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Full Show: Public Schools for Sale?

BILL MOYERS: This week on Moyers & Company, the high cost of turning our schools into profit centers.

DIANE RAVITCH: In terms of the public coffers there are billions of dollars, but I think what's at stake is the future of American public education. I believe it is the foundation stone – one of the foundation stones of our democracy. So an attack on public education is an attack on democracy.

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BILL MOYERS: Welcome. Charter schools are booming, and controversial. There are now more than 6,000 across the country, double the number from just a decade ago. They're publicly funded, but privately run. And whatever you think about the merit of charter schools versus public schools, merit is no longer driving the debate. What's driving the debate is money. The charter movement is now part of the growing privatization of public education and Wall Street sees an emerging market.

Take a look at this piece published last fall on Forbes.com. Quote, "...dozens of bankers, hedge fund types and private equity investors..." gathered to discuss "...investing in for-profit education companies..." There's a potential gold rush here. Public education from kindergarten through high school pulls in more than \$500 billion in taxpayer revenues every year, and crony capitalists and politicians alike are cashing in. Example, "In Ohio, two firms [both contributors to Republicans] operate 9 percent of the state's charter schools and are collecting 38 percent of the state's charter

school funding increase..." In Philadelphia, a democratic stronghold, "...23 public schools closed for good ..." last summer, "...to be replaced by charters."

Here in New York City, progressive Mayor Bill de Blasio set out to curb the charter school poaching of public education. But in recent weeks the charter movement, bankrolled by wealthy financiers, struck back hard with a media campaign costing more than three-and-a-half-million dollars.

ANNOUNCER in The Faces of Success Academy Harlem Central Ad: These are the 194 faces of Success Academy's--

WOMAN in Parents in Their Own Voices: Charter Schools Work Ad: My daughter would have a better opportunity at a charter school--

ANNOUNCER in Parents in Their Own Voices: Charter Schools Work Ad: Mayor de Blasio wants to stop them from opening and expanding--

SHAMONA KIRKLAND in Charter School Parent Shamona Wants Unlimited Potential for Her Daughter Ad: I voted for de Blasio, but I didn't vote for you to take my child's future. **BILL MOYERS:** Under this withering assault, Mayor de Blasio has turned conciliatory, determined, according to The New York Times, "...to avoid the wrath of a well-financed charter-school movement." Even dialing up billionaires personally, asking for a truce. The private buying of public education has brought a piercing cry of alarm from my guest. Once a champion of charter schools, she has changed her mind, and that was a reversal that struck home with a seismic wallop. Diane Ravitch is our preeminent historian of education. She has worked for presidents from both parties, and served as an assistant secretary of education. She's a scholar with a popular following, in the last year alone her website has received more than 8 million visits. Her teaching, writing, and advocacy have long influenced our debate about schools and the public policies that affect them. And her latest book is a best seller, "Reign of Error: The Hoax of the Privatization Movement and the Danger to America's Public Schools." Diane Ravitch, welcome.

DIANE RAVITCH: It's wonderful to be with you, Bill.

BILL MOYERS: We're talking about big money, aren't we?

DIANE RAVITCH: Absolutely. Minimum, at least, from the estimates I've seen it's a market of \$500 billion. Now we--

BILL MOYERS: A year?

DIANE RAVITCH: Yes. An annual market of \$500 billion. So the entrepreneurs do see it as huge opportunities to make money. There are now frequently conferences, at least annually, conferences on how to profit from the public education industry. Now I never thought of public education as an industry. But the entrepreneurs do see it as an industry.

They see it as a national marketplace for hardware, for software, for textbook publishing, for selling whatever it is they're selling, and for actually taking over all of the roles of running a school. This is what the charter movement is. It's an effort to privatize public education, because there's so much money there that enough of it can be extracted to pay off the investors. But I think what's at stake is the future of American public education. I'm a graduate of public schools in Houston, Texas, and

I don't want to see us lose public education. I believe it is the foundation stone, one of the foundation stones, of our democracy. So an attack on public education is an attack on democracy.

BILL MOYERS: The people behind privatization, you say they're flush with cash. Where is it coming from? Where does this money trail start?

DIANE RAVITCH: You have to understand that firstly we do have a significant number of for-profit charter schools. They're not the majority, by any means. But they're driving a lot of the legislative changes. There is also the power of the federal government.

Our Secretary of Education, Arne Duncan, put out \$4.3 billion called Race to the Top. And he said to the states, you can't be eligible for any part of this money unless you lift your cap on charter schools. So suddenly the lure of getting that federal money made many states change their laws to open the door to many, many more charter schools.

So that's really what driven the increase in charters. But what-- the other thing that's driven them is that there is a tremendous political force of very wealthy hedge-fund managers who are investing in the charter-school industry and seeing it grow. And so they have fought for these laws. There's also a lot of charter school money going as political contributions to legislators in many of the states where the charters are booming.

BILL MOYERS: There's a move right now to change Dallas into a chartered district. And it's promoted by the billionaire John Arnold, who's been in the news recently for his views on pension plans. Do you take that sort of thing seriously?

DIANE RAVITCH: I think it has to be taken seriously because John Arnold of course wants to change public-sector pensions. And I have kind of a visceral negative reaction to the idea that someone who is a billionaire doesn't want to see a public employee retire with a decent living pension that they've put into all their life. So I don't like the idea that billionaires who have no appreciation of the importance of public education want to change it to their liking. No one elected John Arnold to do this.

But I think that Dallas is at risk. And the people of Dallas don't want this. And I think if we, if democracy works in Dallas, they will reject this idea of somehow taking Dallas and turning it, the whole city, into a charter district.

BILL MOYERS: You have said that within ten years, there'll be cities in this country without public education.

DIANE RAVITCH: I think at the rate we're moving now, we will see places like Detroit, New Orleans, Washington DC, Philadelphia, Kansas City, Indianapolis, and many, many other cities where public schools become, if they still exist, they will be a dumping ground for the kids that the charter schools don't want. We will see the privatization of public education run rampant.

BILL MOYERS: But not everyone will grieve with you over the loss of public education. There are parents across the country who feel that public schools have let them and their children down. And they're looking for alternatives. They're not going to grieve with you.

DIANE RAVITCH: One of the points that I wanted to make strongly in this book is that American public education is not failing. It's not declining. It's not obsolete.

BILL MOYERS: Contrary to the prevailing public mythology?

DIANE RAVITCH: Absolutely. American public schools deal with immense problems. The biggest problem in our society today is that nearly 25 percent of our children live in poverty. And most of those kids will go to public schools and will bring all their problems through the door. And teachers will tell you they have kids in their classroom where a parent was murdered, where the children didn't get anything to eat yesterday. Where the children are homeless.

These are the problems our public schools are dealing with. And they're, in most cases, doing an absolutely heroic job. But where public schools are in trouble it's because the community's in trouble. And instead of breaking up public schools and sending the kids off into the hands of some entrepreneurs, we should be addressing the needs and problems of the children.

BILL MOYERS: If the for-profit motive were taken out of charter schools, do you think they have potential?

DIANE RAVITCH: No, because I think that what charter schools should be is what they were originally supposed to be. They were originally supposed to be a collaborative, cooperating with public schools, trying to solve problems that public schools couldn't solve. The original idea was that they would go out and find their dropouts and bring them back.

They would help the kids who lacked all motivation and bring these lessons back to public schools to help them. What they have become is competitors. And they're cutthroat competitors. And in fact, because of No Child Left Behind and because of Race to the Top, there is so much emphasis on test scores, that the charters are incentivized to try to get the highest possible scores.

And now that there are so many hedge-fund people involved, they want to win. They want to say to these guys who are on another school board, my charter got higher scores than yours. So if you're going to make scores the be all and the end all of education, you don't want the kids with disabilities. You don't want the kids who don't speak English. You don't want the troublemakers. You don't want the kids with low scores. You want to keep those kids out. And the charters have gotten very good at finding out how to do that.

BILL MOYERS: Charter schools are not all bad, are they?

DIANE RAVITCH: They're not all bad. The worst thing about the charters is the profit motive. And I want to reiterate that most charters are not for-profit. Although many of the non-profits are run by for-profit organizations. For instance, in Ohio, where they're overrun with for-profit operations, they're actually not for-profit charters. It's just they're run by a company, in one case, called the White Hat company. Which has extracted about a billion dollars in taxpayer funds since 1999.

In Florida where there are some nearly 600 charter schools, they're overrun with for-profit schools. There's a charter empire in Southern Florida where the brother-in-law of the guy who runs the charter empire, which is worth more than \$100 million, is in the state legislature and is in charge of education appropriations. And he never recuses himself. And the charter industry has basically taken over the legislature of Florida.

In Michigan, more than 80 percent of the charter schools operate for-profit. They don't get good academic results, by the way, but they make a lot of money. And the worst of the charters, frankly, are the virtual charters. This is a moneymaking machine.

BILL MOYERS: Virtual charters?

DIANE RAVITCH: Yes, these are charter schools that have no, actually, no physical school. And they advertise very heavily. And they're in many states. The biggest of the companies is called K12. It was funded by Michael Milken and his brother.

BILL MOYERS: Michael Milken of junk bond fame.

DIANE RAVITCH: Right. And they're very profitable because they get full state tuition signing up kids to learn online.

NARRATION from K12 Inc. Ad: Online learning from K12. [...] K12 program is customized. [...] K12 is a fully accredited program. [...] Call or visit K12.com today.

DIANE RAVITCH: So the kids are basically home-schooled, they get a computer and textbooks and then they learn online.

BILL MOYERS: So they make their money from the state funding?

DIANE RAVITCH: Right. So they get full tuition money and all they give out is a computer and they may have one teacher monitoring fifty or a hundred screens, in some cases, more than a hundred screens. The teachers are low paid. They don't have any physical building to take care of, no custodians, no social workers, none of the regular expenses of a school. They're very profitable. K12, by the way, is listed on the New York Stock Exchange.

BILL MOYERS: On your blog, there's a speech by the CEO of Netflix, Reed Hastings. He seems to be saying that 20 years from now, 90 percent of our schoolchildren will be in charter schools. And that we have to get rid of school boards, because all this democracy is very messy. And everything should be should be managed by charter-like boards. Is that the endgame, is the charterization of American public education?

DIANE RAVITCH: I think for many people in the charter movement, that is the end game. They want to see an end to public education. They continue to say that charter schools are public schools. They are not public schools because they say in court, whenever asked, we're private corporations with a contract with the government.

In fact just recently there was a decision in New York that charter schools can't be audited by the state controller because they are not a unit of the government. In California there was a decision in the federal court saying, charter schools are not public schools. They're private corporations.

BILL MOYERS: So this puts their accountability off limits, right?

DIANE RAVITCH: Right. And in fact, in many states, the charter schools don't have to hire certified teachers. So we're moving in a direction that is harmful to democracy. That is not good for kids. And that will not improve education. And so when you say how do I feel about the charter movement, I'd say that it should return to its original purposes, which is to help the neediest kids. To seek out the kids with the lowest test scores, not the highest ones, and to do, to collaborate with public education to make it better.

But what it has turned into, and I think that Reed Hastings' speech puts that very well, is an attack on democracy and an effort to replace public education. That if 90 percent of all the kids are in charters, the other 10 percent that's left, that's called public schools, will be the dumping grounds for the kids that the charters don't want. That's a direct attack on our democracy.

BILL MOYERS: Would you concede though, Diane, that it's possible, Reed Hastings and others, believe that democracy can't solve these problems, that you need private entrepreneurs who know how to get things done to run these schools?

DIANE RAVITCH: Well, the problem with letting the entrepreneurs do it is they know nothing about education. I think what Reed Hastings doesn't understand is that the highest-performing nations in the world don't have charter schools and do not have voucher schools. The highest-performing nations in the world have a very fine, very equitable public school system.

I was in Finland not long ago. They aim to have an equitable school system. And it doesn't matter where you go to school in that country, you will find a good school. That's what we should be aiming for. You aim for equity and you will get excellence.

BILL MOYERS: When you were on the money trail, looking at how this money influences the movement, you ran into the American Legislative Exchange Council, ALEC. What did you learn about ALEC?

DIANE RAVITCH: ALEC is an organization, as I discovered, that's been around since 1973. It has something like 2,000 or more state legislators who belong to it. And ALEC is very, very interested in eliminating public education.

It has model legislation, which has been copied in state after state, in some cases verbatim. ALEC wants to eliminate collective bargaining, and it's done a good job on that. It wants to eliminate any due process for teachers, so that teachers can be fired for any reason. It wants teachers to be judged by test scores. It's done a really good job of that. It wants charter schools, it has a charter legislation, it has voucher legislation, it has legislation to promote online charter schools. So the whole package of what's called reform is being pushed very hard by ALEC. It's being pushed very hard by a group called Democrats for Education Reform.

That's actually the hedge-fund managers' organization. So you get the combination of ALEC with its state level, very far-right-wing legislators, who have taken over some legislatures. For example, North Carolina is now completely ALEC-governed. And they have enacted everything in the ALEC package.

BILL MOYERS: Where does ALEC's money come from, as you've found it?

DIANE RAVITCH: ALEC has major, major corporate funding. It's hard to find a major corporate group that is not part of the corporate sponsorship of ALEC.

BILL MOYERS: What's their motive?

DIANE RAVITCH: ALEC wants money to flow freely throughout the economy. They do not want any restraints on how they spend and where they spend. They don't even want to be audited if they could avoid that. That's why the charter schools, for example, have fought in court to prevent public audits, because they share this philosophy that what they do is their business.

BILL MOYERS So when you set out to follow the money and see how money was driving the privatization movement, what surprised you the most?

DIANE RAVITCH: What surprised me the most, quite frankly, was the lack of any leadership in the democratic party to say no. And as I saw the amount of campaign contributions in state after state going to both parties, as I realized that anyone who wants to run for president has to go to Wall Street, it became very frightening to think that there might be a political way to actually stop this movement to destroy public education and to monetize public education. So that was very surprising. And I have gone from state to state, I've met with many governors, I've been searching for the political figure who will stand up and say this is wrong. The closest that I've seen so far is Jerry Brown. But Jerry Brown's my age. He's not going to run for president.

What I'm hoping for is that there, somewhere out there is a senator, a governor, a congressman who will say this has to stop. Public education is an essential part of our democracy. And I don't want the hedge-fund manager's money to sell out my public schools.

BILL MOYERS: You're almost as old as I am. What keeps you going?

DIANE RAVITCH: Well, you know, what really makes my juices flow is when I see billionaires picking on teachers. When I see billionaires who have never gone to public school, have never sent their children to public school, or their grandchildren, if they have them, proclaiming how schools should run and how teachers should teach.

I find myself outraged that our public school system is not being strengthened and improved. I don't want it to stay the way it is. I'm not defending the status quo. When I see a status quo that's controlled by the wealthiest people on our country in alliance with the political power in our country, it makes me want to rail against it. And I'm railing against it as best I can.

BILL MOYERS: You end your book in fact by avowing that, "...the public is not yet ready to relinquish its public schools to speculators, entrepreneurs, ideologues, snake-oil salesmen, profit-making businesses, and Wall Street hedge fund managers." How can you be so sure?

DIANE RAVITCH: Well, it's because I see what's happening at the ground level. I-- working with other people in education, with parent activists, with educators, I helped to found a group called the Network for Public Education. We have parents, we have teachers, we have students, high school students, they're organizing all over the country to fight back.

In Providence, Rhode Island, it's the Providence Student Union. In Texas, it's the, what I call the moms against drunk testing. And they actually have a longer name than that. And there are parent groups in Ohio, in Indiana, in Louisiana, the Mama Bears in Tennessee.

In Florida, which is one of the keystone states for this kind of what I call corporate reform, where Jeb Bush basically owns that state. He tried twice to get across something called the parent trigger, where parents could take a vote and 51 percent of them could turn their school over to a corporation. And the parents of Florida, despite the fact that Florida has an all-red legislature, stopped that bill now twice. So I see parents of Florida and all over this country saying, we don't want the corporations taking over our schools. So it's the grassroots that I'm counting on. It's democracy that I'm counting on. Now can democracy beat big money? We'll find out later.

BILL MOYERS: You spoke recently in Austin and the title of your speech was "Why We Will Win."

DIANE RAVITCH: I was speaking to the Network for Public Education.

BILL MOYERS: That's your group.

DIANE RAVITCH: My group.

BILL MOYERS: Gathered from all over the country.

DIANE RAVITCH: They came from-- 400 people came from all over the country, they paid their own way, we had no corporate sponsorship, we had no foundation money, we actually raised money amongst ourselves to play scholarships for the kids to come, the high school students who came. So there are two reasons we're going to win.

Number one is because everything that these reformers, these so-called reformers, are doing is failing. The charter schools are not outperforming the public schools. And the voucher schools don't outperform the public schools. Despite not taking the kids that they don't want, vouchers do not outperform public schools.

Evaluating teachers by test scores, which is one of the big principles of these corporate reformers, has been a disaster. There are many cities and districts that have ended up firing the teacher of the year. There are many teachers-- we are having, in fact, a huge crisis in teaching because so many teachers are leaving the profession. There's almost a full-frontal attack on the teaching profession so that whereas it used to be 20 years ago that the average teacher had 15 years experience, it's now down to one or two years experience.

Teachers are leaving the profession, because they hate this being evaluated by test score business, because it's-- what the research shows now overwhelmingly, is that it's inaccurate, it's flawed, and good teachers are getting bad evaluations, because they're teaching kids with disabilities. Or if they're teaching kids who are gifted, they also get a bad evaluation, because the kids are at the ceiling, they can't go any higher. So, everything that these guys are pushing has actually failed already. They're not making schools better. And you can't fail your way to success. But that's only one reason why we're winning.

The other reason is we're organizing. Students are organizing, high school students are organizing. Teachers are organizing and saying they will not give useless tests. We have superintendents speaking out. There's one on Long Island who said, when the test scores come in, I'm throwing them out. They're garbage.

We have students in college organizing against this corporate takeover. So I see all these things happening. Whether it's Tennessee or Louisiana, state of Washington, Illinois, Wisconsin, Michigan, New York, and I feel very hopeful that democracy will win out over big money.

BILL MOYERS: Diane, we're out of time on the show, but let's continue this discussion online.

DIANE RAVITCH: I would love to.

BILL MOYERS: The book is "Reign of Error: The Hoax of the Privatization Movement and the Danger to America's Public Schools." Diane Ravitch, thank you for being with me.

DIANE RAVITCH: Thank you.

BILL MOYERS: At our website, BillMoyers.com, we'll link you to a story from the website Politico.com about the continuing assault on public education, including how taxpayers in 14 states will put up nearly one billion dollars this year for private religious schools that teach creationism -- the myth that Earth is less than 10,000 years old, Adam and Eve were the first man and woman, and evolution is a lie.

There's also a report on how Timothy Cardinal Dolan of New York is lobbying the state legislature to allow huge tax deductions for the wealthy if they subsidize private schools. That's all at BillMoyers.com. I'll see you there and I'll see you here, next time.

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