

Education Inc.

[Transcript]

Text on screen: This film was self-funded. No outside money was used to make this film.

(Opening montage)

Music lyrics: “When I grow up, I want to be so good, learn all the things I know I should, uh huh, uh huh. When I grow up, I want to be so tall, I want to stand up high to see it all, uh huh, uh huh.”

Kids: “Hi!” (giggles)

Title: Education, Inc.

Woman: “Three, two, one, zero!” (applause, cheers) “The polls are now closed.” (more cheering)

Narrator: It’s election night, a night that’s been coming for a long time. A new school board is up for the vote.

And for what’s often an overlooked, uninteresting and low-turnout election... tonight is different.

Woman: “We’re going to change the district for the better.”

Narrator: These people are my neighbors and my friends. They’ve been pushing back against a free-market, conservative school board. They’re trying to roll back free-market education reforms that have split our community in half.

Woman: “We’ve put so much time and effort into this election. You can feel all the energy in the room right now.”

Narrator: On the other sides of this election, a handful of some very wealthy people and their organizations have spent a lot of money to keep these local citizens from running their own school district. In fact, they’ve outspent these citizens about ten to one. In all, more than a million dollars has been spent on this local school board election.

Woman: “It’s a cash bar, so pay your bar bill because the campaign has no money.”

(Laughter)

Narrator: The majority of that million dollars has come from a small handful of billionaires and millionaires outside of Douglas County. Like, Jeb Bush, The Koch Brothers, Michael Bloomberg, the billionaire who founded JD Edwards, an oil and gas magnate... and a commercial real estate developer. These guys don't live here... and they don't have kids in our public schools. So why are they pouring all of this money into a local school board election?

This might have something to do with it. The annual budget of Douglas County Schools hovers somewhere around the half-a billion dollar mark... that half-a-billion is, for the most part, replenished by the taxes we all pay every year.

And so far, that money has been off-limits to the private sector, because it's been set aside to educate the kids of public schools in Douglas County.

But, what if all that money could be freed up to the marketplace, so that investors, hedge fund managers, and other entrepreneurs could tap into what's considered a sacred cow? That would be a pretty safe investment, knowing that that 500-million would be replenished every year by you and me, the taxpayer.

CNBC anchor: "Why would I want to add charter schools into my portfolio?"

David Brain, President and CEO, Entertainment Properties Trust: "Well, I think it's just a very stable business, very recession-resistant. It's a very, uh... it's a high-demand product. There's, uh, 400,000 kids on waiting lists for charter schools. They're opening... growing, the industries growing about 12-14% a year..."

Narrator: Some people think running public schools like a business is just fine. These free-market thinkers think public education in America is broken and they've led a strong narrative against public schools, teachers, and unions.

This highly-coordinated effort, largely outside of the public view, aims to turn public education over to free-market and public business.

They use politics and marketing, backed by a lot of outside money, to turn over these local communities.

Here's how it started in my hometown.

President George W. Bush: “Major financial institutions have teetered on the edge of collapse, and some have failed.”

Narrator: The financial crisis of 2009 came right to the front door of Douglas County Schools. Reserves dried up, which were followed by dramatic budget cuts, which meant the end of many classes and programs. Teachers had to take what would become a 4-year pay freeze. For many, the school district needed some changes, some “smart business sense,” to get us back on track.

So, in the past two election cycles... a self-described free-market school board got elected into office by a small minority of residents who showed up to vote. I hate to admit it... but I was part of the majority that didn't show up.

Their reforms center around choice, where free-market competition between schools is considered healthy, and parents get to choose their education for their children, the same way one might choose a new car.

Douglas County School Board member Craig Richardson: “We simply prefer um... some attention to scarcity and demand as being determinants of compensation, and oh, by the way... that’s what’s true in the rest of the American economy. Why should it be any different here?”

Narrator: The board’s first order of business was to find a new superintendent to carry out its agenda. The board recruited Dr. Elizabeth Fagen, a guest speaker for the free-market, Milton Friedman Foundation.

It was about the same time she started, that teachers started leaving.

Reporter: “Dozens of teachers leaving each Douglas County school. Then you talk with district officials who say things are better than ever.”

Narrator: Some people liked their ideas.

Parent: “I support our school board, I support reform, and I support every teacher out there, but I do not support what the union is doing here tonight.”

Narrator: Others see ulterior motives.

Parents: “We believe the district leadership and the Board of Education members distort

messages to an alarming degree, which borders on knowingly misleading the public it was elected to serve.”

“I cannot embrace corporate education reform.”

“Our children deserve so much more. Thank you.” (loud applause)

Narrator: I’m no education expert, and I don’t pretend to know how to run a public school system... but just look around.

(Horns honking)

As a parent with two kids in public schools, I had some questions.

Diane Ravitch, Former Assistant Secretary of Education & Author “It’s a very libertarian philosophy that says ‘let the market rule.’ And to me, what’s amazing is that there are in fact, conservative Republicans, and I meet them, who say, ‘I’m a conservative, I don’t want to tear down public education. The public school in my community is the heart of the community. As a conservative, why would I want to tear down my own community?’”

Dr. Julie Mead (Professor of Education – University of Wisconsin): “I always think back to a great book, actually, uh, David Berliner. And Berliner and Biddle wrote this book called *The Manufactured Crisis*, where they actually take you through how all of that data was used to spin in a certain direction, to paint the picture that schools were failing. But to suggest that the system is failing such that we need to wholly drop it or transform it into a private... or to give it up, right, is, um, I think, not supported by any sort of credible research.”

Chris Tienken (Associate Professor of Education – Seton Hall): “This idea that’s propagated in the media and with policy makers in terms of public education is in a crisis, or is failing, once again, that’s been around for a long time, since Sputnik, but it really started to take off in the 1980s after the release of ‘*A Nation at Risk*.’”

Narrator: ‘*A Nation at Risk*’ was a report commissioned in 1981. The report indicted the American public education system, claiming that we were on a steep downhill slide, and that future generations would pay the price. “*A Nation at Risk*” set the stage for what the authors of the report saw as much-needed reforms.

Douglas County School Board Director John Carson: “The math and science and

engineering scores of American students are among the lowest in the industrialized world now.”

Narrator: Reforms now use careful marketing language with sophisticated-sounding words and catch phrases.

John Carson: “We’re committed to a world-class education...”

Elizabeth Fagen: “As we look at world- class education targets...”

Douglas county Schools TV ad: “I am so passionate about getting education right.”

Narrator: Why does a public school district need to advertise?

Ad: “... and I know that they’re depending on us. We have some extraordinary teachers in Douglas County...”

Narrator: This is a form of image marketing. It’s the same kind of strategy used by big corporations who’ve gotten bad press.

British petroleum image commercial: “BP has paid over 23 billion dollars to help people and businesses who were affected, and to cover cleanup costs...”

Narrator: These kinds of commercials are used to make us all feel better about them. Superintendent Elizabeth Fagen advertises Douglas County Schools as an excellent district with its eye on the future.

Douglas County School ad: “We have just an amazing opportunity in Douglas County, because of the quality of our teachers...”

DC Teacher: “The emphasis on education and kids...”

Narrator: But ask the teachers, and they’ll paint you a different picture.

DC Teacher (cont’d): “... shifted from doing what’s right for politics.”

DC Teacher: “Just the feeling that I can’t do enough, or that I’m, it’s sort of being watched by Big Brother. That’s the type of feeling that I’ve have that really negatively impacts my ability to do my job.”

Narrator: One thing that’s certain in Douglas County, there are a lot of teachers that feel

intimidated.

The 30-plus teachers I interviewed all asked that their identities be hidden.

Filmmaker: “You’re okay with this?”

Teacher: “Mm-hmm.”

Narrator: Except for one.

Teacher: “You’re starting to worry me.” (laughs)

Narrator: Brian White is a Gulf War vet, a parent with kids in Douglas County Schools, and a high school teacher.

Filmmaker: “You’re not afraid to show your identity?”

Brian White: “No, no I’m not.”

Filmmaker: “Why not?”

Brian White: “Um, because I think the truth needs to be told, and I want people to see me telling the truth about what’s going on.”

“You know, I know that the teachers in this district, myself, the teachers that I work with, work very, very hard to make sure that the kids in this district don’t, aren’t feeling the effects of what’s going on, but some of it is, I think, inevitable.”

Brian White (at school board meeting): “... because the climate created by the board and central administration sucks the life out of teaching.”

Narrator: At any given school board meeting, you’re likely to see Brian White at the podium. He’s one of the few teachers, who’s not afraid to face off with the school board.

Brian White: “... because your corporate reform model is destined to fail.”

Narrator: You’re not afraid that this district might come after you, at all? This board, this superintendent?

Brian White: “Uh, they may... um, and if they do, we’ll just take that, when it comes. I, you know... I’m not, uh... it’s obviously something that I’ve considered, and if that happens,

we'll... we'll just have to take it from there. I'm, you know, but I have two kids in this school district also, and I am doing everything I can to fight for what's right for them, and also for the students that I teach."

(Douglas County School Board Meeting)

Parent: "... my child... I sat at a D-A-C meeting and watched you" Man mumbles. Parent: "You're going to sit here and tell me that I didn't sit at a D-A-C when you made..."

Narrator: Teachers aren't the only ones upset at the district.

One of the hot buttons is the controversial voucher program. Vouchers take public money away from public schools and give it to private schools.

It's an idea that's been around since "No Child Left Behind." Vouchers were presented as a way to give low- income parents, whose children were in failing schools, a way out, to private schools. Many of those private schools happen to be religious schools.

President George W. Bush (Education Bill Signing Ceremony, Jan. 8, 2002): "Parents must be given real options in the face of failure, in order to make sure reform is meaningful..."

Narrator: And because that crossed the line between separation of church and state, vouchers were dropped from the final version of "No Child Left Behind." But in Douglas County, vouchers have been reborn with the Choice Scholarship program.

Meet Cindy Barnard. She's a long time school district volunteer and for years, has helped the district with budgets and planning. She's also the co- founder of Taxpayers for Public Education.

Cindy's well-known for her eye to detail, and there were details about the voucher program that weren't adding up. A lot of missing information from public documents.

Cindy Barnard: "So they developed this under the framework of a charter to count students. We've connected the dots."

Narrator: She discovered the district had set up a dummy charter school.

Cindy Barnard: "...Choice Scholarship Charter School. Now, this charter school was designed as the mechanism to fund children and basically launder the state funds,

earmarked for public education, launder it through this charter school, to hand over to private organizations.

There were no students, there were no walls, there were no books, there were no teachers... this was simply a mechanism to take public tax dollars, hand it over to private schools.

“Parents who wanted a voucher for their child, would sign up for this dummy charter school. Then, the district wrote a check to the parent for the amount of the voucher. But, the check did not get mailed directly to the parent. Instead the district sent the check directly to the private school. And the parent never actually saw the money, until they showed up to endorse this check over to the private school.”

Narrator: So Taxpayers for Public Education sued the school district.

Cindy Barnard: “In order for vouchers to take hold in the first place, they had to have done a lot of groundwork. Douglas County is far from a failing urban school district. And no one ever gave vouchers any thought, at all. They had to sell it with a lot of outside money that was spent to sway voters, win elections, and then sell the idea of vouchers to the public.”

Douglas county school district TV ad: “I am so passionate...”

Narrator: That "feel good" television commercial?

It was bought and paid for with \$150- thousand-dollars from the Daniels Fund, a non-profit that supports free- market education reforms.

And during those past election cycles, most of the money spent came from two wealthy businessmen, who had a stake in seeing vouchers succeed. Ed McVaney, and Ralph Nagel.

Nagel, a commercial real estate investor, had been an outspoken voice for pushing for the privatization of public schools. Nagel is a major donor for the Alliance for School Choice, a pro-reform lobby group, based in Washington, DC.

Narrator: Ed McVaney is the co-founder and former CEO of JD Edwards. He’s credited with being one of the wealthiest men in America. After selling off JD Edwards, McVaney’s attention turned to Douglas County, where he helped to create Valor Christian High School, a 93-million-dollar private religious school with current annual tuition of \$16,000

per student, plus fees.

With the new voucher program in place, Valor Christian would stand to benefit greatly from the redirected tax dollars for vouchers. And, it did. Before the courts put a stop to it, Valor Christian received more public tax dollars from vouchers than any other private school in Douglas County.

Back in 2011, McVaney and Nagel combined contributed 60-thousand dollars to the local school board election.

Defending its position on vouchers has cost the district a lot of money.

Using taxpayer money to fight the case would be an ethical breach for the board. But, it's an expensive case to defend.

So, the board has called in favors from some of its free-market friends. Not from Douglas County residents, but from well-known reform agenda supporters. Like the Walton Family Foundation of Wal-Mart fame. The Daniels fund again, chipping in over a half a million dollars. And Alex Cranberg, an oil and gas executive who founded the Alliance for Choice, and donated 50-thousand dollars for the legal defense of vouchers.

Voice of Douglas County School Board president John Carson: "We have Cindra Barnard from Highlands Ranch."

Narrator: But despite all of those donations, Cindy Barnard discovered that the school board had been using our public money to fight for vouchers in court.

Cindy Barnard: "The result, \$127,368 ... these are state and local tax dollars, earmarked for the public education of our kids, that are being spent elsewhere."

Douglas County board president John Carson: "Well, I'd just like the record to show that you are the cause of those legal expenditures. Are you seriously suggesting... (boos from the crowd) You sue? You sue this school district, and then you complain that we have to raise private funds to defend the decisions of a democratically elected board?"

Cindy Barnard: "Mr. Carson..."

John Carson: "You are the cause of those expenditures."

Cindy Barnard: "Mr. Carson..."

John Carson: “You are the cause. You are the cause of those of those expenditures.”

Cindy Barnard: “Let me...” John Carson: “period.” Cindy Barnard: “Let me remind you...”

John Carson: “and we will defend the actions of a democratically elected board through private donations.”

Cindy Barnard: “I do not want district funds spent on a program that, as of today, has been found to be illegal and unconstitutional.” (applause and cheers).

School board member Doug Benevento: “Sit down, Miss Barnard! “We’re not taking shouted comments from the audience.” (audience cheering)

Board member: “I don’t know, if we have the sheriff around, but if that continues...”

Student: “Members of the board, I would like to speak.”

John Carson: “You may come up here and speak!”

Student : “You bullied people. That is what you have been doing, and you expect the teachers and students to respect you. That is not okay. That is not acceptable, in the least. You disgust me. You are the problem, here, not the solution.”

(Applause)

Cindy Barnard: “Democracy does not exist. We have a board that not only ignores student results, they ignore parents, they ignore teachers... our voices have been completely cut off. I wish people would wake up and get their heads out of the sand.”

Narrator: It’s no surprise that Cindy and others who have been asking too many questions are being shut down by the school board, while supporters get all the time they want at the podium.

Colorado Rep. Chris Holbert, (R): “Well, I’m here to remind you and thank you for allowing politics to be part of what you do in this district.”

Narrator: And they do have supporters, but no one’s talking. I asked this lawmaker for an interview, but he didn’t return my emails or my calls. No members of the school board – not superintendent Fagen, not anyone on her staff, not anyone in support of reforms would agree to be interviewed on camera. And the district now pays for an armed security

guard for superintendent Fagen, wherever she goes in public.

Filmmaker: “Dr. Fagen, how did the meeting go? Can we have a couple of words?”

Voicemail message, Cinamon Watson, Douglas County school district communications director: “You know at this point, we’re not ready to schedule any interviews.”

Superintendent Elizabeth Fagen: “I just don’t feel like it’s the right approach for me to take to participate. It’s just so ambiguous for me.”

Narrator: It’s not just me. Now it’s becoming more and more difficult for anyone to communicate with the school board.

Teacher: “We have given our lives to teaching.”

Narrator: The two-minute time limit for public comment is strongly enforced by the bell.

Teacher: “You all know that.” (alarm bell sounds.)

(Teacher talking over alarm bell. Brian white talking over alarm bell. Bell ringing over public comments.)

Narrator: It’s becoming more and more difficult to attend public meetings. Almost half the time, this school board meets behind closed doors.

Sheriff: “Right now, I just ask for your cooperation.”

Filmmaker: “This is a public forum. This is a public meeting.”

Sheriff: “I understand. I understand that. You have to understand, I’m just doing my job. I’ll get you whatever answers you need, all right, and I’ll help you out as best as I can, okay? Thank you sir, I’ll just have you stand back of the meeting room.”

Narrator: And now they’ve made it more difficult to cover public meetings. Without warning, the district changed their media policy, confining reporters and cameras toward the back of the room, where we can only see the backs of people’s heads and can’t hear them speak. If you remain behind the line, you can stay, but if you cross the line...

Filmmaker: “I choose to cover my meeting, my public board meeting.”

Officer: “Ok. Adam 24, can I get a second unit to the school board meeting? We have a

subject creating a disruption being asked to leave, refusing to do so... okay.”

Narrator: It’s reasonable for any parent to want to know what’s behind these reforms, and why they’re causing so much turmoil. What is unreasonable is being stonewalled to the point where, instead of getting answers...

Officer: “Break down the equipment. We’re leaving.”

Narrator: I’m escorted from a public meeting, surrounded by police, and then banned from all school property.

Former Colo. Sen. Nancy Spence (R): “A parent is a customer in that they pay taxes, and they should be able to take their tax dollar to a school that best fits their child’s needs.”

Narrator: Finally, after several requests, I did find a free-market supporter who would talk. This is former Colorado state senator, Nancy Spence.

Nancy Spence: “You know, I think that as schools are doing a good job, they’re going to be able to retain those kids, and the kids won’t be leaving. I support charter schools and the fact that some parents take their kid, and the dollars go right out of the local school into the charter school.

I get that, but schools have the ability to adjust their budgets to make accommodations for that. Um, and if they don’t want to, and they can’t do it, they’d better do a better job to make a parent, to make sure the parents are pleased with their product, with what’s happening in that school. Or parents will take their money and go to a private school.

Maybe a parent values a religious education, um, more than they value a higher academic education at their neighborhood school. I don’t know. It’s a parent’s choice, whether they want to put their kid in a private school or not.”

Barry Schwartz: “This is a manifestation of another thing you see at the very high end of society, where people stop worrying about sanitation and police, because they live in enclaves with gates, and they hire a private police force and private sanitation workers.

So, you know, ‘I don’t care about the quality of the public services in the city of Denver. What I care about is the quality of public services in my, uh, gated community. And I’ll pay for that. And not a dime of my money is going to go to take care of people where I don’t benefit.’”

(Loud cheering)

Narrator: Katy Perry visited Lakewood High School after students there won a national contest for school spirit. Lakewood is the flagship of Jefferson County schools, which is right next door to us in Douglas County.

Katy Perry visited the school and performed a private concert for the kids of Lakewood High.

(Cheering) (Music)

In order to win the contest, the entire Lakewood high school student body produced a video project together. This is what a great public school can do, when there is real dedication and a public community behind it.

(Cheering)

To me, it exemplified how great a public school can really be.

(Cheering)

How quickly things can change.

(Cheering changes into loud booing, people yelling)

This is Jefferson County schools, just a few months later.

As in Douglas County, a small number of voters, voted in a free-market majority in a low-turnout election. The new majority caused a lot of controversy with many of the same reforms we've seen in Douglas County.

Dr. Cindy Stevenson, Jefferson County School Board Superintendent: "I will be gone before the end of the month... and I just want you to know..."

(Audience booing loudly)

Man yells: "The board's a piece of crap!"

Woman yells: "Yeah!"

(Applause)

Narrator: Jefferson County Superintendent Dr. Cindy Stevenson was among the first to be pushed out in a surprise decision. (Boos continue) And after an alleged national search for her replacement, Jefferson County's school board chose Douglas County's second in command.

Our assistant superintendent got the job as superintendent in Jeffco.

Jeffco school board member Lesley Dahlkemper: "This majority board has hired a board attorney behind closed doors. This district is moving in the wrong direction with this decision. I don't support it."

(Applause, cheering)

Narrator: There's something different here in Jefferson County, a raw energy that you just don't feel in Douglas County.

(Cheering, whistling)

These citizens aren't afraid to stand up against the reformers... and watch this:

[School Board Meeting]

"Had the decision already been made?"

Narrator: When Ken Witt, the newly-elected reform school board president, is questioned by an opposing school board member, and he refuses to answer the question...

Ken Witt: "This board will take a 10-minute recess."

(boos, yelling)

Citizen: "Sit down and answer the question!"

Woman: "Why can't you answer her questions?"

Man: "Yeah, take your lying lawyer and go in the back. Go!"

Ken Witt: "Security has requested that we adjourn the meeting, now."

Narrator: The citizens shut the whole meeting down.

(Boos)

Crowd chanting: "Recall! Recall! Recall!"

Narrator: If this kind of thing is happening in Douglas County schools, and right next door in Jefferson County schools... where else?

Student yelling: "We will not move until we see justice!"

Crowd: "We will not move until we see justice!"

Narrator: The hostile takeover of public schools is happening almost everywhere.

Protester: "We will strike, too!" Crowd: "We will strike, too! Wooooooo!!!"

(Loud Cheering)

Citizen: "Parents, you need to question these people. Do the research, it's online."

Narrator: The more I learned, the more questions I had.

San Diego teacher at podium: "... that this bullying has not stopped since 2011."

(People chanting)

Narrator: In order to get those answers, I had to leave Douglas County and see for myself. So I bought a plane ticket and headed for Chicago.

(People cheering President Obama)

Narrator: Unlike conservative Douglas County, Chicago has a long dynasty of Democratic control. It's no secret, Chicago is plagued with poverty, and it's reflected in its public schools. Chicago Public Schools graduates only about 69% of its students.

Phillip Cantor, Teacher, Chicago Public Schools: "When you're working with really low-income students, the level of out-of-school factors that you have to deal with, goes up dramatically. These are students who deal with abuse, they're students who deal with family members who are incarcerated, at a high level. I mean, it's not one or two students... I teach 150 students. It's not one or two who have a parent in prison. It's many who have parents in prison. It's not one or two who have witnessed an incident of gun violence directly. It's many of them have witnessed it directly, and all of them have been

touched by it indirectly.

Your job as a teacher is to teach them the content. I still have to teach them DNA replication, but I'm also trying to sort of help them through their life, at the time, and unless I can connect with them and help them just know that somebody cares about them and their life, they have no interest in learning about DNA replication."

Rahm Emanuel: "Thank you, Chicago... you sure know how to make a guy feel at home!"

(Loud cheers)

Narrator: Rahm Emanuel left his post as President Obama's Chief of Staff to run for the Mayor of Chicago.

A cornerstone in Mayor Emanuel's plan was to shutter more than 50 public schools, while at the same time, allowing privately-run charter schools to mushroom.

This new generation of charter school has proven to be a safe bet, and a boon for charter school companies.

CNBC anchor: "If you could buy one thing right now, David, one type of asset in real estate, what would it be?"

David Brain: "Well, the charter school business, we said is our highest growth and most appealing segment right now for the portfolio. It's the most high in demand, it's the most recession-resistant, and great opportunities set, with 500 schools starting every year, it's a 2.5 billion dollar opportunity set in rough measure annually."

Narrator: Charter schools are one of those sticky widgets in public education. Some people love them. Others see them as a threat. Many parents see them as a step up from public schools, because charters often present themselves as a quasi-private alternative, where some students wear uniforms, and the schools can have catchy names with words like, "Academy" and "College Prep."

Originally, charter schools were alternative public schools started by parent groups who wanted a more direct involvement in their child's education. And for many, that model worked well. But that model has changed, over the years.

A current trend is charter schools run by private education management organizations,

sometimes called EMOs or CMOs.

About 40% of the country's 6,000 charter schools are run by these companies, and the trend is growing. As an example, about 80% of Michigan's charter schools are now privately run.

And, not every kid can attend a charter school. There's evidence that some schools can make it very difficult for students to get in.. if they don't fit the mold.

A Reuters investigation found at some schools, the enrollment period was only a few hours, each year.

At this charter school, located in a wealthy suburb of Chicago, parents were required to become investors in the school. There were benefits to this investment, including naming rights for the donor who met the \$10,000,000 price tag.

Charter schools don't have to provide many of the services required by traditional public schools. Like, for instance, free and reduced lunch. Most do not provide transportation. And although charter schools are required by law to provide special education, investigations have shown that students with special needs are often discouraged from enrolling and counseled out of charter schools. In Illinois, charter schools even have their own lobby group.

Phillip Cantor: "Instead of charters being started by teachers and parents in a community, they're being started and funded, with public money, through these large charter chains, that are large business conglomerates. Uh, some are for profit, some are non-profit, but they all, if you look at their boards of directors, tend to be full of hedge fund managers and investment bankers. Uh, the education market is seen as a tremendous market."

Diane Ravitch: "Whenever they're challenged in court, or before the national labor relations board, they say, 'We are not a public school. We are not subject to the public laws. We're private corporations that contact with the government.'

I'm convinced, I've seen this now happen time and again, on the west coast, on the east coast, and in the Midwest, where the charter response to any situation is, 'We're not public schools,' but when they go looking for the money, they're public schools."

News anchor: "When Rahm Emanuel returned to Chicago to run for mayor, it was the CEO of UNO, Juan Rangel, who walked alongside the streets of Pilsen. Questions have

surfaced about alleged insider deals to contractors.”

Narrator: Federal investigations and FBI raids raised questions about EMOs in Chicago and across the country.

News anchor: “UNO had received a 98-million-dollar state construction grant, but now the Securities and Exchange Commission is investigating UNO.

Terrance Carroll, Democrats for Education Reform: “I would be lying if I said I’m not concerned about ensuring quality within the education reform movement. Whenever you have, um, something new, something innovative, and people are trying to get involved with it, you’re going to have folks who get involved who have an opportunistic, um, bent to them, whose interests aren’t really in the students or the families, but, ‘How can I make a buck off of this?’”

Narrator: In Chicago, charter schools proliferate, while public schools close.

Rahm Emmanuel (March 25, 2013): “The decision to deal with the 54 schools was not taken lightly, but it was taken with the notion of how do we make sure that every child can get to a quality school with a quality education?”

News anchor (NBC Chicago/WMAQ): “The feeling of a loss of local control and identity, when politically connected outside companies and groups take over their schools in an attempt to make them better.”

Citizen: “You already have took our jobs away. You already have took our homes away.

Crowd: “Yeah!”

Woman: “Now, you wanna take our education away!”

Narrator: Today, there is little harmony at Chicago public school board meetings.

(Angry citizens shout) “This is not a process.” “What’s wrong with our high school?”

Narrator: Public school students are left to fend for themselves.

Student (Chicago Student Union): “You are here under the thumb of Rahm Emanuel. You are here to purposefully set up our education for failure.”

Student: “This country has the money. These corporations have the money. These CEOs have the money. These banks have the money. And it’s not fair! It’s not fair...”

(Applause)

Student: “This is our school. These are our teachers! We should participate in our education! Our schools! Our students! Our schools!”

(Synth music up & fades out)

Narrator: I took a plane to the epicenter of American education policies... Washington, DC. And here’s what I learned.

No Child Left Behind has been the law of the land since 2002, when George W. Bush signed it into law. In the years since, the law has been criticized, because it ties so much success or failure of a school, its teachers, and its students to the results of standardized testing.

Publishing companies that support standardized tests, and all of the testing materials are among the most profitable in the free market reform movement.

Companies like Pearson Publishing, and McGraw Hill Education, make billions of dollars every year from contracts with school districts all over the country. Both companies have enjoyed huge growth since No Child Left Behind became law. It’s estimated that the testing business alone will top a trillion dollars in the next few years.

President Obama’s Secretary of Education, Arne Duncan, who, by the way, used to be the CEO of Chicago Public Schools, administers an education policy that creates a market friendly environment for testing companies.

Diane Ravitch: “The big emphasis of Arne Duncan was that the test scores should determine whether a teacher is effective or not effective. So if the scores go up, up, up, this is an effective teacher. If the scores are flat, or go down, then it’s the teacher’s fault. And this is real high stakes testing.

Narrator: So, we’ve turned these scores on the tests into some kind of sacred icon.

This cornerstone of the Obama education policy is called, the Common Core.

The idea behind Common Core sounds like a good one, giving every student a level

playing field of skills, when they graduate. But there are strings attached, and many of those strings lead back to the richest man in America, Bill Gates.

Gates has been critical of American public schools for several years. He claims public schools and public school teachers are, in large part, obsolete and ineffective. Gates' view of American education is one where charter schools dominate and compete for their students.

The Bill and Melinda Gates Foundation has spent, and continues to spend, billions of dollars to influence and change American public education. In just two years, the Foundation has spent more than 200 million dollars across the country to influence state lawmakers, teachers unions, school districts, and lobby groups to adopt and support Common Core standards. Just two years and 200 million dollars later, 45 states now adopt Common Core. It's a mammoth transformation of American public education.

No one can deny all of the good that Bill Gates does with his philanthropy. And the principal of Common Core is a good one. But, critics say it's the way Common Core's being implemented that's setting up public education for failure.

That's because Common Core has to be tested on students.

Common Core video, National Governor's Association:

Woman: "I'm talking about tests."

Child: "Eew. I don't like tests."

Woman: "Ooh, you're not the only one Eddie. But the new tests are just replacing the ones you already take... with questions that show us whether you really understand things, like fractions."

Narrator: And it's those standardized test scores that are the linchpin for success or failure.

If students perform poorly on standardized tests, then their teachers may get a poor review. It could even cost them their job.

If states don't prove they have rigorous education standards, federal money is held back from the public schools in that state. This is what's been called high stakes testing.

The claim is that No Child Left Behind will encourage better teachers and better performing schools, but critics see holes in that law.

They see it as putting a stranglehold on public school teachers and their schools.

Schools in impoverished areas and students with little family support will likely perform poorly. Their teachers will be poorly evaluated, and their schools will not receive the much-needed federal funding. When public schools fail and public school teachers are evaluated poorly, then reformers can make a strong case to close that school and do away with its teachers, often times replacing it with a privately-run charter school – something Bill Gates wholeheartedly supports.

While I was in Washington, D.C., I got a tip that Arne Duncan was speaking at a local elementary school for a press event, so I showed up there, too... with my camera. I was able to meet the Secretary of Education, and interview him briefly at the end of the event. I asked him about for-profit interests in public education.

Filmmaker: “Is it fair to have business interests be part of public education?”

Secretary Duncan: “Well, I think it’s an odd question. They, you have textbook companies, you have buses, you have lunches, you have milk. And so there’s always been business in education. The bottom line is how do you make sure every single child has a good education? That’s what we’re about.”

Diane Ravitch: “You know, if you look at it only as the right wing is doing this, that’s interesting, but more importantly, the right wing and the Obama administration are working hand-in-glove, and that is bizarre.”

Narrator: Turning public schools over to private industry takes changing some laws. And these laws aren’t being written on Capitol Hill. They’re being written a few blocks away, by corporate representatives, and their state lawmaker partners.

Members of the American Legislative Exchange Council, or ALEC, have been quietly rewriting education policy for business interests, state by state... and they’ve been doing it for decades.

(Satirical cartoon)

“Bill” character singing: “I’m just a bill. Yes, I’m only a bill, and I’m sitting here on Capitol

Hill. Well, it's a long, long jour-

“ALEC” character: “Tough break, Billy- boy, but there's a new way to make laws, these days. ALEC's the name, and you better not have scratched the limo, pal. See, it works like this, nowadays: A bunch of corporations get together and get tax write-offs for bankrolling a, ah, “charity” called the American Legislative Exchange Council. Sounds pretty official, huh?”

Narrator: Here's how ALEC works. Behind closed doors, corporate members meet with state lawmakers. Together, they write model free-market legislation that lawmakers from every state can take back and introduce as their own bills. Corporations get to co- write your laws. Under the Education Task Force banner, ALEC's website lists more than 45 pieces of current model legislation.

Sen. Nancy Spence: “I've chaired the Task Force with a woman from the private sector who was actually, um, an executive with Connections Academy in New York. So the two of us – private sector, public sector – chaired the Task Force.”

Narrator: Connections Academy, a corporate member of ALEC, is owned by Pearson Publishing. It's part of a rapidly growing industry of online schools.

Online schools make money by replicating a standardized internet curriculum, selling it over and over again, and collecting a majority of per- pupil revenue for every student who signs up. It's a very profitable model.

Dr. Julie Meade: “One of the bills that ALEC created, at the time when the corporate chair of the committee was an executive with a for-profit online vendor. And, in fact, two of the corporate members were both from two different companies that were for- profit online education vendors. What they created was this model legislation, the model virtual education bill, that would allow a state to create or to create charter schools that were, had no bricks and mortar, that were all online.

The Tennessee members of the task force brought that bill back to Tennessee. It was enacted nearly verbatim. They did remember to put Tennessee in there, but nearly verbatim. Within months, there was a no-bid contract from one of the school districts, hiring the very corporation that helped to write the bill...”

(Percussion/string music)

Narrator: As it turns out, ALEC's reach also comes very close to home.

Cindy Barnard: "The outside influences that brought the Douglas County Choice Scholarship program or voucher program into Douglas County are numerous.

The Independence Institute, which is a conservative think tank and ALEC member, helped to design the Douglas County voucher program.

ALEC alumni, Cinamon Watson, was a top-level school administrator, and during many of these reforms, Cinamon Watson ran the communications department at Douglas County Schools. But long before her time with Douglas County, Cinamon Watson worked for ALEC and co-wrote ALEC's guidebook on education reform."

Rep. Chris Holbert: "Well, I'm here to remind you, and thank you, for allowing politics to be part of what you do in this district."

Cindy Barnard: "Chris Holbert, a state lawmaker, he's a member of ALEC. Perhaps the most telling evidence lies in the language of Douglas County's own Choice Scholarship voucher program. The language is verbatim."

Dr. Julie Underwood: "I was never a conspiracy theorist about public education, until I started doing my work on ALEC."

Dr. Julie Mead: "I mean the Wizard of Oz, and somebody pulled that curtain away (laughs), and I'm going, 'Really!?! I've... really!?!'"

Narrator: Public education may be up for sale around the country, but not everywhere. I did find some examples where public education was working great. Here's just one example.

Frank Gargiulo, Superintendent of Hudson County Schools of Technology: "My premise is that learning doesn't take place unless there's interest behind it. Interest drives everything. You hook onto a student's interest, they'll go anyplace. You'll be surprised where they can go with that."

Narrator: Just across the river from New York City, Hudson County Schools of Technology is part of the public school system here. But they're far from traditional. A lot of that has to do with this man...

Frank Gargiulo: “In my school district, we pride ourselves on the culture, that really, wraps around every kid.”

Narrator: This is Frank Gargiulo, the superintendent of Hudson County Schools of Technology. Frank is well aware of the pressures that surround public education, and he’s developed some pretty strong opinions about what’s going on.

Frank: “Hi guys.”

Frank Gargiulo: “The scores and numbers and grades are the absolute detriment to American education in the 21st century, because American education requires creativity. It doesn’t require a score. This whole idea of standardizing. This whole idea of making people standard... There’s no such thing as a standard person. I never met this. I never met me anyplace.

You know, I mean, it doesn’t exist. And so what we continually try to do is take a kind of a round kid and stick him in a square hole and shove him in, best we can, and push down the size and get him in there or her in there. It just doesn’t work.”

Narrator: Frank Gargiulo has taken his schools down an unorthodox path, which shields his teachers and his students from many of the reform pressures.

Frank Gargiulo: “One of the chemistry teachers there, who teaches all the chemistry courses, I’ve convinced him that... no grades. Your job is to get them excited about it. They assign the grade. He told me they are doing more than they have ever done.”

Chemistry teacher: “When you look at it that way, it’s much easier to explain the different energies of the shells.”

Frank Gargiulo: “In the 21 you need to teach children how to learn, not what to learn. What to learn is the interest piece. Through that vehicle, you need to learn everything you need to survive and flourish and flourish and, and... be successful. I believe in a country where every kid has an equal shot at being something. That notion that we have, that we need to have winners and losers, is tough on kids.

Very often, uh, corporations and people who have a lot of money believe because they have a lot of money, they got smart. You know what I mean? The... and I don’t know if they’re smart or not smart, but they have a lot of money. And very often they come in and

try to dominate a school district. Education's not a business model. It's just not. It's a different thing, 'cause you're dealing with the brain."

TV anchor: "Listen to this: Nearly 80 percent of New York City high school graduates have trouble."

Narrator: American public education sure does have its critics. They compare us to other countries who rank much higher than we do. Like, for example, Finland. And they do have a point.

The Finland Phenomenon – New School Films: "Finland is the highest ranked country in the world by any education standard."

Narrator: But think about this: Finland is not America. Essentially, it's a socialist democracy, where everyone pays a lot more in taxes than we do. And teachers? They're among the most respected in Finnish society, up there with doctors and lawyers. Finland does not impose high stakes standardized testing on its students. And Finland has a population about the size of Boston, where mostly everyone comes from the same ethnic background. We're a melting pot of cultures and extremely different political views.

President Lyndon B. Johnson: And this administration, today, here and now, declares unconditional war on poverty in America."

(Applause)

Narrator: More than 50 years ago, President Lyndon Johnson did a lot to attack poverty head-on in the United States. But in the last half century since then, we've not only stood still, but slipped backwards.

Diane Ravitch: "Crisis after crisis, where we have social failure, the finger-pointing begins, and it's always pointed at the public schools.

The whole discussion of school reform has become a massive distraction from the real issues. The real issues in our society are, number one, we have the highest proportion of kids living in poverty of any of the advanced nations of the world, and it is getting worse. We're seeing the most dramatic income inequality in our history, uh, and a growing number of kids in poverty at the same time that a very tiny, tiny elite is living in unbelievable splendor. We're like, we, it's as though we've slid back to the age of the robber barons or the Gilded Age, when people like Bill Gates and Michelle Rhee, for

example, have said, if we fix the schools first, then we can turn to poverty. That's ridiculous!"

Frank Gargiulo: "First of all, schools need to be more influenced by the educators, they're, instead of the politicians. We have a problem with that, right now. The political spectrum is driving the schools. The educational spectrum is not, and that's a real problem, probably the number one problem in the country today.

The educators have to get back into the school, then it has to be an open dialogue."

Diane Ravitch: "I believe the tests should not be made by Pearson and McGraw Hill... tests should be made by teachers. Opt out of the tests, don't take them. Keep your kids home."

(music)

Narrator: I've been all over the country, and I've learned a lot more than I ever expected about how public schools work.

Teacher: "You're such amazing learners."

Student: "Yup."

Students: "We love teachers! We love teachers! We love teachers!"

Narrator: I started asking questions, because I wanted to know what was going on at my daughters' schools. So now, it's time to head home. There's a big election around the corner in my hometown.

(Honking, cheering)

Protester/Parent: "I was a public school kid, and I was smart enough to make a sandwich board and I love teachers..."

(Synthesizer music)

Filmmaker: "So, what are you guys doing here tonight?"

The free market reformers have their own strategy.

(Signs say "Grinches for Union Control")

Filmmaker: “I don’t understand the sign. Can you explain the sign to me?”

Narrator: These costumed Grinches wouldn’t show their faces in public, but it turns out, they were paid protesters from a mysterious outside money source.

And then, there’s AM radio. The free market reformers have a friend in conservative talk show host, Mike Rosen.

Mike Rosen: “But, you’re up against what I call, uh, women, mostly women, who have a terminal protracted case of teacher’s pet syndrome. These are nice, well-meaning, naïve soccer moms.

A lot will depend on your ability to get through to these well-intentioned, but politically naïve soccer moms about how high the stakes are here.”

Protesters: “No more reform!

(honking)

Narrator: Now, these soccer moms are mad as hell...

(Honking, cheering)

And they’re not going anywhere.

(Honking)

They’ve taken over sidewalks and intersections in every corner of the county.

Commercial: “Douglas County Schools... the best in Colorado. So, why are our schools under attack? There’s a power struggle over our schools.”

Narrator: While the “naïve soccer moms” take over the streets... the free market reformers take over the airwaves...

Commercial, cont’d. (Denise Denny): “The country’s falling behind, because our schools aren’t keeping up.”

Narrator: ...with an expensive prime-time ad buy, which includes Sunday Bronco games. In a little over a month, they’ll spend about \$350,000 on television commercials, alone... all for a local school board race.

Dr. Elizabeth Fagen (online video): “But our teachers have been absolute partners in...”

Narrator: And now, the top brass in the school district have gotten into the money race. Superintendent Fagen brought in Rick Hess of the conservative American Enterprise Institute to observe and report on the district’s reforms.

He wrote an article called, “The Most Interesting School District in America.”

The article was publicized by the district as an outside, objective, third party review. But in fact, the district and its non-profit arm paid Hess to write the article. “The Most Interesting School District in America” was published, printed, and then mass mailed to voters all over Douglas County.

William Bennett, the former Secretary of Education under Ronald Reagan, was also added to the district’s roster for paid opinions.

Bennett wrote and published his own paper, supporting the district and its reforms. He followed up with a live appearance and a speech in Douglas County, just before the election. Both his paper and his appearance were paid for by the district’s non-profit arm.

And on the other side, the Teachers Union has now jumped into the ring. They’ve dropped almost a quarter of a million dollars to fight back against the reformers.

Without much of a budget, an army of citizen volunteers has been going door-to-door to get the vote out.

Brian White: “Good afternoon, how are you?”

Resident: “We’re good, how are you?”

Brian White: “Good. I’m good. I’m sorry to bother you. My name is Brian. I’m out walking today ...”

Brian White is looking to break an all- time endurance record.

Brian White: “This school board race is being watched by people around the country. Um, they’ve poured in tons of money from outside the school district. The other four are outside the county.”

(Music)

Campaign manager: “Hello!!!...”

“Chase 47%, Geddes 52. How is that possible? Keim 48, Reynolds 51. Hodges 48, Dougie boy, 51. Sholting 46, Meghan 53.”

(Synth music)

(White Board – Citizens: 48%, Reformers: 52% - Final Vote)

Citizen: “The teachers at our school, they’re all gathered together, and um... Sorry, I’m gonna cry... they just keep saying that they’re not coming to school tomorrow, um... and they’re just so sad that the community has spoken like this. So, we’re just sad for our teachers, right now, that’s why we all got involved in this.”

(Music fades)

(Chanting) “Vote for change! Vote for Change!”

Brian White: “Going into election night, I thought that, you know, there was... it could have gone either way. The election could be considered a failure, because we didn’t win the election, but we almost won against massive amounts of money coming in from outside the county. I think I’ve come to realize that it’s more of a marathon than it is a sprint. It’s going to take some time.”

Narrator: Today, the Douglas County School Board moves ahead. And now, it has capped the number of people who can attend board meetings, leaving many citizens stuck out in the hallway.

But this fight is far from over.

(Horns honking)

Right next door in Jefferson County, the citizens have taken their cue from us, and they’ve doubled down on their efforts to push back.

Citizen: “We need to be out and be spoken and heard! Right now, we’ve got the national spotlight...”

Students (protesting): “We’re not pawns! We’re not pawns! We’re not pawns! We’re not pawns!”

Students: “Trust our teachers! Trust our teachers!”

Brian White: “Look at these people. They’ve all turned out to support their schools, support their kids, teachers are standing up, against what’s going on in Jefferson County. They’re walking out of schools, and it draws national attention.”

News anchor: “Friday, over a thousand Jefferson County students from fifteen schools have taken part in walk-outs.”

Student: “We believe that this issue was so important that it needed to be brought to the streets.”

Narrator: As a result, their board has halted and even backtracked on many of their reform plans.

(Honking)

Brian White: “Well, they’re taking actions that cause people to be aware of what’s going on. It makes them aware of what’s happening, and they start asking questions, and that’s what we want is people to ask questions.”

Guy videotaping from car: “This is a, this is a teacher union based walk- out.”

Student: “That is just not true, sir. You don’t even know what the APUSH changes are about.”

Brian White: “We weren’t quite aggressive enough, in my opinion, to put an end to this, and they’re being much more aggressive, and I think a lot of that has to do with the fact that they learned from the mistakes that we made in Douglas County.”

Student: “And we’re a community that likes to stand up for what we believe in.”

(Horn honks)

Brian White: “I think civil disobedience is part of our culture, part of our history, and part of what has made this country outstanding. It’s part of what’s made this country what it is.”

(Protestors cheering)

Brian White: “You know, I really believe that, even in Douglas County, that the tide is beginning to turn. Um, people are beginning to take notice of what’s going on. It’s just taken a little longer, I think, partly because we didn’t take as many aggressive actions as we should have. Teachers that are willing to take aggressive action. Students that are willing to take aggressive action. It’s all about standing up for what’s right, and... and I think that’s what it’s gonna take.”

Student: “What do we want?”

Protesters: “Truth!”

Student: “When do we want it?”

Protesters: “Now!”

Student: “Educators, not politicians!”

All: “Wooooo!!!”

(Honking, cheering)

Brian White: “I think 20 years from now, teachers will be on the right side of history. And I believe that the history books will talk about how teachers and students and informed community members stood up to, to big money interests and actually saved public education in this country, which, in my opinion is, is critical to continuing our republic... um, and continuing democracy in this country.”

(Music, honking)

Brian White: “It’s not over ‘til it’s over.”

(Music, honking)

Text on screen: During the production of this film, Brian White was asked to leave Douglas County Schools. He now teaches at a neighboring school district.

Text on screen: The following people/organizations were contacted for an interview in the film. They either did not respond, or would not agree to our requests:

Bill Gates, Michael Bloomberg, Charles and David Koch, Jeb Bush, Alex Cranberg, Ed

McVaney, Ralph Nagel, Independence Institute, Great Choice Colorado, DougCo
Champions for Kids, American Legislative Exchange Council, Colorado Representative
Chris Holbert (R)

Douglas County Schools: John Carson, Kevin Larsen, Doug Benevento, Craig
Richardson, Dan Gerkin, Meghan Silverthorne, Superintendent Elizabeth Fagen

Text on screen: This film was self-funded. No outside money was used to make this film.

[END]