STUPID IN AMERICA

ABC 20/20

JOHN STOSSEL

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ANNOUNCER: Tonight on 20/20, a John Stossel special. What's going on in America's schools?

PARENT (FEMALE): They're not learning anything.

PARENT (FEMALE): It's insane.

ANNOUNCER: Kids fail to make the grade because their schools fail them.

PARENT (FEMALE): My son is now 18, and he is not reading.

ANNOUNCER: Tonight, stop kidding yourself about your child's school.

JOHN STOSSEL (ABC NEWS): The people in the suburbs say "our schools are great."

KEVIN CHAVOUS (EDUCATION REFORMER): But they're not.

ANNOUNCER: So what do schools really need?

JOHN STOSSEL: "We just need a little more money."

BEN CHAVIS (PRIVATE SCHOOL PRINCIPAL): That is the biggest lie in America.

ANNOUNCER: Is the real problem bad teachers?

TEACHER (MALE): You prove I'm a bad teacher. And if you can't prove it, don't try it.

ANNOUNCER: And we hate to compare, but why can't kids here keep up with students over there.

STUDENT (MALE): If the kids in America couldn't do this, they're really stupid.

ANNOUNCER: The failures, the successes.

TEACHER (FEMALE): Learning should be fun.

ANNOUNCER: We'll teach you a thing or two about being "Stupid in America, how we cheat our kids." Now John Stossel.

JOHN STOSSEL: Good evening. Elizabeth Vargas is off tonight. "Stupid in America." That's a nasty title. But some nasty things are going on in America's public schools and it's about time we face up to them. We see so many movies showing us wild kids. Kids arriving in school doped up.

ACTOR (MALE): Who was Joan of Arc?

JOHN STOSSEL: The movies tell us kids are stupid.

ACTOR (MALE): Noah's wife?

ACTOR (MALE): The Republican controlled House of Representatives in an effort to alleviate...

JOHN STOSSEL: And the teachers boring.

ACTOR (MALE): Anyone? Anyone?

JOHN STOSSEL: Are real teachers that dull? Students told us, yes.

STUDENT (FEMALE): Some teachers are very boring, so everybody falls asleep.

JOHN STOSSEL: Is school as bad as the movie suggests?

STUDENT (MALE): You see kids all the time walking into school smoking weed. You know, it's a normal thing here.

JOHN STOSSEL: Normal, kids say here at Abraham Lincoln High in New York.

STUDENT (MALE): Four years have been miserable in this school. It's like a hell hole.

JOHN STOSSEL: A hell hole? Really? It makes me want to know more. But it's hard to get our cameras into schools. New York City's school district wouldn't allow us in at all. Washington, DC's steered us to the best classrooms, like this one taught by Jason Camorras, the national teacher of the year. This is nice, and there are many outstanding teachers. But we wanted to tape typical classrooms. We were turned down in state after state. Finally Washington, DC, did allow us to give cameras to a few students they hand-picked at two schools they hand-picked. One was this one, Woodrow Wilson High. *Newsweek* says it's one of the best schools in America. Yet what the students taped wasn't confidence inspiring.

STUDENT (MALE): This is Wilson High School. We dance.

JOHN STOSSEL: Note that the teacher is in the class when he does this. On that day this teacher had his world geography class playing Monopoly.

STUDENT (MALE): Right now we're going to ask Mr. Reiner what Monopoly has to do with world geography.

TEACHER (MALE): Like Monopoly, we have countries that do better than others, based on where you live.

JOHN STOSSEL: It was after finals, and I don't know if Monopoly can help teach geography. I do know this teacher didn't have much control over his class.

TEACHER (MALE): Phil, get off the desk and sit in your seat. Ladies and gentlemen, listen up...

STUDENT (MALE): Mr. Reiner?

TEACHER (MALE): Raise your hand.

JOHN STOSSEL: It's hard to believe you can learn much while this is going on.

TEACHER (MALE): So guys who are talking, stop, please. Hey, listen.

JOHN STOSSEL: And this is one of America's best public schools. Now you may be thinking, "These things don't happen at my kids school." 57% of American parents give an A or B grade to their kid's public schools.

JOHN STOSSEL: The people in the suburbs say, "Our schools are great."

KEVIN CHAVOUS (EDUCATION REFORMER): But they're not, that is the thing. And test scores show that.

JOHN STOSSEL: Education reformer Kevin Chavous says American schools on the whole just aren't that good.

KEVIN CHAVOUS: And America isn't going to buy that. America is not going to buy that.

JOHN STOSSEL: America's been buying it.

KEVIN CHAVOUS: Because America doesn't know what it doesn't know.

JOHN STOSSEL: Right. Most Americans don't know what stupid schools are doing to American kids. We gave parts of an international test to some high school students in Belgium and in New Jersey.

TEACHER (MALE): Answer the questions to the best of your ability.

JOHN STOSSEL: What did the Belgian kids think?

BELGIAN STUDENT (MALE): Considering the tests we usually get here, this was kind of a piece of cake.

BELGIAN STUDENT (FEMALE): It's very easy.

JOHN STOSSEL: The New Jersey kids were also confident. How was the test? Easy? Hard?

NEW JERSEY STUDENT (FEMALE): It was actually pretty easy.

NEW JERSEY STUDENT (FEMALE): I think I did good.

JOHN STOSSEL: They have reason to be confident. New Jersey students in general test above average. And these kids attend an above average New Jersey school. But the Belgian kids cleaned their clocks.

JOHN STOSSEL: They got 76% correct. You got 47% correct.

NEW JERSEY STUDENT (MALE): I'm shocked. Because it just shows how much advanced they are compared to us.

JOHN STOSSEL: This boy got the highest score among the Americans, but didn't come close to the top scoring Belgians.

BELGIAN STUDENT (FEMALE): The test was so easy, I think if the kids in America couldn't do this, they're really stupid.

JOHN STOSSEL: Stupid, really? Jay Leno's routines make you think it's true.

JAY LENO (THE TONIGHT SHOW): And what state holds the Kentucky Derby every year? Think about it.

JOHN STOSSEL: "The Tonight Show" says these are not staged. These are their real answers.

STUDENT (FEMALE): Kansas.

JAY LENO: Finish the name of this book, "War and...

STUDENT (MALE): Sex.

JAY LENO: War and sex. What is the Bill of Rights? You're going into law, aren't you, sir?

STUDENT (MALE): Yeah.

JOHN STOSSEL: What is the purpose of the Bill of Rights?

STUDENT (FEMALE): I don't know.

JOHN STOSSEL: What was the major cause of the Civil War?

STUDENT (FEMALE): I don't know.

JOHN STOSSEL: American high school kids are beaten on the international tests not just by kids from Belgium, but by kids from most countries, even poorer ones like Poland, the Czech Republic and South Korea.

JOHN STOSSEL: So are American students stupid?

STUDENT (FEMALE): No, we're not stupid, but we just – we could do better.

STUDENT (FEMALE): I think it has to be something with the school. Because I don't think we're stupid or lower than them.

JOHN STOSSEL: Right. Something with the school. Because the longer kids spend in American schools, the worse they do.

JOHN STOSSEL: Fourth graders take international tests and at that age, American kids do well above average. But by high school, they've fallen way behind.

JOHN STOSSEL: Are the kids stupid?

PARENT (FEMALE): The kids are not stupid, the system is stupid.

JOHN STOSSEL: These parents grandparents are furious about what they've learned about their kids' public schools.

PARENT (MALE): It's a joke.

PARENT (FEMALE): It's insane.

PARENT (FEMALE): They're not learning anything.

JOHN STOSSEL: Pam von Goren, who used to be a teacher, was appalled when her granddaughter came to stay with her.

PARENT (FEMALE): She could barely add and subtract numerals 1 through 5. She was with me for a week, she's reading fluently when she goes back and she knows her math facts 1 through 20.

JOHN STOSSEL: In one week, you taught her what the school couldn't teach her in months?

PARENT (FEMALE): Yeah. What is going on?

JOHN STOSSEL: So what is going on? Well, the schools say they need more money. Do they?

ANNOUNCER: When 20/20 returns, we'll follow the money to a city that spent billions on first class school facilities. Are the kids doing better? Next.

[commercial break]

JOHN STOSSEL: What's the biggest problem facing public schools? Money, that's what everyone says. Lack of money. At this California rally, teachers told us schools need much more money.

TEACHER (FEMALE): There is nothing that money can't fix.

JOHN STOSSEL: In Massachusetts, parents baked cookies and sold all sorts of things.

REPORTER (FEMALE): To raise money for a school system that is desperately trying to make ends meet.

JOHN STOSSEL: "More money, please," say these South Carolina school officials. How much money would be right?

DELORIS WRIGHT (LEE COUNTY SCHOOL BOARD): How much? Oh, millions. And it would really make it right.

JOHN STOSSEL: They're spending $10,000 per kid now. $15,000? $20,000?

DELORIS WRIGHT (LEE COUNTY SCHOOL BOARD): $20,000, 25, 30. The more the better.

JOHN STOSSEL: The more the better. That was the thinking years ago when a judge ordered more must be spent on Kansas City schools. So they did. $2 billion more. Kansas City built this Olympic-sized swimming pool, state-of-the-art gyms with indoor tracks. These computer labs and more. They had so much money that when they wanted to bring in more white kids, they didn't just bus them.

REPORTER (MALE): The Kansas City district used about 120 taxis.

JOHN STOSSEL: But the result of all this spending on student achievement? It got worse. By 2000, Kansas City schools failed to meet any of the state's standards and they lost their accreditation.

JAY GREENE (AUTHOR of *EDUCATION MYTHS*): If money were the solution, the problem would already be solved.

JOHN STOSSEL: Jay Greene is the author of *Education Myths*.

JAY GREENE: We doubled per-pupil spending, adjusting for inflation, over the last 30 years and yet schools aren't better.

JOHN STOSSEL: Adjusted for inflation?

JAY GREENE: Adjusted for inflation. We now spend more than $10,000 per pupil per year.

JOHN STOSSEL: Here's a graph of the increased spending, the line goes straight up. But student achievement, flat. Graduation rates, flat. The extra money didn't help the kids.

JOHN STOSSEL: How can that be? More money but no results? It's a lot of money. Think about it. $10,000 per student. For a classroom of 25, that would be $250,000 per year. Where does the money go? It certainly isn't all going to teach the kids.

JOHN STOSSEL: In Orange County, California, Jennifer Beale's kids have been learning in portable buildings like this, while her school district is spending $35 million to build a new building, not for the kids, it's for administrators.

TEACHER (FEMALE): It's insane. We call it the Taj Mahal. It is so enormous and overwhelming.

BEN CHAVIS (PRIVATE SCHOOL PRINCIPAL): You can give public schools all the money in America, and it will not be enough. Everyone has been conned.

JOHN STOSSEL: Ben Chavis is a former public school principal who now runs this alternative school that spends thousands of dollars less per student. He laughs at the public school's complaints about money.

JOHN STOSSEL: They all say it's the answer.

BEN CHAVIS: No, it's not.

JOHN STOSSEL: "We just need a little more money."

BEN CHAVIS: That is the biggest lie in America. They waste money.

JOHN STOSSEL: To save, Chavis asks the students to do things like keeping the grounds picked up and setting up for lunch.

BEN CHAVIS: We don't have a full-time janitor. We don't have security guards. We don't have computers. We don't have a cafeteria staff.

JOHN STOSSEL: There's no pool or world class gym. For gym class, his students often run laps around the block.

BEN CHAVIS: If you come to school, you're going to have the advantage over everyone else.

JOHN STOSSEL: It means there is more money left over for teaching.

TEACHER (MALE): Is that a complete sentence or a fragmented sentence?

JOHN STOSSEL: Even spending less money per student, Chavis pays his teachers more than public school teachers get. His school also thrives because the principal gets

involved. Chavis shows up at every classroom and uses gimmicks like small cash payments for perfect attendance.

BEN CHAVIS: Do you come to school for the money or do you come to school to get an education?

JOHN STOSSEL: Since he took over four years ago, this school has gone from being among the worst in Oakland to being the best. His middle school has the highest test scores in the city.

JOHN STOSSEL: You've boosted the scores from where they were by spending less money.

BEN CHAVIS: It's not about the money.

JOHN STOSSEL: But what about kids who come from broken families, poor families?

BEN CHAVIS: Give met poor kids and I will outperform the wealthy kids who live in the hills. And we do it.

JOHN STOSSEL: Other spunky independent schools do well with less money. Like this one in South Carolina, run by Theresa Middleton. We saw that the kids here were enthusiastic about learning.

THERESA MIDDLETON (TEACHER): My children are so excited. "Can we play this today? Can we do a pop quiz? Can we do relay math? Can we play bingo? Can we play phonics around the world?" Learning should be fun.

JOHN STOSSEL: And fun seems to teach. These first graders can read.

STUDENT (FEMALE): Get ready to work, work, work.

THERESA MIDDLETON: I've had three-year-olds sounding out words. My below-average child can go to public school and make the honor role.

JOHN STOSSEL: Yet she spends only $3,000 per child, versus the $9,000 South Carolina's public schools spend and still fail to educate students like Dorian Cane.

PARENT (FEMALE): My son is now 18, and he is not reading. He's on a fourth grade level. And it's a huge problem.

JOHN STOSSEL: Dorian struggles to read just one sentence in this first grade book.

DORIAN: One day Uncle Jake came to visit.

JOHN STOSSEL: He says he wants to learn to read.

JOHN STOSSEL: You know there is a whole world that can open up to you if you are able to read.

DORIAN: Yeah, I know that.

JOHN STOSSEL: Did they try to teach you to read?

DORIAn: From time to time.

JOHN STOSSEL: Gina's been after Dorian's schools for help for years.

GINA: You have to beg, you know. Whatever you ask for, you're begging. Because they have the power.

JOHN STOSSEL: Now they've had meetings with you to talk about your son.

GINA: Yes.

JOHN STOSSEL: Here's one of them.

FRED STEVENS (SCHOOL ADMINISTRATOR): Good morning, I'm Fred Stevens, director of programs for exceptional children.

JOHN STOSSEL: This is where some of the money goes, to educational specialists. The director of programs for exceptional children. The school principal, a resource teacher, a gym teacher, the school counselor, and the district's special ed coordinator. But they haven't done much for the boy who can't read.

TEACHER (MALE): Have you had the opportunity to council with Dorian?

TEACHER (MALE): First of all, I haven't had the opportunity to really council with him, I'm being frank with you.

JOHN STOSSEL: The principal said Dorian was doing well.

TEACHER (FEMALE): I'm seeing great progress in him, so I don't have any concerns.

JOHN STOSSEL: The meeting went on for 45 tedious minutes. Dorian looked defeated. His mother just kept raising the one issue that concerned her most.

GINA: The only issue I have is his reading level, and that is what is important to me.

JOHN STOSSEL: So we decided we'd send Dorian to a private learning center, Sylvan. Could they teach Dorian to read when the South Carolina public schools hadn't? You bet. After just 72 hours of instruction, using computers and workbooks, Dorian's reading was up more than two grade levels. His mother loves the private program.

GINA: They're doing what they're supposed to do. They're on point. But I can't say the same for the public schools.

JOHN STOSSEL: No, she can't. South Carolina, over 12 years, spent nearly $100,000 on Dorian's education, but they left him behind.

ANNOUNCER: When we continue, what if schools had to get good results or flunk out of business?

JOHN STOSSEL: So the fact that some schools fail and close – that's the success?

KEVIN CHAVOUS (CENTER FOR EDUCATION REFORM): That's a good thing. That's a good thing.

ANNOUNCER: That's next.

[commercial break]

JOHN STOSSEL: If you're a parent with money, you have choices. You can pay for a private school, or buy into a neighborhood that has a better public school.

JOHN STOSSEL: A real estate agency even runs commercials about it.

ACTRESS (FEMALE): Anyone know the student per teacher ratio in your classroom?

JOHN STOSSEL: They show a mother to be desperate to find a good school.

ACTRESS (FEMALE): This lady's crazy.

JOHN STOSSEL: No, she's not. In San Jose, California, parents want to get their kids in Fremont Union schools. They're so much better than neighboring schools, parents sometimes cheat to get their kids in. What is cheating? Pretending to live in the district when you don't. Inspector John Lozano goes door to door to check if kids really say where they say they live.

JOHN LOZANO (INSPECTOR): Oh, great, nice to finally meet you. How long you guys been here?

JOHN STOSSEL: Then Lozano says he still needs to look inside the house, to make sure she really lives there. He sounds nice, but think about what he's doing? The school district police go into your daughter's bedroom. He even goes through drawers and closets, if he has to.

JOHN LOZANO: Well, we have a computer, we have some Seventeen magazines. We have pictures of the student and her friends on the wall.

JOHN STOSSEL: This girl passes. But the grandmother who listed this address is caught. The people who answered the door say she doesn't live here.

JOHN LOZANO: She said she lives here and her grandson is going to live here so she can go to the high school. Caught, she's definitely caught.

JOHN STOSSEL: Two days later, I talked to the grandmother.

GRANDMOTHER: I was actually crying.

JOHN STOSSEL: It's kind of creepy that they force you to go to the black market to get your kid a better education.

GRANDMOTHER: I was crying in front of these 14 years old. Why can't they just let parents get in the school of their choice?

JOHN STOSSEL: Why can't they? Changing schools can change a child's life. Patty Bower's kids were stuck in a school that wasn't teaching them. But then they got McKay scholarships which let them attend into this private school that works with kids who have special needs.

PATTY BOWER: Joey has been brought up four grade levels in reading. He's gone from C's, and D's to being an honor roll student.

JOHN STOSSEL: But last week, a Florida court killed a similar choice program. And Patty fears her kids will soon be forced back into public school.

PATTY BOWER: If they take the McKay scholarship away, I don't think – I'm sorry – I don't think Joey will finish school.

JOHN STOSSEL: Why can't she choose her child's school? Most countries that beat America on international tests give their students that choice. Here in Belgium, the government spends less than American schools do on each student, but the money is attached to the kids. So they can go wherever they want. To a state run school, or a Catholic school, or a Muslim, or Montessori school.

TEACHER (FEMALE): Because of the choice, it makes it a lot harder for schools, because there is a lot of pressure.

JOHN STOSSEL: Kate runs a state school in Belgium. She says because the money is attached to the kids, she has to please the parents, and that makes a world of difference.

KATE: If we don't offer them what they want for their child, they won't come to our school.

JOHN STOSSEL: So she provides extras, like cooking, more sports programs, furniture building, electronics.

KATE: You think that America doesn't leave any child behind, but I think that we don't leave any child behind and that you guys have some kind of a problem with that.

MARIA LOTH (BELGIAN PARENT): I wouldn't send my child to an American public school, not even for a million dollars.

JOHN STOSSEL: Her son lives in Belgium now but when he was 6, his family lived in America. And his mom was upset when he was assigned to a school.

MARIA LOTH: In America, I had to beg, "Please, please give me good school for my child." And here in Belgium, they're all over the place.

JOHN STOSSEL: Because if they're not good, they're gone.

KEVIN CHAVOUS (EDUCATION REFORMER): You shut down bad schools. That's healthy because it says to people that incompetence won't work.

JOHN STOSSEL: So the fact that some schools fail and close – that's the success?

KEVIN CHAVOUS: That's a good thing. That's a real good thing.

JOHN STOSSEL: What happens to those kids in those schools?

KEVIN CHAVOUS: Then they'll go to another school. Why should we keep them in a school that's not working? That's what we've been doing for decades.

JOHN STOSSEL: Giving kids a choice forces schools to try harder.

TEACHER (FEMALE): You have to be innovative all the time. You have to look for new means of working, new means of thinking. So if we don't succeed, we just run out of business.

BELGIAN STUDENT (FEMALE): I think it's a pity that American children don't have the same opportunities and the same choices as we have. But if you are used to it, maybe, it's just normal.

JOHN STOSSEL: No choice is just normal in America.

ANNOUNCER: When 20/20 returns, kids are learning in school. The question is, what?

JOHN STOSSEL: They were giving them the answers?

PARENT (FEMALE): He said, they're teaching me to cheat.

ANNOUNCER: Next.

[commercial break]

ANNOUNCER: Over here, American students struggle with English. In Belgium, learning multiple languages is expected.

STUDENT (MALE): Hello. Hallo. Guten tag. Bonjour. Try that, American kids.

ANNOUNCER: What are we doing wrong? When "Stupid in America " continues on 20/20, after this from our ABC stations.

[commercial break]

ANNOUNCER: "Stupid in America" continues with John Stossel.

JOHN STOSSEL: Why are you watching us? You don't have to. You have choices. But suppose you had only one channel and the government told you what had you to watch. That's generally how it works for schools.

JOHN STOSSEL: When the Sanford family moved from Charleston to Columbia, South Carolina, they had a big concern. Where would their kids go to school?

MRS. SANFORD: First thing I did was look on the computer, where are we zoned, what schools would those be?

JOHN STOSSEL: You have to go where you're zoned?

MRS. SANFORD: You go where you're zoned.

JOHN STOSSEL: In South Carolina and most everywhere, you must attend the public school in the zone where you live. But the middle school near the Sanford's new home was rated below average. It turned out, however, this wasn't a problem for them because the reason they were moving to Columbia, was that Mark had just been elected Governor. So they were offered special options. People from better school districts invited them to send their kids to those schools.

MRS. SANFORD: And I said, "Well that's not fair because if I lived down the street here, they wouldn't be allowed to do that. Would I be allowed to do that?" And they said, "No, you would not," he said, "But we're going to waive that requirement because you're the Governor." And I said, "Well, that's not fair."

JOHN STOSSEL: It's not fair, but that's often how it works in America. As we showed you, the kids of the privileged can escape bad schools by moving to where the better schools are.

GOVERNOR MARK SANFORD (SOUTH CAROLINA): If you can buy a $250,000 or $300,000 house, you're going to get some great public education.

JOHN STOSSEL: But most everyone else is stuck with what the government gives you.

PARENT (MALE): Being in the public school system, no matter how much you complain about it, your children are stuck because of their zip code.

JOHN STOSSEL: These South Carolina students say their kids public schools are bad.

PARENT (FEMALE): They're not teaching the kids.

JOHN STOSSEL: If you hadn't pulled them out of the public schools?

PARENT (FEMALE): I think it would have ruined his life.

JOHN STOSSEL: Dale's grandson said some of his public school teachers helped him pass tests by telling him to cheat.

JOHN STOSSEL: They were giving him the answers?

DALE: They were giving him the answers and he said, they're teaching me to cheat. So they could pass him on to the next grade. The No Child Left Behind thing. You know, send him on up to the next class. Get him out of here. They really did not care.

JOHN STOSSEL: Lizzie Murphy's son was in kindergarten for a year without learning the basics of writing.

LIZZIE MURPHY: He just learned to write his name, and that's through me telling him that an m is a hump-hump. A kindergartner can barely write his name? What is going on? What are you doing?

JOHN STOSSEL: What are they doing? If you compare SAT scores state by sate state, South Carolina ranks last.

INEZ TENENBAUM (SOUTH CAROLINA SUPERINTENDENT OF EDUCATION): I want to tell you if you look at every indicator for South Carolina schools, South Carolina is not last.

JOHN STOSSEL: Inez Tenenbaum has been state superintendent for schools since 1998.

INEZ TENENBAUM: We have been ranked as having some of the highest standards of learning in the entire country.

JOHN STOSSEL: You may set high standards, but the kids don't achieve them.

INEZ TENENBAUM: We are ranked number one in the country on improvement on SAT.

JOHN STOSSEL: If you start at the bottom, it is easier to improve. You've improved, and you're still last.

INEZ TENENBAUM: SAT is an indicator that really shouldn't be used to judge any state. We are making tremendous progress in South Carolina, and we're very proud.

JOHN STOSSEL: Why be proud? Half the kids who start high school in South Carolina don't graduate in four years. And the state's first family was afraid to send their kids to the school they were zoned for.

MRS. SANFORD: It's too important for me to sacrifice their education. I get one shot at it. If I don't pay very close attention to how my boys get educated, then I've lost an opportunity to make them the best they can be in this world.

JOHN STOSSEL: They decided to send their kids to private school. And the Governor then proposed giving every parent in South Carolina that kind of choice.

GOVERNOR MARK SANFORD: Does one size ever fit all?

JOHN STOSSEL: He said state tax credits should help parents pay for private schools, then they would have a choice.

KEVIN CHAVOUS: Choice is external pressure. The public has to know that there's an alternative there. It's just like, you know, do you get a Sprint phone or an AT&T phone?

JOHN STOSSEL: He's right. When monopolies rule, little gets done. Think about where we wait in line the longest. At the motor vehicles department, the post office. Or the extreme example, the former Soviet Union. People waited in an line an average two hours every day, five years over a lifetime. In this Moscow restaurant, I waited endlessly while waiters sat or talked to each other. Because with no competition, there is no incentive to wait on me. In America, the phone company was once a government supported monopoly. All the phones were black and all the calls expensive. It was illegal to plug in an answering machine. Installing a foreign device, the monopoly called it. This clip from "Saturday Night Live" is a good description of monopoly service.

ACTRESS: We don't care, we don't have to. We're the phone company.

JOHN STOSSEL: But take away monopoly status, and poof, suddenly customers matter. Think about the choices competition gives you when you buy a cell phone. There are dozens of plans to choose from, based on how many minutes you want, how big your family is, and a million other things. Why can't kids benefit from similar competition and education?

GOVERNOR MARK SANFORD: People expect and demand choice in every other area of their life.

JOHN STOSSEL: Letting parents choose, he said, would encourage schools to compete. And they'd quickly offer parents things like music schools, schools with uniforms, schools that open earlier, keep kids later. Virtual schools where kids learn on the internet. Sports schools. Then, who knows what ideas might bloom?

GOVERNOR MARK SANFORD: It empowers parents and will locally improve education.

JOHN STOSSEL: The Governor announced his plan last year. And thousands of parents cheered the idea. But most public educators and politicians didn't.

JOHN STOSSEL: School boards objected. Teachers' unions objected. PTAs even sent kids home with a letter saying, "Contact your legislator. How can we spend state money on something that hasn't been proven?"

STATE REPRESENTATIVE TODD RUTHERFORD (SOUTH CAROLINA): It would decimate public education in South Carolina, and it's just not good for us.

JOHN STOSSEL: The teachers' union objects to any program that would use tax credits or vouchers to let kids escape public schools. They paid for ads that argued schools are getting better. Legislators voted down the Governor's plan, 60-53. The superintendent of schools was relieved.

INEZ TENENBAUM (SOUTH CAROLINA SUPERINTENDENT OF EDUCATION): It was an unproven, unaffordable, and unaccountable plan.

JOHN STOSSEL: Well, it's unproven because politicians and unions won't let anyone try it.

INEZ TENENBAUM: I think if you look at every indicator, you will see that South Carolina is going straight up in terms of academic achievement. We are not in crisis. We have a plan, we need to stay the course, and we will see remarkable success over the next few years.

JOHN STOSSEL: I hope so. But how much success can there be in a monopoly? The monopoly in my town couldn't just fire a teacher who sent sexual emails to his 16-year-old student.

ANNOUNCER: When we continue, the worst teachers, getting away with all kinds of things.

JOEL KLEIN (NEW YORK CITY SCHOOL CHANCELLOR): We've had sex cases, acknowledged sex cases.

JOHN STOSSEL: You can't fire them?

JOEL KLEIN: It takes years. Years!

ANNOUNCER: Next.

[commercial break]

JOHN STOSSEL: The school system isn't calcified just because it's a government monopoly. There is another stumbling block.

TEACHER (FEMALE): The teachers united will never be defeated.

JOHN STOSSEL: It's a union dominated monopoly.

TEACHER (FEMALE): The muscle and the zeal that built our union is still with us.

JOHN STOSSEL: Teachers' unions in this country are very influential, because if they want to get something done, or stopped, they can assemble a crowd.

TEACHER (FEMALE): 20,000 people, and thousands more wanted to be here.

JOHN STOSSEL: Randi Weingarten heads New York City's teachers' union. She put out the word, and thousands of teachers filled Madison Square Garden to demand a new contract with more money. Some teachers are heroes, but not all.

STUDENT (FEMALE): Most of the teachers they're like – they don't really care.

STUDENT (MALE): One of my teachers tells me he does this for the health benefits.

STUDENT (MALE): I've seen teachers come to school intoxicated.

JOHN STOSSEL: This seems odd because the teachers I know want to help kids learn. Many turn down better jobs to teach. But in union schools, there is a problem.

JOEL KLEIN (NEW YORK CITY SCHOOL CHANCELLOR): We tolerate mediocrity and people get paid the same whether they're outstanding or whether they're average or, indeed, whether they're way below average.

JOHN STOSSEL: Joel Klein is chancellor of New York City's schools, the biggest public school system in the country. He says the teachers union's rigid contract make it's very hard to fire teachers. Even dangerous ones.

JOEL KLEIN: We've had sex cases, acknowledged sex cases.

JOHN STOSSEL: One teacher sent sexual emails to CUTEE101, his 16-year-old student.

JOEL KLEIN: This is the most unbelievable case to me, because the email was there, he admitted to it. It was so thoroughly offensive.

JOHN STOSSEL: And he confesses?

JOEL KLEIN: He admits this. I mean we had the email. He admits that he did it.

JOHN STOSSEL: You can't fire him?

JOEL KLEIN: It's almost impossible.

JOHN STOSSEL: The school board says it's almost impossible to fire a teacher.

RANDI WEINGARTEN: Our union has actually stepped up to the plate and said, "We'll police our own profession."

JOHN STOSSEL: Well, I'd like to police my job, too. But that's not how it works in life. Bosses make these decisions.

RANDI WEINGARTEN: Except if the cases are legitimate, they should bring them.

JOHN STOSSEL: There are procedures, it's in the contract, if a teacher is incompetent, they can be let go.

JOEL KLEIN: It takes years. Years!

JOHN STOSSEL: These are the steps a principal must follow to fire a bad teacher. Look at this thing. [Holds up a chart filled with boxes and arrows.]

JOHN STOSSEL: The teachers union got so many protections to make sure principals don't fire unfairly or play favorites, that principals rarely even try to jump through all these hoops to fire a bad teacher. In the last two years, says Klein, only two teachers out of 80,000 have been fired for incompetence.

JOEL KLEIN: It makes no sense. And you don't know other places where this goes on. It's not like you can say they're doing this at IBM or some other place, right? This is unique to our environment.

JACK WELCH (FORMER CEO, GENERAL ELECTRIC): I'm not sure I understand how to manage a government civil service organization.

JOHN STOSSEL: GE's Jack Welch was revered as a great manager. He says if an organization is to stay vital it must reward its best workers, and the bottom 10% have to go.

JACK WELCH: We tell people in the bottom 10%, "Look, you got a year. Find yourself somewhere to go." And they do.

JOHN STOSSEL: By doing that, he made GE unbelievably successful. But what he did at GE is forbidden at most public schools.

JOEL KLEIN: We have a system in which we don't distinguish among people. And as a result of that, we don't reward excellence.

JOHN STOSSEL: Why don't you reward excellence?

JOEL KLEIN: Because it's barred by the contract.

JOHN STOSSEL: Ah, yes, the union contract. Here it is, more than 200 pages of fine print. Union monopolies often create documents like this.

JOEL KLEIN: It's not just a 200-page contract. You've got all these addendum that are incorporated into the contract. You're talking about hundreds and hundreds and hundreds of pages more. So it is a regulatory nightmare.

JOHN STOSSEL: So much so that he couldn't just fire that teacher who sent those sexual emails.

JOEL KLEIN: Up, down, around, we've paid him. He hasn't taught, but we've had to pay him because that is what is required under the contract.

JOHN STOSSEL: Paid him more than $300,000. Only after six years of expensive litigation were they finally able to fire him. Hundreds of teachers who the city calls incompetent, racist, dangerous or guilty of sexual misconduct have been paid millions.

JOHN STOSSEL: And what do they do with those teachers? Well, they put them in the rubber room. It's what they call it. It's not really made of rubber but it's a big empty room in this building and four other buildings around town. Because they don't want the teachers to get near the kids. So they just come here and sit, hang around, read magazines, waste time and waste your money.

JOHN STOSSEL: They wouldn't allow us to take pictures inside while the teachers were there. Today, the city pays $20 million a year to house teachers in rubber rooms. Insane as that is, at the union rally, teachers told me they support the firing rules.

JOHN STOSSEL: What if a principal says, "You're a lousy teacher. We want to fire you."?

TEACHER (FEMALE): They can't say that. That's not fair, that's not right.

TEACHER (MALE): You prove it. You prove I'm a bad teacher. And if you can't prove it, don't try it.

JOHN STOSSEL: Everywhere, unions resist the practice that made GE and other organizations successful. Weed out the bad. The rules must stand, say unions everywhere. The teachers unions spend millions on ads saying the schools are great.

ACTOR (MALE): There is an explosion of excellence in New York public schools.

JOHN STOSSEL: "Since the schools are excellent," they say, "don't mess around with our rules and benefits. Permit members to retire without penalty at age 55."

RANDI WEINGARTEN: Uh-huh.

JOHN STOSSEL: [Reading from the teachers' contract:] "Teachers would work uniform six hours and 40 minute days at all levels."

RANDI WEINGARTEN: Which is what normally happens in the private sector.

JOHN STOSSEL: Really? She says her teachers should work regular hours. But how many of you work a uniform 6 hour, 40 minute day? But the union is powerful. And a few months after our interview, Weingarten got a new contract.

RANDI WEINGARTEN (speaking at a teachers' rally): This is a really good day.

JOHN STOSSEL: Look at the smiles. In exchange for a 15% raise, the union made concessions. For example, they agreed to work 10 minutes a day longer. They say it will be easier to get rid of sex offenders, but it will still take all these steps to fire an incompetent teacher.

JOHN STOSSEL: Unionized monopolies like yours fail. In this case, it is the children who you are failing.

RANDI WEINGARTEN: We are not a unionized monopoly. And ultimately those folks who want to say this all the time, they don't really care about kids.

JOHN STOSSEL: Those who criticize a monopoly don't care about kids? Nonsense. And when we return, we'll show you what parents have to do to escape the monopoly.

ANNOUNCER: When 20/20 returns, it's a lottery to win something more valuable than money. A seat in a good school. Next.

[commercial break]

JOHN STOSSEL: When public schools began in America, most people worked on farms. It's why there's no school in summer, so kids could stay home and help with the crops. Today, fewer than 2% of us work on farms, and nearly everything in our society has changed dramatically. So why has there been so little change in education?

RANDI WEINGARTEN: We want to do what we want to do in classrooms.

JOHN STOSSEL: As we've seen, one reason is that unions fight to maintain the status quo. But that status quo often doesn't serve the kids.

LISA YOUNG (GOMPERS CHARTER MIDDLE SCHOOL): Our students are basically just dying in their seats at school. They're not getting the education they deserve. And the union puts up a barrier for that.

JOHN STOSSEL: These San Diego teachers fought to make their schools charter. Charter means they're still a public school, but they're free of many of the rules set up by school boards and unions. Now when a teacher's hired, she knows if she doesn't do a good job, she can be fired.

ASHLEY WIRTH (KELLER LEADERSHIP ACADEMY): I'm a good teacher, I don't need tenure to protect my job. I need tenure to be gone, to protect my students.

JOHN STOSSEL: Since this school dropped the union rules, there is now a wait to go list to get in. Many charter schools are succeeding. Friendship Charter High is located in the same dangerous part of Washington, DC as Bellew High, one of the city's poorest performing schools. The student populations are similar, most poor and minority. But at the charter school, there is order. The kids are on task and doing better. 95% of the graduates get into college.

JOHN STOSSEL: Is this school better than the public high schools?

STUDENT (FEMALE): Yes. Of course.

JOHN STOSSEL: Why of course? The charter students recognize that their school is different. The teachers, they say, they're happier to be here.

TEACHER (FEMALE): What does a hyperbole always have to have in it?

JOHN STOSSEL: This teacher got Rashawn Miller interested in math, a subject she used to hate.

JOHN STOSSEL: What'd she do differently?

RASHAWN MILLER: She makes it fun. She makes it fun.

JOHN STOSSEL: Making it fun could help them keep their jobs. She's here because a third of the previous teachers were fired.

TEACHER (FEMALE): I love teaching here.

JOHN STOSSEL: The best teachers make extra money.

MICHAEL CORDELL (FRIENDSHIP ACADEMY PRINCIPAL): We can give bonuses. We can have Saturday school with pay. We can do summer school and reward certain teachers.

JOHN STOSSEL: The kids see the results.

JOHN STOSSEL: And people here care more?

STUDENT (FEMALE): Yes, definitely.

MICHAEL CORDELL (FRIENDSHIP ACADEMY PRINCIPAL): Good morning. Get your jacket off, phone off.

JOHN STOSSEL: Friendship's principal knows if the school doesn't perform, he'll be held accountable.

MICHAEL CORDELL: We can be closed. We can't settle for just being good enough.

JOHN STOSSEL: This makes charter schools innovative. This one keeps kids in school till 5:00 PM. And teachers give kids their cell phone numbers. And in the evening, every teacher must be available to answer questions.

STUDENT (FEMALE): I had a question on the review sheet.

TEACHER (FEMALE): I get phone calls at all hours of the night.

JOHN STOSSEL: Teachers say the kids call constantly.

TEACHER (MALE): Hey, Krista, what's up?

JOHN STOSSEL: So many kids want to get into the schools, the schools have to hold lotteries like this one. The suspense is unbearable.

PARENT (FEMALE): I prayed that they're going to pick her.

JOHN STOSSEL: So much is at stake. The winners get a shot at a better future. They spin the drum. Look at that smile. Look at her smile. Listen to her delighted scream. But why do they have to win a lottery? If school money were attached to the child in the form of a voucher, every parent could take their child to new schools.

TEACHER (MALE): Vouchers no, kids, yes.

JOHN STOSSEL: But lots of people hate vouchers.

TEACHER (MALE): No public money for private schools.

JOHN STOSSEL: Last week's Florida court ruling against vouchers came after this teacher brought a suit.

RUTH HOLMES CAMERON (FORMER TEACHER): To say that competition is going to improve education, it's just not going to work. You know, competition is not for children. It's not for human beings, it's not for public education. It never has been, it never will be.

JOHN STOSSEL: Why not? Would you keep going back to a restaurant that served you a bad meal? Or a barber that gave you a bad haircut? Competition makes everything better. Why would schools be different? In the few places where vouchers have been allowed, like Milwaukee, the kids who used vouchers did better. And the kids in nearby public schools did better.

CAROLINE HOXBY (HARVARD ECONOMIST): They improved by leaps and bounds. No one lost in Milwaukee. Everyone did better. The kids at the regular public schools did better, and the kids who went to the voucher schools did better.

JOHN STOSSEL: Of course they did. That's what competition does.

KEVIN CHAVOUS (EDUCATION REFORMER): Choice to me is the only way, I believe, that we can force the system from an external vantage point to change itself. It will never change itself from within. Public education will never change.

JOHN STOSSEL: Why not? These are well intended people who want to help kids.

KEVIN CHAVOUS: All the well intended designs and programs du jour, unless there is competition infused in the equation, unless that occurs, then they know they have a captive monopoly that they can continue to dominate.

JOHN STOSSEL: But if there were competition, if parents had a choice, the possibilities of what we could have are limitless.

JOHN STOSSEL: That's our program for tonight. Thanks for watching our show on education. We hope it starts a debate. I'm John Stossel. Elizabeth Vargas and I will be back next Friday. For all of us at 20/20, good night.