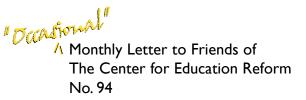
■Center for Education Reform



June 2007

Dear Friends:

With nearly half of 2007 behind us, it's time once again to share with you the progress and accomplishments of a major quarter (and then some) that your support, encouragement and friendship have made possible.

Between a heavy state activity schedule, major research into potential legal challenges, surveys, blogs and, yes, development, the last almost 180 days give us ever more reason to be optimistic about the future of our mutual interests.

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We hope you enjoy the following highlights of our work...and dreams.

Speaking of Thank Yous...

We are delighted to single out some new supporters from the last few months, as well as some of our long-time friends, who have continued as or have become patrons in the past few months. Hats off to new friends Michael Saylor, Jack and Rose-Marie Anderson, Hugh Pierce, Eugenie Hoggard and Barbara Baur. Thanks again to our continuing supporters — William Walton, John and Laura Fisher, Dr. Charles Gorman, Udo Schulz, Dennis Bakke, Fred and Shirley Salzer and directors Judith West and Robert Johnston!

CER Gets Web 2.0

Thanks to some new technology-focused staff and board members, the Center is getting Web 2.0, which apparently means we're getting hip, technology-wise. Our blogging effort at edreform.com is just the beginning. As of mid-April we took over the popular education reform blog Edspresso (www.edspresso.com), which was started by our friends at the Alliance for School Choice.

Under our stewardship, more readers are checking in than ever before. April marked the first month to hit 40,000 visits, and May topped out with over 44,000. And, for those who want their cuppa on the go, we've upgraded the news feed, as well as added email subscriptions to deliver updates right to your inbox. Sign up at www.edspresso.com.



This month at **edreform-dot-com**, you'll also find new technologies starting to be implemented. You're now able to make direct contact with legislators and the media right from the home page. And our new Map Mashup really puts charter schools on the map, so to speak – all 4,000 across the USA, with contact and student information, and state-by-state links to achievement, laws, and other charter facts, figures and resources – surf over to find the school nearest you. And coming soon are new video and audio capabilities to allow us to get our message to the hundreds of thousands who don't know yet that they are interested in school reform, but with whom we believe contact will yield massive results. Stay tuned. Or just stay connected!

A Funny Thing Happened on the Way to the Forum White House

Actually, it didn't happen on the way there, but it did happen inside. Our president, Jeanne Allen, found herself in the middle of a group of business CEOs, a few civil rights group leaders, two state education officials and one superintendent, standing around the large table in the Roosevelt Room waiting for the president to arrive. The pre-meeting dialogue in that room centered on the pitiful state of education, the need for more choice, and the need to make sure states don't get away with lowering standards in NCLB. On Jeanne's right was Craig Barrett, Intel CEO, who, in addition to leading the fight for better math and science education, proudly mentioned that he was a personal financial supporter of the exceptional BASIS Charter School in Tucson, AZ. State Farm Insurance CEO Ed Rust agreed that competition is critical, and they both bemoaned how many states have dumbed down their tests. Paul Vallas, only privately ready to announce he'd be spending more time in New Orleans, buttonholed our leader to schedule a later sit-down to get her input on the charter situation in New Orleans. Other pleasantries were exchanged and once the president made his entrance and greeted his guests individually, he was ready to hear what this diverse but focused group wanted to offer.

Standards and accountability are essential, particularly at the state level, most echoed. They talked of their initiatives through their business groups, as well as their personal efforts. Janet Murguía, the dynamic president of the Council of La Raza, saluted the administration's unwavering commitment to not testing minorities differently. So did the association commissioner for New York's schools, who also said that they needed more Reading First, which was yielding results. The accountability talk resonates with CER's own mission, but it is only really accountability if there are consequences. The president got it when Jeanne spoke out. "The consequences for not being accountable are just as important as accountability itself," she argued. "And that means choice." The president had spoken earlier about taking some scars for NCLB. CER's view was that it was time for those seated at the table to take a few more scars to ensure that meaningful choices are required and offered under a reauthorized NCLB.

The president said (paraphrasing) that he is fixing it so that parents don't have to wait to learn about their options. He was attentive, responsive, and articulate. "Consequences," he repeated. "I agree."

Later, in a one-on-one, during a photo opportunity, Jeanne pressed on again. "I hope I didn't offend you, Mr. President, but school choice is really the key," she offered. "I like choice," he said. "You didn't offend me. It's essential." She acknowledged, "Yes, we're working on that, too, Mr. President. And we'll help you. We'll keep you to that."

In the following days, conversations with the White House and Education Department would cover the need for greater focus on incentives for choice as part of any federal effort. Those dialogues continue. Even though we have spoken out for — and against — administration efforts from time to time, CER is highly regarded as not only an independent thought leader but as a group that can get the work done. The Center is recognized for its substantive, consistent voice and high-impact effort. We are proud of that and hope you are as well.

Throw the Bums Out?

Several times in the last couple of months we've found ourselves wondering whether or not it would be easier to start over with new legislatures. Regardless of party or support for reform, it's clear that state legislators today are increasingly pressed by the intransient status quo and thus our efforts to educate about how to craft a good, new choice-related law — be it charter schools or vouchers for special needs kids, or even public school choice — must be stepped up. Consider:

There's the Education Chairman from a southern state who proudly announced to the Center's External Affairs team "We will not do any legislation this year," when pushed about improving the state's charter school law.

Many readers will recall all too well the "special place in hell" that a Western state education chair reserved for us reformers, and the ensuing, equally pitiful, remarks by that same state's Senate education chair.

Governors declaring the need for moratoriums on all choices; state boards telling charters there will be no more funds for them; last-minute legislative deals that remove the ability of more than 2,200 parents to attend charters virtually, despite myriad logistical needs, learning differences or simply the embrace of modern technology.

And yet the British Ambassador summoned supporters like CER to the table to brief his Minister of Education on these same issues. The Emir of Qatar meets with American education companies regularly. Dubai is now like NYC, where almost weekly a new school or enterprise driven by Americans is being developed.



What's the biblical saying? A prophet is never accepted in his hometown...

Well, we won't say *never*. Just not often enough for the children whose lives we influence by policy. Since we (happily) have a democracy and cannot hold an election at will, we persevere and continue to look for new ways to inform, cajole and succeed in getting new laws for choice firmly planted in states that are fertile. We also have stepped up our efforts to remind supporters that 'charter', for example, is not a dirty word, even if Bill Gates and Andre Agassi can't bring themselves to use the word when the lights are shining and millions are watching.

Every week throughout the year this organization's public affairs team reports through *Newswire* and via the web about the progress being made in states. With the help of our distinguished fellow Kevin Chavous, CER has been thoroughly engaged in communities in well over a dozen states just since January, responding, supporting, strategizing, and cultivating groups whose success is critical to continued reform efforts. To name a few:

ColoradoGeorgia

New Jersey

• New York

- District of Columbia (way beyond K-street)
- Kansas City, MO
- New Orleans

• Ohio

- Oakland, CA
- Pittsburgh, PA
- The Battle for Fiscal Equity

It's hard to believe that in 2007 we'd still be funding public schools in the same communities differently, just because they are public schools of choice and not tied (in most cases) to existing bureaucracies. We've watched, analyzed, and researched the legality of statutes that force public charter schools to operate at vastly lower funding rates while still expecting more and better of them. Oh, don't get us wrong — they are doing it, and they are doing it with passion and commitment, and, yes, with better achievement than most of their conventional public school counterparts in the same neighborhood. But as one National Charter School of the Year winner put it recently, this is a cause of social justice and one that must be won.

We agree, and thus almost two years ago we launched the first Fiscal Equity Campaign for charter schools, which is dedicated to correcting through the legislatures, the courts, and the court of public opinion the overwhelming underfunding of charters, and the often intentional effort to do this to ensure that they do not succeed. With a team of attorneys at the law firm of Sonnenschein, Nath and Rosenthal and led by our resident scholar and fellow Kevin Chavous, CER has investigated the

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constitutions of all 50 states and has committed to working in three to start to support local legal challenges to state statutes. Moreover, CER has designed model legislation that ensures the strength and sustenance of schools, and requires that charter laws designate the same funding streams — not just the same amounts — for charters as for other public schools in order to garner a high mark from us. This is not about money. We know money is not the answer. It is about equity – charter students having the same resources that states make available to all other public school students they manage. And of course, we know that building level spending will always be more efficient than district-level.

Legislation, lawsuits, court of public opinion...it probably sounds a little much to some, but we think that fiscal equity is the most important endeavor we can lead in the school choice arena to ensure that when we all push reform we're willing to fight for what will truly make more choices available to more children. We have lots more to share — call or write if you want to learn more. In the meantime, you'll be hearing much, much more in the coming months thanks to some fantastic state partners.

School Choice in DC — Lessons learned

"You don't understand how far some parents will go in order to help their children. Many of them work 2 and 3 different jobs and are unable to go to the library to research their rights and options for the education of their children, and you know the public schools won't tell them that other choices exist. Thank you for helping us." (Community coordinator at 7th Day Adventist Church)

"Thank you so much for coming out to us and sharing this information. It seems like no one ever wants to come out to the neighborhoods and actually see the people we are trying to help." (Center coordinator in Southeast)

These were some of more than a few hundred comments we heard from DC parents during our year-long effort to reach out deep into the heart of the District where we thought there might be a need for more information about the choice options available throughout the city. Thanks to a grant from the Cortopassi Institute, Deputy Director of External Affairs Jose Sousa organized and led a CER contingent throughout the city, addressing small and medium-sized groups of parents through intermediary organizations such as the United Planning Organization and the Latin American Youth Center. With an introduction by the leader of these neighborhood organizations, Jose, Kara or others from CER were embraced by the community's members, who listened, asked questions, showed strong interest in choice and left better informed.

We salute the Washington Scholarship Fund, whose leaders run a tight ship servicing its almost 2,000 families daily and conducting amazing recruitment efforts. Other groups also work to inform in a broader way, but our experience reinforced our own grassroots ideology — that one must meet the people where they feel comfortable and address their issues in small, communal settings if we are ever to build a stable support base for choice.

Special Profile: William Walton, CEO, Allied Capital

We are pleased to start a new feature highlighting some of our long-time supporters who dare to be reformers!

William Walton has been Chairman, President, and CEO of Allied Capital since 1997 and director since 1986. Allied Capital is a business development company with total investments of more than \$4 billion. Mr. Walton's previous experience includes serving as a managing director of Butler Capital Corporation, as personal investment adviser to William S. Paley, founder of CBS, and as senior vice president in Lehman Brothers Kuhn Loeb's Merger and Acquisition Group. He also founded two education service companies: Language Odyssey and SuccessLab. Mr. Walton currently serves on the boards of the U.S. Chamber of Commerce, the Financial Services Roundtable, and as Treasurer of the National Symphony Orchestra. Mr. Walton received both a B.S. and an M.B.A. from Indiana University, where he is currently serving as Chairman of the Kelley School of Business Dean's Council.

Since 1990, William Walton has been following education reform, believing that without the competitive forces that choice brings, there can be no educational excellence for children who need it most or for a country whose future depends on keeping an edge.

We asked Bill to share how his passion for reform translates into support for CER:

- **CER:** What do you think is the key aspect of education reform?
- **WW:** Government-run schools have proven they cannot do the job. We need to give the private sector a chance. Generation after generation of inner city kids is getting served less and less well by the existing system. We simply need to break the cycle.
- **CER:** How else are you involved in ed reform?
- **WW:** I support the National Foundation for Teaching Entrepreneurship (NFTE). It represents one of the paradigms that can work in inner-cities. NFTE outsources teaching of entrepreneurship to inner city schools and it emphasizes values and self-reliance, similar to what Junior Achievement does.
- **CER:** In the changing political landscape, where do you see education reform moving?
- **WW:** In the coming presidential election, all the candidates will be focused on education deficiency, because they recognize that it's the key to keeping international competitiveness. But nobody is taking advantage of the situation to look at the problem in a new way.

- **CER:** Why do you support the Center for Education Reform?
- WW: CER is the leading advocate of free market ideas as they impact education. I believe that it is vital that the ideas be constantly broadcast and you support people around the country that also get it on the local level. That's what you're there to do.
- **CER:** Why should others follow your lead?
- **WW:** Your organization helps bring about fundamental change in education, which is an essential task. You have the singular focus necessary to do this. We know the educational system is broken. CER is the voice to articulate clear change.

American Idol Meets Education Reform

Our leadership in the reform world was apparent at the recent National Charter School Showcase. Put on by the Department of Education for state leaders, CER participated throughout, and along with presentations on creating model laws by our colleague Michael Musante, Jeanne Allen was asked to close out the conference with a session promo-ed as the "American Idol" panel. Jeanne insisted she wasn't Paula (that honor was left to MN charter veteran Joe Nathan, who, they joked, is more the touchy-feely sort!).



In the News

At Edspresso, on edreform.com and internally, daily news clips are posted that are the result of early and ongoing research into newspapers and other forms of media all over the country. Our stalwart media relations guru and leading hockey fan and his team start searching around 7 am ET and by 8:30 they've presented their colleagues — and the world — with the highlights of the day. This daily research also yields responses to various media outlets as well as contact with reform folks to help them understand how best to deconstruct and present the issues. To wit, here's a brief run down of recent media attention that we worked hard to achieve, so that the message of reform we all endorse gets deeper and deeper into the American psyche:

Broadcast News: CER appeared on seven radio shows, on both English and Spanish radio, discussing topics ranging from scholarships to mayoral takeovers. Among them: *WICC* in Connecticut, *Univision* in Houston, and *WLTH* in Gary, Indiana.

Print News: The Wall Street Journal, Houston Chronicle, and The Washington Post, to name just a few, carried our message to more than 25 million people nationwide.

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Thank you for your readership, your leadership and your support. Please feel free to call us any time. Enjoy these beautiful summer days and please reach out and let us know how we can do better to serve you and our customers!

David Monge, editor Contributors: Jeanne Allen, Angela Dale, Kara Hornung and Jose Sousa

Ne've Moving!

Our new mailing address will be: The Center for Education Reform 910 17th Street NW, Suite 1120 Washington, DC 20006

CER is also acquiring a northern office in beautiful and convenient Bethesda, MD, just 20 minutes out of the city. In addition to our new DC office, CER's move will help reduce overhead and provide better quality space to all of its employees.

> You can reach us in Bethesda at: 4825 Bethesda Avenue, Suite 220 Bethesda, MD 20814

Our phone numbers will remain the same: (202) 822-9000 (800) 521-2118 www.edreform.com