

DISSENT

for

## Got Dough? How Billionaires Rule Our Schools

By Joanne Barkan

THE cost of K–12 public schooling in the United States comes to well over \$500 billion per year. So, how much influence could anyone in the private sector exert by controlling just a few billion dollars of that immense sum? Decisive influence, it turns out. A few billion dollars in private foundation money, strategically invested every year for a decade, has sufficed to define the national debate on education; sustain a crusade for a set of mostly ill-conceived reforms; and determine public policy at the local, state, and national levels. In the domain of venture philanthropy—where donors decide what social transformation they want to engineer and then design and fund projects to implement their vision—investing in education yields great bang for the buck.

Hundreds of private philanthropies together spend almost \$4 billion annually to support or transform K–12 education, most of it directed to schools that serve low-income children (only religious organizations receive more money). But three funders—the Bill and Melinda Gates Foundation, the Eli and Edythe Broad (rhymes with road) Foundation, and the Walton Family Foundation—working in sync, command the field. Whatever nuances differentiate the motivations of the Big Three, their market-based goals for overhauling public education coincide: choice, competition, deregulation, accountability, and data-based decision-making. And they fund the same vehicles to achieve their goals: charter schools, high-stakes standardized testing for students, merit pay for teachers whose students improve their test scores, firing teachers and closing schools when scores don't rise adequately, and longitudinal data collection on the performance of every student and teacher. Other foundations—Ford, Hewlett, Annenberg, Milken, to name just a few—often join in funding one project or another, but the education reform movement's success so far has depended on the size and clout of the Gates-Broad-Walton triumvirate.

Every day, dozens of reporters and bloggers cover the Big Three's reform campaign, but critical in-depth investigations have been scarce (for reasons I'll explain further on). Meanwhile, evidence is mounting that the reforms are not working. Stanford University's 2009 study of charter schools—the most comprehensive ever done—concluded that 83 percent of them perform either worse or no better than traditional public schools; a 2010 Vanderbilt University study showed definitively that merit pay for teachers does not produce higher test scores for students; a National Research Council report confirmed multiple studies that show standardized test scores do not measure student learning adequately. Gates and Broad helped to shape and fund two of the nation's most extensive and aggressive school reform programs—in Chicago and New York City—but neither has produced credible improvement in student performance after years of experimentation.

To justify their campaign, ed reformers repeat, mantra-like, that U.S. students are trailing far behind their peers in other nations, that U.S. public schools are failing. The claims are specious. Two of the three major international tests—the Progress in International Reading Literacy Study and the Trends in International Math and Science Study—break down student scores according to the poverty rate in each school. The tests are given every five years. The most recent results (2006) showed the following: students in U.S. schools where the poverty rate was less than 10 percent ranked first in reading, first in science, and third in math. When the poverty rate was 10 percent to 25 percent, U.S. students still ranked first in reading and science. But as the poverty rate rose still higher, students ranked lower and lower. Twenty percent of all U.S. schools have poverty rates over 75 percent. The average ranking of American students reflects this. The problem is not public schools; it is poverty. And as dozens of studies have shown, the gap in cognitive, physical, and social development between children in poverty and middle-class children is set by age three.

Drilling students on sample questions for weeks before a state test will not improve their education. The

truly excellent charter schools depend on foundation money and their prerogative to send low-performing students back to traditional public schools. They cannot be replicated to serve millions of low-income children. Yet the reform movement, led by Gates, Broad, and Walton, has convinced most Americans who have an opinion about education (including most liberals) that their agenda deserves support.

Given all this, I want to explore three questions: **How do these foundations operate on the ground? How do they leverage their money into control over public policy?** And how do they construct consensus? We know the array of tools used by the foundations for education reform: they fund programs to close down schools, set up charters, and experiment with data-collection software, testing regimes, and teacher evaluation plans; they give grants to research groups and think tanks to study all the programs, to evaluate all the studies, and to conduct surveys; they give grants to TV networks for programming and to news organizations for reporting; they spend hundreds of millions on advocacy outreach to the media, to government at every level, and to voters. Yet we don't know much at all until we get down to specifics.

## **Pipelines or Programs**

The smallest of the Big Three,\* the Broad Foundation, gets its largest return on education investments from its two training projects. **The mission of both is to move professionals from their current careers in business, the military, law, government, and so on into jobs as superintendents and upper-level managers of urban public school districts. In their new jobs, they can implement the foundation's agenda.** One project, the Broad Superintendents Academy, pays all tuition and travel costs for top executives in their fields to go through a course of six extended weekend sessions, assignments, and site visits. Broad then helps to place them in superintendent jobs. The academy is thriving. According to the Web site, "graduates of the program currently work as superintendents or school district executives in fifty-three cities across twenty-eight states. **In 2009, 43 percent of all large urban superintendent openings were filled by Broad Academy graduates.**"

**The second project, the Broad Residency, places professionals with master's degrees and several years of work experience into full-time managerial jobs in school districts, charter school management organizations, and federal and state education departments.** While they're working, residents get two years of "professional development" from Broad, all costs covered, including travel. The foundation also subsidizes their salaries (50 percent the first year, 25 percent the second year). It's another success story for Broad, which has **placed more than two hundred residents in more than fifty education institutions.**

In reform-speak, both the Broad Academy and Residency are not mere programs: they are "pipelines." Frederick Hess, director of Education Policy Studies at the conservative American Enterprise Institute, described the difference in *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education* (2005):

Donors have a continual choice between supporting "programs" or supporting "pipelines." Programs, which are far more common, are ventures that directly involve a limited population of children and educators. Pipelines, on the other hand, primarily seek to attract new talent to education, keep those individuals engaged, or create new opportunities for talented practitioners to advance and influence the profession....By seeking to alter the composition of the educational workforce, pipelines offer foundations a way to pursue a high-leverage strategy without seeking to directly alter public policy.

**Once Broad alumni are working inside the education system, they naturally favor hiring other Broadies,** which ups the leverage. A clear picture of this comes from Los Angeles. The foundation is based there and exerts formidable influence over the LA Unified School District (LA Unified), the second largest in the nation. At the start of 2010, Broad Residency alums working at LA Unified included Matt Hill, who oversees the district's Public School Choice project that turns schools over to independent managers (Broad pays Hill's \$160,000 salary); Parker Hudnut, executive director of the district's innovation and charter division (Kathi Littmann, his predecessor, was also a Broad resident); Yumi Takahashi, the budget director; Marshall Tuck, chief executive of the nonprofit that manages schools for Mayor Antonio Villaraigosa; Mark Kieger-Heine, chief operating officer of the same nonprofit; and Angela Bass, its superintendent of instruction. In June 2010, the Board of Education hired Broad Academy alumnus John Deasy as deputy superintendent of LA Unified (he's a likely candidate for the superintendent's job). **At the time of hiring, Deasy was deputy director of education at the Gates Foundation.**

Broad casts a long shadow over LA Unified, but other foundations also invest. A \$4.4 million grant from the LA-based Wasserman Foundation, \$1.2 million from Walton, and smaller grants from Ford and Hewlett are paying the salaries of more than a dozen key senior staffers in the district. They work on projects favored by the foundations.

## Philanthropists Are Royalty

On September 8, 2010, the Broad Foundation announced a twist on the usual funding scenario: the Broad Residency had received a \$3.6 million grant from the Bill and Melinda Gates Foundation. According to Broad's press release, the money would go "to recruit and train as many as eighteen Broad Residents over the next four years to provide management support to school districts and charter management organizations addressing the issue of teacher effectiveness." Apparently Broad needs Gates in order to expand one of its core projects. The truth is that the Gates Foundation could fully subsidize all of Broad's grant-giving in education, as well as that of the Walton Family Foundation. Easily—it's that outsized. Since Warren Buffett gave his assets to Gates, the latter is more than six times bigger than the next largest foundation in the United States, Ford, with \$10.2 billion in assets.

Now is the moment for me to address the inevitable objection. Many people, including leftists, consider it unseemly, even churlish, to criticize the Gates Foundation. Time and again, I've heard, "They do good work on health care in Africa. Leave them alone." But the Gates Foundation has created much the same problem in health funding as in education reform. Take, for example, the Gates project to eradicate malaria.

On February 16, 2008, the *New York Times* reported on a memo that it had obtained, written by Dr. Arata Kochi, head of the World Health Organization's malaria programs, to WHO's director general. Because the Gates Foundation was funding almost everyone studying malaria, Dr. Arata complained, the cornerstone of scientific research—independent review—was falling apart.

Many of the world's leading malaria scientists are now "locked up in a 'cartel' with their own research funding being linked to those of others within the group," Dr. Kochi wrote. Because "each has a vested interest to safeguard the work of the others," he wrote, getting independent reviews of research proposals "is becoming increasingly difficult."

The director of global health at Gates responded predictably: "We encourage a lot of external review." But a lot of external review does not solve the problem, which is structural. It warps the work of most philanthropies to some degree but is exponentially dangerous in the case of the Gates Foundation. Again, Frederick Hess in *With the Best of Intentions*:

...[A]cademics, activists, and the policy community live in a world where philanthropists are royalty—where philanthropic support is often the ticket to tackling big projects, making a difference, and maintaining one's livelihood.

...[E]ven if scholars themselves are insulated enough to risk being impolitic, they routinely collaborate with school districts, policy makers, and colleagues who desire philanthropic support.

...The groups convened by foundations [to advise them] tend to include, naturally enough, their friends, allies, and grantees. Such groups are less likely than outsiders to offer a radically different take on strategy or thinking.

...Researchers themselves compete fiercely for the right to evaluate high-profile reform initiatives. Almost without exception, the evaluators are hired by funders or grantees....Most evaluators are selected, at least in part, because they are perceived as being sympathetic to the reform in question.

Hess found that the press, too, handles philanthropies with kid gloves. One study reviewed how national media outlets (the *New York Times*, *Los Angeles Times*, *Washington Post*, *Chicago Tribune*, *Newsweek*,

and Associated Press) portrayed the educational activities of major foundations (Gates, Broad, Walton, Annenberg, and Milken) from 1995 to 2005. The study revealed “thirteen positive articles for every critical account.” Hess had three explanations for the obliging attitude of the supposedly disinterested press: a natural inclination to write positively about “generous gifts,” the routine tendency to affirm “professionally endorsed school reforms,” and the difficulty of finding experts who will publicly criticize the foundations.

The cozy environment undermines all players—grantees, media, the public, and the foundations themselves. Without honest assessments, funders are less likely to reach their goals. According to Phil Buchanan, executive director of the Center for Effective Philanthropy, “If you want to achieve the greatest possible positive impact, you’ve got to figure out how to hear things from people on the ground who might know more than you about some pretty important things” (*Seattle Times*, August 3, 2008).

## No Silver Bullet

The sorry tale of the Gates Foundation’s first major project in education reform has been told often, but it’s key to understanding how Gates functions. I’ll run through it briefly. In 2000 the foundation began pouring money into breaking up large public high schools where test scores and graduation rates were low. The foundation insisted that more individual attention in closer “learning communities” would—*presto!*—boost achievement. The foundation didn’t base its decision on scientific studies showing school size mattered; such studies didn’t exist. As reported in *Bloomberg Businessweek* (July 15, 2010), Wharton School statistician Howard Wainer believes Gates probably “misread the numbers” and simply “seized on data showing small schools are overrepresented among the country’s highest achievers....” Gates spent \$2 billion between 2000 and 2008 to set up 2,602 schools in 45 states and the District of Columbia, “directly reaching at least 781,000 students,” according to a foundation brochure. Michael Klonsky, professor at DePaul University and national director of the Small Schools Workshop, describes the Gates effect this way:

Gates funding was so large and so widespread, it seemed for a time as if every initiative in the small-schools and charter world was being underwritten by the foundation. If you wanted to start a school, hold a meeting, organize a conference, or write an article in an education journal, you first had to consider Gates (“Power Philanthropy” in *The Gates Foundation and the Future of Public Schools*, 2010).

In November 2008, Bill and Melinda gathered about one hundred prominent figures in education at their home outside Seattle to announce that the small schools project hadn’t produced strong results. They didn’t mention that, instead, it had produced many gut-wrenching sagas of school disruption, conflict, students and teachers jumping ship en masse, and plummeting attendance, test scores, and graduation rates. No matter, the power couple had a new plan: performance-based teacher pay, data collection, national standards and tests, and school “turnaround” (the term of art for firing the staff of a low-performing school and hiring a new one, replacing the school with a charter, or shutting down the school and sending the kids elsewhere).

To support the new initiatives, the Gates Foundation had already invested almost \$2.2 million to create *The Turnaround Challenge*, the authoritative how-to guide on turnaround. Secretary of Education Arne Duncan has called it “the bible” for school restructuring. He’s incorporated it into federal policy, and reformers around the country use it. Mass Insight Education, the consulting company that produced it, claims the document has been downloaded 200,000 times since 2007. Meanwhile, Gates also invested \$90 million in one of the largest implementations of the turnaround strategy—Chicago’s Renaissance 2010. Ren10 gave Chicago public schools CEO Arne Duncan a national name and ticket to Washington; he took along the reform strategy. Shortly after he arrived, studies showing weak results for Ren10 began circulating, but the *Chicago Tribune* still caused a stir on January 17, 2010, with an article entitled “Daley School Plan Fails to Make Grade.”

Six years after Mayor Richard Daley launched a bold initiative to close down and remake failing schools, Renaissance 2010 has done little to improve the educational performance of the city’s school system, according to a Tribune analysis of 2009 state test data.

...The moribund test scores follow other less than enthusiastic findings about Renaissance 2010—that displaced students ended up mostly in other low performing schools and that mass

closings led to youth violence as rival gang members ended up in the same classrooms. Together, they suggest the initiative hasn't lived up to its promise by this, its target year.

Last fall, Daley announced that he wouldn't run again for mayor; Ron Huberman, who replaced Duncan as schools CEO, announced that he would leave before Daley; and Rahm Emanuel, preparing to run for Daley's job, announced that he would promote another privately funded reform campaign for Chicago's schools. "Let's raise a ton of money," he told the *Chicago Tribune* (October 18, 2010). Eminently doable.

### Investing for Political Leverage

The day before the first Democratic presidential candidates' debate in 2007, Gates and Broad announced they were jointly funding a \$60 million campaign to get both political parties to address the foundations' version of education reform. It was one of the most expensive single issue efforts ever; it dwarfed the \$22.4 million offensive that Swift Boat Veterans for Truth mounted against John Kerry in 2004 or the \$7.8 million that AARP spent on advocacy for older citizens that same year (*New York Times*, April 25, 2007). The Gates-Broad money paid off: the major candidates took stands on specific reforms, including merit pay for teachers. But nothing the foundations did in that election cycle (or could have done) advanced their agenda as much as Barack Obama's choice of Arne Duncan to head the Department of Education (DOE). Eli and Edythe Broad described the import in *The Broad Foundations 2009/10 Report*:

The election of President Barack Obama and his appointment of Arne Duncan, former CEO of Chicago Public Schools, as the U.S. Secretary of Education, marked the pinnacle of hope for our work in education reform. In many ways, we feel the stars have finally aligned.

With an agenda that echoes our decade of investments—charter schools, performance pay for teachers, accountability, expanded learning time, and national standards—the Obama administration is poised to cultivate and bring to fruition the seeds we and other reformers have planted.

Arne Duncan did not disappoint. He quickly made the partnership with private foundations the defining feature of his DOE stewardship. His staff touted the commitment in an article for the department's newsletter, *The Education Innovator* (October 29, 2009):

...The Department has truly embraced the foundation community by creating a position within the Office of the Secretary for the Director of Philanthropic Engagement. This dedicated role within the Secretary's Office signals to the philanthropic world that the Department is "open for business."

Within weeks, Duncan had integrated the DOE into the network of revolving-door job placement that includes the staffs of Gates, Broad, and all the think tanks, advocacy groups, school management organizations, training programs, and school districts that they fund. Here's a quick look at top executives in the DOE: Duncan's first chief of staff, Margot Rogers, came from Gates; her replacement as of June 2010, Joanne Weiss, came from a major Gates grantee, the New Schools Venture Fund; Assistant Secretary for Civil Rights Russlynn Ali has worked at Broad, LA Unified School District and the Gates-funded Education Trust; general counsel Charles P. Rose was a founding board member of another major Gates grantee, Advance Illinois; and Assistant Deputy Secretary for Innovation and Improvement James Shelton has worked at both Gates and the New Schools Venture Fund. Duncan himself served on the board of directors of Broad's education division until February 2009 (as did former treasury secretary Larry Summers).

### How to Set Government Policy

Nothing illustrates the operation of Duncan's "open for business" policy better than the administration's signature education initiative, Race to the Top (RTTT). The "stimulus package" included \$4.3 billion for education, but for the first time, states didn't simply receive grants; they had to compete for RTTT money with a comprehensive, statewide proposal for education reform. It is no exaggeration to say that the criteria for selecting the winners came straight from the foundations' playbook (which is, after all,

Duncan's playbook). To start, any state that didn't allow **student test scores to determine (at least in part) teacher and principal evaluations** was not eligible to compete. After clarifying this, the 103-page application form laid out a list of detailed criteria and then additional priorities for each criterion ("The Secretary is particularly interested in applications that..."). **Key criteria included**

(C)(1) Fully implementing a statewide longitudinal data system

(D)(2) Improving teacher and principal effectiveness based on performance [this is followed by criteria for evaluating performance based on student test scores]

(E) Turning around the lowest-achieving schools

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools

States were desperate for funds (in the end, thirty-four applied in the two rounds of the contest). **When necessary, some rewrote their laws to qualify:** they loosened or repealed limits on the number of charter schools allowed; they permitted teacher and principal evaluations based on test scores. But they still faced the immense tasks of designing a proposal that touched on all aspects of K–12 education and then writing an application, which the DOE requested (but did not require) be limited to 350 pages. **What state has resources to gamble on such a venture?** Enter the **Gates Foundation**. It reviewed the prospects for reform in every state, picked fifteen favorites, and, in July 2009, **offered each up to \$250,000 to hire consultants to write the application. Gates even prepared a list of recommended consulting firms.** Understandably, the other states cried foul; so did the National Conference of State Legislatures: Gates was giving some states an unfair advantage; it was, in effect, picking winners and losers for a government program. After some weeks of reflection, Gates offered the application money to any state that met the foundation's eight criteria. Here, for example, is number five: "Does the state grant teacher tenure in fewer than three years? (Answer must be "no" or the state should be able to demonstrate a plan to set a higher bar for tenure)."

**Who says the foundations (and Gates, in particular) don't set government policy?**

On October 9, 2009, Edward Haertel, chair of the National Research Council's Board on Testing and Assessment (BOTA) sent a letter-report to Arne Duncan to express BOTA's concern about the use of testing in RTTT's requirements.

Tests often play an important role in evaluating educational innovations, but an evaluation requires much more than tests alone. A rigorous evaluation plan typically involves implementation and outcome data that need to be collected throughout the course of a project.

REFLECTING "A consensus of the Board," the nineteen-page letter went on to review the many scientific studies that demonstrate the pitfalls of using standardized test scores as a measure of student learning, teacher performance, or school improvement. **BOTA recommended that the DOE use these studies to revise the RTTT plan.** Unfortunately, as Haertel explained in his cover note, "Under National Academies procedures, any letter report must be reviewed by an independent group of experts before it can be publicly released, which made it impossible to complete the letter within the public comment period of the *Federal Register* notice [for RTTT's proposed regulations]." The scientists needed a peer review of their work, so they missed the *Federal Register* deadline, and that meant **Duncan could ignore their recommendations—which he did.** Haertel's letter ([www.nap.edu/catalog/12780.html](http://www.nap.edu/catalog/12780.html)) makes for poignant reading in the twenty-first century: science imploring at the feet of ideology.

### **Other Ways to Invest for Political Influence**

**Private foundations are not allowed to lobby government directly,** but they can, and all do, "share the lessons of their work" with lawmakers and their staffs. As the RTTT story shows, the **Big Three also intervene more directly in policy and politics in ways available only to the mega-rich.**

Consider the case of school reform in Washington, D.C. Former schools chancellor Michelle Rhee battled

the teachers' union in acrimonious contract negotiations for more than two years; she wanted greater control over evaluating and firing teachers. Her breakthrough move was to get \$64.5 million from the Broad, Walton, Robertson, and Arnold foundations to finance a five-year, 21.6 percent increase in teachers' base salary. The union took the money in exchange for giving Rhee some of the changes she wanted. The money came with a political restriction: the foundations could withdraw their pledges if there was a "material change" in the school system's leadership. When critics challenged the legality of the arrangement (Hadn't Rhee negotiated a deal that served her personal financial interests?), the chancellor found a way to shuffle funds and spend on a schedule that made the leadership clause irrelevant. The foundations' attempt to dictate who would be D.C. schools chancellor failed, but their investment paid off with highly publicized (and, the foundations hoped, precedent setting) concessions in a union contract.

On the question of who controls public schools, the Big Three much prefer mayoral control to independent school boards: a mayor with full powers can push through a reform agenda faster, often with less concern about the opposition. On August 18, 2009, the *New York Post* quoted Bill Gates on mayoral control: "The cities where our foundation has put the most money is where there is a single person responsible." In the same article, the *Post* broke the news that Bill Gates had "secretly bankrolled" Learn-NY, a group campaigning to overturn a term-limit law so that Michael Bloomberg could run for a third term as New York City mayor. Bloomberg's main argument for deserving another term was that his education reform agenda (identical to the Gates-Broad agenda) was transforming city schools for the better. Gates put \$4 million of his personal money into Learn-NY. "The donation helped pay for Learn-NY's extensive public-relations, media, and lobbying efforts in Albany and the city." The *Post* also reported that Eli Broad had donated "millions" to Learn-NY. Since Bloomberg's reelection, however, the results of one study after another have shown that his reform endeavors are not producing the positive results he repeatedly claims.

In its "advocacy and public policy" work, the Gates Foundation also funnels money to elected officials through their national associations. The foundation has given grants to the National Governors Association Center for Best Practices, National Conference of State Legislatures, United States Conference of Mayors, National Association of Latino Elected Officials Education Fund, and National Association of State Boards of Education. They've also funded associations of high nonelected officials, such as the Council of Chief State School Officers (see [gatesfoundation.org](http://gatesfoundation.org)).

## Ventures in Media

On October 7 and 8, 2010, the *Columbia Journalism Review* ran a two-part investigation by Robert Fortner into "the implications of the Bill and Melinda Gates Foundation's increasingly large and complex web of media partnerships." The report focused on the foundation's grants to the PBS *Newshour*, ABC *News*, and the British newspaper the *Guardian* for reporting on global health. Of course, all three grantees claim to have "complete editorial independence," but the ubiquity of Gates funding makes the claim disingenuous. As Fortner observes, "It is the largest charitable foundation in the world, and its influence in the media is growing so vast there is reason to worry about the media's ability to do its job." *The Chronicle of Philanthropy*, too, questioned the foundation's bankrolling of for-profit news organizations and its "growing involvement with journalism" (October 11, 2010). Neither publication mentioned that Gates is also developing partnerships with news and entertainment media to promote its education agenda.

Both Gates and Broad funded "NBC News Education Nation," a week of public events and programming on education reform that began on September 27, 2010. The programs aired on NBC News shows such as "Nightly News" and "Today" and on the MSNBC, CNBC, and Telemundo TV networks. During the planning stages, the producers of Education Nation dismissed persistent criticism that the programming was being heavily weighted in favor of the Duncan-foundation reform agenda. Judging by the schedule of panels and interviews, Education Nation certainly looked like a foundation project. The one panel I watched—"Good Apples: How do we keep good teachers, throw out bad ones, and put a new shine on the profession?"—was "moderated" by Steven Brill, a hardline opponent of teachers' unions and promoter of charter schools. The panel did not belong on a news show.

Gates and Broad also sponsored the documentary film *Waiting for Superman*, which is by far the ed reform movement's greatest media coup. With few exceptions, film critics loved it ("a powerful and alarming documentary about America's failing public school system," *New York Times*, September 23, 2010). Critics of the reform agenda found the film one-sided, heavy-handed, and superficial.

In 2009 the Gates Foundation and Viacom (the world's fourth largest media conglomerate, which includes MTV Networks, BET Networks, Paramount Pictures, Nickelodeon, Comedy Central, and hundreds of other media properties) made a groundbreaking deal for entertainment programming. For the first time, a foundation wouldn't merely advise or prod a media company about an issue; Gates would be directly involved in writing and producing programs. As a vehicle for their partnership, the foundation and Viacom (with some additional funds from the AT&T Foundation) set up a tax-exempt 501(c)(3) organization called the *Get Schooled Foundation*. The interpenetration of foundations and the spawning of new ones is endless. In July 2010, Get Schooled hired Marie Groark, then senior education program officer at Gates, as its executive director. Among its initiatives, Get Schooled lists *Waiting for Superman*, which is produced by Paramount Pictures, a subsidiary of Viacom. This is how the *New York Times* (April 2, 2009) described the Gates-Viacom deal:

Now the Gates Foundation is set to expand its involvement and spend more money on influencing popular culture through a deal with Viacom....It could be called "message placement": the social or philanthropic corollary to product placement deals in which marketers pay to feature products in shows and movies. Instead of selling Coca-Cola or G.M. cars, they promote education and healthy living....Their goal is to weave education-theme story lines into existing shows or to create new shows centered on education.

### **The Hubris That Comes from Power**

On June 15, 2010, Gates Foundation CEO Jeff Raikes announced the results of the "Grantee Perception Report," which the foundation had commissioned from the Center for Effective Philanthropy. The center, a nonprofit research group, has rattled the foundation world with surveys that show how grantees evaluate a funder and also how that evaluation compares to the evaluations of other funders. Some 1,020 Gates grantees, active between June 1, 2008, and May 31, 2009, responded to the survey. On questions relating to the experience of working with Gates, the foundation got bad grades. "Lower than typical ratings," Raikes wrote.

Many of our grantee partners said we are not clear about our goals and strategies, and they think we don't understand their goals and strategies.

They are confused by our decision-making and grant-making processes.

Because of staff turnovers, many of our grantee partners have had to manage multiple Program Officer transitions during the course of their grant, which creates more work.

Finally, they say we are inconsistent in our communications, and often unresponsive.

The report intrigued me because it shows another aspect of how Gates operates on the ground. More important, it helps explain why the Big Three can keep marketing and selling reforms that don't work. Certainly ideology—in this case, faith in the superiority of the private business model—drives them. But so does the blinding hubris that comes from power. You don't have to listen or see because you know you are right. One study after another sends up a red flag, but no one in the ed reform movement blinks. Insanity, defined as doing the same thing over and over and expecting different results, applies here.

Can anything stop the foundation enablers? After five or ten more years, the mess they're making in public schooling might be so undeniable that they'll say, "Oops, that didn't work" and step aside. But the damage might be irreparable: thousands of closed schools, worse conditions in those left open, an extreme degree of "teaching to the test," demoralized teachers, rampant corruption by private management companies, thousands of failed charter schools, and more low-income kids without a good education. Who could possibly clean up the mess?

All children should have access to a good public school. And public schools should be run by officials who answer to the voters. Gates, Broad, and Walton answer to no one. Tax payers still fund more than 99 percent of the cost of K-12 education. Private foundations should not be setting public policy for them. Private money should not be producing what amounts to false advertising for a faulty product. The imperious overreaching of the Big Three undermines democracy just as surely as it damages public



education.

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\*The Broad and Walton foundations had endowments of about \$1.4 billion and \$2 billion, respectively, in 2008 (the latest available figures, according to the Foundation Center). The Gates Foundation had an endowment of \$33 billion as of June 2010, with an additional \$30 billion from Warren Buffett, spread out over multiple years in annual contributions (from [gatesfoundation.org](http://gatesfoundation.org)). The Broad endowment comes primarily from the sale of SunAmerica to AIG in 1999; the Walton endowment from Wal-Mart Stores, Inc.; and the Gates endowment from Microsoft.

*[Ed: due to a production error, this article first appeared online with the subtitle "Public School Reform in the Age of Venture Philanthropy."]*