



TO: Journalists

FROM: Ralph G. Neas, President

SUBJECT: Funding a Movement: U.S. Department of Education Pours Millions into Groups Advocating School Vouchers and Education Privatization

DATE: November 18, 2003

Over the past three years, more than \$75 million in federal education funding has been diverted to just a handful of private, pro-voucher advocacy groups. This torrent of public funding appears to benefit and strengthen the advocacy infrastructure created by a network of right-wing foundations dedicated to the privatization of public education.

Far-right organizations like the Education Leaders Council (ELC) and individuals like Rep. John Boehner (R-OH) continually applaud the Bush administration's efforts around funding public education. ELC's CEO Lisa Graham Keegan, for example, says: "Given the tremendous strains on the federal budget, President Bush and Congress have come through with an unprecedented level of federal funding for education."¹

Under the Bush administration, an unprecedented amount of discretionary and unsolicited funding has been granted to organizations supporting policies that harm public education and do not benefit the majority of American students.

In reality, however, the Bush administration has consistently underfunded education, especially its own landmark legislation—No Child Left Behind (NCLB). Recently, the Republican-controlled Senate passed an education appropriations bill that provides only a five percent increase from 2002 in education funding. The percentage increase is the smallest in eight years, despite including added funding for special education and dropout prevention programs.² The percentage

increase does not take into account annual inflation, hence the purchasing power of five percent is already decreased.

What has dramatically increased, however, are multi-million dollar discretionary and unsolicited grants that the U.S. Department of Education has made over the past two years to major GOP supporters and organizations that sustain an agenda of education privatization (see *Appendix A* for funding summary).

There is no doubt that the U.S. Department of Education supports a wide range of proven and effective education initiatives such as after-school programs, dropout prevention programs and literacy projects. Additionally, the Department consistently and actively supports educational improvement efforts aimed at *all* school-aged children. But under the Bush administration, an unprecedented amount of discretionary and unsolicited funding has been granted to organizations supporting policies that harm public education and do not benefit the majority of American students.

The current education appropriations bill underfunds NCLB by more than \$8 billion in 2004. Similarly, last year NCLB was underfunded by nearly \$6 billion. States, limited by constrained budgets and a weak economy, continue to struggle with the implementation of an underfunded federal mandate. Inadequate funding of NCLB impacts the ability of schools, districts and states to meet the educational improvement goals established by the Bush administration.³

But rather than fully funding its own legislation, the Bush administration has instead chosen to divert tax dollars to organizations that promote an education privatization agenda. Many of these organizations form a close network of allies, created by the same right wing, pro-privatization foundations, and subscribe to similar missions and ideology. For example, organizations like the Black Alliance for Education Options and the Greater Educational Opportunities Foundation, which have vociferously and publicly supported voucher and tuition tax credit programs, received more than \$2 million from the Bush administration to help advertise and inform parents about the implementation of NCLB. Similarly, major GOP supporters like the Education Leaders Council and the Hispanic Scholarship Fund⁴ have also benefited from large grants to help implement NCLB.

Millions of federal taxpayer dollars have been diverted to such organizations for the express purpose of educating families in a handful of cities and states about one small component of NCLB—public school choice. Students would be better served if this money were directed towards more significant elements of the legislation such as professional development, school accountability and adequate yearly progress.

While NCLB is underfunded by billions, the Bush administration is lavishing tax dollars on groups whose political agendas would weaken public education.

For example, while more than \$2 million is being poured into pro-voucher groups, in New York City, thousands of public school students eligible for free tutoring are not getting the supplemental services help they desperately need because of poor information dissemination.⁵ Given that \$2 million could significantly help “low-performing” schools and students access the services they need, diverting this money to pro-voucher groups is unacceptable. Similarly, rather than spending more than \$37 million on alternative certification for teachers, students would benefit from increased funding to programs dedicated to producing highly qualified, certified teachers in every classroom.⁶ These millions could be more effectively spent on improving the higher education, training, recruitment, and development of new and tenured teachers.

It is doubtful that public schools and the children who attend them are best served by organizations that subscribe to an agenda of education privatization. For this reason, resources should be directed away from partisan pressure groups and instead steered towards the state- and district-level organizations that actually work on and are impacted by NCLB. The job of educating parents, students, teachers, school districts and states about NCLB is best accomplished by the very people and institutions that implement the legislation.

Since many of the organizations benefiting from Department grants have a pro-voucher or education privatization agenda, there is no way of knowing whether federal tax dollars are being used to implement NCLB or to further the ideological agenda of right-wing organizations.

Education remains a top priority for the American public. A recent Committee for Education Funding poll shows that 81 percent of all respondents felt that the federal government should increase its funding commitment to education programs. Eighty-five percent of respondents specifically felt that the federal commitment should increase to five cents or more of every federal budget dollar as opposed to the current 2.8 cents.⁷ And furthermore, 76 percent of respondents felt that the federal government needed to increase its share of funding because “state and local governments simply don’t have the money to meet the escalating costs of federal education requirements [under NCLB.]”⁸

In spite of public opinion, the Bush administration continues to support an educational agenda that flies in the face of the bipartisan intent of NCLB. By diverting millions of dollars to organizations with questionable allegiance to public education and concurrently underfunding NCLB, the Bush administration is actively setting public schools up for failure.

Additionally, since many of the organizations benefiting from Department of Education grants have a pro-voucher or education privatization ideology, there is no way of knowing whether federal tax dollars are in fact being used to implement NCLB or to further the ideological agenda of right-wing organizations. Increased congressional oversight is needed to ensure that federal tax dollars are not being used in a way that would harm the institution and efficacy of public education.

Highlighted below are a handful of organizations that have received discretionary and unsolicited funding from the Bush administration:

Education Leaders Council (ELC)

- ELC is a network of education experts formerly associated with the pro-voucher Center for Education Reform.⁹ The organization was created to act as an alternative to the Council of Chief State School Officers and its initial priorities included vouchers and tuition tax credits. ELC has since expanded its focus and is now pushing for academic standards, increased teacher quality, and more flexibility in terms of accountability.¹⁰
- The group’s founding member and current chief executive officer is Lisa Graham Keegan, the former superintendent of public instruction in Arizona, where she was instrumental in establishing education privatization efforts like tuition tax credits.¹¹

- The undersecretary to the U.S. Department of Education, Eugene Hickok, served as a founding member and chairman of the ELC.¹² And while Hickok was Pennsylvania’s secretary of education (under then-Governor Tom Ridge), he fully supported Ridge’s efforts to push school vouchers.¹³
- Jim Nelson, the Texas commissioner of education, is ELC’s chairman of the board of directors. Nelson has stated that a Republican administration in Washington D.C. offers ELC the opportunity “to become a more important voice.”¹⁴
- Lisa Graham Keegan applauds the Bush administration for making education a top priority, stating: “Given the tremendous strains on the federal budget, President Bush and Congress have come though with an unprecedented level of federal funding for education.”¹⁵ Not coincidentally, ELC has received more than \$15 million in just three years from the Bush administration.¹⁶
- In 2002, ELC received \$3.5 million to launch its “Following the Leaders Project,” a school-based program in a few states which provides access to technology and resources to better report academic progress under the auspices of NCLB. The project will develop a primer on assessment and accountability that other states will be able to use as models for implementing NCLB.¹⁷
- The Following the Leaders Project will also help provide technical assistance to policymakers in select states to help them develop accountability plans that comply with NCLB. Policy assistance will come from AccountabilityWorks, a non-profit organization that bills itself as being an expert in standards, assessment and accountability.¹⁸ AccountabilityWorks operates in conjunction with the pro-voucher group Thomas B. Fordham Foundation and receives some of its funding from them.¹⁹ Not coincidentally, ELC’s Following the Leaders Project will be evaluated by the Thomas B. Fordham Foundation.²⁰
- In 2003, ELC received an additional \$9.9 million to continue its Following the Leaders Project. In contrast, the Council of Chief State School Officers received only \$3.8 million this year from the federal government to help all 50 states prepare for NCLB.²¹
- In 2001, ELC and the National Council on Teacher Quality received \$5 million from the U.S. Department of Education to create the American Board for Certification of Teacher Excellence (ABCTE), a group that focuses on alternative teacher certification and credentials.²²

National Council on Teacher Quality (NCTQ)

- NCTQ is a joint project of the Thomas B. Fordham Foundation and ELC; its advisory board includes privatization advocates like Chester E. Finn, Frank Brogan, E.D. Hirsch and Lisa Graham Keegan.²³
- In 2001, NCTQ and the ELC received \$5 million from the U.S. Department of Education to create the ABCTE.²⁴ According to grant records from the U.S. Department of Education, the \$2.5 million received by NCTQ for this purpose was an unsolicited grant.²⁵
- The following year (2002), NCTQ received \$2.5 million as an unsolicited grant from the U.S. Department of Education’s Fund for the Improvement of Education. And in 2003, the group received another \$4 million.²⁶ The Fund supports “nationally significant programs [that] improve the quality of elementary and secondary education at the State and local levels and help all children meet challenging State academic content and

student achievement standards.”²⁷ It is unclear from Department records what programs these two grants supported.

- In three years, NCTQ has received an estimated \$9 million from the Bush administration.²⁸

American Board for Certification of Teacher Excellence (ABCTE)

- ABCTE was founded in part by the ELC and the National Council on Teacher Quality.²⁹ The two groups received \$5 million from the U.S. Department of Education to form ABCTE.³⁰
- In 2003, ABCTE received a multiyear grant worth \$35 million from Secretary of Education Rod Paige to develop a fast-tracked route (standardized test) for alternative teacher certification.³¹
- In keeping with the alternative teacher certification theme, the U.S. Department of Education also gave the National Center for Education Information \$2.25 million over three years to gather comprehensive information on alternative routes to teacher certification.³² The National Center for Education Information is a private research organization that bills itself as “the authoritative source of information about alternative preparation and certification of teachers and school administrators.”³³

Center for Education Reform (CER)

- CER was founded to promote “parental choice” through charter schools, vouchers, virtual schools and other privatization efforts.³⁴
- In 2003, the Department of Education appropriated nearly \$21 million for three-year Parental Information and Resource Center grants. The awards are expected to range from \$200,000 to \$700,000.³⁵ This year, CER was granted \$960,147 from the Bush administration to establish and operate Parental Information and Resource Centers, that will provide parents of children who attend schools in need of improvement with information on their educational options, among other things.³⁶

Hispanic Council for Reform and Education Options (Hispanic CREO)

- CREO is a new national organization that outreaches to the Hispanic community, particularly on the issue of school vouchers. While CREO was formed two years ago, it only expanded into a national operation recently. The group’s official launch and first annual meeting was held in October 2003.³⁷
- Despite being a new organization, without an established track record, in October 2003, the organization received \$500,000 from the Bush administration to educate families about the educational options available under NCLB. The organization is expected to work with other pro-voucher organizations including the Black Alliance for Educational Options, New Jersey-based Excellent Education for Everyone and Florida School Choice Fund on this project.³⁸
- CREO is modeled after a private voucher program for minorities in Texas called the Children’s Educational Opportunity Foundation,³⁹ now known as Children First America, a national private voucher organization that advocates for public funding of private school vouchers.⁴⁰

- Donors to CREO include the Walton Family Foundation (a major funder of the voucher movement) and the Milton and Rose D. Friedman Foundation (a free-market organization that advocates privatization of public K-12 education).⁴¹

Greater Educational Opportunities Foundation (GEO)

- GEO is a pro-voucher group whose president advocates for charter schools, tuition tax credits, and vouchers.⁴²
- In 2003, the organization received three grants totaling \$1.3 million to educate families about the educational options available under NCLB, for community technology centers, and to improve the quality of elementary and secondary education at state and local levels so that all students meet the academic achievement standards of NCLB.⁴³

Black Alliance for Educational Options (BAEO)

- BAEO is a pro-voucher group that has been generously funded by right-wing foundations better known for supporting education privatization and affirmative action rollbacks than empowerment of the African American community or low-income families.⁴⁴
- In two years, BAEO, a group which has primarily focused on advocating for publicly funded school vouchers, has received more than \$1 million from the Bush administration.⁴⁵ In 2003, the federal government granted BAEO \$500,000 to educate families about the educational options available under NCLB. This funding comes in addition to the \$600,000 BAEO received in 2002 and will allow the group to continue its media and communications campaign to inform parents about the choices available to them under NCLB. (For more information on BAEO, read People for the American Way Foundation's 2003 report, *Community Voice or Captive of the Right? A Closer Look at the Black Alliance for Educational Options*, available at www.pfaw.org.)

K12

- K12 was co-founded by William Bennett, the former secretary of education during the Reagan administration. Bennett also helped develop the curriculum used by K12.⁴⁶
- K12 is a for-profit company, which sells Internet-based school curriculum to parents who typically homeschool, and provides online curriculum and administrative support to fully manage virtual charter schools (which partner with local public school districts).⁴⁷
- The federal Voluntary Public Choice Program is an initiative under NCLB, which promotes new school choice options. In 2002, under the auspices of the Voluntary Public Choice Program, the Bush administration granted Arkansas \$2.3 million (\$11.5 million over five years) for a statewide virtual education program. The Arkansas pilot program uses an online curriculum developed by K12.⁴⁸ K12—a Virginia-based private company—is expected to receive \$4,000 to \$5,000 per student enrolled at the Arkansas Virtual School.⁴⁹
- From 2001 to 2003, the Pennsylvania Virtual Charter School, another online school that is affiliated with Bennett's K12 company, received more than \$2.5 million in an unsolicited grant through the Fund for the Improvement of Education.⁵⁰ It is unclear from Department records how this grant was used.

Appendix A

From 2001 to 2003, a handful of right-wing organizations have received more than \$77 million from the Bush administration to supposedly promote NCLB.

U.S. Department of Education Funding to Selective Organizations		
<i>Organization</i>	<i>Grant Year</i>	<i>Amount</i>
ELC	2001-03	\$15.9 million
NCTQ	2001-03	\$9 million
ABCTE	2003	\$35 million (not including start-up grants)
CER	2003	\$960,147
CREO	2003	\$500,000
GEO	2003	\$1.3 million
BAEO	2002-03	\$1.1 million
K12	2001-03	\$14 million
Total	2001 to 2003	\$77.76 million

ENDNOTES

¹ Press Release: ELC Following the Leaders Program Receives \$10 Million Appropriation, Education Leaders Council, February 14, 2003.

² “Education Funding Bill Passes Senate: Bill Provides Smallest Increase For Education in Eight Years,” *Straight A’s* (newsletter of the Alliance for Excellent Education), v. 3, no. 16, September 22, 2003.

³ Press Release: Broken Promises—The GOP Record on Education, Congressman George Miller on behalf of the Democratic Committee on Education and the Workforce August 21, 2003.

⁴ In 2002, the Hispanic Scholarship Fund received \$500,000 to help increase parental involvement within the Latino community. The organization’s CEO, Sara Martinez Tucker, is a GOP supporter. In fact, Republican Party officials in Washington, D.C. and California have tried to persuade Tucker to run for office, a move that would help the GOP make major inroads into the nation’s large Latino community.

Sources: Press Release: Paige Announces Hispanic Scholarship Fund Institute Partnership to Increase Parental Involvement, U.S. Department of Education, October 17, 2002; Ana Radelat, “Champion of Education: Hispanic Scholarship Fund CEO Sara Martínez Tucker is Changing Our Future,” *Hispanic Magazine*, December 2000.

⁵ David Herszenhorn, “Fewer Students Are Enrolling for Tutoring,” *New York Times*, October 15, 2003.

⁶ Alternative teacher certification processes vary from state to state. It generally is a rigorous process that requires teachers to take appropriate coursework to better understand the pedagogy of education in addition to merely understanding a particular subject (for example, math). Groups advancing alternative teacher certification are receiving millions of dollars in federal funding from the Bush administration in an attempt to make alternative certification a much less rigorous process by having teachers pass a test. However, a single test can not prepare teachers for the discipline of teaching. Teacher preparation programs and state certification requires that teachers have specific knowledge, skill and pedagogy to effectively impart knowledge to a diverse group of students.

⁷ “Education Remains a Top Priority in New National Poll,” Committee for Education Funding, September 9, 2003, available at <http://www.cef.org/News/templates/press.asp?articleid=1186&zoneid=2>.

⁸ “Americans Want a Larger Federal Investment in Education: Committee for Education Funding Releases New Poll,” *Straight A’s* (newsletter of the Alliance for Excellent Education), v. 3, no. 16, September 22, 2003.

⁹ Press Release: State School Officials Form Unprecedented Education Leaders Council, Center for Education Reform, September 26, 1995.

¹⁰ Bess Keller, “Education Leaders Council Changes Focus, Membership,” *Education Week*, June 20, 2001.

¹¹ Lisa Graham Keegan Biography, ELC’s web site, see, available at <http://www.educationleaders.org/elc/bios/keegan.html>.

¹² Eugene W. Hickok, Under Secretary of Education—Biography, U.S. Department of Education, available at <http://www.ed.gov/news/staff/bios/hickok.html>.

¹³ Testimony of Pennsylvania Secretary of Education Eugene W. Hickok, in front of the Committee on Education and the Workforce, March 30, 1998, available at <http://edworkforce.house.gov/hearings/105th/oi/xroads33098/hickok.htm>.

¹⁴ ELC Launches New Era for Education Reform, ELC Weekly Policy Update, Education Leaders Council, June 22, 2001.

¹⁵ Press Release: ELC Following the Leaders Program Receives \$10 Million Appropriation, Education Leaders Council, February 14, 2003.

¹⁶ Grant Award Database, U.S. Department of Education, available at www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm; Press Release: \$5 Million to Launch New Teacher Certification Board, National Council on Teacher Quality, November 8, 2001.

¹⁷ Press Release: Secretary Paige Announces \$3.5 Million Grant to Support No Child Left Behind Demonstration Project, U.S. Department of Education, June 28, 2002.

¹⁸ *ibid.*

¹⁹ AccountabilityWorks web site, available at <http://www.accountabilityworks.org>.

²⁰ Press Release: Secretary Paige Announces \$3.5 Million Grant to Support No Child Left Behind Demonstration Project, U.S. Department of Education, June 28, 2002.

²¹ Grant Award Database, U.S. Department of Education, available at www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm.

²² Press Release: \$5 Million to Launch New Teacher Certification Board, National Council on Teacher Quality, November 8, 2001.

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- ²³ National Council on Teacher Quality web site, available at <http://www.nctq.org/index.html>.
- ²⁴ Press Release: \$5 Million to Launch New Teacher Certification Board, National Council on Teacher Quality, November 8, 2001.
- ²⁵ Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).
- ²⁶ *ibid.*
- ²⁷ Elementary and Secondary Education Legislation, Subpart I—Fund for the Improvement of Education, U.S. Department of Education, available at www.ed.gov/policy/elsec/leg/esea02/pg67.html.
- ²⁸ Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).
- ²⁹ American Board for Certification of Teacher Excellence web site, available at www.abcte.org.
- ³⁰ Press Release: \$5 Million to Launch New Teacher Certification Board, National Council on Teacher Quality, November 8, 2001.
- ³¹ Julie Blair, “Education Department Gives \$35 Million to Teacher-Credential Board,” *Education Week*, October 1, 2003.
- ³² Press Release: \$5 Million in Grants Awarded to Help States, School Districts Get More Highly Qualified Teachers Into Classrooms, U.S. Department of Education, October 9, 2003.
- ³³ National Center for Education Information web site, available at <http://www.ncei.com/>.
- ³⁴ People For the American Way, *Follow the Money: Funding and Support for Voucher Programs*, available at www.pfaw.org.
- ³⁵ Press Release: Department Announces Grant Applications for Parental Information and Resource Centers, U.S. Department of Education, June 3, 2003.
- ³⁶ Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm); Press Release: Department Announces Grant Applications for Parental Information and Resource Centers, U.S. Department of Education, June 3, 2003.
- ³⁷ Hispanic CREO’s web site, available at www.hcreo.org.
- ³⁸ Press Release: More than \$1 Million in Grants Awarded to Empower Families With Information About Their Rights Under No Child Left Behind, U.S. Department of Education, October 9, 2003; Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).
- ³⁹ Gary Martin, “S.A. Effort Inspires National Group: Council Advocates for School Vouchers and Cites Study About Hispanic Struggle,” *San Antonio Express-News*, October 10, 2003.
- ⁴⁰ Children First America web site, available at www.childrenfirstamerica.org.
- ⁴¹ Michael Cardman, “New Hispanic School Choice Organization Goes National,” *Education Daily*, v. 36, no. 192, Wednesday, October 15, 2003.
- ⁴² Kevin Teasley interviewed by Heartland Institute’s George Clowes, “Growing School Choice in the Community: An Exclusive Interview With Kevin Teasley,” *School Reform News*, Heartland Institute, June 1, 2002.
- ⁴³ Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).
- ⁴⁴ People for the American Way, *Community Voice or Captive of the Right, A Closer Look at the Black Alliance for Educational Options*, available at www.pfaw.org.
- ⁴⁵ *ibid.*; Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).
- ⁴⁶ K12 web site, available at www.k12.com; Media Transparency, available at www.mediatransparency.org.
- ⁴⁷ K12 web site, available at www.k12.com.
- ⁴⁸ Director’s Communication, Arkansas Department of Education, October 18, 2002.
- ⁴⁹ Kimberly Dishongh, “Virtual Schools Gets State’s Thumbs Up: Tuition Free for 450,” *Arkansas Democrat-Gazette*, October 27, 2002.
- ⁵⁰ Grant Award Database, U.S. Department of Education, available at [www.<http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm>](http://www.bcol02.ed.gov/CFAPPS/grantaward/start.cfm).