



the  
**CENTER FOR EDUCATION REFORM**

*NEW* LETTER TO FRIENDS OF  
THE CENTER FOR EDUCATION REFORM  
NO. 101  
AUGUST 2012

BACK-TO-SCHOOL

Dear Friends:

“Can education be run as a profitable business and still be driven by a humanitarian vision? Why is there such angst over the tax-status of organizations that conduct their work to the benefit of others?”

These are questions that are often dodged by non-profits and non-profit backers, who fear a backlash from opponents of reform. These are also questions that must be resolved, or the current reform movement will plummet into obscurity. We cannot change public habits with philanthropy. We can mitigate the effects of bad policy, but real change must come from changes in law.

Don't get me wrong. I like non-profits. I run one, and with millions from generous donors, we have indeed changed policy, and we've spawned more non-profits, too. But I've never once believed them to be a superior form of business. In fact, while it's easier for people with money to write checks to a favorite charity or educational program that directly support a child or a teacher, it also makes it more difficult to make change as long as such programs work to mitigate the effects of bad policy.

Let me be a little more clear — if philanthropy is necessary to make districts change, make charters solvent or make people want to teach, why should policymakers or presidents ever change the way education is funded? Our leaders have little impetus to pass a real tenure reform bill (with all due respect to **Governors Cuomo and Christie**) as long as philanthropists write massive checks to start new schools and new programs that substitute for real policy change.

Those who back programs that do an end run around policy rather than a direct hit on the politics that protect bad policy turn missions into popularity contests and despite all the data and metrics that show such programs are having an impact, have they really moved the needle for good? Does a \$100 million contribution from **Facebook's founder** really change Newark any more than the \$100 million from Walter Annenberg nearly 20 years ago really changed Philly (or LA, or Chicago...)? Sure, today it will help you buy a few new school providers, some new teachers and new support structures. But what happens when that goes away, and policy is still the same?

I don't know yet if James Tooley addresses this exactly in his new book, *From Village School to Global Brand*, but I have a feeling he does. Tooley documents the successful rise of **SABIS**, a private, tax-paying company that launched a global network of schools that set out to change kids lives American-style — using the exchange of money and investment for demand to ensure its success.

Public markets may hire SABIS and regulate its partnership, but this school manager doesn't require a non-profit model to do its job. And apparently it does it well. SABIS schools rank in the top ten in Michigan and Massachusetts to name just two. Its story will be interesting to read.

It's not the only one of course. More than a dozen high quality management firms are capital-driven, using private funds to leverage the public good. And because the unions and their allies and oh-so-liberal politicians want you to think doing so is un-American and heartless, many entrepreneurs create non-profit models instead. It is often said that having just such a non-profit will mitigate union opposition. The reality is it does nothing of the sort.

This past Friday night, as I watched **Teachers Rock!**, a concert to celebrate teachers' achievements, I also watched the Twitter feed surrounding it. The venom that was being stirred by the union leadership through the social media as the CBS show took place was stunning in its sophistication and in its arrogance. From comments about teachers being bamboozled by shows like this, to criticism about **Teach for America**, the union troops were armed and ready to criticize and influence unsuspecting rank and file observers. It turns out their biggest beef is that the show's commercials highlighted the September 28th premiere of "**Won't Back Down,**" produced by Walden Media, which, like "The Help," is a real life dramatization of what is, and what could be, in this case, for parents and teachers. The show was sponsored by Walmart and General Mills, too, a fact that the unions use to portray the show as suspect. As business is selfishly behind the movement to change public education for the better. In their twisted view of the world, there is something bad about business being behind the movement to change public education for the better!

**Randi Weingarten** took me directly to task in one of her tweets after I criticized her for her comments regarding the "Won't Back Down" film, in which she called the parent trigger notion privatization. She asked "why would a charter advocate smear me when I have not even released a statement about the film?" Poor Randi, but how clever to suggest she was being smeared as opposed to being factually called on the carpet!

That behavior is notable throughout her tweets, her public statements and her speeches to her members, in which she stirs up animosity toward anyone who might suggest schools and unions might need an overall if we actually care about kids. That doesn't stop even reformers, however, from giving them credit for conceding on a tenure reform bill. Such support should tell you that there is "no there, there," but instead many fool themselves into thinking they accomplished something noble by getting union sign-off. The reality is there is nothing noble in itself about compromise unless the end result makes things better. There is nothing noble in itself about having a non-profit cause unless it makes things better. And there is nothing un-noble about creating or running a business for profit if it makes the world better for people.



Jeanne Allen  
President