacher effectiveness is far from simple. It is not easy to identify the "best teachers." Some economists believe, like Bill Gates, that the best teachers are those who produce the biggest test score gains, so little else matters. Other economists say that a teacher who is "great" one year may not be great the next. Some social scientists question whether student test scores are reliable when used for high-stakes personnel decisions, but Gates apparently was not familiar with these debates. And common sense suggests that any system of measurement that produces a top quartile will also produce three other quartiles.

Thus, Gates proposes to concentrate on charter schools and teacher effectiveness, as does the Broad Foundation. With characteristic confidence, Gates asserts that effective teaching can be taught, although he offers no examples to prove his point. Given the dubious research on which his foundation invested nearly \$2 billion in small schools, one can only hope that he examines the extensive research that challenges his views on teacher effectiveness. He

might also ask himself whether schools focused only on standardized tests of basic skills will produce the high achievement and creative thinking that he values and that are necessary to maintain the nation's innovative edge and its productivity in the future.

The foundations justify their assertive agenda by pointing to the persistently low performance of public schools in urban districts. Having seen so little progress over recent years, they now seem determined to privatize public education to the greatest extent possible. They are allocating millions of dollars to increase the number of charter schools. They assume that if children are attending privately managed schools, and if teachers and principals are recruited from nontraditional backgrounds, then student achievement will improve dramatically. They base this conclusion on the success of a handful of high-visibility charter schools (including KIPP, Achievement First, and Uncommon Schools) that in 2009 accounted for about 300 of the nation's approximately 4,600 charter schools.⁴⁵

Given the money and power behind charter schools, it seems likely that they are here to stay. If we continue on the present course, with big foundations and the federal government investing heavily in opening more charter schools, the result is predictable. Charter schools in urban centers will enroll the motivated children of the poor, while the regular public schools will become schools of last resort for those who never applied or were rejected. The regular public schools will enroll a disproportionate share of students with learning disabilities and students who are classified as English-language learners; they will enroll the kids from the most troubled home circumstances, the ones with the worst attendance records and the lowest grades and test scores.

But why not insist that future charters fulfill their original mission, the one Albert Shanker envisioned in 1988? Why shouldn't they be the indispensable institutions that rescue the neediest kids? Why shouldn't they be demonstration centers that show what can be done to help those who can't succeed in a regular school? Why not redesign them to strengthen public education instead of expecting them to compete with and undercut regular public schools?

Do we need neighborhood public schools? I believe we do. The neighborhood school is the place where parents meet to share concerns about their children and the place where they learn the practice of democracy. They create a sense of community among strangers. As we lose neighborhood public schools, we lose the one

local institution where people congregate and mobilize to solve local problems, where individuals learn to speak up and debate and engage in democratic give-and-take with their neighbors. For more than a century, they have been an essential element of our democratic institutions. We abandon them at our peril.

Business leaders like the idea of turning the schools into a marketplace where the consumer is king. But the problem with the marketplace is that it dissolves communities and replaces them with consumers. Going to school is not the same as going shopping. Parents should not be burdened with locating a suitable school for their child. They should be able to take their child to the neighborhood public school as a matter of course and expect that it has well-educated teachers and a sound educational program.

The market serves us well when we want to buy a pair of shoes or a new car or a can of paint; we can shop around for the best value or the style we like. The market is not the best way to deliver public services. Just as every neighborhood should have a reliable fire station, every neighborhood should have a good public school. Privatizing our public schools makes as much sense as privatizing the fire department or the police department. It is possible, but it is not wise. Our society needs a sensible balance between public and private.

I do not here make an argument against private or religious schools. For over a century, our cities have struck a good balance between public schools, private schools, and religious schools. In particular, the Catholic schools in urban districts have played an effective role as alternatives for families that sought a religious education. Oftentimes, Catholic schools have provided a better civic education than public schools because of their old-fashioned commitment to American ideals and their resistance to the relativism that weakened the fabric of many public schools. Sadly, many Catholic schools have closed because of declining numbers of low-paid religious teachers, which forced their costs to rise, and because of competition from charter schools, which are not only free to families but also subsidized by public and foundation funds. Catholic schools have a wonderful record of educating poor and minority children in the cities. It is a shame that the big foundations have not seen fit to keep Catholic schools alive. Instead, they prefer to create a marketplace of options, even as the marketplace helps to kill off highly successful Catholic schools.

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The market undermines traditional values and traditional ties; it undermines morals, which rest on community consensus. If there is no community consensus, then one person's sense of morals is as good as the next, and neither takes precedence. This may be great for the entertainment industry, but it is not healthy for children, who need to grow up surrounded by the mores and values of their community. As consumers, we should be free to choose. As citizens, we should have connections to the place we live and be prepared to work together with our neighbors on common problems. When neighbors have no common meeting ground, it is difficult for them to organize on behalf of their self-interest and their community.

With so much money and power aligned against the neighborhood public school and against education as a profession, public education itself is placed at risk. The strategies now favored by the most powerful forces in the private and public sectors are unlikely to improve American education. Deregulation contributed to the near collapse of our national economy in 2008, and there is no reason to anticipate that it will make education better for most children. Removing public oversight will leave the education of our children to the whim of entrepreneurs and financiers. Nor is it wise to entrust our schools to inexperienced teachers, principals, and superintendents. Education is too important to relinquish to the vagaries of the market and the good intentions of amateurs.

American education has a long history of infatuation with fads and ill-considered ideas. The current obsession with making our schools work like a business may be the worst of them, for it threatens to destroy public education. Who will stand up to the tycoons and politicians and tell them so?